As filed with the Securities and Exchange Commission on August 29, 2006

Registration No. 333-135809

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

AMENDMENT NO. 1
to
FORM S-1

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

GLOBALSTAR, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**4899**	**41-2116508**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

461 South Milpitas Blvd.
Milpitas, California 95035
Telephone (408) 933-4000

(Address, including zip code, and telephone number, including area code,
of registrant's principal executive offices)

Fuad Ahmad
Vice President and Chief Financial Officer
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(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

PROSPECTUS **SUBJECT TO COMPLETION. DATED 2006.**

Shares

GLOBALSTAR, INC.

Common Stock

This is Globalstar, Inc.'s initial public offering. We are offering shares of common stock. We expect the initial public offering price of our common stock to be between $ and $ per share.

Prior to this offering, there has been no public market for our common stock. We intend to file an application for our common stock to be listed on the under the symbol " ."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 13.

	Per Share	Total
Public Offering Price	$	$
Underwriting Discounts and Commissions	$	$
Proceeds to us	$	$

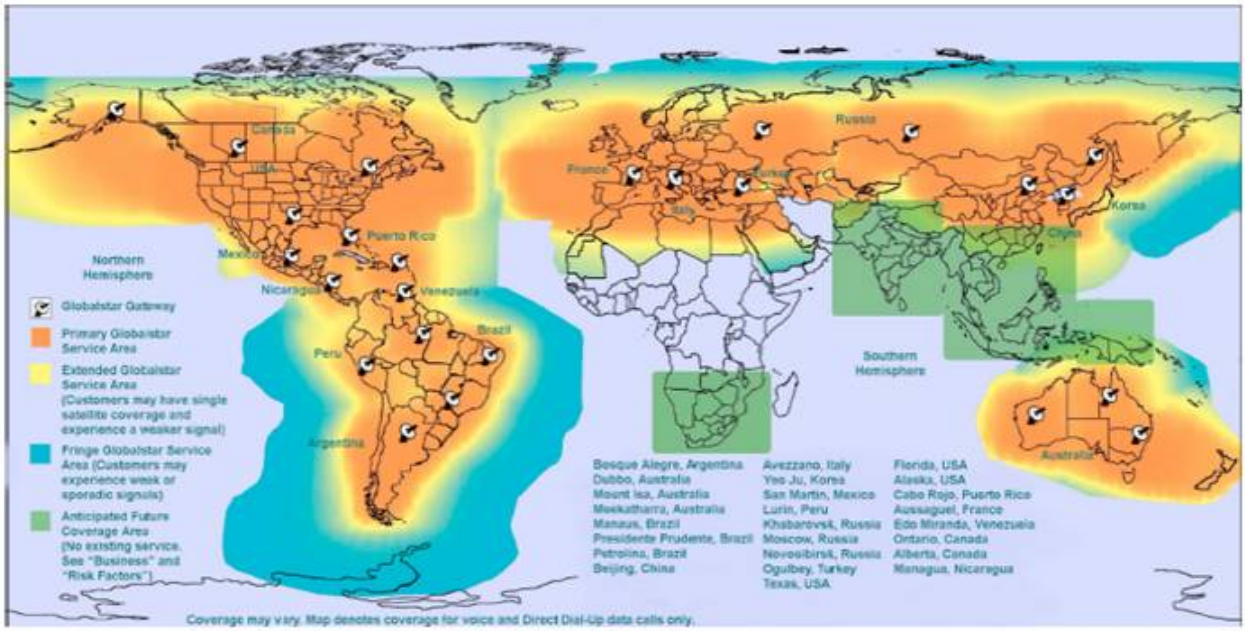
Delivery of the shares of common stock will be made on or about , 2006.

Neither the Securities and Exchange Commission, any state securities commission, nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We have granted the underwriters an option to purchase a maximum of additional shares of our common stock to cover over-allotments of shares, exercisable at any time until 30 days after the date of this prospectus.

Wachovia Securities

The date of this prospectus is , 2006.



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This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities offered hereby in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation. The information contained in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies. No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this prospectus in connection with the offer contained herein and, if given or made, such information or representations must not be relied upon as having been authorized by us. Neither the delivery of this prospectus nor any sales made hereunder shall under any circumstances create an implication that there has been no change in our affairs or that of our subsidiaries since the date hereof.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus that we consider important to investors. You should read the entire prospectus carefully, including the "Risk Factors" section and our consolidated financial statements and the related notes appearing at the end of this prospectus, before making an investment decision.

"We," "us," "our," "successor," and the "company" refer to Globalstar, Inc., the issuer of the common stock offered by this prospectus, which was previously named New Operating Globalstar LLC and Globalstar LLC, and its subsidiaries. "Old Globalstar" and "Predecessor" refer to Globalstar, L.P., a Delaware limited partnership that developed and operated our business from its formation in 1993 until our acquisition of its business and assets on December 5, 2003.

Our Business

We are a leading provider of mobile voice and data communications services via satellite, with an estimated 10.2% share of global subscribers in the mobile satellite services industry in 2005. By providing wireless services where terrestrial wireless and wireline networks do not, we seek to address our customers' increasing desire for connectivity and reliable service at all times and locations. Using 43 in-orbit satellites and 25 ground stations, which we refer to as gateways, we offer voice and data communications services to government agencies, businesses and other customers in over 120 countries. Sixteen of these gateways are operated by unaffiliated companies, which we refer to as independent gateway operators and which purchase communications services from us on a wholesale basis for resale to their customers.

We currently provide the following telecommunications services:

- two-way voice communication between mobile or fixed handsets or user terminals sold by us and other mobile and fixed devices;
- two-way data transmissions (which we call duplex) between mobile and fixed data modems; and
- one-way data transmissions (which we call Simplex) between a mobile device that transmits its location or other telemetry information and a central monitoring station.

We hold licenses to operate a wireless communications network via satellite over 27.85 MHz, comprised of two blocks of contiguous global radio frequencies. We refer to our licensed radio frequencies as our "spectrum." We believe our large blocks of spectrum will permit us to capitalize on existing and emerging wireless and broadband applications globally.

We are licensed by the U.S. Federal Communications Commission, or the FCC, to provide an ancillary terrestrial component, known as ATC services, in combination with our existing communication services. Currently, our ATC license permits us to use 11 MHz of our licensed spectrum to combine our satellite-based communications network with a terrestrial cellular-like network. This will enable us to address a broader market for our services and products by providing services where satellite services generally do not function, such as urban areas and inside buildings. We have applied to the FCC for authority to provide ATC services over the full 27.85 MHz of our spectrum. Our current network is capable of supporting ATC services. We are currently evaluating products and are selectively exploring opportunities with targeted media, technology and communications companies to develop further the potential of our ATC-licensed spectrum. In addition, regulatory authorities outside of the United States are reviewing ATC-like rulings, and we are beginning to explore selectively capitalizing on these rulings. We expect to be among the first to offer ATC services commercially, potentially as soon as late 2007.

Our services are available only with equipment designed to work on our network. The equipment we offer to our customers consists principally of:

- mobile telephones;
- fixed telephones;
- telephone accessories, such as car kits and chargers; and
- data modems.

We continually work with our manufacturers to improve the equipment we sell. We expect to commence offering our next generation of mobile phones in late 2006.

At June 30, 2006, we served approximately 236,500 subscribers, which represented a 50% increase since June 30, 2005. We count "subscribers" based on the number of devices that are subject to agreements which entitle them to use our voice or data communication services rather than the number of persons or entities who own or lease those devices. We believe the heightened demand for reliable communications services, particularly in the wake of the September 11, 2001 terrorist attacks, the December 2004 Asian tsunami and the U.S. Gulf Coast hurricane activity in 2004 and 2005, will continue to drive our strong growth in sales of both voice and data services. We have a diverse subscriber base, including subscribers in the following markets:

- government, public safety and disaster relief;
- recreation and personal;
- maritime and fishing;
- business, financial and insurance;
- natural resources, mining and forestry;
- oil and gas;
- construction;
- utilities; and
- transportation.

According to a Gartner, Inc. report published in November 2005, we are one of two key mobile satellite service providers whose networks can deliver voice and data communication services over most of the world's landmass.

We believe that our distribution network provides broad coverage over our target customer base. We utilize a large network of dealers and agents, including over 850 in territories we serve directly. We also use resellers, including independent gateway operators, to sell the full range of our voice and data products and services where we do not market directly.

For the year ended December 31, 2005 and the six months ended June 30, 2006, our average monthly revenue per user (measured by the number of devices in service) was $68.11 and $56.84, respectively, for retail subscribers, compared to $67.93 and $66.52 for the year ended December 31, 2004 and the six months ended June 30, 2005, respectively. The decline in average monthly revenue per user for the six months ended June 30, 2006 resulted from increased sales of our prepaid service plans, called our Liberty Plans, under which we recognize revenue as minutes are used or expire. We expect the average revenue per retail subscriber will increase as minutes are used or expire. Retail subscribers exclude subscribers we serve through independent gateway operators and Simplex service subscribers. For both the year ended December 31, 2005 and the six months ended June 30, 2006, our cost per gross addition (our cost of obtaining a new subscriber) was approximately $248 compared to $230 and $334 for

the year ended December 31, 2004 and the six months ended June 30, 2005, respectively. See Notes 6 and 9 to "—Summary Historical Consolidated Financial and Other Data" for information on the calculations of average monthly revenue per user and cost per gross addition.

We believe that we offer our customers higher quality voice and data services at a lower price than our principal mobile satellite services competitors. We also believe that the quality and price of our services have contributed to our low average monthly customer turnover ("churn rate") of approximately 1.3% and 1.1% during the year ended December 31, 2005 and the six months ended June 30, 2006, respectively, compared to the average monthly churn rate for the top four U.S. wireless carriers of approximately 2.1% for 2005. See Note 7 to "—Summary Historical Consolidated Financial and Other Data" for information on the calculation of churn rate.

Our satellite constellation was launched in the late 1990s. We intend to launch eight spare satellites in 2007 to supplement those currently in orbit. We believe that, as supplemented, our constellation will continue to provide commercially acceptable service at least into 2010, by which time we expect to have procured and deployed our second-generation satellite constellation.

We are currently in the process of designing and procuring our second-generation satellite constellation, which we expect will extend the life of our network until approximately 2025. We believe that our second-generation satellites will improve our ability to support new applications and services. We expect these services to be available on a broad range of new customer devices that will be significantly smaller in size, lighter in weight and less expensive than existing mobile satellite services equipment. We believe this expanded service portfolio and advanced equipment offering will significantly expand the target market for our services.

We recorded $127.1 million and $68.7 million in revenue and $18.7 million and $21.7 million in net income during the year ended December 31, 2005 and the six months ended June 30, 2006, respectively, compared to $84.4 million and $50.3 million in revenue and $0.4 million and $2.9 million in net income for the year ended December 31, 2004 and the six months ended June 30, 2005, respectively. Net income for the first six months of 2006 included an income tax benefit of $21.4 million relating to the establishment of deferred tax assets and liabilities upon our election in January 2006 to be taxed as a C corporation. We and Old Globalstar incurred net losses aggregating $266.4 million for the year December 31, 2003. At August 16, 2006, our outstanding indebtedness was $18.7 million, consisting principally of revolving credit loans under our credit agreement. If we had borrowed the remainder of the committed funds under our credit agreement, our indebtedness would have been $151.4 million. Upon completion of this offering, James Monroe III, our chairman and chief executive officer, will be the beneficial owner of approximately % of our outstanding common stock and will be able to control the election of all of the members of our board of directors and the vote on substantially all other matters.

Industry

We compete in the mobile satellite services sector of the global communications industry. Mobile satellite services operators provide voice and data services using a network of satellites and ground facilities. Mobile satellite services are usually complementary to, and interconnected with, other forms of terrestrial communications services and infrastructure and are intended to respond to users' desires for connectivity at all times and locations. Customers typically use satellite voice and data communications in situations where existing terrestrial wireline and wireless communications networks are impaired or do not exist.

Over the past two decades, the global mobile satellite services market has experienced significant growth. According to the Gartner report, satellite phones are increasingly the communications technology of choice for first responders, military, businesses, governments and non-governmental agencies. Furthermore, Gartner has predicted that wireline and wireless carriers will increasingly consider augmenting their communication portfolios by aligning themselves with mobile satellite service providers.

Communications industry sectors that are relevant to our business include:

- mobile satellite services, which provide customers with connectivity to mobile and fixed devices using a network of satellites and ground facilities;

- fixed satellite services, which use geostationary satellites to provide customers with voice and broadband communications links between fixed points on the earth's surface; and

- terrestrial services, which use a terrestrial network to provide wireless or wireline connectivity and are complementary to satellite services.

We obtained the industry, market and competitive position data throughout this prospectus from our own internal estimates and research as well as from industry and general publications and from research, surveys and studies conducted by third parties, including Gartner, Inc., Northern Sky Research, LLC, Telecom, Media and Finance Associates, Inc., and Frost & Sullivan. Old Globalstar paid Frost & Sullivan $13,400 to prepare its report, which was published in 2002. Copies of these reports are now publicly available from Gartner, Northern Sky Research, Telecom, Media and Finance Associates and Frost & Sullivan upon payment of a nominal fee. Industry publications, studies and surveys generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information.

Competitive Strengths

We believe that our competitive strengths position us to enhance our growth and profitability:

Key Markets. We focus on selected underserved public and private sector markets and on customers in these markets that generate high average revenue per user and, therefore, higher revenue growth for our company. Our largest markets are government (including federal, state and local agencies), public safety and disaster relief; recreation and personal; maritime and fishing; and business, financial and insurance.

Service and Product Offerings. We believe we are able to retain our current customers and attract new customers because of our pricing plans and the voice quality of our network. We offer pricing plans with rates as low as $0.14 per minute.

Distribution Network. Our distribution network provides broad coverage of our target subscriber base in over 120 countries. We sell our services directly in over 25 countries and on a wholesale basis in over 60 additional countries.

Existing Global Satellite Communications Network. Our constellation of low earth orbit satellites and terrestrial gateways has been in commercial operation since 2000 and serves as the backbone of our communications network. We believe our existing network is capable of handling the expected growth in demand for our services.

Broad, Contiguous Spectrum Holdings. We hold licenses to operate a wireless communications network via satellites over 27.85 MHz in two blocks of contiguous global spectrum. Because our spectrum can support advanced wireless technologies, we believe we will be able to deploy an ATC network cost effectively.

ATC Services Capability. We believe the ability of our current satellites and ground stations to support ATC services will allow us to be among the first to introduce these services.

International Spectrum Licenses. We have access to our 27.85 MHz of 1.6 and 2.4 GHz frequencies globally, while most of our competitors only have access to spectrum frequencies regionally, which will afford us economies of scale when introducing ATC and other new mobile communications services.

Strategic Relationship with QUALCOMM. We are the only satellite network operator currently using the patented QUALCOMM Incorporated CDMA technology, which permits the dynamic selection of the strongest signal available and produces a higher audio quality than our principal competitor's technology.

Experienced Management Team. Our senior management team combines experts in wireless and wireline communications with pioneers in the fields of satellite engineering and satellite operations. Our senior satellite managers have 22 to 43 years of experience in satellite engineering and satellite operations. Our senior communications managers have 12 to 18 years of experience in the telecommunications industry.

Our Growth Strategy

Our goal is to be the leading global provider of mobile voice and data communications solutions via satellite. We intend to achieve this objective by:

Continuing Rapid and Profitable Growth of Our Subscriber Base. In 2005, we added approximately 54,000 net subscribers, a 39% growth rate over the number of subscribers at the end of 2004, and in the six months ended June 30, 2006, we added approximately 41,000 net subscribers. We intend to continue to increase our penetration of the growing mobile satellite services market and our market share of key markets by continuing to provide competitive service and product offerings and utilizing our existing distribution network.

Improving Our Profitability by Consolidating Our International Distribution Chain. Over the past four years, we have acquired five independent gateway operators in strategic geographic regions. We believe that our independent gateway operator consolidation strategy will better position us to market our services directly to multinational customers requiring a global communications provider and will increase our overall profitability by allowing us to sell most of our services directly to subscribers at retail prices.

Expanding Our Coverage and Upgrading Our Service Offerings. We intend to continue to increase the quality and availability of our services by selectively adding gateways to our network. We also plan, beginning in 2009, to deploy a second-generation satellite constellation and to upgrade our existing ground facilities to handle broadband data, faster transmission speeds and new hybrid applications.

Developing Next-Generation Devices. In late 2006, we expect to begin selling more technologically advanced satellite phones and data products tailored to meet our customers' evolving service needs and to stimulate additional demand for our services.

Exploring Opportunities to Maximize the Value of Our Spectrum. We expect the market for wireless applications to continue to grow along with the development of new products capable of transmitting new forms of media and data. We are exploring relationships with a range of communications and media companies to enable us to be among the first in our industry to utilize our spectrum and ATC license for wireless voice, data and video applications.

Exploiting Our International Spectrum. As a result of our authorization to use our assigned frequencies globally, we believe we are well positioned to advocate for the adoption of rules and regulations that would allow us to use our spectrum for ATC-like services around the world.

Company History

Our network, originally owned by Old Globalstar, was designed, built and launched in the late 1990s by a technology partnership led by Loral Space and Communications and QUALCOMM. On February 15, 2002, Old Globalstar and three of its subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code. In 2004, Thermo Capital Partners L.L.P., which owns and operates companies in diverse business sectors and is referred to in this prospectus, together with its affiliates, as Thermo,

became our principal owner, and we completed the acquisition of the business and assets of Old Globalstar. We refer to this transaction as the "Reorganization."

We were formed as a Delaware limited liability company in November 2003, and were converted into a Delaware corporation on March 17, 2006. Unless we specifically state otherwise, all information in this prospectus is presented as if we were a corporation throughout the relevant periods.

Our executive offices are located at 461 South Milpitas Boulevard, Milpitas, California 95035, and our telephone number is (408) 933-4000. We maintain a website at *www.globalstar.com*. Information contained on this website does not constitute part of this prospectus.

Recent Developments

On August 16, 2006, we entered into an amended and restated credit agreement providing for $150.0 million in the form of a five-year term loan and a four-year revolving credit facility. As of June 30, 2006, our outstanding borrowings under the credit agreement were $15.0 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Agreement." The credit agreement also permits us to incur additional term loans on an equally and ratably secured, *pari passu*, basis in an aggregate amount of up to $150.0 million. We have not received any commitments for these additional term loans.

In connection with our credit agreement, we entered into an irrevocable standby stock purchase agreement with Thermo Funding Company LLC, an affiliate of Thermo, pursuant to which Thermo Funding Company agreed to purchase on or before December 31, 2011 up to shares of our common stock for an aggregate purchase price of approximately $200.0 million under certain circumstances, including as may be necessary to enable us to comply with the minimum liquidity and forward fixed charge coverage ratio tests in our credit agreement, to cure defaults in payment of regularly scheduled principal or interest under our credit agreement and to enable us to meet the milestone tests in our credit agreement for receipt of proceeds from the sale of our common stock. Thermo Funding Company also has the right to purchase this common stock at any time during the term of the standby stock purchase agreement. Thermo Funding Company agreed to secure its obligations under the standby stock purchase agreement by placing in escrow cash and marketable securities with a value equal to 110% of its commitment. As required by the pre-emptive rights provisions then contained in our certificate of incorporation, we offered existing stockholders who were accredited investors (as defined under the Securities Act) the opportunity to participate in the transaction contemplated by the standby stock purchase agreement on a pro rata basis on substantially the same terms as Thermo Funding. The terms of this offering were set forth in a private placement memorandum mailed to these stockholders. These stockholders agreed to purchase up to additional shares of our common stock for an aggregate purchase price of $. See "Certain Relationships and Related Party Transactions—Irrevocable Standby Stock Purchase Agreement."

The Offering

Shares of common stock offered by Globalstar, Inc.	shares, which would constitute % of our outstanding common stock after this offering, assuming no exercise of the underwriters' over-allotment option.
Shares of common stock to be outstanding after this offering	shares.
Over-allotment option	shares.
Use of proceeds	We estimate that the net proceeds from this offering, after deducting underwriting discounts and estimated offering expenses, will be approximately $ million, assuming the shares are offered at $ per share, which is the mid-point of the estimated offering price range set forth on the cover page of this prospectus. Except for funding a $685,848 dividend to Thermo as described in "Dividend Policy and Restrictions," we intend to use the entire net proceeds from this offering to fund in part the procurement and launch of our second-generation satellite constellation and related upgrades to our gateways and other ground facilities. We estimate that the cost to procure and launch these satellites and upgrade these facilities will be approximately $1.0 billion to $1.2 billion. We intend to fund the balance of those costs principally from borrowings of the delayed draw term loans under our credit agreement and cash generated by our business. We intend to use any net proceeds we receive from any shares sold pursuant to the underwriters' over-allotment option for the same purpose. See "Use of Proceeds" and "Dividend Policy and Restrictions."
Dividend policy	Other than the distribution to Thermo referred to above and the -for-one stock split described below, we do not presently anticipate paying any dividends on our common stock. Our credit agreement currently prohibits the payment of cash dividends.
Proposed symbol	" ."

Unless we specifically state otherwise, all information in this prospectus:

- assumes no exercise by the underwriters of their over-allotment option;
- reflects a -for-one stock split to be effective prior to this offering;

- excludes shares of common stock reserved for issuance under the Globalstar, Inc. 2006 Equity Incentive Plan, none of which have been issued as of the date of this prospectus; we expect to issue shares of restricted stock under this plan upon completion of this offering; and

- excludes shares of common stock reserved for issuance under the irrevocable standby stock purchase agreements described in "Certain Relationships and Related Party Transactions—Irrevocable Standby Stock Purchase Agreement."

Risk Factors

Investing in our common stock involves substantial risk. You should carefully consider all of the information set forth in this prospectus and, in particular, you should evaluate the specific factors set forth under "Risk Factors" before deciding whether to invest in our common stock.

Summary Historical Consolidated Financial and Other Data

The following table presents our summary historical consolidated financial information and other data for the period from January 1, 2003 through December 4, 2003, the period from December 5, 2003 through December 31, 2003, the years ended December 31, 2004 and 2005 and the six months ended June 30, 2005 and 2006, and as of December 31, 2003, 2004 and 2005 and June 30, 2006. Our summary historical consolidated financial information for the period from January 1, 2003 to December 4, 2003 (Predecessor), the period from December 5, 2003 to December 31, 2003 (Successor), and the years ended December 31, 2004 and 2005 (Successor), and as of December 31, 2004 and 2005, has been derived from our audited consolidated financial statements which are included in this prospectus. Our summary historical consolidated financial information for the six months ended June 30, 2005 and 2006, and as of June 30, 2006, is derived from our unaudited consolidated financial statements which also are included in this prospectus. In the opinion of management, the unaudited financial information includes all adjustments, consisting of only normal recurring adjustments, considered necessary for a fair presentation of this information. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the entire year.

The column in the following table entitled "Predecessor" contains financial information with respect to the business and operations of Old Globalstar for periods prior to December 5, 2003, the date on which we obtained control of its assets.

For all periods presented ended on or before December 31, 2005, we and Predecessor operated as a limited partnership or limited liability company and were not subject to U.S. federal and certain state income taxes. Our historical income tax expense consisted only of certain foreign, state and local income taxes. On January 1, 2006, we elected to become subject to U.S. federal and certain state and local income taxes applicable to C corporations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Income Taxes" and Note 13 to our consolidated financial statements.

You should read the summary historical consolidated financial and other data set forth below together with our consolidated financial statements and the related notes, "Selected Historical Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," all included elsewhere in this prospectus. The summary historical consolidated financial information and other data set forth below are not necessarily indicative of the results of future operations.

	Predecessor	Successor				
			Year Ended December 31,		Six Months Ended June 30,	
	January 1 through December 4, 2003	December 5 through December 31, 2003	2004	2005	2005	2006
					(unaudited)	
	(Dollars in thousands, except for per share data, average monthly revenue per user, average monthly churn rate and cost per gross addition)					
Statement of Operations Data:						
Revenue:						
Service revenue	$ 40,048	$ 2,387	$ 57,927	$ 81,472	$ 34,965	$ 42,202
Subscriber equipment sales(1)	16,295	1,470	26,441	45,675	15,360	26,539
Total revenue	56,343	3,857	84,368	127,147	50,325	68,741
Operating Expenses:						
Cost of services (exclusive of depreciation and amortization shown separately below)	26,629	1,931	25,208	25,432	13,780	13,888
Cost of subscriber equipment sales(2)	12,881	635	23,399	38,742	12,216	25,769
Marketing, general and administrative	28,814	4,950	32,151	37,945	16,626	20,691
Restructuring	5,381	690	5,078	—	—	—
Depreciation and amortization	31,473	125	1,959	3,044	1,240	2,698
Impairment of assets	211,854	—	114	114	39	—
Total operating expenses	317,032	8,331	87,909	105,277	43,901	63,046
Operating Income (Loss)	(260,689)	(4,474)	(3,541)	21,870	6,424	5,695
Interest income	7	7	58	242	62	366
Interest expense(3)	(1,513)	(131)	(1,382)	(269)	(194)	(108)
Other	485	44	921	(622)	(538)	(1,760)
Total other income (expense)	(1,021)	(80)	(403)	(649)	(670)	(1,502)
Income (loss) before income taxes	(261,710)	(4,554)	(3,944)	21,221	5,754	4,193
Income tax expense (benefit)	170	(37)	(4,314)	2,502	2,898	(17,459)
Net Income (Loss)	$ (261,880)	$ (4,517)	$ 370	$ 18,719	$ 2,856	$ 21,652
Earnings (Loss) Per Share Data(4):						
Earnings (loss) per common share—basic	N/A	$ (0.45)	$ 0.04	$ 1.82	$ 0.28	$ 2.10
Earnings (loss) per common share—diluted	N/A	$ (0.45)	$ 0.04	$ 1.81	$ 0.28	$ 2.09
Weighted average shares—basic	N/A	10,000,000	10,077,320	10,309,278	10,309,278	10,326,318
Weighted average shares—diluted	N/A	10,000,000	10,077,320	10,325,979	10,325,979	10,381,270
Pro Forma C Corporation Data(5) (unaudited):						
Historical income before income taxes	N/A	N/A	N/A	$ 21,221	$ 5,754	N/A
Pro forma income tax expense	N/A	N/A	N/A	6,931	3,656	N/A
Pro forma income	N/A	N/A	N/A	$ 14,290	$ 2,098	N/A
Pro forma earnings per share—basic	N/A	N/A	N/A	$ 1.39	$ 0.20	N/A
Pro forma earnings per share—diluted	N/A	N/A	N/A	$ 1.38	$ 0.20	N/A
Weighted average shares—basic	N/A	N/A	N/A	10,309,278	10,309,278	N/A
Weighted average shares—diluted	N/A	N/A	N/A	10,325,979	10,325,979	N/A
Other Data (for the period) (unaudited):						
Average monthly revenue per user(6)						
Retail	$ 69.72	$ 62.90	$ 67.93	$ 68.11	$ 66.52	$ 56.84
Independent gateway operators	11.46	9.72	9.88	10.70	8.95	8.12
Simplex	N/A	N/A	9.84	6.58	5.28	3.99
Number of subscribers	105,571	109,503	141,450	195,968	158,071	236,515
Average monthly churn rate(7)	0.85%	1.24%	1.60%	1.30%	1.07%	1.06%
EBITDA(8)	$ (228,731)	$ (4,305)	$ (661)	$ 24,292	$ 7,126	$ 6,633
Capital expenditures	$ 1,058	$ 10	$ 4,015	$ 9,885	$ 2,740	$ 42,480
Cost per gross addition(9)	$ 262	$ 200	$ 230	$ 248	$ 334	$ 248

	As of December 31, 2003	As of December 31, 2004	As of December 31, 2005	As of June 30, 2006
				(unaudited)
		(In thousands)		
Balance Sheet Data:				
Cash and cash equivalents	$ 20,026	$ 13,330	$ 20,270	$ 21,074
Total assets	$ 48,214	$ 63,897	$ 113,545	$ 196,232
Long-term debt(10)	$ 3,426,338	$ 3,278	$ 631	$ 15,504
Ownership equity (deficit)	$ (3,415,195)	$ 40,421	$ 71,430	$ 114,398

(1) Includes related party sales of $440 for the year ended December 31, 2005.

(2) Includes costs of related party sales of $314 for the year ended December 31, 2005.

(3) Includes related party amounts of $337 (January 1, 2003 - December 4, 2003), $131 (December 5, 2003 - December 31, 2003), $1,324 (year ended December 31, 2004), $176 (year ended December 31, 2005), and $117 and $0 (six months ended June 30, 2005 and 2006, respectively).

(4) Basic and diluted earnings (loss) per share have been calculated in accordance with the Securities and Exchange Commission rules for initial public offerings which require that the weighted average shares calculation give retroactive effect to any changes in our capital structure. Therefore, weighted average shares for purposes of the basic and diluted earnings per share calculation, have been adjusted to reflect the -for-one stock split we expect to effect immediately prior to this offering.

(5) Prior to January 1, 2006, we and Predecessor were treated as a partnership for federal income tax purposes. A partnership passes through essentially all taxable income and losses to its partners or members and does not pay federal income taxes at the partnership level. Historical income tax expense consists mainly of foreign, state and local income taxes. On January 1, 2006, we elected to be taxed as a C corporation. For comparative purposes, we have included a pro forma provision for income taxes assuming we (or Predecessor) had been taxed as a C corporation for the year ended December 31, 2005 and the six months ended June 30, 2006. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Income Taxes" and Note 13 to our consolidated financial statements.

(6) Average monthly revenue per user measures service revenues per month divided by the average number of subscribers during that month. Average monthly revenue per user as so defined may not be similar to average monthly revenue per user as defined by other companies in our industry, is not a measurement under GAAP and should be considered in addition to, but not as a substitute for, the information contained in our statement of operations. We believe that average monthly revenue per user provides useful information concerning the appeal of our rate plans and service offerings and our performance in attracting and retaining high value customers.

(7) We define churn rate as the aggregate number of our retail subscribers (excluding Simplex customers and customers of the independent gateway operators) who cancel service during a month, divided by the average number of retail subscribers during the month. Others in our industry may calculate churn rate differently. Churn rate is not a measurement under GAAP and should be considered in addition to, but not as a substitute for, the information contained in our statement of operations. We believe that churn rate provides useful information concerning customer satisfaction with our services and products.

(8) EBITDA represents earnings before interest, income taxes, depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to GAAP measurements, such as net income, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies.

We use EBITDA as the primary measurement of our operating performance because, by eliminating interest, taxes and the non-cash items of depreciation and amortization, we believe it best reflects changes across time in our performance, including the effects of pricing, cost control and other operational decisions. Our management uses EBITDA for planning purposes, including the preparation of our annual operating budget. We believe that EBITDA also is useful to investors because it is frequently used by securities analysts, investors and other interested parties in their evaluation of companies in industries similar to ours. As indicated, EBITDA does not include interest expense on borrowed money or depreciation expense on our capital assets or the payment of taxes, which are necessary elements of our operations. Because EBITDA does not account for these expenses, its utility as a measure of our operating performance has material limitations. Because of these limitations, management does not view EBITDA in isolation and also uses other measures, such as net income, revenues and operating profit, to measure operating performance.

The following is a reconciliation of EBITDA to net income (loss):

	Predecessor	Successor				
			Year Ended December 31,		Six Months Ended June 30,	
	January 1 through December 4, 2003	December 5 through December 31, 2003	2004	2005	2005	2006
	(In thousands)					
Net income (loss)	$ (261,880)	$ (4,517)	$ 370	$ 18,719	$ 2,856	$ 21,652
Interest expense (income), net	1,506	124	1,324	27	132	(258)
Income tax expense (benefit)(a)	170	(37)	(4,314)	2,502	2,898	(17,459)
Depreciation and amortization	31,473	125	1,959	3,044	1,240	2,698
EBITDA	$ (228,731)	$ (4,305)	$ (661)	$ 24,292	$ 7,126	$ 6,633

(a) See Note 5 above.

The following table provides supplemental information as to unusual and other items that are reflected in EBITDA:

	Predecessor	Successor				
			Year Ended December 31,		Six Months Ended June 30,	
	January 1 through December 4, 2003	December 5 through December 31, 2003	2004	2005	2005	2006
	(In thousands)					
Satellite failures(a)	$ 2,527	—	$ 114	$ 114	$ 39	—
ELSACOM settlement(b)	$ 744	—	—	—	—	—
Pension adjustment(c)	$ 941	—	—	—	—	—
UT writeoff recovery(d)	$ (103)	—	—	—	—	—
Asset impairment(e)	$ 211,854	—	—	—	—	—
Restructuring (other)(f)	$ 5,381	$ 690	$ 5,078	—	—	—

(a) Represents a write-off for failed satellites.

(b) Represents a write-off in settlement of an overdue gateway receivable from an independent gateway operator.

(c) Represents the benefit of pension and benefit adjustments.

(d) Represents the recovery of overdue accounts receivable previously written off.

(e) Represents an impairment charge related to allocation of the price we paid in the Reorganization for the assets and business of Old Globalstar.

(f) Represents costs relating to the restructuring of Old Globalstar that we assumed in the Reorganization.

(9) We define cost per gross addition as total sales and marketing costs and agent and internal salesperson commissions in a given period relating to retail customers divided by the total number of retail subscriber activations over the same period. Cost per gross addition is not a measurement under GAAP and should be considered in addition to, but not as a substitute for, the information contained in our statement of operations. We believe that cost per gross addition provides useful information concerning the cost of increasing our number of subscribers.

(10) Includes liabilities subject to compromise as of December 31, 2003 in the amount of $3,421,967.

RISK FACTORS

An investment in our common stock involves risks. You should carefully consider the risks described below, together with the other information in this prospectus, before you make a decision to purchase our common stock.

Risks Relating to Our Business

Implementation of our business plan depends on increased demand for wireless communications services via satellite, both for our existing services and products and for new services and products. If this increased demand does not occur, our revenues and profitability may not increase as we expect.

Demand for wireless communication services via satellite may not grow, or may even shrink, either generally or in particular geographic markets, for particular types of services, or during particular time periods. A lack of demand could impair our ability to sell our services and to develop and successfully market new services, could exert downward pressure on prices, or both. This, in turn, could decrease our revenues and profitability and our ability to increase our revenues and profitability over time.

If we can integrate ATC services with our existing business, we will be able to use the spectrum currently licensed to us to provide telecommunications through both our satellite and ground station system and through a terrestrial-based cellular system. If successful, this will allow us to address a broader market for our products and services by allowing us to provide communications services where satellite-based service is impractical, such as in urban areas and inside buildings, thereby increasing our revenue and profitability and the value of our licenses. However, neither we nor any other company has yet successfully integrated ATC services with satellite services, and we may be unable to do so. If we fail to do so, we will not obtain the benefits described above and any investment we make in developing ATC services will be lost.

The success of our business plan, including the integration of ATC services within our existing business, will depend on a number of factors, including:

- the level of market acceptance and demand for all of our services;
- our ability to introduce new services and products that meet this market demand;
- our ability to obtain additional business using our existing spectrum resources both in the United States and internationally;
- our ability to control the costs of developing an integrated network providing related products and services;
- our ability to integrate our satellite services with ATC services, to develop our second-generation satellites, and to upgrade our ground facilities consistent with various regulations governing ownership and operation of satellite assets and ATC services;
- our ability to partner with others, if necessary, to maximize the value of our ATC license;
- our ability to develop and deploy innovative network management techniques to permit mobile devices to transition between satellite and terrestrial modes;
- our ability to maintain the health, capacity and control of our existing satellite network, including the successful launch of spare satellites;
- our ability to contract for the design, construction, delivery and launch of our second-generation satellites and, once launched, our ability to maintain their health, capacity and control; and
- the effectiveness of our competitors in developing and offering similar services and products.

We depend in large part on the efforts of third parties for the retail sale of our services and products. The inability of these third parties to sell our services and products successfully may decrease our revenue and profitability.

For the year ended December 31, 2005, approximately 86% of our U.S. revenue and almost 100% of our non-U.S. revenue was derived from products and services sold through independent agents, dealers and resellers, including, outside the United States, independent gateway operators. If these third parties are unable to continue to improve their ability to market our products and services successfully, our revenue and profitability may decrease.

We depend on independent gateway operators to market our services in important regions around the world. If the independent gateway operators are unable to do this successfully, we will not be able to grow our business in those areas as rapidly as we expect.

Although we derive most of our revenue from retail sales to end users in the United States, Canada, a portion of Western Europe, Central America and the northern portion of South America, either directly or through agents, dealers and resellers, we depend on independent gateway operators to purchase, install, operate and maintain gateway equipment, to sell phones and data user terminals, and to market our services in other regions where these independent gateway operators hold exclusive or non-exclusive rights. Not all of the independent gateway operators have been successful and, in some regions, they have not initiated service or sold as much usage as originally anticipated. Some of the independent gateway operators are not earning revenues sufficient to fund their operating costs. Although we have implemented a strategy for the acquisition of certain independent gateway operators when circumstances permit, we may not be able to continue to implement this strategy on favorable terms and may not be able to realize the additional efficiencies that we anticipate from this strategy. In some regions it is impracticable to consolidate the independent gateway operators either because local regulatory requirements or business or cultural norms do not permit consolidation, because the expected revenue increase from consolidation would be insufficient to justify the transaction, or because the independent gateway operator will not sell at a price acceptable to us. In those regions, our revenue and profits may be adversely affected if those independent gateway operators do not fulfill their own business plans to increase substantially their sales of services and products.

We currently are unable to offer service in important regions of the world due to the absence of gateways in those areas, which is limiting our growth and our ability to compete.

Our objective is to establish a worldwide service network, either directly or through independent gateway operators, but to date we have been unable to do so in certain areas of the world and we may not succeed in doing so in the future. We have been unable to find capable independent gateway operators for several important regions and countries, including Central and South Africa, India, Malaysia and Indonesia, the Philippines and certain other parts of Southeast Asia. In addition to the lack of global service availability, cost-effective roaming is not yet available in certain countries because the independent gateway operators have been unable to reach business arrangements with one another. This could reduce overall demand for our products and services and undermine our value for potential users who require service in these areas.

Rapid and significant technological changes in the satellite communications industry may impair our competitive position and require us to make significant additional capital expenditures.

The hardware and software utilized in operating our gateways were designed and manufactured over 10 years ago and portions are becoming obsolete. As they continue to age, they may become less reliable and will be more difficult and expensive to service. Although we maintain inventories of spare parts, it nonetheless may be difficult or impossible to obtain all necessary replacement parts for the hardware. Our business plan contemplates updating or replacing this hardware and software, but we may not be

successful in these efforts, and the cost may exceed our estimates. We may face competition in the future from companies using new technologies and new satellite systems. The space and communications industries are subject to rapid advances and innovations in technology. New technology could render our system obsolete or less competitive by satisfying consumer demand in more attractive ways or through the introduction of incompatible standards. Particular technological developments that could adversely affect us include the deployment by our competitors of new satellites with greater power, greater flexibility, greater efficiency or greater capabilities, as well as continuing improvements in terrestrial wireless technologies. For us to keep up with technological changes and remain competitive, we may need to make significant capital expenditures. Customer acceptance of the services and products that we offer will continually be affected by technology-based differences in our product and service offerings. New technologies may be protected by patents or other intellectual property laws and therefore may not be available to us.

Our satellites have a limited life and may fail prematurely, which would cause our network to be compromised and materially and adversely affect our business, prospects and profitability.

Since the first Old Globalstar satellites were launched in 1998, nine have failed in orbit, and others may fail in the future. In-orbit failure may result from various causes, including component failure, loss of power or fuel, inability to control positioning of the satellite, solar or other astronomical events, including solar radiation and flares, and space debris. As our constellation has aged, the quality of our satellites' signals has diminished, and may continue to diminish, adversely affecting the reliability of our service, which could adversely affect our results of operations, cash flow and financial condition. Although we do not incur any direct cash costs related to the failure of a satellite, if a satellite fails, we record an impairment charge reflecting its net book value.

We have been advised by our customers and others of temporary intermittent losses of signal cutting off calls in progress or preventing completions of calls when made. If these problems increase, they could affect adversely our business and our ability to complete our business plan.

Other factors that could affect the useful lives of our satellites include the quality of construction, gradual degradation of solar panels and the durability of components. Radiation induced failure of satellite components may result in damage to or loss of a satellite before the end of its expected life. As a result, fewer than 43 of our in-orbit satellites may be fully functioning at any time.

Old Globalstar launched our first-generation constellation beginning in 1998 and ending in 2000. Eight of our nine satellite failures have been attributed to a common anomaly in the satellite communications subsystem S-band antenna. This anomaly has occurred in 16 of our other satellites, a majority of which have been or are in the process of being returned to service. In part as a response to this anomaly, we reduced our operating constellation structure from a "Walker" 48 (six satellites in each of eight planes) to a "Walker" 40 (five satellites in each of eight planes). A majority of our satellites also have experienced other anomalies which have not yet severely impacted services to customers but which may in the future limit the capacity of our existing network. We may be required in the future to make further changes to the structure of our constellation to maintain or improve its performance or to accommodate the launch of our eight spare satellites. Any such changes will require FCC approval. In addition, from time to time we may reposition our satellites within the constellation in order to optimize our service, which could result in degraded service during the repositioning period.

Although there are some remote tools we use to remedy certain types of problems affecting the performance of our satellites, the physical repair of satellites in space is not feasible. We do not insure our satellites against in-orbit failures, whether such failures are caused by internal or external factors.

A natural disaster could diminish our ability to provide communications service.

Natural disasters could damage or destroy our ground stations resulting in a disruption of service to our customers. We currently have the technology to safeguard our antennas and protect our ground stations during natural disasters such as a hurricane, but the collateral effects of such disasters such as flooding may impair the functioning of our ground equipment. During the Gulf Coast hurricane activity in 2005, the operations at our gateway located in Sebring, Florida were impaired temporarily, causing a temporary degradation of the service level in the affected area. If a future natural disaster impairs or destroys any of our ground facilities, we may be unable to provide service to our customers in the affected area for a period of time.

In addition, even if our gateways are not affected by natural disasters, our service could be disrupted if a natural disaster damages the public switch telephone network or our ability to connect to the public switch telephone network.

We may not be able to launch our satellites successfully. Loss of a satellite during launch could delay or impair our ability to offer our services or reduce our revenues, and launch insurance, even if it is available, will not cover fully this risk.

We intend to insure the launch of our eight spare satellites to supplement our existing low earth orbit constellation, but we do not, and do not intend to, insure our existing satellites during their remaining in-orbit operational lives. We anticipate our eight spare satellites will be launched on two rockets, each carrying four satellites. Launch insurance currently costs approximately 5% to 10% of the insured value of the satellite (including launch costs), but may vary depending on market conditions and the safety record of the launch vehicle. Even if a lost satellite is fully insured, acquiring a replacement satellite may be difficult and time consuming. Furthermore, the insurance does not cover lost revenue.

We expect any launch failure insurance policies that we obtain to include specified exclusions, deductibles and material change limitations. Typically, these insurance policies exclude coverage for damage arising from acts of war, lasers, and other similar potential risks for which exclusions are customary in the industry at the time the policy is written.

If launch insurance rates were to rise substantially, our future launch costs would increase. In addition, in light of increasing costs, the scope of insurance exclusions and limitations on the nature of the losses for which we can obtain insurance, or other business reasons, we may conclude that it does not make business sense to obtain third-party insurance and may decide to pursue other strategies for mitigating the risk of a satellite launch failure, such as purchasing additional spare satellites or obtaining relaunch guaranties from the launch provider. It is also possible that insurance could become unavailable, either generally or for a specific launch vehicle, or that new insurance could be subject to broader exclusions on coverage, in which event we would bear the risk of launch failures.

Our business plan includes exploiting our ATC license by combining ATC services with our existing business. If we are unable to accomplish this effectively, our anticipated future revenues and profitability will be reduced and we will lose our investment in developing ATC services.

We plan to integrate ATC services with our existing satellite services and products, initially using our existing communications network, while developing a second-generation satellite network and upgrading our existing ground facilities. To date, neither we nor any other company has developed an integrated commercial network combining satellite services with ATC services, and we may be unable to do so.

Northern Sky Research estimates that development of a terrestrial network to provide ATC services could cost $2.5 to $3.0 billion in the United States alone. Therefore, full exploitation of our ATC opportunity probably will require us to form partnerships, service contracts or other joint venture

arrangements with other telecommunications or spectrum-based service providers. We may not be able to establish such arrangements at all or on favorable terms and, if such arrangements are established, the other parties may not fulfill their obligations. If we are unable to form a suitable partnership or enter into a service contract or joint venture agreement, we may not be able to realize our plan to offer ATC services, which would limit our ability to expand our business and reduce our revenues and profitability. In addition, in such event we will lose any resources we have invested in developing ATC services, which may be substantial.

ATC spectrum access is limited by regulatory and technological factors. If we are unable to work within these limitations, our anticipated future revenues and profitability will be reduced, and we could lose all or much of our investment in developing ATC services.

We have been granted authority to use a finite quantity of radio spectrum for ATC services. Our ATC license currently is limited to 11 MHz, i.e., 5.5 MHz of spectrum in each of the L and S bands. Any ATC use of more than 11 MHz of spectrum would require a change in or waiver of FCC rules. No such change may occur and we may not receive any such waiver. In addition, our authority to provide ATC services is contingent on our continuing to offer satellite services to our customers. Accordingly, we must continue to provide communication between our satellites and the gateways when we commence providing ATC services through our network. If we are not able to manage our satellite and ATC spectrum use dynamically and efficiently, we may not be able to realize the full value of our ATC license.

The FCC rules governing ATC are relatively new and are subject to interpretation. These rules require ATC service providers to demonstrate that their mobile satellite and ATC services constitute an "integrated service offering." The FCC has indicated that one means of meeting this requirement is through the use of dual-mode mobile satellite services/ATC handset phones. Although we believe we can obtain and sell dual-mode mobile satellite services/ATC handset phones that will comply with the ATC rules, the scope of ATC services that we will be permitted and required to provide under our existing FCC license is unclear and we may be required to seek amendments to our ATC license to execute our business plan. The development and operation of our ATC system may also infringe on unknown and unidentified intellectual property rights of other persons, which could require us to modify our business plan, thereby increasing our development costs and slowing our time to market. If we are unable to meet the regulatory requirements applicable to ATC services or develop or acquire the required technology, we may not be able to realize our plan to offer ATC services, which would decrease our revenues and profitability.

If the FCC were to reduce our existing spectrum allocation or impose additional spectrum-sharing requirements on us, our services and operations could be adversely affected.

Under the FCC's plan for mobile satellite services in our frequency bands, we must share frequencies in the United States with other licensed mobile satellite services operators. To date, there are no other authorized CDMA-based mobile satellite services operators and we do not believe anyone is requesting such an authorization. In July 2004, the FCC released new rules which require us to share 3.1 MHz of the 1610.25 to 1621.35 MHz portion of our uplink band with Iridium and the 2496 to 2500 MHz portion of our downlink band with operators providing broadband radio service. The FCC also asked for comment on whether Iridium should be allowed to share the 1616 to 1618.25 MHz portion of the 1.6 GHz band. Although we have continued to contest vigorously any proposed additional sharing of our spectrum, we may not retain exclusive use of all of our existing spectrum. If we are required to share additional frequency bands or if Iridium or an operator of a CDMA system uses these frequencies, it may cause interference with our signal and decrease the value of our spectrum.

Spectrum values historically have been volatile, which could cause the value of our company to fluctuate.

Our business plan is evolving and it may include forming strategic partnerships to maximize value for our spectrum, network assets and combined service offerings in the United States and internationally.

Values that we may be able to realize from such partnerships will depend in part on the value ascribed to our spectrum. Valuations of spectrum in other frequency bands historically have been volatile, and we cannot predict at what amount a future partner may be willing to value our spectrum and other assets. In addition, to the extent that the FCC takes action that makes additional spectrum available or promotes the more flexible use or greater availability (e.g., via spectrum leasing or new spectrum sales) of existing satellite or terrestrial spectrum allocations, the availability of such additional spectrum could reduce the value of our spectrum authorizations, the value of our business and the price of our common stock.

We could lose market share and revenues as a result of increasing competition from companies in the wireless communications industry, including other satellite operators, and from the extension of land-based communication services.

We face intense competition in all of our markets, which could result in a loss of customers and lower revenues and make it more difficult for us to enter new markets.

There are currently five other satellite operators providing services similar to ours on a global or regional basis: Iridium L.L.C., Inmarsat, Mobile Satellite Ventures, Thuraya Satellite Communications Company and Asian Cellular Satellites. In addition, ICO Global Communications Company and TMI/TerreStar plan to launch their new satellite systems within the next few years. The provision of satellite-based products and services is subject to downward price pressure when the capacity exceeds demand.

In April 2001, Iridium, our principal worldwide mobile satellite competitor, exited bankruptcy and resumed commercial service in competition with us. Iridium has a long-term contract from the United States Department of Defense. ICO Global Communications raised additional funding during 2005 to fund the construction of its 2 GHz satellite system and is expected to complete its system and compete with us in the future. TMI/TerreStar also holds a 2 GHz satellite license and is constructing a system that may compete with us in the future. In addition, we may face competition from new competitors or new technologies, which may materially adversely affect our business plan. With so many companies targeting many of the same customers, we may not be able to retain successfully our existing customers and attract new customers and as a result may not grow our customer base and revenue as much as we expect.

In addition to our satellite-based competitors, terrestrial wireless voice and data service providers are expanding into rural and remote areas and providing the same general types of services and products that we provide through our satellite-based system. Many of these companies have greater resources, wider name recognition and newer technologies than we do. Industry consolidation could adversely affect us by increasing the scale or scope of our competitors and thereby making it more difficult for us to compete.

Although satellite communications services and ground-based communications services are not perfect substitutes, the two compete in certain markets and for certain services. Consumers generally perceive wireless voice communication products and services as cheaper and more convenient than satellite-based ones.

Additionally, the extension of terrestrial telecommunications services to regions previously underserved or not served by wireline or wireless services may reduce demand for our service in those regions. These land-based telecommunications services have been built more quickly than we anticipated; therefore, demand for our products and services may decline in these areas more rapidly than we assumed in formulating our business plan. This development has led, in part, to our efforts to identify and sell into geographically remote and certain vertical markets and further the deployment of user terminals and data products. If we are unable to attract new customers in these regions, our customer base may decrease, which could have a material adverse effect on our business prospects, financial condition and results of operations.

The loss of customers, particularly our large customers, may reduce our future revenues.

We may lose customers due to competition, consolidation, regulatory developments, business developments affecting our customers or their customers, or for other reasons. Our top 10 customers for the year ended December 31, 2005 accounted for, in the aggregate, approximately 20% of our total revenues of $127.1 million. For the year ended December 31, 2005, revenues from our largest customer were $5.0 million, or 4% of our total revenues. If we fail to maintain our relationships with our major customers, if we lose them and fail to replace them with other similar customers, or if we experience reduced demand from our major customers, it could result in a significant reduction in our profitability through the loss of revenues and the requirement to record additional costs to the extent that amounts due from these customers are considered uncollectible. More generally, our customers may fail to renew or may cancel their service contracts with us, which could negatively affect future revenues and profitability.

Our customers include multiple agencies of the U.S. government. Aggregate sales to U.S. government agencies constituted approximately 15% and 17% of our revenue for the year ended December 31, 2005 and the six months ended June 30, 2006, respectively. Government sales are made pursuant to individual purchase orders placed from time to time by the governmental agencies and are not related to long-term contracts. U.S. government agencies may terminate their business with us at any time without penalty.

We may need additional capital to maintain our network and to pursue future growth opportunities. If we fail to obtain sufficient capital, we will not be able to complete our business plan.

Our business plan calls for the launch of spare and new satellites, upgrading our ground stations, phones and data terminals and entering into joint ventures to develop ATC and other international services and products. We believe the net proceeds from this offering, together with cash on hand, cash generated from our operations and cash available under our credit agreement and irrevocable standby stock purchase agreement, will be sufficient to enable us to implement our business plan. If we are wrong, we may not be able to obtain in a timely manner sufficient funds to develop and launch such satellites, upgrade our ground component or develop our ATC services and products. If we do not receive the net proceeds from this offering, we will not be able to complete our current business plan, and will be required to revise the plan to one that can be accomplished with our available capital, which could make us less competitive and reduce our future revenue and profitability.

Our business is subject to extensive government regulation, which mandates how we may operate our business and may increase our cost of providing services, slow our expansion into new markets and subject our services to additional competitive pressures.

Our ownership and operation of wireless communication systems are subject to significant regulation in the United States by the FCC and in foreign jurisdictions by similar local authorities. The rules and regulations of the FCC or these foreign authorities may change and not continue to permit our operations as presently conducted or as we plan to conduct such operations. For example, as described under "Regulation," the FCC cancelled and has refused, to date, to reinstate our license for spectrum in the 2 GHz band. In addition, several terrestrial wireless companies are attempting to convince the FCC to modify adversely our license for spectrum in the S-band (2496-2500 MHz).

Failure to provide services in accordance with the terms of our licenses or failure to operate our satellites or ground stations as required by our licenses and applicable government regulations could result in the imposition of government sanctions on us, up to and including cancellation of our licenses.

Our system must be authorized in each of the markets in which we or the independent gateway operators provide service. We and the independent gateway operators may not be able to obtain or retain all regulatory approvals needed for operations. For example, the company with which Old Globalstar contracted to establish an independent gateway operation in South Africa was unable to obtain an operating license from the Republic of South Africa and abandoned the business in 2001. Regulatory

changes, such as those resulting from judicial decisions or adoption of treaties, legislation or regulation in countries where we operate or intend to operate, may also significantly affect our business. Because regulations in each country are different, we may not be aware if some of the independent gateway operators and/or persons with which we or they do business do not hold the requisite licenses and approvals.

Our current regulatory approvals could now be, or could become, insufficient in the view of foreign regulatory authorities, any additional necessary approvals may not be granted on a timely basis, or at all, in all jurisdictions in which we wish to offer services, and applicable restrictions in those jurisdictions could become unduly burdensome.

Our operations are subject to certain regulations of the United States State Department's Office of Defense Trade Controls (i.e., the export of satellites and related technical data), United States Treasury Department's Office of Foreign Assets Control (i.e., financial transactions) and the United States Commerce Department's Bureau of Industry and Security (i.e., our gateways and phones). These regulations may limit or delay our ability to operate in a particular country. As new laws and regulations are issued, we may be required to modify our business plans or operations. If we fail to comply with these regulations in any country, we could be subject to sanctions that could affect, materially and adversely, our ability to operate in that country. Failure to obtain the authorizations necessary to use our assigned radio frequency spectrum and to distribute our products in certain countries could have a material adverse effect on our ability to generate revenue and on our overall competitive position.

If we do not develop, acquire and maintain proprietary information and intellectual property rights, it could limit the growth of our business and reduce our market share.

Our business depends on technical knowledge, and we believe that our future success is based, in part, on our ability to keep up with new technological developments and incorporate them in our products and services. We own or have the right to use certain of our work products, inventions, designs, software, systems and similar know-how. Although we have taken diligent steps to protect that information, the information may be disclosed to others or others may independently develop similar information, systems and know-how. Protection of our information, systems and know-how may result in litigation, the cost of which could be substantial. Third parties may assert claims that our products or services infringe on their proprietary rights. Any such claims, if made, may prevent or limit our sales of products or services or increase our costs of sales. Although no third party has filed a lawsuit or asserted a written claim against us for allegedly infringing on its proprietary rights, such claims could be made in the future.

Much of the software we require to support critical gateway operations and customer service functions, including billing, is licensed from third parties, including QUALCOMM and Space Systems/Loral Inc., and was developed or customized specifically for our use. If the third party licensors were to cease to support and service the software, or the licenses were to no longer be available on commercially reasonable terms, it may be difficult, expensive or impossible to obtain such services from alternative vendors. Replacing such software could be difficult, time consuming and expensive, and might require us to obtain substitute technology with lower quality or performance standards or at a greater cost.

We face special risks by doing business in developing markets, including currency and expropriation risks, which could increase our costs or reduce our revenues in these areas.

Although our most economically important geographic markets currently are the United States and Canada, we have substantial markets for our mobile satellite services in developing countries or regions that are underserved by existing telecommunications systems, such as rural Venezuela and Central America. Developing countries are more likely than industrialized countries to experience market, currency and interest rate fluctuations and may have higher inflation. In addition, these countries present risks

relating to government policy, price, wage and exchange controls, social instability, expropriation and other adverse economic, political and diplomatic conditions.

Although a majority of our revenues are in received in U.S. dollars, and our independent gateway operators are required to pay us in U.S. dollars, limited availability of U.S. currency in some local markets or governmental controls on the export of currency may prevent an independent gateway operator from making payments in U.S. dollars or delay the availability of payment due to foreign bank currency processing and approval. In addition, exchange rate fluctuations may affect our ability to control the prices charged for the independent gateway operators' services.

Fluctuations in currency exchange rates may adversely impact our financial results.

Our operations involve transactions in a variety of currencies. Sales denominated in foreign currencies primarily involve the Canadian dollar and the Euro. Our contract for the launch of our eight spare satellites is denominated in Euros. Accordingly, our operating results may be significantly affected by fluctuations in the exchange rates for these currencies. Approximately 43%, 45%, 38% and 34% of our total sales were to customers in Canada and Europe during 2003, 2004, 2005 and the first six months of 2006, respectively. Our results of operations for the six months ended June 30, 2006 reflected a loss of $1.8 million on foreign currency transactions. We may be unable to offset unfavorable currency movements as they adversely effect our revenue and expenses. Our inability to do so could have a substantial negative impact on our operating results and cash flows. Our obligations for the procurement and launch of our next-generation satellite constellation also may be denominated in Euros. If this occurs, our exposure to fluctuations in currency exchange rates will be substantially larger.

If we become subject to unanticipated foreign tax liabilities, it could materially increase our costs.

We operate in various foreign tax jurisdictions. We believe that we have complied in all material respects with our obligations to pay taxes in these jurisdictions. However, our position is subject to review and possible challenge by the taxing authorities of these jurisdictions. If the applicable taxing authorities were to challenge successfully our current tax positions, or if there were changes in the manner in which we conduct our activities, we could become subject to material unanticipated tax liabilities. We may also become subject to additional tax liabilities as a result of changes in tax laws, which could in certain circumstances have retroactive effect.

We rely on a limited number of key vendors for timely supply of equipment and services. If our key vendors fail to provide equipment and services to us, we may face difficulties in finding alternative sources and may not be able to operate our business successfully.

We depend on QUALCOMM for gateway hardware and software, and also as the exclusive manufacturer of phones using the IS-41 CDMA North American standard, which incorporates QUALCOMM proprietary technology. Ericsson OMC Limited and Telit, which until 2000 manufactured phones and other products for us, have discontinued manufacturing these products, and QUALCOMM may choose to terminate its business relationship with us when its current contractual obligations are completed in approximately four years. If QUALCOMM terminates this relationship, we may not be able to find a replacement supplier. Although the QUALCOMM relationship might be replaced, there could be a substantial period of time in which our products are not available and any new relationship may involve a significantly different cost structure, development schedule and delivery times.

We depend on Axonn LLC to produce and sell the data modems through which we provide our Simplex service. These devices incorporate Axonn proprietary technology. As a sole supplier, if Axonn were to cease producing and selling these data modems, we would be unable to grow our Simplex services as currently anticipated. We have no long-term contract with Axonn for the production and sale of these data modems.

Space Systems/Loral has completed production of our eight spare satellites, all of which are being prepared for launch in 2007. Those satellites were acquired by Old Globalstar in 2003, as part of a settlement with Loral, and are now owned by us. We are dependent on third parties to test, prepare for launch and provide certain services in support of the launch of our spare satellites. We have contracted with Starsem to launch these satellites in 2007. We expect the cost of testing and launching these eight spare satellites (including launch insurance) to be approximately $110 million.

We are currently soliciting proposals to procure and launch our second-generation satellite constellation. The architecture for these satellites has not yet been determined. We may not receive tenders to provide the second-generation on favorable terms or at all. If either occurred, we would be unable to fulfill our business plan.

Wireless devices may pose health and safety risks and, as a result, we may be subject to new regulations, demand for our services may decrease and we could face liability based on alleged health risks.

There has been adverse publicity concerning alleged health risks associated with radio frequency transmissions from portable hand-held telephones that have transmitting antennae. Lawsuits have been filed against participants in the wireless industry alleging various adverse health consequences, including cancer, as a result of wireless phone usage. The U.S. Supreme Court recently declined to review a lower federal court's decision remanding for trial in state courts several cases alleging such injuries. Our subsidiary, Globalstar USA, LLC, was a defendant in a similar case in a Georgia state court. Vodafone Americas, Inc. conducted our defense pursuant to a prior indemnification obligation. The plaintiff, on behalf of cellular consumers in Georgia, claimed that defendants (cell phone manufacturers and operators) knew that their cell phone products emitted radio frequency radiation that posed future health risks. Based on the defendants' failure to warn of such risks and alleged breaches of warranty, plaintiff sought a variety of monetary damages as well as headsets for each cell phone consumer in Georgia. In March 2005, the case was consolidated with four other cases in the United States District Court in Maryland; consequently, on January 30, 2006, because of the consolidation, the plaintiff voluntarily dismissed the Georgia state court case, subject to a right to re-file the case without prejudice within six months.

Although we do not believe that there is valid scientific evidence that use of our phones poses a health risk, courts or governmental agencies could find otherwise. Any such finding could reduce our revenues and profitability and expose us and other wireless providers to litigation, which, even if not successful, could be costly to defend.

If consumers' health concerns over radio frequency emissions increase, they may be discouraged from using wireless handsets. Further, government authorities might increase regulation of wireless handsets as a result of these health concerns. The actual or perceived risk of radio frequency emissions could reduce our subscriber growth rate, reduce the number of our subscribers or impair our ability to obtain future financing.

Pursuing strategic transactions may cause us to incur additional risks.

We may pursue acquisitions, joint ventures or other strategic transactions on an opportunistic basis, although no such transactions that would be financially significant to us are probable at this time. We may face costs and risks arising from any such transactions, including integrating a new business into our business or managing a joint venture. These may include legal, organizational, financial and other costs and risks.

In addition, if we were to choose to engage in any major business combination or similar strategic transaction, we may require significant external financing in connection with the transaction. Depending on market conditions, investor perceptions of us and other factors, we may not be able to obtain capital on acceptable terms, in acceptable amounts or at appropriate times to implement any such transaction. Any such financing, if obtained, may further dilute our existing stockholders.

Our indebtedness could impair our ability to react to changes in our business and may limit our ability to use debt to fund future capital needs.

Our indebtedness could adversely affect our financial condition. If our credit agreement had been in effect and the $150.0 million in committed facilities fully drawn at June 30, 2006, our indebtedness would

have been $151.4 million. This would have resulted in annual interest expense of approximately $16.7 million, assuming an interest rate of 11.0%. Our indebtedness could:

- require us to dedicate a substantial portion of our cash flow from operations to principal payments on our debt in years when the debt matures, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate expenditures;
- result in an event of default if we fail to comply with the restrictive covenants contained in our credit agreement, which event of default could result in all of our debt becoming immediately due and payable;
- increase our vulnerability to adverse general economic or industry conditions because our debt could mature at a time when those conditions make it difficult to refinance and our cash flow is insufficient to repay the debt in full, forcing us to sell assets at disadvantageous prices or to default on the debt, and because a decline in our profitability could cause us to be unable to comply with the forward fixed charge coverage ratio in our credit agreement and result in a default on, and acceleration of, our debt;
- limit our flexibility in planning for, or reacting to, competition and/or changes in our business or our industry by limiting our ability to incur additional debt, to make acquisitions and divestitures or to engage in transactions that could be beneficial to us;
- restrict us from making strategic acquisitions, introducing new products or services or exploiting business opportunities; and
- place us at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

Furthermore, if an event of default were to occur with respect to our credit agreement or other indebtedness, our creditors could accelerate the maturity of our indebtedness. Our indebtedness under our credit agreement is secured by a lien on substantially all of our assets and the assets of our domestic subsidiaries and the lenders could foreclose on these assets to repay the indebtedness.

Our ability to make scheduled payments on or to refinance indebtedness obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to sell assets, seek additional capital or seek to restructure or refinance our indebtedness. These alternative measures may not be successful or feasible. Our credit agreement restricts our ability to sell assets. Even if we could consummate those sales, the proceeds that we realize from them may not be adequate to meet any debt service obligations then due.

We will be able to incur additional indebtedness or other obligations in the future, which would exacerbate the risks discussed above.

Our credit agreement permits us to incur, in addition to the $150.0 million of revolving credit and delayed draw term loans that the lenders have committed to advance under the credit agreement, other indebtedness under certain conditions, including up to $150.0 million of additional equally and ratably secured, *pari passu*, term loans, up to $200.0 million of unsecured debt and up to $20.0 million of purchase money indebtedness or capitalized leases. We may incur this additional indebtedness only if no event of default under our credit agreement then exists, if we are in pro forma compliance with all of the financial covenants of our credit agreement, and if, after giving effect thereto, our consolidated total leverage ratio does not exceed 5.5 to 1.0. Our credit agreement also permits us to incur obligations that do

not constitute "indebtedness" as defined in the credit agreement, including obligations to satellite vendors that are not evidenced by a note and not secured by assets other than those purchased with such obligations. To the extent additional debt or other obligations are added to our currently anticipated debt levels, the substantial indebtedness risks described above would increase.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful.

Restrictive covenants in our credit agreement impose restrictions that may limit our operating and financial flexibility.

Our credit agreement contains a number of significant restrictions and covenants that limit our ability to:

- incur or guarantee additional indebtedness;
- pay dividends or make distributions to our stockholders;
- make investments, acquisitions or capital expenditures;
- repurchase or redeem capital stock or subordinated indebtedness;
- grant liens on our assets;
- incur restrictions on the ability of our subsidiaries to pay dividends or to make other payments to us;
- enter into transactions with our affiliates;
- incur obligations to vendors of satellites;
- merge or consolidate with other entities or transfer all or substantially all of our assets; and
- transfer or sell assets.

Complying with these restrictive covenants, as well as those that may be contained in any agreements governing future indebtedness, may impair our ability to finance our operations or capital needs or to take advantage of other favorable business opportunities. Our ability to comply with these restrictive covenants will depend on our future performance, which may be affected by events beyond our control. If we violate any of these covenants and are unable to obtain waivers, we would be in default under the agreement and payment of the indebtedness could be accelerated. The acceleration of our indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross-default or cross-acceleration provisions. If our indebtedness is accelerated, we may not be able to repay our indebtedness or borrow sufficient funds to refinance it. Even if we are able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to us. If our indebtedness is in default for any reason, our business, financial condition and results of operations could be materially and adversely affected. In addition, complying with these covenants may also cause us to take actions that are not favorable to holders of the common stock and may make it more difficult for us to successfully execute our business plan and compete against companies who are not subject to such restrictions.

If we are unable to address successfully the material weakness in our internal controls, or our other control deficiencies, our ability to report our financial results on a timely and accurate basis and to comply with disclosure and other requirements may be adversely affected; public reporting obligations will put significant demands on our financial, operational and management resources.

We are not currently required to comply with Section 404 of the Sarbanes-Oxley Act of 2002, and are therefore not required to make an assessment of the effectiveness of our internal controls over

financial reporting for that purpose. However, in connection with its audit of our 2005 consolidated financial statements, our independent registered public accounting firm, Crowe Chizek and Company LLP, identified a material weakness in our processes, procedures and controls related to our failure to eliminate inter-company profit from sales of inventory and surplus or spare fixed assets related to gateway equipment to our subsidiaries, and informed members of our senior management and our board of directors that these processes, procedures and controls were not adequate to ensure that our financial statements were prepared in accordance with generally accepted accounting principles. A material weakness is defined as a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. We failed to eliminate approximately $0.9 million in inter-company profit resulting from these sales in our initial preparation of our 2005 financial statements. This control deficiency could have resulted in an overstatement of our earnings for 2005 that would not have been prevented or detected. Accordingly, our management concluded that this deficiency in internal control over financial reporting was a material weakness.

We have corrected this error in our year-end adjustments in connection with finalizing the financial statements included in this prospectus. We intend to implement additional controls to verify that all future inter-company profits are captured and tracked properly and eliminated in the consolidation.

In connection with their audit of our 2005 financial statements, Crowe Chizek also advised our management and board of directors that it had identified other significant deficiencies in our internal controls. A significant deficiency is defined as a control deficiency, or a combination of control deficiencies, that adversely affects a company's ability to initiate, authorize, record, process, or report external financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the company's annual or interim financial statements that is more than inconsequential will not be prevented or detected. Crowe Chizek recommended that we consider taking remedial actions, including hiring additional accounting resources in our significantly understaffed corporate accounting department, establishing a monthly close checklist and timetable, reviewing and supervising manual journal entries, historical estimates and consistency of accounting policies, segregating duties in our accounts payable department, reviewing calculations of allowance for doubtful accounts and inventory and warranty reserves, and simplifying and automating our reporting process, particularly in the consolidation of our foreign subsidiaries' financial information. We have begun to implement these recommendations. We have implemented additional management oversight over inter-company transactions and additional controls with respect to reconciliation of inter- company balances at quarter-end. We also intend to hire additional staff to address further our deficiencies in that area. The remediation process is ongoing. We expect to incur additional costs associated with being a public company going forward. Although significant, we do not expect these additional costs to be material to our operations. We intend to pay for these additional costs from our working capital generated by our continuing operations.

We will continue to monitor the effectiveness of these and other processes, procedures and controls and will make any further changes management determines appropriate, including to effect compliance with Section 404 of the Sarbanes-Oxley Act of 2002 at or before December 31, 2007, the date by which we are required to comply with it.

Any material weakness or other deficiencies in our control systems may affect our ability to comply with SEC reporting requirements and listing standards or cause our financial statements to contain material misstatements, which could negatively affect the market price and trading liquidity of our common stock, cause investors to lose confidence in our reported financial information, as well as subject us to civil or criminal investigations and penalties.

Risks Related to this Offering

We do not expect to pay dividends on our common stock in the foreseeable future.

Except for a one-time payment of $685,848 to Thermo as described under "Dividend Policy and Restrictions," we do not expect to pay dividends on our common stock, including the common stock issued in this offering. Any future dividend payments are within the absolute discretion of our board of directors and will depend on, among other things, our results of operations, working capital requirements, capital expenditure requirements, financial condition, contractual restrictions, business opportunities, anticipated cash needs, provisions of applicable law and other factors that our board of directors may deem relevant. We may not generate sufficient cash from operations in the future to pay dividends on our common stock. Our credit agreement currently prohibits the payment of cash dividends. See "Dividend Policy and Restrictions."

There is no existing market for our common stock, and one may not develop to provide you with adequate liquidity.

Prior to this offering, there has not been a public market for our common stock. We intend to apply to list our common stock on the . However, we cannot predict the extent to which investor interest in our company will lead to the development of a trading market on the or otherwise or how liquid that market might become. If an active trading market does not develop, you may have difficulty selling any of our common stock that you buy. The initial public offering price for the shares was determined by negotiations between us and the representatives of the underwriters based on numerous factors that we discuss in the "Underwriting" section of this prospectus and may not be indicative of prices that will prevail in the open market following this offering.

Consequently, you may not be able to sell our common stock at prices equal to or greater than the price you paid in this offering.

The market price of our common stock may be volatile, which could cause the value of your investment to decline.

The trading price of our common stock may be subject to wide fluctuations. Factors affecting the trading price of our common stock may include:

- actual or anticipated variations in our operating results;
- changes in financial estimates by research analysts, or any failure by us to meet or exceed any such estimates, or changes in the recommendations of any research analysts that elect to follow our common stock or the common stock of our competitors;
- actual or anticipated changes in economic, political or market conditions, such as recessions or international currency fluctuations;
- actual or anticipated changes in the regulatory environment affecting our industry;
- changes in the market valuations of our industry peers; and
- announcements by us or our competitors of significant acquisitions, strategic partnerships, divestitures, joint ventures or other strategic initiatives.

The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. You may be unable to resell your shares of our common stock at or above the initial public offering price.

Future sales of shares of our common stock by existing stockholders in the public market, or the possibility or perception of these sales, could cause our stock price to decline.

The market price of our common stock could decline as a result of sales of a large number of shares of common stock in the market after this offering or the perception that such sales could occur. These sales, or the possibility that significant sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. We, Thermo, any of our other stockholders that are parties to the irrevocable standby stock purchase agreement and our directors and executive officers have agreed with the underwriters not to sell, dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of our common stock, subject to specified exceptions, during the period from the date of this prospectus continuing through the date that is 180 days after the date of this prospectus, except with the prior written consent of Wachovia Capital Markets, LLC. See "Underwriting." Our other stockholders, who own an aggregate of approximately % of our common stock on the date of this prospectus, are not subject to these restrictions and may sell their shares immediately after this offering to the extent permitted by law.

Upon the closing of this offering, we will have shares of common stock outstanding, assuming no exercise of the underwriters' option to purchase additional shares. Of the outstanding shares, all of the shares sold in this offering, as well as unrestricted shares already outstanding that were issued in the Reorganization and are not held by our "affiliates," as defined under Rule 144 of the Securities Act, will be freely tradable without restriction or further registration under the Securities Act. Any shares owned by our "affiliates" may be sold only in compliance with the limitations of that Rule. The remaining outstanding shares of common stock will be deemed "restricted securities" as that term is defined under Rule 144. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144.

The book value of shares of common stock purchased in this offering will be immediately diluted and may be subject to additional dilution in the future.

The initial public offering price per share of our common stock is substantially higher than the net tangible book value per share of our outstanding common stock. Accordingly, if you purchase common stock in this offering, you will suffer immediate and substantial dilution of your investment. If, as of June 30, 2006, we had issued and sold million shares of common stock at an assumed initial public offering price of $ per share (the mid-point of the initial public offering price range indicated on the cover of this prospectus), you would have incurred immediate dilution of $ in the net tangible book value per share. This dilution would have been $ if we assume issuance of all of the common stock subject to the irrevocable standby stock purchase agreement. Any issuance of shares pursuant to our 2006 Equity Incentive Plan will result in further dilution.

Provisions in our charter documents and credit agreement and provisions of Delaware law may discourage takeovers, which could affect the rights of holders of our common stock.

Provisions of Delaware law and our amended and restated certificate of incorporation, amended and restated bylaws and our credit agreement could hamper a third party's acquisition of us or discourage a third party from attempting to acquire control of us. These provisions include:

- the absence of cumulative voting in the election of our directors, which means that the holders of a majority of our common stock may elect all of the directors standing for election;

- the ability of our board of directors to issue preferred stock with voting rights or with rights senior to those of the common stock without any further vote or action by the holders of our common stock;

- the division of our board of directors into three separate classes serving staggered three-year terms;
- the ability of our stockholders, at such time when Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, to remove our directors only for cause and only by the vote of at least $66^{2}/_{3}$% of the outstanding shares of capital stock entitled to vote in the election of directors;
- prohibitions, at such time when Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, on our stockholders acting by written consent;
- prohibitions on our stockholders calling special meetings of stockholders or filling vacancies on our board of directors;
- the requirement, at such time when Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, that our stockholders must obtain a super-majority vote to amend or repeal our amended and restated certificate of incorporation or bylaws;
- change of control provisions in our credit agreement, which provides that a change of control will constitute an event of default and, unless waived by the lenders, will result in the acceleration of the maturity of all indebtedness under the credit agreement; and
- change of control provisions in our 2006 Equity Incentive Plan, which provides that a change of control may accelerate the vesting of all outstanding stock options, stock appreciation rights and restricted stock.

We also are subject to Section 203 of the Delaware General Corporation Law, which, subject to certain exceptions, prohibits us from engaging in any business combination with any interested stockholder, as defined in that section, for a period of three years following the date on which that stockholder became an interested stockholder.

These provisions also could make it more difficult for you and our other stockholders to elect directors and take other corporate actions, and could limit the price that investors might be willing to pay in the future for shares of our common stock.

We are controlled by Thermo, whose interests may conflict with yours.

Upon completion of this offering, Thermo will own approximately % of our outstanding common stock. If Thermo were to purchase all of the common stock it has agreed to purchase in the irrevocable standby stock purchase agreement, its ownership would increase to approximately %. Thermo will be able to control the election of all of the members of our board of directors and the vote on substantially all other matters, including significant corporate transactions such as the approval of a merger or other transaction involving our sale.

Thermo is controlled by James Monroe III, our chairman and chief executive officer. Through Thermo, Mr. Monroe holds equity interests in, and serves as an executive officer or director of, a diverse group of privately-owned businesses not otherwise related to us. Although Mr. Monroe receives no compensation from us, he has advised us that he intends to devote whatever portion of his time is necessary to perform his duties as our chairman and chief executive officer. We do reimburse Thermo and Mr. Monroe for certain expenses they incur in connection with our business. See "Management—Executive Compensation" and "Certain Relationships and Related Party Transactions—Services Provided by Thermo."

The interests of Thermo may conflict with the interests of our other stockholders. Thermo may take actions it believes will benefit its equity investment in us even though such actions might not be in your best interests as a holder of our common stock.

As a "controlled company," as defined in the rules of the , we will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.

Upon completion of this offering, Thermo will own common stock representing more than a majority of the voting power in election of our directors. As a result, we will be considered a "controlled company" within the meaning of the corporate governance standards of the . Under these rules, a "controlled company" may elect not to comply with certain corporate governance requirements, including (1) the requirement that a majority of its board of directors consist of independent directors, (2) the requirement that it have a nominating/corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (3) the requirement that it have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities. Following this offering, we intend to elect to be treated as a controlled company and thus utilize these exemptions. As a result, we will not have a majority of independent directors nor will we have compensation and nominating/corporate governance committees consisting entirely of independent directors. Accordingly, you will not have the same protection afforded to stockholders of companies that are subject to all of the corporate governance requirements of the .

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus are not historical facts and are "forward-looking statements" within the meaning of the U.S. federal securities laws. Words such as "believes," "expects," "estimates," "may," "intends," "should" or "anticipates" and similar expressions or their negatives identify forward-looking statements.

Forward-looking statements, such as the statements regarding our ability to develop and expand our business, 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, 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 capital spending (including for future satellite procurements and launches), 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, and other statements contained in this prospectus regarding matters that are not historical facts, involve predictions. These and similar statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by the statements. These risks and uncertainties include, among other things:

- the level and type of demand for our products and services, including the extent to which changes in demand and our competitive position may result in changes to our future products and services and in pricing pressure and overcapacity in the markets in which we compete;
- problems with respect to the construction, launch or in-orbit performance of our existing and future satellites, including possible future losses on the launch of satellites that are not fully covered by insurance, with the performance of the ground-based facilities operated by us or by the independent gateway operators, or with the performance of our system as a whole;
- our ability to attract sufficient additional funding if needed to meet our future capital requirements;
- competition and our competitiveness vis-à-vis other providers of satellite and ground-based products and services;
- the pace and effects of industry consolidation;
- the continued availability of launch insurance on commercially reasonable terms, and the effects of any insurance exclusions;
- changes in technology;
- changes in our business strategy or development plans;
- our ability to attract and retain qualified personnel;
- worldwide economic, geopolitical and business conditions and risks associated with doing business on a global basis;
- control by our controlling stockholder;
- legal, regulatory, and tax developments, including changes in domestic and international government regulation; and
- other factors set forth under "Risk Factors."

We caution you that the foregoing list of important factors is not exclusive. These risks and uncertainties could cause actual results to vary materially from future results indicated, expressed or implied in any forward-looking statements. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this prospectus may not in fact occur. We undertake no obligation to update or revise publicly any forward-looking statement as a result of new information, future events or otherwise, except as required by law.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of the shares of common stock offered by this prospectus will be approximately $ million, assuming an initial public offering price of $ per share (the mid-point of the estimated price range shown on the cover page of this prospectus) and after deducting estimated underwriting discounts and commissions and estimated offering expenses aggregating approximately $ that are payable by us.

Except for funding a $685,848 dividend to Thermo as described under "Dividend Policy and Restrictions," we intend to use the entire net proceeds from this offering to fund in part the procurement and launch of our second-generation satellite constellation and related upgrades to our gateways and other ground facilities. We estimate that the cost to procure and launch these satellites and upgrade these facilities will be approximately $1.0 billion to $1.2 billion between now and 2014. We intend to fund the balance of those costs principally from $100 million of proceeds from the delayed draw term loans under our credit agreement, the remaining proceeds of sales of our common stock under Thermo Funding Company's irrevocable standby stock purchase agreement and approximately $600 million to $800 million in cash generated by our business. Although we expect our cash flow will be sufficient to pay these costs when due, if our future revenues or profitability are substantially below our expectations, we will require additional financing, which may be difficult or expensive to obtain, or we will have to modify our plans.

We intend to use the net proceeds from any shares sold pursuant to the underwriters' over-allotment option for the same purpose.

An increase (decrease) of 1,000,000 shares from the expected number of shares to be sold in this offering, assuming no change in the assumed initial public offering price per share, would increase (decrease) the net proceeds from this offering by $ million. A $0.25 increase (decrease) in the assumed public offering price per share of the common stock (the mid-point of the range on the cover page of this prospectus) would increase (decrease) the net proceeds that we receive in this offering by approximately $ million, after deducting underwriting discounts and other fees and expenses payable by us, assuming the number of shares being offered, as set forth on the cover page of this prospectus, does not change.

We intend to invest the net proceeds from this offering in short-term, interest-bearing marketable securities until they are required for the purpose described above.

DIVIDEND POLICY AND RESTRICTIONS

Pursuant to the operating agreement of Globalstar LLC, in connection with our conversion to a Delaware corporation on March 17, 2006, we will distribute $685,848 to Thermo immediately after this offering. This amount represents a deferred payment of interest that accrued from December 6, 2003 to April 14, 2004 on loans made by Thermo to us that were converted to equity on April 14, 2004. Otherwise, we have not declared or paid dividends on our common stock in the past, and we do not presently anticipate doing so in the future, except for the distribution to Thermo described above. Any future determination as to the declaration and payment of dividends will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and any other factors our board of directors may deem relevant. Our credit agreement currently prohibits the payment of cash dividends on our common stock. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Agreement."

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2006 (1) on an actual basis, (2) on an as-adjusted basis after giving effect to:

- the sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share (the mid-point of the estimated price range shown on the cover page of this prospectus), after deducting estimated underwriting discounts and commissions and estimated offering expenses;
- the -for-one split of our common stock to be effective immediately prior to the closing of the offering; and
- the receipt of the net proceeds from this offering; and

(3) on an as further adjusted basis after giving effect to the foregoing adjustments:

- the issuance of all remaining shares of common stock subject to the irrevocable standby stock purchase agreement described in "Certain Relationships and Related Party Transactions—Irrevocable Standby Stock Purchase Agreement" in exchange for $;
- the borrowing of the entire $50.0 million revolving credit loan and the $100.0 million delayed draw term loan under our credit agreement on or before August 15, 2009; and
- the receipt of the net proceeds of the sale of such stock and the delayed draw term loan.

You should read this information in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Selected Historical Consolidated Financial Data" and the audited consolidated financial statements and related notes included elsewhere in this prospectus.

	As of June 30, 2006		
	Actual	As Adjusted	As Further Adjusted
		(In thousands)	
Cash and cash equivalents	$ 21,074	$	$
Debt:			
Revolving loans under credit agreement(1)	$ 15,000	$ 15,000	$ 50,000
Term loans under credit agreement	—	—	100,000
Other long-term debt	504	504	504
Total long-term debt	15,504	15,504	150,504
Stockholders' equity:			
Preferred stock, par value $0.0001 per share, no shares authorized, actual, 100,000,000 shares authorized, as adjusted and as further adjusted, no shares issued and outstanding	—	—	—
Common stock, par value $0.0001 per share, 800,000,000 shares authorized, 10,479,249 shares issued and outstanding, actual, shares issued and outstanding, as adjusted, and shares issued and outstanding, as further adjusted(2)	1		
Additional paid-in capital	92,897		
Accumulated other comprehensive loss	(152)		
Retained earnings	21,652		
Total stockholders' equity	114,398		
Total capitalization	$ 129,902	$	$

(1) Actual and as adjusted excludes the remaining $35.0 million available under the revolving credit facility of our credit agreement.

(2) To the extent we change the number of shares of common stock we sell in this offering from the shares we expect to sell or we change the initial public offering price from the $ per share assumed initial offering price, or any combination of these events

occurs, our net proceeds from this offering and as adjusted additional paid-in capital may increase or decrease. A $0.25 increase (decrease) in the assumed initial public offering price per share of the common stock, assuming no change in the number of shares of common stock to be sold, would increase (decrease) the net proceeds that we receive in this offering and our as adjusted additional paid-in capital by $ million and an increase (decrease) of 1,000,000 shares from the expected number of shares to be sold in this offering, assuming no change in the assumed initial public offering price per share, would increase (decrease) the net proceeds from this offering and our as adjusted additional paid-in capital by approximately $ million and $ million, respectively.

DILUTION

Dilution is the amount by which the offering price paid by the purchasers of the common stock to be sold in this offering will exceed the net tangible book value per share of common stock after the offering. The net tangible book value per share presented below is equal to the amount of our total tangible assets (total assets less intangible assets) less total liabilities as of June 30, 2006, divided by the number of shares of our common stock outstanding as of that date. As of June 30, 2006, we had a net tangible book value of $, or $ per share (as adjusted to reflect a -for-one stock split to be effective immediately prior to the closing of the offering).

On a pro forma basis, after giving effect to the stock split and:

- the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share (the mid-point of the price range on the cover of this prospectus); and
- the receipt of the estimated net proceeds as described under "Use of Proceeds,"

our pro forma net tangible book value as of June 30, 2006 would have been $ million, or $ per share of common stock.

This represents an immediate increase in net tangible book value of $ per share to existing stockholders and an immediate dilution in net tangible book value of $ per share to new investors purchasing shares of common stock in this offering. The following table illustrates this dilution on a per share basis:

Initial public offering price per share		$
Net tangible book value per share at June 30, 2006	$	
Increase in net tangible book value per share attributable to new investors		
Pro forma net tangible book value per share after the offering		
Dilution per share to new investors		$

Assuming the underwriters exercise their over-allotment option in full, existing shareholders would have an immediate increase in adjusted tangible book value of $ per share and investors in this offering would have an immediate dilution of $ per share.

A $0.25 increase (decrease) in the initial public offering price from the assumed initial public offering price of $ per share would decrease (increase) our net tangible book value after giving effect to this offering by approximately $ million, our pro forma net tangible book value per share after giving effect to the offering by $ per share and the dilution in net tangible book value per share to new investors in this offering by $ per share, after deducting the estimated underwriting discounts and commissions and estimated aggregate offering expenses payable by us and assuming no other change to the number of shares offered by us as set forth on the cover page of this prospectus. An increase (decrease) of 1,000,000 shares from the expected number of shares to be sold in the offering, assuming no change in the initial public offering price from the price assumed above, would decrease (increase) our net tangible book value after giving effect to this offering by approximately $ million, decrease (increase) our pro forma net tangible book value per share after giving effect to this offering by $ per share, and increase (decrease) the dilution in net tangible book value per share to new investors in this offering by $ per share, after deducting the estimated underwriting discounts and commissions and estimated aggregate offering expenses payable by us.

The following table summarizes, on the same pro forma basis as of June 30, 2006, the total number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid by the existing stockholders and by new investors purchasing shares in this offering:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors					
Total		100%	$	100%	$

The following table summarizes the foregoing information assuming, in addition, the issuance of all shares of common stock subject to the irrevocable standby stock purchase agreement.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors					
Total		100%	$	100%	$

Upon completion of the offering, we expect to issue an aggregate of restricted shares of our common stock at no cost to substantially all of our employees. See "Management—Equity Incentive Plan." These issuances will result in further dilution to new investors. To the extent that we grant additional stock awards in the future, there may be further dilution to new investors.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table presents our selected historical consolidated financial information and other data for the years ended December 31, 2001 and 2002, for the period from January 1, 2003 through December 4, 2003, for the period from December 5, 2003 through December 31, 2003, for the years ended December 31, 2004 and 2005 and for the six months ended June 30, 2005 and 2006, and as of December 31, 2001, 2002, 2003, 2004 and 2005 and June 30, 2006. The selected historical consolidated financial data of Old Globalstar (Predecessor) for the years ended December 31, 2001 and 2002 has been derived from Old Globalstar's consolidated financial statements, which are not included in this prospectus. Our selected historical consolidated financial data for the period from January 1, 2003 to December 4, 2003 (Predecessor), the period from December 5, 2003 to December 31, 2003 (Successor), and the years ended December 31, 2004 and 2005, and as of December 31, 2004 and 2005, has been derived from our audited consolidated financial statements, which are included in this prospectus. Our selected historical consolidated financial data for the six months ended June 30, 2005 and 2006, and as of June 30, 2006, is derived from our unaudited consolidated financial statements, which also are included in this prospectus. In the opinion of management, the unaudited financial information includes all adjustments, consisting of only normal recurring adjustments, considered necessary for a fair presentation of this information. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the entire year.

The columns in the following tables entitled "Predecessor" contain financial information with respect to the business and operations of Old Globalstar for periods prior to December 5, 2003, the date on which we obtained control of its assets.

You should read the selected historical consolidated financial data set forth below together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," all included elsewhere in this prospectus. The selected historical consolidated financial data set forth below are not necessarily indicative of the results of future operations.

	Predecessor			Successor				
	Year Ended December 31,		January 1 through December 4, 2003	December 5 through December 31, 2003	Year Ended December 31,		Six Months Ended June 30,	
	2001	2002			2004	2005	2005	2006
	(unaudited)						(unaudited)	
	(Dollars in thousands, except per share data, average monthly revenue per user, average monthly churn rate and cost per gross addition)							
Statement of Operations Data:								
Revenue:								
Service revenue	$ 6,252	$ 17,182	$ 40,048	$ 2,387	$ 57,927	$ 81,472	$ 34,965	$ 42,202
Subscriber equipment sales(1)	152	7,457	16,295	1,470	26,441	45,675	15,360	26,539
Total revenue	6,404	24,639	56,343	3,857	84,368	127,147	50,325	68,741
Operating Expenses:								
Cost of services (exclusive of depreciation and amortization shown separately below)	56,074	26,379	26,629	1,931	25,208	25,432	13,780	13,888
Cost of subscriber equipment sales(2)	130	5,650	12,881	635	23,399	38,742	12,216	25,769
Marketing, general and administrative	101,392	39,104	28,814	4,950	32,151	37,945	16,626	20,691
Restructuring	12,035	7,694	5,381	690	5,078	—	—	—
Launch termination costs	—	18,379	—	—	—	—	—	—
Depreciation and amortization	35,554	30,904	31,473	125	1,959	3,044	1,240	2,698
Impairment of assets	—	—	211,854	—	114	114	39	—
Total operating expenses	205,185	128,110	317,032	8,331	87,909	105,277	43,901	63,046
Operating Income (Loss)	(198,781)	(103,471)	(260,689)	(4,474)	(3,541)	21,870	6,424	5,695
Interest income	4,513	101	7	7	58	242	62	366
Interest expense(3)	(381,170)	(46,523)	(1,513)	(131)	(1,382)	(269)	(194)	(108)
Other	—	—	485	44	921	(622)	(538)	(1,760)
Total other income (expense)	(376,657)	(46,422)	(1,021)	(80)	(403)	(649)	(670)	(1,502)
Income (loss) before income taxes	(575,438)	(149,893)	(261,710)	(4,554)	(3,944)	21,221	5,754	4,193
Income tax expense (benefit)	73	66	170	(37)	(4,314)	2,502	2,898	(17,459)
Net Income (Loss)	$ (575,511)	$ (149,959)	$ (261,880)	$ (4,517)	$ 370	$ 18,719	$ 2,856	$ 21,652
Earnings (Loss) Per Share Data(4):								
Earnings (loss) per common share—basic	N/A	N/A	N/A	$ (0.45)	$ 0.04	$ 1.82	$ 0.28	$ 2,10
Earnings (loss) per common share—diluted	N/A	N/A	N/A	$ (0.45)	$ 0.04	$ 1.81	$ 0.28	$ 2.09
Weighted average shares—basic	N/A	N/A	N/A	10,000,000	10,077,320	10,309,278	10,309,278	10,326,318
Weighted average shares—diluted	N/A	N/A	N/A	10,000,000	10,077,320	10,325,979	10,325,979	10,381,270
Pro Forma C Corporation Data(5) (unaudited):								
Historical income before income taxes	N/A	N/A	N/A	N/A	N/A	$ 21,221	$ 5,754	N/A
Pro forma income tax expense (benefit)	N/A	N/A	N/A	N/A	N/A	6,931	3,656	N/A
Pro forma net earnings	N/A	N/A	N/A	N/A	N/A	$ 14,290	$ 2,098	N/A
Pro forma net earnings per share—basic	N/A	N/A	N/A	N/A	N/A	$ 1.39	$ 0.20	N/A
Pro forma net earnings per share—diluted	N/A	N/A	N/A	N/A	N/A	$ 1.38	$ 0.20	N/A
Weighted average shares—basic	N/A	N/A	N/A	N/A	N/A	10,309,278	10,309,278	N/A
Weighted average shares—diluted	N/A	N/A	N/A	N/A	N/A	10,325,979	10,325,979	N/A

Other Data (for the period) (unaudited):												
Average monthly revenue per user(6)												
Retail	N/A	N/A	$ 69.72	$ 62.90	$ 67.93	$ 68.11	$ 66.52	$ 56.84				
Independent gateway operators	N/A	N/A	11.46	9.72	9.88	10.70	8.95	8.12				
Simplex	N/A	N/A	N/A	N/A	9.84	6.58	5.28	3.99				
Number of subscribers	N/A	N/A	105,571	109,503	141,450	195,968	158,071	236,515				
Average monthly churn rate(7)	N/A	N/A	0.85%	1.24%	1.60%	1.30%	1.07%	1.06%				
EBITDA(8)	N/A	N/A	$ (228,731)	$ (4,305)	$ (661)	$ 24,292	$ 7,126	$ 6,633				
Capital expenditures	N/A	N/A	$ 1,058	$ 10	$ 4,015	$ 9,885	$ 2,740	$ 42,480				
Cost per gross addition(9)	N/A	N/A	$ 262	$ 200	$ 230	$ 248	$ 334	$ 248				

	Predecessor		Successor					
Balance Sheet Data:	**As of December 31, 2001**	**As of December 31, 2002**	**As of December 31, 2003**	**As of December 31, 2004**	**As of December 31, 2005**	**As of June 30, 2006**		
	(unaudited)					**(unaudited)**		
			(In thousands)					
Cash and cash equivalents	$ 55,265	$ 15,248	$ 20,026	$ 13,330	$ 20,270	$ 21,074		
Total assets	$ 456,391	$ 294,374	$ 48,214	$ 63,897	$ 113,545	$ 196,232		
Long-term debt(10)	$ 363,828	$ 3,425,921	$ 3,426,338	$ 3,278	$ 631	$ 15,504		
Ownership equity (deficit)	$ (2,997,753)	$ (3,150,598)	$ (3,415,195)	$ 40,421	$ 71,430	$ 114,398		

(1) Includes related party sales of $440 for the year ended December 31, 2005.

(2) Includes costs of related party sales of $314 for the year ended December 31, 2005.

(3) Includes related party amounts of $337 (January 1, 2003 - December 4, 2003), $131 (December 5, 2003 - December 31, 2003), $1,324 (year ended December 31, 2004), $176 (year ended December 31, 2005) and $117 and $0 (six months ended June 30, 2005 and 2006, respectively).

(4) Basic and diluted earnings (loss) per share have been calculated in accordance with the SEC rules for initial public offerings. These rules require that the weighted average share calculation give retroactive effect to any changes in our capital structure. Therefore, weighted average shares for purposes of the basic and diluted earnings per share calculation, has been adjusted to reflect the -for-one stock split we expect to effect immediately prior to this offering and the issuance of the shares of our common stock being offered hereby.

(5) Prior to January 1, 2006, we and Predecessor were treated as a partnership for federal income tax purposes. A partnership passes through essentially all taxable income and losses to its partners or members and does not pay federal income taxes at the partnership level. Historical income tax expense consists mainly of foreign, state and local income taxes. On January 1, 2006, we elected to be taxed as a C corporation. For comparative purposes, we have included a pro forma provision for income taxes assuming we (or Predecessor) had been taxed as a C corporation for the year ended December 31, 2005 and the six months ended June 30, 2005. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Income Taxes" and Note 13 to our consolidated financial statements.

(6) Average monthly revenue per user measures service revenues per month divided by the average number of subscribers during that month. Average monthly revenue per user as so defined may not be similar to average monthly revenue per user as defined by other companies in our industry, is not a measurement under GAAP and should be considered in addition to, but not as a substitute for, the information contained in our statement of operations. We believe that average monthly revenue per user provides useful information concerning the appeal of our rate plans and service offerings and our performance in attracting and retaining high value customers.

(7) We define churn rate as the aggregate number of our retail subscribers (excluding Simplex customers and customers of the independent gateway operators) who cancel service during a month, divided by the average number of retail subscribers during the month. Others in our industry may calculate churn rate differently. Churn rate is not a measurement under GAAP and should be considered in addition to, but not as a substitute for, the information contained in our statement of operations. We believe that churn rate provides useful information concerning customer satisfaction with our services and products.

(8) EBITDA represents earnings before interest, income taxes, depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to GAAP measurements, such as net income, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies.

We use EBITDA as the primary measurement of our operating performance because, by eliminating interest, taxes and the non-cash items of depreciation and amortization, we believe it best reflects changes across time in our performance, including the effects of

pricing, cost control and other operational decisions. Our management uses EBITDA for planning purposes, including the preparation of our annual operating budget. We believe that EBITDA also is useful to investors because it is frequently used by securities analysts, investors and other interested parties in their evaluation of companies in industries similar to ours. As indicated, EBITDA does not include interest expense on borrowed money or depreciation expense on our capital assets or the payment of taxes, which are necessary elements of our operations. Because EBITDA does not account for these expenses, its utility as a measure of our operating performance has material limitations. Because of these limitations, management does not view EBITDA in isolation and also uses other measures, such as net income, revenues and operating profit, to measure operating performance.

The following is a reconciliation of EBITDA to net income (loss):

	Predecessor			Successor				
	Year Ended December 31,		January 1 through December 4, 2003	December 5 through December 31, 2003	Year Ended December 31,		Six Months Ended June 30,	
	2001	2002			2004	2005	2005	2006
	(In thousands)							
Net income (loss)	$ (575,511)	$ (149,959)	$ (261,880)	$ (4,517)	$ 370	$ 18,719	$ 2,856	$ 21,652
Interest expense (income), net	376,657	46,422	1,506	124	1,324	27	132	(258)
Income tax expense (benefit)(a)	73	66	170	(37)	(4,314)	2,502	2,898	(17,459)
Depreciation and amortization	35,554	30,904	31,473	125	1,959	3,044	1,240	2,698
EBITDA	$ (163,227)	$ (72,567)	$ (228,731)	$ (4,305)	$ (661)	$ 24,292	$ 7,126	$ 6,633

(a) See Note 5 above.

The following table provides supplemental information as to unusual and other items that are reflected in EBITDA:

	Predecessor	Successor				
	January 1 through December 4, 2003	December 5 through December 31, 2003	Year Ended December 31,		Six Months Ended June 30,	
			2004	2005	2005	2006
	(In thousands)					
Satellite failures(a)	$ 2,527	—	$ 114	$ 114	$ 39	—
ELSACOM settlement(b)	$ 744	—	—	—	—	—
Pension adjustment(c)	$ 941	—	—	—	—	—
UT writeoff recovery(d)	$ (103)	—	—	—	—	—
Asset impairment(e)	$ 211,854	—	—	—	—	—
Restructuring (other)(f)	$ 5,381	$ 690	$ 5,078	—	—	—

(a) Represents a write-off for failed satellites.

(b) Represents a write-off in settlement of an overdue gateway receivable from an independent gateway operator.

(c) Represents the benefit of pension and benefit adjustments.

(d) Represents the recovery of overdue accounts receivable previously written off.

(e) Represents an impairment charge related to allocation of the price we paid in the Reorganization for the assets and business of Old Globalstar.

(f) Represents costs relating to the restructuring of Old Globalstar that we assumed in the Reorganization.

(9) We define cost per gross addition as total sales and marketing costs and agent and internal salesperson commissions in a given period relating to retail customers divided by the total number of retail subscriber activations over the same period. Cost per gross addition is not a measurement under GAAP and should be considered in addition to, but not as a substitute for, the information contained in our statement of operations. We believe that cost per gross addition provides useful information concerning the cost of increasing our number of subscribers.

(10) Includes liabilities subject to compromise as of December 31, 2002 and 2003 in the amount of $3,425,921 and $3,421,967, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our audited and unaudited consolidated financial statements and the related notes appearing elsewhere in this prospectus. In doing so, you should keep in mind that the discussion, except for the six months ended June 30, 2006, relates to periods prior to the formation of Globalstar, Inc., that it includes discussions of the financial condition and results of operations of Globalstar LLC and its predecessor Old Globalstar and that, in that connection, it relates in part to periods prior to the consummation of the Reorganization.

Overview

We are a leading provider of mobile voice and data communication services via satellite. Our communications platform extends telecommunications beyond the boundaries of terrestrial wireline and wireless telecommunications networks to serve our customer's desire for connectivity and reliable service at all times and locations. Using 43 in-orbit satellites and 25 ground stations, which we call gateways, we offer voice and data communications services to government agencies, businesses and other customers in over 120 countries.

As described under "Company History," on February 15, 2002, Old Globalstar and three of its subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code. We were formed in Delaware in November 2003 for the purpose of acquiring substantially all the assets of Old Globalstar and its subsidiaries. With Bankruptcy Court approval, we acquired Old Globalstar's assets and assumed certain of its liabilities in a two-step transaction, with the first step completed on December 5, 2003, and the second step on April 14, 2004. On January 1, 2006, we elected to be taxed as a C corporation, and on March 17, 2006, we converted from a Delaware limited liability company to a Delaware corporation.

Management determined that operational control of our business passed to us with the completion of the first step of the acquisition on December 5, 2003. Accordingly, Old Globalstar's results of operations, financial position and cash flows prior to December 5, 2003 are presented as "Predecessor" or "Predecessor Period(s)." The results of operations, financial position and cash flows thereafter are collectively presented as "Successor" or "Successor Period(s)." The acquisition was accounted for using the purchase method of accounting.

Material Trends and Uncertainties. Our satellite communications business, by providing critical, reliable mobile communications to our subscribers, serves principally the following markets: government, public safety and disaster relief; recreation and personal; maritime and fishing; business, financial and insurance; natural resources, mining and forestry; oil and gas; construction; utilities; and transportation. Both our industry and our own subscriber base have been growing rapidly as a result of:

- favorable market reaction to new pricing plans with lower service charges;
- awareness of the need for remote and reliable communication services;
- increased demand for reliable communication services by disaster and relief agencies and emergency first responders;
- improved voice and data transmission quality; and
- a general reduction in prices of user equipment.

In addition, our industry as a whole has benefited from the improved financial condition of most industry participants following their financial reorganizations or conversions to private ownership.

Nonetheless, we face a number of challenges and uncertainties, including:

- *Constellation life and health.* Our current satellite constellation was launched from 1998 to 2000. We plan to launch our eight spare satellites during 2007. Assuming the successful launch of these

  spare satellites, we believe our current satellite constellation will provide a commercially acceptable quality of service into 2010. However, nine of our satellites have failed in orbit and others have encountered problems that have been remedied. If the health of our current constellation were to decline more rapidly than we expect and we were unable to offer commercially acceptable service until we can deploy our second-generation constellation, which we expect to do beginning in 2009, our number of subscribers, revenue and cash flow would be negatively impacted.

- *Competition and pricing pressures.* We face increased competition from both the expansion of terrestrial-based cellular phone systems and from other mobile satellite service providers. For example, Inmarsat plans to commence offering satellite services to handheld devices in the United States around 2008, and several competitors, such as ICO Communications, have received financing to deploy new satellite constellations. Increased numbers of competitors, and the introduction of new services and products by competitors, increases competition for subscribers and pressures all providers, including us, to reduce prices. Accordingly, increased competition may result in loss of subscribers, decreased revenue, decreased gross margins, increased cost per gross addition, higher churn rates, and, ultimately, decreased profitability and cash flows.

- *Technological changes.* It is difficult for us promptly to match major technological innovations by our competitors because substantially modifying or replacing our basic technology, satellites or gateways is time consuming and very expensive. Approximately 40% of our total assets at June 30, 2006 represented fixed assets. Although we believe our current technology and fixed assets are competitive with those of our competitors, and we plan to procure and deploy our second-generation satellite constellation and upgrade our gateways and other ground facilities, we are vulnerable to the unexpected introduction of superior technology by our competitors.

- *Capital expenditures.* Launching our eight spare satellites to augment our current constellation will cost approximately $110.0 million, of which $53.0 million had been paid or accrued by June 30, 2006. We plan to fund the balance of this cost from the sale of our common stock to Thermo Funding Company LLC pursuant to its irrevocable standby stock purchase agreement described under "—Liquidity and Capital Resources—Irrevocable Standby Stock Purchase Agreement." Procuring and deploying our second-generation satellite constellation and upgrading our gateways and other ground facilities will cost $1.0 to $1.2 billion, which we expect will be reflected in capital expenditures through 2014. We plan to fund approximately $400.0 million of this from the proceeds from this offering, the $100.0 million delayed draw term loans under our credit agreement and the remaining proceeds from sales of our common stock under the standby stock purchase agreement. We plan to fund the remaining cost of approximately $600.0 million to $800.0 million from cash generated by our business. Although we expect our cash flow will be sufficient to pay these costs when due, if our future revenues or profitability are substantially below our expectations, we will require additional financing, which may be difficult or expensive to obtain, or we will have to modify our plans. Substantially all of these costs will be capitalized, which will increase our depreciation expense significantly in future periods. We are not yet able to estimate the likely depreciation expense, and resulting impact on results of operations, on an annual basis.

- *Introduction of new products.* We work continuously with the manufacturers of the products we sell to offer our customers innovative and improved products. Virtually all engineering, research and development costs of these new products are paid by the manufacturers. However, to the extent the costs are reflected in increased inventory costs to us, and we are unable to raise our prices to our subscribers correspondingly, our margins and profitability would be reduced.

- *Fluctuations in interest and currency rates.* Debt under our credit agreement bears interest at a floating rate. Therefore, increases in interest rates will increase our interest costs. A substantial portion of our revenue (40% in the first six months of 2006) is denominated in foreign currencies. In addition, our contract for the launch of our spare satellites is, and our contract for our second-generation constellation may be, denominated in a foreign currency. Accordingly, any decline in the relative value of the U.S. dollar may adversely affect our revenues and increase our capital expenditures. We may hedge against a portion of these interest rate and currency risks.

Service Revenues. We earn revenues primarily from the sale of satellite communications services to direct customers, resellers and independent gateway operators. These services include mobile and fixed voice and data services and asset tracking and monitoring services. We generated approximately 70%, 69%, 64% and 61% of our consolidated revenues from the sale of our satellite communication services in 2003, 2004, 2005 and the first six months of 2006, respectively. The decrease in service revenue as a percentage of total revenue has resulted primarily from a substantial increase in product sales. Additionally, beginning in 2005 we significantly increased sales of our Liberty Plans for which payment is received in advance but revenue is recognized based on usage, thereby increasing our deferred revenue due to the prepaid nature of the Plans while decreasing our current recognized revenue. These sales should result in higher service revenue in future periods. In 2005, we also experienced increasing demand for our services driven by increased awareness of the need for reliable communication services in the wake of Hurricanes Katrina, Rita and Wilma and the Asian tsunami. As of December 31, 2005 and June 30, 2006, we served approximately 196,000 and 236,500 subscribers, respectively, which represented 39% and 50% increases over our subscribers at December 31, 2004 and June 30, 2005, respectively. Although the majority of our subscribers utilize our network principally for voice communication services, an increasing portion of our revenue is derived from the sale of high and low speed data services, including our Simplex one-way data transmission service. Simplex is especially useful for remotely tracking the location of a subscriber's remote assets, such as shipping containers. As a result of the above-mentioned factors and our marketing efforts, our subscriber base has continued to grow. Accordingly, our service revenue during the year ended December 31, 2005 and the six months ended June 30, 2006 increased by 41% and 21% over the year ended December 31, 2004 and the six months ended June 30, 2005, respectively.

Subscriber Equipment Sales Revenue. We also sell related voice and data equipment to our customers. We generated approximately 30%, 31%, 36% and 39% of our consolidated revenues from subscriber equipment sales in 2003, 2004, 2005 and the first six months of 2006, respectively. As a percentage of our revenue, equipment sales increased faster than our service revenues in 2005 and the first six months of 2006 primarily as a result of significant customer growth in our major markets and the Liberty Plan effect described above. Our subscriber equipment sales revenue increased by 73% for each of the year ended December 31, 2005 and the six months ended June 30, 2006 compared to 2004 and the first six months of 2005, respectively. We believe that these increases in equipment sales revenue were the result of better marketing efforts, heightened awareness of emergency preparedness and increased knowledge by our customers of the competitive pricing of our product offerings. We price our subscriber equipment sales to maintain an overall positive margin on these sales rather than using the sales as "loss leaders" to promote the sale of our services.

The table below sets forth amounts and percentages of our revenue by type of service and equipment sales for the years ended December 31, 2003, 2004 and 2005 and the six months ended June 30, 2005 and 2006.

	Year Ended December 31, 2003 Combined(1)		Year Ended December 31, 2004		Year Ended December 31, 2005		Six Months Ended June 30, 2005		Six Months Ended June 30, 2006	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue
	(Dollars in thousands)									
Service Revenue:										
Mobile (voice and data)	$ 30,453	51%	$ 43,661	52%	$ 60,092	47%	$ 25,975	52%	$ 31,930	46%
Fixed (voice and data)	2,903	5	5,315	6	6,637	5	2,922	6	3,805	6
Satellite data modems (data)	683	1	770	1	1,240	1	554	1	678	1
Asset tracking and monitoring	19	0	208	0	945	1	250	0	727	1
Independent gateway operators	6,820	11	7,089	8	9,098	7	3,661	7	3,892	6
Other(2)	1,557	3	884	1	3,460	3	1,603	3	1,170	2
Subtotal	42,435	70	57,927	69	81,472	64	34,965	69	42,202	61
Subscriber Equipment Sales:										
Mobile equipment	11,580	19	12,611	15	23,662	19	7,162	14	12,965	19
Fixed equipment	1,425	2	4,551	5	5,278	4	1,967	4	3,115	5
Data equipment	—	0	560	1	1,085	1	381	1	1,198	2
Accessories/misc.	4,760	8	8,719	10	15,650	12	5,850	12	9,261	13
Subtotal	17,765	30	26,441	31	45,675	36	15,360	31	26,539	39
Total Revenue	$ 60,200	100%	$ 84,368	100%	$ 127,147	100%	$ 50,325	100%	$ 68,741	100%

(1) In order to provide a comparison for purposes of the discussion of our results of operations for the years ended December 31, 2004 and 2005 and the six months ended June 30, 2005 and 2006, the results of Old Globalstar for the period from January 1, 2003 to December 4, 2003 and the results of our company for the period from December 5, 2003 to December 31, 2003 are presented on a combined basis for the year ended December 31, 2003. Although we have provided these results in order to provide a comparison for purposes of the discussion of the periods presented, this presentation is not in accordance with GAAP and the periods presented are not comparable due to the change in basis of assets that resulted from the application of the purchase method of accounting in connection with the Reorganization. Because we and Old Globalstar are different reporting entities, this information should be considered as supplemental information only.

(2) Includes activation fees and engineering service revenue.

Operating Expenses. Our operating expenses are comprised principally of:

- Cost of services, which are costs directly related to the operation and maintenance of our network, such as satellite tracking and monitoring, gateway monitoring, trouble shooting and sub-system maintenance, and the ordering, billing and provisioning of our services, including customer care and phone activations;
- Cost of subscriber equipment sales, which is the recognition of inventory carrying cost into expense when equipment is sold;
- Marketing, general and administrative expenses, which are the salaries and related costs, including expenses related to our 2006 Equity Incentive Plan and other employee benefits, for employees other than those involved in operations and engineering, and the marketing and administrative costs of operating our business;
- Restructuring expenses, which represent expenses incurred by us relating to certain restructuring obligations we assumed relating to Old Globalstar; and
- Depreciation and amortization, which represent the depreciation and amortization of our space and ground facilities, property and equipment, as well as amortization of certain intangible assets.

Due to the fixed nature of our network costs, our cost of services has been fairly consistent over the past three fiscal years. Our increased sales and number of subscribers have caused increases both in our cost of subscriber equipment and in our marketing, general and administrative expenses. Customer acquisition costs have ranged from $200 to $250 per gross addition over the last three fiscal years. We expect to experience growth in general and administrative costs associated with increased revenue, such as

bad debt allowance, human resources and collections, as well as costs associated with being a public company including Sarbanes-Oxley related compliance costs. We anticipate these compliance costs will be approximately $1.0 to $1.5 million in 2007. We expect the rate of growth of these costs to be substantially lower than the growth rate of our revenue. Acquisition of new fixed assets, especially gateways acquired from independent gateway operators and new gateways built by us, has increased our depreciation and amortization expense.

Compensation Expense. As a result of our planned issuance of approximately shares of restricted stock under our 2006 Equity Incentive Plan to substantially all of our employees upon completion of this offering, we will incur a pre-tax non-cash charge of approximately $ million in the third quarter of 2006 and approximately $ million will be amortized over the shares' three-year vesting period. See "Management—Equity Incentive Plan."

Operating Income (Loss). Our operating income (loss) grew from an operating loss of $3.5 million for the year ended December 31, 2004, to operating income of $21.9 million for the year ended December 31, 2005. Our operating income grew between 2004 and 2005 due principally to increased revenue which resulted from growth in our number of subscribers from approximately 141,500 to 196,000. Our operating income for the six months ended June 30, 2006 was $5.7 million compared to $6.4 million for the same period in 2005, a decrease of $0.7 million, or 11.3%. This $0.7 million decrease was a result of slightly lower margins on equipment sales in the first six months of 2006, the Liberty Plan effect on recognition of service revenue described above, and customer acquisition costs related to a 24,000 increase in wholesale and retail subscribers compared to the first six months of 2005. Our operating income margin, which is operating income or loss divided by total revenue, was 17.2% for the year ended December 31, 2005, and 8.3% for the six months ended June 30, 2006. Our operating income margin for the six months ended June 30, 2006 was 8.3% compared to 12.8% for the same period in 2005. Due to the fixed cost nature of our network, our operating income margin is particularly sensitive to increases in costs of subscriber equipment and customer acquisition costs.

Deferred Financing Costs. At June 30, 2006, we had recorded $3.6 million of deferred financing costs relating to our credit agreement. These costs will be amortized over the term of the credit agreement. In addition, as of June 30, 2006, we had incurred deferred transaction costs related to our initial public offering of $0.7 million.

Independent Gateway Acquisition Strategy

Currently 16 of the gateways in our network are owned and operated by unaffiliated companies, which we call independent gateway operators, some of whom operate more than one gateway. Some of these independent gateway operators have been unable to grow their businesses adequately due in part to limited resources. Old Globalstar initially developed the independent gateway strategy to establish operations in multiple territories with reduced demands on its capital. In addition, for political or other reasons, there are territories in which it is impractical for us to operate directly. We sell services to the independent gateway operators on a wholesale basis and they resell them to their customers on a retail basis.

We have acquired, and intend to continue to pursue the acquisition of, independent gateway operators when we believe we can do so on favorable terms. We believe that these acquisitions can enhance our results of operations in three respects. First, we believe that, with our greater financial and technical resources, we can grow our subscriber base and revenue faster than some of the independent gateway operators. Second, we realize greater margin on retail sales to individual subscribers than we do on wholesale sales to independent gateway operators. Third, we believe expanding the territory we serve directly will better position us to market our services directly to multinational customers who require a global communications provider. However, acquisitions of independent gateway operators do require us to commit capital for acquisition of their assets, as well as management resources and working capital to

support the gateway operations, and therefore increase our risk in operating in these territories directly rather than through the independent gateway operators. In addition, operating the acquired gateways increases our marketing, general and administrative expenses. Our credit agreement limits to $25.0 million the aggregate amount we may invest in foreign acquisitions without the consent of our lenders.

Prior to the Reorganization, Old Globalstar acquired three independent gateway operators in the United States, Canada and Western Europe for minimal costs. In February 2005, we purchased the Venezuela gateway for $1.5 million in cash to be paid over four years. Effective January 1, 2006, we acquired the Central American gateway and other real property assets for $5.2 million, paid principally in shares of our common stock. Because independent gateway operations vary in size and value, we are unable to predict the timing or cost of further acquisions.

Performance Indicators

Our management reviews and analyzes several key performance indicators in order to manage our business and assess the quality of 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 revenue per user, which is an indicator of our ability to obtain effectively long-term, high-value customers;
- cost per gross addition, which is a measure of the cost of increasing our number of subscribers;
- operating income, which is an indication of our performance and liquidity;
- EBITDA, which is an indicator of our financial performance; and
- capital expenditures, which are an indicator of future revenue growth potential and cash requirements.

Seasonality

Our results of operations are subject to seasonal usage changes. April through October are typically our peak months for service revenues and equipment sales. Government customers in North America tend to use our services during summer months, often in support of relief activities after events such as hurricanes, forest fires and other natural disasters.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements requires us to make estimates and judgments that affect our revenues and expenses for the periods reported and the reported amounts of our assets and liabilities, including contingent assets and liabilities, as of the date of the financial statements. We evaluate our estimates and judgments, including those related to revenue recognition, inventory, long-lived assets, income taxes and pension obligations, on an on-going basis. We base our estimates and judgments on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from our estimates under different assumptions or conditions. We believe the following accounting policies are most important to understanding our financial results and condition and require complex or subjective judgments and estimates.

Revenue Recognition

Customer activation fees are deferred and recognized over four to five year periods, which approximates the estimated average life of the customer relationship. We periodically evaluate the

estimated customer relationship life. Historically, changes in the estimated life have not been material to our financial statements.

Monthly access fees billed to retail customers and resellers, representing the minimum monthly charge for each line of service based on its associated rate plan, are billed on the first day of each monthly bill cycle. Airtime minute fees in excess of the monthly access fees are billed in arrears on the first day of each monthly billing cycle. To the extent that billing cycles fall during the course of a given month and a portion of the monthly services has not been delivered at month end, fees are prorated and fees associated with the undelivered portion of a given month are deferred.

We also provide certain engineering services to assist customers in developing new technologies related to our system. The revenues associated with these services are recorded when the services are rendered, and the expenses are recorded when incurred. During the year ended December 31, 2005 and the first six months of 2006, we recorded engineering services revenues of $3.5 million and $1.1 million, respectively, and related costs of $1.7 million and $0.9 million. Engineering services revenues and cost of services were not significant in 2003 and 2004.

Our Liberty Plans were introduced in August 2004 and grew substantially in 2005 and 2006. These Plans require users to pre-pay usage charges for an entire 12-month period, which results in the deferral of certain of our revenues. Under our revenue recognition policy for Liberty Plans, we defer revenue until the earlier of when the minutes are used or when these minutes expire. Any unused minutes are recognized as revenue at the end of the 12-month period. Most of our customers have not used all the minutes that are available to them or have not used them at the pace anticipated, which, with the rapid acceptance of our Liberty Plans, has caused us to defer increasingly large amounts of service revenue. At June 30, 2006, our deferred revenue aggregated approximately $21.8 million. Accordingly, we expect significant revenues from 2005 and 2006 purchases of Liberty Plans to be recognized during the remainder of 2006 and in 2007 as the minutes are used or expire.

We own and operate our satellite constellation and earn a portion of our revenues through the sale of airtime minutes on a wholesale basis to the independent gateway operators. Revenue from services provided to independent gateway operators is recognized based upon airtime minutes used by customers of independent gateway operators and contractual fee arrangements. Where collection is uncertain, revenue is recognized when cash payment is received.

Subscriber equipment revenue represents the sale of fixed and mobile user terminals and accessories. Revenue is recognized upon shipment provided title and risk of loss have passed to the customer, persuasive evidence of an arrangement exists, the fee is fixed and determinable and collection is probable.

In December 2002, the Emerging Issues Task Force ("EITF") reached a consensus on EITF Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables." EITF Issue No. 00-21 addresses certain aspects of the accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities. In some arrangements, the different revenue-generating activities (deliveries) are sufficiently separable and there exists sufficient evidence of their fair values to account separately for some or all of the deliveries (that is, there are separate units of accounting). In other arrangements, some or all of the deliveries are not independently functional, or there is not sufficient evidence of their fair values to account for them separately. EITF Issue No. 00-21 addresses when, and if so, how an arrangement involving multiple deliverables should be divided into separate units of accounting. EITF Issue No. 00-21 does not change otherwise applicable revenue recognition criteria.

Inventory

Inventory consists of purchased products, including fixed and mobile user terminals, accessories and gateway spare parts. Prior to December 5, 2003, inventory was stated at the lower of cost or market. Inventory acquired on December 5, 2003 was stated at fair value at the date of our acquisition of the

assets of Old Globalstar and subsequent inventory transactions are stated at the lower of cost or market. At the end of each quarter, product sales and returns from the previous twelve months are reviewed and any excess and obsolete inventory is written off. Cost is computed using the first-in, first-out (FIFO) method. Inventory allowances for inventories with a lower market value or that are slow moving are recorded in the period of determination.

Globalstar System, Property and Equipment

Our Globalstar System assets include costs for the design, manufacture, test, and launch of a constellation of low earth orbit satellites, including in-orbit spare satellites, which we refer to as the space segment, and primary and backup terrestrial control centers and gateways, which we refer to as the ground segment.

Loss from an in-orbit failure of a satellite is recognized as an expense in the period it is determined that the satellite is not recoverable.

The carrying value of the Globalstar System is reviewed for impairment whenever events or changes in circumstances indicate that the recorded value of the space segment and ground segment, taken as a whole, may not be recoverable. We look to current and future undiscounted cash flows, excluding financing costs, as primary indicators of recoverability. If an impairment is determined to exist, any related impairment loss is calculated based on fair value.

Property and equipment was stated at historical cost, less accumulated depreciation and impairment charges until December 5, 2003, when the assets were acquired by us and recorded based on our allocation of acquisition cost. Because the acquisition cost of these assets was substantially below their historic cost or replacement cost, current depreciation and amortization costs have been reduced substantially for GAAP purposes, thereby increasing net income or decreasing net loss. As we increase our capital expenditures, especially to procure and launch our second-generation satellite constellation, we expect GAAP depreciation to increase substantially. Depreciation is provided using the straight-line method over the estimated useful lives. For this purpose, we have estimated that our satellites have an estimated useful life of 10 years from commencement of service, or through December 31, 2009. To verify the life of our satellites, we commissioned a report by an independent consultant to assess the health and life of our current constellation. Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful life of the improvement or the term of the lease, generally five years. We perform ongoing evaluations of the estimated useful lives of our property and equipment for depreciation purposes. The estimated useful lives are determined and continually evaluated based on the period over which services are expected to be rendered by the asset. Maintenance and repair items are expensed as incurred.

Income Taxes

Until January 1, 2006, we were treated as a partnership for U.S. tax purposes. Generally, our taxable income or loss, deductions and credits were passed through to our members. We did have some corporate subsidiaries that required a tax provision or benefit using the asset and liability method of accounting for income taxes as prescribed by Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes* (SFAS No. 109). Effective January 1, 2006, we elected to be taxed as a C corporation in the United States. When an enterprise changes its tax status from non-taxable to taxable, under SFAS No. 109 the effect of recognizing deferred tax assets and liabilities is included in income from continuing operations in the period of change. As a result, we recognized a gross deferred tax asset of $204.2 million and a gross deferred tax liability of $0.1 million on January 1, 2006. SFAS No. 109 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized. In evaluating the need for a valuation allowance, we take into account various factors including the expected level of future taxable income and available tax

planning strategies. Accordingly, we also determined that it was more likely than not that we would not recognize the entire deferred tax asset; therefore, we established a valuation allowance of $182.7 million, resulting in recognition of a net deferred tax benefit of $21.4 million. We will continue to monitor the situation to ensure that, if and when we are more likely than not to be able to utilize more of the deferred tax asset, we will be able to reduce the valuation allowance accordingly.

As of December 31, 2004 and 2005, our corporate subsidiaries had gross deferred tax assets of approximately $10.6 million and $7.6 million, respectively. Valuation reserves of $5.9 million and $5.2 million at December 31, 2004 and 2005, respectively, reflect concerns about our ability to generate sufficient income in those corporate subsidiaries to utilize the deferred tax assets. The amount of the deferred tax asset considered realizable could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

We have substantially more basis in our U.S. assets for tax purposes than we do for book purposes. We estimate that as of January 1, 2006, the tax basis of our assets was approximately $498.0 million in excess of our book basis. Assuming an average U.S. tax rate of 41%, depreciation of these assets could reduce our income taxes payable by approximately $204.2 million in the future. The $498.0 million represents the historical cost of the assets purchased by Old Globalstar net of any tax depreciation or amortization taken to date. When we purchased Old Globalstar in 2004, the acquisition was treated as a purchase of assets under GAAP. For tax purposes, the transaction was treated as a contribution of assets to a partnership and resulted in a carryover of tax basis.

Spare Satellites and Launch Costs

Old Globalstar purchased eight additional satellites in 1998 for $148.0 million (including performance incentives of up to $16.0 million) to serve as on-ground spares. Costs of $147.0 million (including a portion of the performance incentives) were previously recognized for these spare satellites. Prior to 2002, Old Globalstar recorded an impairment of these costs, and at December 31, 2002 they were carried at $24.2 million. All eight satellites have been completed, and are being readied for launch. Depreciation of these assets will not begin until the satellites are placed in service. As of December 31, 2004 and 2005, these assets were recorded at $0.9 million and $3.0 million, respectively, of which $0.9 million was based on our allocation of the Reorganization cost on December 5, 2003. We expect to launch these satellites during 2007.

Pension Obligations

We have various company-sponsored retirement plans covering certain current and past U.S. based employees. Until June 1, 2004, substantially all of Old and New Globalstar's employees and retirees who participated and/or met the vesting criteria for the plan were participants in the Retirement Plan of Space Systems/Loral, Inc. (the "Loral Plan"), a defined benefit pension plan. The accrual of benefits in the Old Globalstar segment of the Loral Plan was curtailed, or frozen, by the administrator of the Loral Plan as of October 23, 2003. Prior to October 23, 2003, benefits for the Loral Plan were generally based upon compensation, length of service with the company and age of the participant. On June 1, 2004, the assets and frozen pension obligations of the segment attributable to our employees were transferred into a new Globalstar Retirement Plan (the "Globalstar Plan"). The Globalstar Plan remains frozen and participants are not currently accruing benefits beyond those accrued as of October 23, 2003. Our funding policy is to fund the Globalstar Plan in accordance with the Internal Revenue Code and regulations.

We account for our defined benefit pension and life insurance benefit plans in accordance with Statement of Financial Accounting Standards No. 87, *Employers' Accounting for Pensions* and SFAS No. 106, *Employer's Accounting for Postretirement Benefits Other than Pensions*, which require that amounts recognized in financial statements be determined on an actuarial basis. Pension benefits associated with these plans are generally based primarily on each participant's years of service, compensation, and age at

retirement or termination. Two critical assumptions, the discount rate and the expected return on plan assets, are important elements of expense and liability measurement. See Note 12 to the Consolidated Financial Statements for additional discussion of actuarial assumptions used in determining the pension liability and expense. We utilize the services of a third party to perform these actuarial calculations.

We determine the discount rate used to measure plan liabilities as of the December 31 measurement date for the U.S. pension plan. The discount rate reflects the current rate at which the associated liabilities could be effectively settled at the end of the year. In estimating this rate, we look at rates of return on fixed-income investments of similar duration to the liabilities in the plan that receive high, investment grade ratings by recognized ratings agencies. Using these methodologies, we determined a discount rate of 5.5% to be appropriate as of December 31, 2005, which is a reduction of 0.25 percentage points from the rate used as of December 31, 2004. An increase of 1.0% in the discount rate would have decreased our plan liabilities as of December 31, 2005 by $1.6 million and a decrease of 1.0% could have increased our plan liabilities by $2.0 million.

A significant element in determining our pension expense in accordance with SFAS No. 87 is the expected return on plan assets, which is based on historical results for similar allocations among asset classes. For the U.S. pension plan, our assumption for the expected return on plan assets was 7.5% for 2005. See Note 12 to the Consolidated Financial Statements for information on how this rate is determined. An increase (decrease) of 1.0% in the expected return on plan assets would have decreased (increased) our pension expense for 2005 by $0.1 million.

The difference between the expected return and the actual return on plan assets is deferred and, under certain circumstances, amortized over future years of service. Therefore, the net deferral of past asset gains (losses) ultimately affects future pension expense. This is also true of changes to actuarial assumptions. As of December 31, 2005, we had net unrecognized pension actuarial losses of $2.6 million. These amounts represent potential future pension and postretirement expenses that would be amortized over average future service periods.

For the year ended December 31, 2005, we recognized total pre-tax pension expense (after settlements, curtailments and special termination benefits) of $0.2 million, up from less than $0.1 million in 2004. Pension expense (before settlements, curtailments and special termination benefits) is anticipated to be approximately $0.1 million in 2006.

Results of Operations

Comparison of Results of Operations for the Six Months Ended June 30, 2005 and 2006

Statements of Operations	Six Months Ended June 30, 2005	Six Months Ended June 30, 2006	% Change
	(In thousands)		
Revenue:			
Service revenue	$ 34,965	$ 42,202	20.7
Subscriber equipment sales	15,360	26,539	72.8
Total Revenue	50,325	68,741	36.6
Operating Expenses:			
Cost of services (exclusive of depreciation and amortization shown separately below)	13,780	13,888	0.8
Cost of subscriber equipment sales	12,216	25,769	110.9
Marketing, general and administrative	16,626	20,691	24.4
Depreciation and amortization	1,240	2,698	117.6
Impairment of assets	39	—	(100.0)
Total Operating Expenses	43,901	63,046	43.6
Operating Income	6,424	5,695	(11.3)
Interest income	62	366	490.3
Interest expense(1)	(194)	(108)	(44.3)
Other expense	(538)	(1,760)	227.1
Income Before Income Taxes	5,754	4,193	(27.1)
Income tax expense (benefit)	2,898	(17,459)	NA
Net Income	$ 2,856	$ 21,652	658.1

(1) Includes related party amount of $117 for the six months ended June 30, 2005 and $0 for the six months ended June 30, 2006.

Revenue. Total revenue increased by $18.4 million, or approximately 36.6%, to $68.7 million for the six months ended June 30, 2006, from $50.3 million for the six months ended June 30, 2005, due principally to continued growth in our core markets in North America, increased subscribers, and stronger performance by the independent gateway operators. Total revenue growth in the six months ended June 30, 2006 also benefited from our sale of over 3,000 fixed units to our independent gateway operator in China for $0.7 million and our sale of three Simplex appliqués (switching equipment) for $1.3 million. Our average retail revenue per user during the six months ended June 30, 2006 decreased by 14.6% to $56.84 from $66.52 for the six months ended June 30, 2005. This decline resulted from the rapid acceptance of our Liberty Plans, which were introduced broadly in April 2005 and which require subscribers to pre-pay for a year of service. Liberty Plans reduce current period revenue because revenue is not recognized until minutes are used or expire. Unused minutes are recognized as revenue at the expiration of a Plan. Subscribers generally do not use all of the minutes for which they have prepaid. Accordingly, we expect an increase in our average retail revenue per user in later periods as the minutes related to Liberty Plans sold in prior periods are used or expire. Average monthly subscriber churn was unchanged at 1.1% for the six months ended June 30, 2006 compared to the six months ended June 30, 2005.

Service Revenue. Service revenue increased $7.2 million, or approximately 20.7%, to $42.2 million for the six months ended June 30, 2006, from $35.0 million for the six months ended June 30, 2005. This increase was driven by our 50% subscriber growth over the prior period and increased usage of minutes related to the higher number of subscribers. Simplex subscribers grew from approximately 11,000 at June 30, 2005 to approximately 41,000 at June 30, 2006. This growth in Simplex subscribers was due to an expanded availability of products and marketing efforts by our data sales group.

Subscriber Equipment Sales. Subscriber equipment sales increased by $11.2 million, or approximately 72.8%, to $26.5 million for the six months ended June 30, 2006, from $15.4 million for the six months ended June 30, 2005. This increase was driven by growth in the number of our subscribers and the desire of agents and resellers to stock up on inventory before the 2006 hurricane season in response to product shortages experienced by them during the 2005 hurricane season. Subscriber equipment sales for the six months ended June 30, 2006 included the sales of fixed units and Simplex appliqués described above.

Operating Expenses. Total operating expenses increased $19.1 million, or approximately 43.6%, to $63.0 million for the six months ended June 30, 2006, from $43.9 million for the six months ended June 30, 2005. This increase was due primarily to higher cost of subscriber equipment and marketing, general and administrative expenses, as well as increased depreciation and amortization.

Cost of Services. Our cost of services remained generally flat, with only a slight increase of $0.1 million, or approximately 0.8%, to $13.9 million for the six months ended June 30, 2006, from $13.8 million for the six months ended June 30, 2005. Our cost of services is comprised primarily of network operating costs, which are generally fixed in nature. There were some increases to our headcount and telecommunication costs associated with having more subscribers and usage. However, these were partially offset by reimbursement of $1.8 million from our independent gateway operators for their portion of the costs associated with maintaining the gateway network software and hardware. Maintenance costs related to all 25 gateways are paid by us and then divided equally among all gateway operators. As independent gateway operators reimburse us for their portion, we record this as an expense reduction.

Cost of Subscriber Equipment Sales. Cost of subscriber equipment sales increased $13.6 million, or approximately 110.9%, to $25.8 million for the six months ended June 30, 2006, from $12.2 million for the six months ended June 30, 2005. This increase was due in part to the costs of the fixed units and Simplex appliqués described above. Costs of subscriber equipment sales increased at a faster rate than subscriber equipment sales as we exhausted our inventory of lower priced equipment purchased from QUALCOMM.

Marketing, General and Administrative. Marketing, general and administrative expenses increased $4.1 million, or approximately 24.4%, to $20.7 million for the six months ended June 30, 2006, from $16.6 million for the six months ended June 30, 2005. This increase was due primarily to increased sales and marketing efforts. Although our cost per gross addition dropped to $248 for the six months ended June 30, 2006 from $334 for the six months ended June 30, 2005, our overall sales and marketing expenses grew as a result of adding approximately 41,000 subscribers in the six months ended June 30, 2006 compared to the approximately 17,000 we added in the first six months of 2005. Our cost per gross addition includes expenses incurred for advertising, marketing support, and direct customer acquisition costs. We also increased our headcount in the sales and marketing area and support staff for the six months ended June, 30 2006. In addition, our marketing and general administration costs in the six months ended June 30, 2006 increased by approximately $0.9 million as a result of consolidating the Central American independent gateway operation.

Depreciation and Amortization. Depreciation and amortization expense increased $1.5 million, or 117.6%, to $2.7 million for the six months ended June 30, 2006, from $1.2 million for the six months ended June 30, 2005. This increase was due primarily to the depreciation associated with our Sebring,

Florida gateway, which became operational in July 2005. We also acquired an additional gateway in Central America. These acquisitions resulted in additional depreciation expense of $0.9 million for the six months ended June 30, 2006.

Operating Income. Operating income decreased $0.7 million, or approximately 11.3%, to $5.7 million for the six months ended June 30, 2006, from $6.4 million for the six months ended June 30, 2005. The decrease was due to reductions in equipment margins, as our total equipment revenue increased 72.8% while our cost of subscriber equipment sales increased 110.9%. In addition, as discussed above, we added substantially more new subscribers during the six months ended June 30, 2006 than during the first six months of 2005, which had the short-term effect of lowering current period margins because all subscriber acquisition costs are expensed in the current period.

Interest Income. Interest income increased to $0.4 million for the six months ended June 30, 2006 from $0.1 million in the first six months of 2005. This increase was due to increased cash balances on hand and higher yields on those balances.

Interest Expense. Interest expense decreased by $0.1 million, to $0.1 million for the six months ended June 30, 2006 from $0.2 million for the six months ended June 30, 2005. This decrease was due to a settlement with Loral effective July 31, 2005 which eliminated a note payable to Loral.

Other Income (Expense). Other income (expense) generally consists of foreign exchange transaction gains and losses. We recorded $1.8 million in foreign exchange losses in the six months ended June 30, 2006 compared to $0.5 million for the first six months of 2005. These losses related primarily to the performance of the U.S. dollar against the Canadian dollar and the Euro. Also, during the first six months of 2006 we engaged in a large Euro denominated transaction related to the scheduled 2007 launch of our spare satellites which we did not have in the first six months of 2005.

Income Tax Expense (Benefit). During the six months ended June 30, 2005, our domestic entities were treated as a partnership for U.S. income tax purposes and thus we did not have a tax provision for the domestic entities. We recognized a deferred tax expense of $2.5 million in foreign subsidiaries for that period. On January 1, 2006, we elected to be taxed as a C corporation for U.S. income tax purposes. The change in tax status resulted in the domestic entities recognizing a net deferred tax benefit of $21.4 million related to the establishment of deferred tax assets and liabilities. This $21.4 million deferred tax benefit was partially offset by $3.9 million of deferred and current income tax expense related to year to date operating income in the United States and Canada.

Net Income. Our net income increased $18.8 million to $21.7 million for the six months ended June 30, 2006, from $2.9 million for the six months ended June 30, 2005. This increase resulted in large part from our income tax benefit. Excluding the income tax benefit, our net income for the six months ended June 30, 2006, would have been $0.3 million. If we had been taxed as a C corporation for the six months ended June 30, 2005, our net income for that period would have been $2.1 million.

Comparison of Results of Operations for the Years Ended December 31, 2004 and 2005

Statements of Operations	Year Ended December 31, 2004	Year Ended December 31, 2005	% Change
	(In thousands)		
Revenue:			
Service revenue	$ 57,927	$ 81,472	40.6
Subscriber equipment sales(1)	26,441	45,675	72.7
Total Revenue	84,368	127,147	50.7
Operating Expenses:			
Cost of services (exclusive of depreciation and amortization shown separately below)	25,208	25,432	0.9
Cost of subscriber equipment sales (2)	23,399	38,742	65.6
Marketing, general and administrative	32,151	37,945	18.0
Restructuring	5,078	—	(100.0)
Depreciation and amortization	1,959	3,044	55.4
Impairment of assets	114	114	—
Total Operating Expenses	87,909	105,277	19.8
Operating Income (Loss)	(3,541)	21,870	N/A
Interest income	58	242	317.2
Interest expense(3)	(1,382)	(269)	(80.5)
Other income (expense)	921	(622)	N/A
Income (Loss) Before Income Taxes	(3,944)	21,221	N/A
Income tax expense (benefit)	(4,314)	2,502	N/A
Net Income	$ 370	$ 18,719	4,959.2

(1) Includes related party amount of $440 for the year ended December 31, 2005.

(2) Includes related party amount of $314 for the year ended December 31, 2005.

(3) Includes related party amounts of $1,324 for the year ended December 31, 2004 and $176 for the year ended December 31, 2005.

Revenue. Total revenue increased by $42.8 million, or approximately 50.7%, to $127.1 million for the year ended December 31, 2005 from $84.4 million for the year ended December 31, 2004, due principally to the growth of overall demand for our services, which resulted in increases in both our service revenue and subscriber equipment sales. At December 31, 2004, we had approximately 141,000 subscribers; by December 31, 2005, our number of subscribers had increased by 39.0% to approximately 196,000. Our average retail revenue per user during 2005 increased to $68.11 from $67.93 in 2004. This modest increase was the result of our continued effort to target customers who provide high average retail revenue per user. Average monthly subscriber churn for the year ended December 31, 2005 dropped to 1.3% compared to 1.6% for the year ended December 31, 2004. The primary reason for this decline was a one-time review of our billing system in April 2004 following our emergence from the Reorganization, which caused the average monthly churn for 2004 to be unusually high.

Service Revenue. Service revenue increased $23.5 million, or approximately 40.6%, to $81.5 million for the year ended December 31, 2005 from $57.9 million in 2004. This growth was driven by increased demand for our mobile voice services by governmental agencies and substantial customer growth in all other markets. Our new pricing plans, which proved to be more attractive to customers than prior plans,

and the need for emergency communications capabilities during 2005's natural disasters contributed to this growth. We also continued to maintain a stable average revenue per user and low churn rate, compared to the prior period, both of which we believe contributed to our overall revenue growth.

Our Liberty Plans were introduced in August 2004 and grew substantially in 2005. These Plans allow users to pre-pay usage charges for an entire 12-month period, which results in deferral of revenue until the minutes are used or expire. Any unused minutes are recognized as revenue at the end of the 12-month period. Most of our customers have not used all the minutes that are available to them or have not used them at the pace anticipated, which, with the rapid acceptance of our Liberty Plans, has caused us to defer increasingly large amounts of service revenue. Accordingly, we expect significant revenue from 2005 and 2006 purchases of Liberty Plans to be recognized in 2006 and 2007 as the minutes are used or expire.

Subscriber Equipment Sales. Subscriber equipment sales increased by $19.2 million, or approximately 72.7%, to $45.7 million for the year ended December 31, 2005 from $26.4 million for 2004. Increased subscriber equipment sales were driven by the increase in our subscriber base, which resulted from more attractive pricing plans and the need for emergency communications during natural disasters in 2005. As a percentage of our revenue, subscriber equipment sales increased faster than our service revenue primarily as a result of significant growth in the acceptance of our Liberty Plans, which were introduced in August 2004 but whose popularity increased significantly in the latter half of 2005. The effect of our Liberty Plans and revenue recognition policies is to cause service revenues to lag behind equipment sales revenue related to the same subscriber.

Operating Expenses. Total operating expenses increased $17.4 million, or approximately 19.8%, to $105.3 million for the year ended December 31, 2005, from $87.9 million for 2004. This increase was due primarily to higher cost of subscriber equipment and increased marketing, general and administrative expenses related to the addition of approximately 55,000 subscribers, which was partially offset by our not incurring any restructuring charges in 2005.

Cost of Services. Our cost of services for the year ended December 31, 2005 increased by $0.2 million, or approximately 0.9%, to $25.4 million from $25.2 million for 2004. These costs generally remain flat due to the fixed nature of our network operating costs.

Cost of Subscriber Equipment Sales. Cost of subscriber equipment sales increased by $15.3 million, or approximately 65.6%, to $38.7 million in the year ended December 31, 2005 from $23.4 million in 2004, primarily as a result of increased equipment sales due to continued improvement in demand for our products and related services in all markets and to selling lower cost QUALCOMM mobile units in 2004. These units were acquired throughout 2004 at a substantially lower cost than the units acquired from QUALCOMM in 2005.

Marketing, General and Administrative. Marketing, general and administrative expenses for the year ended December 31, 2005 increased by $5.8 million, or approximately 18.0%, to $37.9 million compared to $32.2 million for 2004. Our cost per gross addition increased $18 to $248 for the year ended December 31, 2005 from $230 for the year ended December 31, 2004. This increase resulted from our adding additional sales and marketing personnel and increased marketing efforts following our emergence from the Reorganization. We also incurred increased legal expenses relating principally to litigation settlements. In addition, our marketing and general administration costs increased by approximately $1.4 million as a result of consolidating the Venezuelan independent gateway operation.

Restructuring. For the year ended December 31, 2005, we recorded no restructuring expense. We recorded $5.1 million in 2004 for restructuring obligations relating to Old Globalstar which we assumed in the Reorganization. These restructuring expenses in 2004 consisted of employee retention payments, success fees related to the restructuring of Old Globalstar and related legal fees. We no longer have any restructuring obligations.

Depreciation and Amortization. Depreciation and amortization expense increased $1.1 million, or 55.4%, to $3.0 million for the year ended December 31, 2005, from $2.0 million for 2004. This increase related to the Sebring, Florida gateway, which we placed in service in July 2005, and the purchase of the Venezuelan independent gateway operator.

Impairment of Assets. We recorded impairment charges of $0.1 million for satellite failures in each of the years ended December 31, 2004 and 2005.

Operating Income (Loss). Operating income increased $25.4 million, to $21.9 million for the year ended December 31, 2005, compared to an operating loss of $3.5 million for 2004. The increase was due primarily to increased subscribers and resulting service revenue and subscriber equipment sales and to not incurring any restructuring expense in 2005, as described above. The growth in marketing, general and administrative expenses was more than offset by increased service revenue and subscriber equipment sales. Additionally, our increased ability to collect reimbursable costs from the independent gateway operators contributed to improved financial performance as it reduced our operating costs.

Interest Income. Interest income increased by $0.2 million, or 317.2%, to approximately $0.2 million in the year ended December 31, 2005 from less than $0.1 million in 2004. This increase reflected increased cash balances on hand and higher yields on those balances.

Interest Expense. Interest expense decreased by $1.1 million to $0.3 million in the year ended December 31, 2005 from $1.4 million in 2004. This decrease resulted from lower levels of indebtedness in 2005.

Other Income (Expense). Other income (expense) decreased by $1.5 million to an expense of $0.6 million in 2005 from income of $0.9 million in 2004. This decrease resulted from less than favorable exchange rates between the U.S. dollar and the Euro.

Income Tax Expense (Benefit). For the years ended 2004 and 2005, we were a partnership for United States tax purposes and thus did not have a tax provision for the entities located domestically. For the year ended December 31, 2004, we determined that $4.8 million of the deferred tax assets in our Canadian subsidiary was "more likely than not" going to be recognized. As a result, we reversed a corresponding amount of the valuation allowance at year end, resulting in a net income tax benefit of $4.3 million. For the year ended December 31, 2005, we determined that the remaining $4.2 million deferred tax asset in our Canadian subsidiary also was "more likely than not" going to be recognized and reversed all remaining valuation allowance, and we utilized the deferred tax assets previously recognized, resulting in a net income tax expense of $2.5 million.

Net Income. Our net income increased $18.3 million to $18.7 million for the year ended December 31, 2005, compared to net income of $0.4 million for 2004, as a result of robust revenue growth and recognition of the deferred tax assets described above. If we had been taxed as a C corporation in 2005, our net income would have been $14.3 million.

Comparison of Results of Operations for the Years Ended December 31, 2003 and 2004

Statements of Operations	Year Ended December 31, 2003 Combined(1)	Year Ended December 31, 2004	% Change
	(In thousands)		
Revenue:			
Service revenue	$ 42,435	$ 57,927	36.5
Subscriber equipment sales	17,765	26,441	48.8
Total Revenue	60,200	84,368	40.1
Operating Expenses:			
Cost of services (exclusive of depreciation and amortization shown separately below)	28,560	25,208	(11.7)
Cost of subscriber equipment sales	13,516	23,399	73.1
Marketing, general and administrative	33,764	32,151	(4.8)
Restructuring	6,071	5,078	(16.4)
Depreciation and amortization	31,598	1,959	(93.8)
Impairment of assets	211,854	114	(99.9)
Total Operating Expenses	325,363	87,909	(73.0)
Operating Loss	(265,163)	(3,541)	(98.7)
Interest income	14	58	314.3
Interest expense(2)	(1,644)	(1,382)	(15.9)
Other income	529	921	74.1
(Loss) Before Income Taxes	(266,264)	(3,944)	(98.5)
Income tax expense (benefit)	133	(4,314)	N/A
Net Income (Loss)	$ (266,397)	$ 370	N/A

(1) In order to provide a comparison for purposes of the discussion of our results of operations for the years ended December 31, 2003 and 2004, the results of Old Globalstar for the period from January 1, 2003 to December 4, 2003 and the results of our company for the period from December 5, 2003 to December 31, 2003 are presented on a combined basis for the year ended December 31, 2003. Although we have provided these results in order to provide a comparison for purposes of the discussion of the periods presented, this presentation is not in accordance with GAAP and the periods presented are not comparable due to the change in basis of assets that resulted from the application of the purchase method of accounting in connection with the Reorganization. Because we and Old Globalstar are different reporting entities, this information should be considered as supplemental information only.

(2) Includes related party amounts of $468 and $1,324 for the years ended December 31, 2003 and December 31, 2004, respectively.

Revenue. Total revenue increased $24.2 million, or approximately 40.1%, to $84.4 million for the year ended December 31, 2004 from $60.2 million for the prior year. This growth was due to an approximately 32,000 increase in our subscriber base as a result of our emergence from the Reorganization, which increased consumer confidence in our network and our ability to commit additional resources to our sales and marketing efforts. Our average retail revenue per user for the year ended December 31, 2004 decreased to $67.93 from $69.05 for the year ended December 31, 2003. Average monthly subscriber churn increased 0.7% to 1.6% for the year ended December 31, 2004 from 0.9% for

the year ended December 31, 2003. The primary reason for this increase in our churn rate was a one-time review of our billing system in April 2004, following our emergence from the Reorganization, which caused the average monthly churn for 2004 to be unusually high.

Service Revenue. Service revenue for the year ended December 31, 2004 increased $15.5 million, or approximately 36.5%, to $57.9 million from $42.4 million for 2003. This increase was due primarily to increased demand for our mobile voice services as reflected in continued rapid growth in our subscriber base and acceptance of our higher priced plans.

Subscriber Equipment Sales. Subscriber equipment sales increased by $8.7 million, or approximately 48.8%, to $26.4 million for the year ended December 31, 2004, compared to $17.8 million for 2003. The increase was due primarily to an increase in sales of accessories. Demand for our services and equipment was also stimulated by the completion of the Reorganization, which resulted in greater awareness of our products and services in the marketplace.

Operating Expenses. Total operating expenses decreased $237.5 million to $87.9 million, or approximately 73.0%, for the year ended December 31, 2004, compared to $325.4 million for 2003. This decrease was primarily a result of not having a significant impairment charge for 2004. In December 2003, Old Globalstar recorded a $211.9 million impairment of assets. This charge was the result of the purchase price allocation of our acquisition of the assets and certain of the liabilities of Old Globalstar.

Cost of Services. Cost of services decreased by $3.4 million, or approximately 11.7%, to $25.2 million for the year ended December 31, 2004, compared to $28.6 million for 2003. Cost of services is comprised primarily of network operation costs. These costs are fixed in nature and do not fluctuate significantly with service revenue. In 2003, we recorded a one-time expense of $2.5 million relating to a satellite failure, which made the expenses for 2003 unusually high. Without that expense, the variance in costs of services between the years ended December 31, 2004 and 2003 would have been only 3.4%.

Cost of Subscriber Equipment Sales. Cost of subscriber equipment sales increased by $9.9 million, or approximately 73.1%, to $23.4 million for the year ended December 31, 2004, compared to $13.5 million for 2003. This increase was the result of increased sales of our equipment in 2004 and higher equipment costs relative to 2003 because of higher priced inventory purchases in 2004.

Marketing, General and Administrative. Marketing, general and administrative expenses decreased by $1.6 million, or approximately 4.8%, to $32.2 million for the year ended December 31, 2004, compared to $33.8 million for 2003. This decrease in marketing, general, and administrative expenses was primarily the result of moving to a smaller, less expensive headquarters in April 2004 and reducing headcount upon emergence from restructuring. Our cost per gross addition decreased $27 to $230 for the year ended December 31, 2004 from $257 for the year ended December 31, 2003. As we continued to upgrade our sales and marketing activities in 2004, the resulting growth in subscribers caused our cost per gross addition to decline.

Restructuring. Restructuring costs decreased $1.0 million, or approximately 16.4%, to $5.1 million for the year ended December 31, 2004 compared to $6.1 million for 2003. This decrease reflected the winding down of the restructuring process in 2004 after the Reorganization.

Depreciation and Amortization. Depreciation and amortization expense decreased $29.6 million, or approximately 93.8%, to $2.0 million for the year ended December 31, 2004 from $31.6 million for 2003. Depreciation expense for the periods is not comparable as these periods represent Predecessor and Successor entities with different book values of assets. This decrease was the result of a lower depreciable book basis of our fixed assets following the December 2003 impairment charge described below.

Impairment of Assets. As a result of our acquisition of the assets and assumption of certain liabilities of Old Globalstar in the Reorganization, it became necessary for Old Globalstar to treat certain

assets as impaired after we allocated the purchase price. Old Globalstar recorded an impairment charge of $211.9 million in December 2003, immediately preceding the Reorganization. The vast majority of the assets that were impaired related to satellites and ground facilities. Due to this impairment charge, the carrying value of these assets on our balance sheet was reduced, resulting in substantially lower depreciation charges in future periods. In 2004, we experienced a satellite failure that resulted in a $0.1 million impairment charge.

Operating Income (Loss). We decreased our operating loss by $261.6 million to a loss of $3.5 million for the year ended December 31, 2004, from a loss of $265.2 million for the year ended December 31, 2003. This decrease was due primarily to the absence in 2004 of the $211.9 million asset impairment charge in 2003 that resulted from our acquisition of the assets and certain of the liabilities of Old Globalstar. The impairment charge also resulted in lower depreciation and amortization expense. In addition, our revenue increased by 40.1% in 2004 due to growth in our subscribers.

Interest Expense. Interest expense decreased by $0.3 million to $1.4 million in the year ended December 31, 2004, compared to $1.6 million in 2003. This decrease resulted from incurring less debtor-in-possession financing in 2004.

Other Income (Expense). Other income increased by $0.4 million, or 74.1%, to $0.9 million in the year ended December 31, 2004, compared to $0.5 million in 2003. This increase resulted from favorable exchange rates in Canada and Europe.

Income Tax Expense (Benefit). For the years ended 2003 and 2004, we were a partnership for United States tax purposes and thus did not have a tax provision for the entities located domestically. For the year ended December 31, 2004, we determined that $4.8 million of the deferred tax assets in our Canadian subsidiary was "more likely than not" going to be recognized. As a result, we reversed a corresponding amount of the valuation allowance at year-end. Income tax expense of $0.1 million for 2003 relates to foreign taxes paid.

Net Income (Loss). Our net income increased by $266.8 million to $0.4 million of income for the year ended December 31, 2004, compared to a net loss of $266.4 million for 2003. The results for 2003 were impacted by the $211.9 million asset impairment charge in December 2003. After eliminating the effects of this charge, our net income grew substantially due to sustained revenue growth in all areas of our business.

Liquidity and Capital Resources

The following table shows our cash flows from operating, investing and financing activities for the years ended December 31, 2003, 2004 and 2005 and the six months ended June 30, 2005 and 2006:

Statements of Cash Flows	Year Ended December 31, 2003 Combined(1)	Year Ended December 31, 2004	Year Ended December 31, 2005	Six Months Ended June 30, 2005	Six Months Ended June 30, 2006
			(In thousands)		
Net cash from operating activities	$ (20,372)	$ (4,849)	$ 13,694	$ 1,383	$ 3,230
Net cash from investing activities	927	(4,015)	(10,141)	(3,182)	(42,671)
Net cash from financing activities	24,187	2,000	2,899	4,146	40,119
Effect of exchange rate changes on cash	—	168	488	244	126
Net Increase (Decrease) in Cash and Cash Equivalents	$ 4,742	$ (6,696)	$ 6,940	$ 2,591	$ 804

(1) In order to provide a comparison for purposes of the discussion of our results of operations for the years ended December 31, 2003 and 2004, the results of Old Globalstar for the period from January 1, 2003 to December 4, 2003 and the results of our company for the period from December 5, 2003 to December 31, 2003 are presented on a combined basis for the year ended December 31, 2003. Although we have provided these results in order to provide a comparison for purposes of the discussion of the periods presented, this presentation is not in accordance with GAAP and the periods presented are not comparable due to the change in basis of assets that resulted from the application of the purchase method of accounting in connection with the Reorganization. Because we and Old Globalstar are different reporting entities, this information should be considered as supplemental information only.

Our principal sources of liquidity are our credit agreement and the irrevocable standby stock purchase agreement discussed below, our existing cash and internally generated cash flow from operations.

Our principal short-term liquidity needs are to fund our working capital ($30.7 million at June 30, 2006, which our management believes is sufficient for our present requirements), to pay amounts due within 12 months for the launch of our eight spare satellites (approximately $57 million) and to make any initial payments to procure our second-generation satellite constellation and upgrade our gateways and other ground facilities, in an amount not yet determined. During 2006, we also expect to contribute an aggregate of $2.1 million to our pension plan. We expect to fund these requirements with cash on hand ($21.1 million at June 30, 2006), cash flow from operations ($3.2 million for the six months ended June 30, 2006), proceeds from the sale of our common stock to Thermo Funding Company (whose remaining commitment under the standby stock purchase agreement at June 30, 2006 was $185 million), and borrowings under the revolving credit facility of our credit agreement (of which $35.0 million was undrawn at June 30, 2006).

Our principal long-term liquidity needs are to fund our working capital, including any growth in working capital required by growth in our business, to pay the costs of procuring and deploying our second-generation satellite constellation and upgrading our gateways and other ground facilities, which we expect to aggregate $1.0 to $1.2 billion between now and 2014, and to fund the costs of our independent gateway operator acquisition strategy, in an amount not determinable at this time. We expect to fund our long-term capital needs with the proceeds from this offering, the $100.0 million delayed draw term loans and the revolving credit facility under our credit agreement, the remaining funds available from sales of our common stock under Thermo Funding Company's standby stock purchase agreement and, most importantly, $600 million to $800 million of cash from our operations.

To the extent additional funds are necessary to meet our long-term liquidity needs, we anticipate that they will be obtained through the incurrence of additional indebtedness, additional equity financings or a combination of these potential sources of funds.

Although we believe that these sources will provide sufficient liquidity for us to meet our long-term liquidity requirements, our liquidity and our ability to fund these needs will depend to a significant extent on our future financial performance, which will be subject in part to general economic, financial, regulatory and other factors that are beyond our control, including trends in our industry and technology discussed elsewhere in this prospectus. In addition to these general economic and industry factors, the principal factors determining whether our cash flows will be sufficient to meet our long-term liquidity requirements will be our ability to continue to provide attractive and competitive services and products, maintain the health of our current satellite constellation until we can deploy our second-generation satellite constellation, increase our number of subscribers and average revenue per user, control our costs, and maintain our margins and profitability. If those factors change significantly or other unexpected factors adversely affect us, our business may not generate sufficient cash flow from operations and future financings may not be available on terms acceptable to us or at all to meet our liquidity needs.

We derive additional liquidity from our Liberty Plans, which provide for payment in advance of a full year of services. Revenue is recognized as the services are provided or the contract expires. As a result, cash flow from the sale of Liberty Plans precedes recognition of the associated revenues.

In assessing our liquidity, management reviews and analyzes our current cash on-hand, the average number of days our accounts receivable are outstanding, the contractual rates that we have established with our vendors, inventory turns, foreign exchange rates, capital expenditure commitments and income tax rates.

Net Cash from Operating Activities

Net cash provided by operating activities for the six-month period ended June 30, 2006 increased to $3.2 million from $1.4 million for the six month period ended June 30, 2005. This increase was attributable primarily to increased sales activity and rapid inventory turnover.

Net cash provided by operating activities for the year ended December 31, 2005 was $13.7 million compared to $4.8 million used in operating activities in 2004. This increase in cash from operations of $18.5 million was attributable mainly to substantial revenue growth driven by our increased subscriber base, better operating margins and the absence of restructuring costs in 2005.

Net cash used in operating activities for the year ended December 31, 2004 decreased to $4.8 million from $20.4 million for 2003. The increase in cash provided by operations of $15.6 million was attributable mainly to substantial revenue growth, reduced operating expenses upon our emergence from the Reorganization and lower restructuring costs, partially offset by higher accounts receivable at year-end.

Net Cash from Investing Activities

Cash used in investing activities was $42.7 million for the six months ended June 30, 2006, compared to $3.2 million for the same period in 2005. This increase was the result of capital expenditures for the launch of our spare satellites as well as for the construction of our new gateways in Florida and Alaska. The investment in the acquisition of independent gateway operations decreased from $0.4 million for the six-month period ended June 30, 2005 to $0.2 million for the same period in 2006 due to reduced acquisition activities. During the first six months of 2006, we also procured services related to the launch of our spare satellites in the amount of $38.7 million. The expenditures on property, plant and equipment increased by $1.2 million to $3.8 million for the six-month period ended June 30, 2006 from $2.6 million for the comparable period in 2005 due primarily to construction activity on the Alaskan gateway and information system upgrades.

Cash used in investing activities for the year ended December 31, 2005 increased $6.1 million to $10.1 million from $4.0 million in 2004. This increase was due to capital expenditures relating to our Florida and Alaska gateways and procuring services for the test and launch of our eight spare satellites.

Cash used in investing activities for the year ended December 31, 2004 increased $4.9 million to $4.0 million as compared to cash flows provided by investing activities of $0.9 million for 2003. This increase was primarily due to capital expenditures for relocating our facilities and the commencement of construction of our gateway in Florida. The positive amount in 2003 was the result of payment received from ELSACOM (one of the independent gateway operators) for a past due production gateway receivable in the amount of $2.2 million that was classified as a long-term asset. This amount was partially offset by miscellaneous capital expenditures related to maintaining our network.

Net Cash from Financing Activities

Net cash provided by financing activities for the six-month period ended June 30, 2006 increased by $36.0 million to $40.1 million from $4.1 million provided by financing activities the same period in 2005. The increase was the result of drawing $15.0 million of the revolving credit facility under our credit agreement, receipt of $13.0 million from Thermo representing its remaining equity commitment in connection with the Reorganization, and receipt of $15.0 million from Thermo Funding Company for equity purchased pursuant to its irrevocable standby stock purchase agreement.

Net cash provided by financing activities for the year ended December 31, 2005 increased by $0.9 million to $2.9 million from $2.0 million in 2004. This increase was due to proceeds from subscriptions receivable exceeding payments on notes payable.

Net cash provided by financing activities for the year ended December 31, 2004 decreased by $22.2 million to $2.0 million from $24.2 million in 2003. This decrease was the result of less reliance on debtor-in-possession financing from Thermo or other sources due to rapidly improving operating results. In 2004, proceeds from both term loans and the sale of membership interests increased, but were offset by a $10.0 million repayment of term loans.

Capital Expenditures

Our capital expenditures consist primarily of upgrading our satellite constellation and gateways and other ground facilities. In 2004, we began construction of a new gateway in Sebring, Florida to provide additional coverage to the Caribbean and the Gulf Coast region. The gateway became operational in July 2005. In 2005, we began construction of a new gateway in Wasilla, Alaska to cover the Alaskan territory and part of the Bering Sea. The Alaska gateway went into operation in July 2006. These gateways cost $2.9 million and $4.8 million, respectively. In 2005, we also commenced capital expenditures for the launch of our eight spare satellites. The majority of the capital expenditures for this purpose will occur in 2006 and 2007. Through June 30, 2006, we had accrued or paid $53.0 million for this launch. The total expected cost for the launch of the spare satellites is approximately $110.0 million. In the second half of 2006, we expect to enter into a contract for our second-generation satellite constellation. We intend to use the proceeds from this offering, cash flows our operations, available liquidity from Thermo Funding Company's irrevocable from standby stock purchase agreement and funding available from our credit agreement to fund our capital expenditures.

Cash Position and Indebtedness

As of June 30, 2006, our total cash and cash equivalents were $21.1 million and we had total indebtedness of $16.4 million, compared to total cash and cash equivalents and total indebtedness at June 30, 2005 of $15.9 million and $5.4 million, respectively. As of June 30, 2006, as adjusted to give effect to this offering, our total cash and cash equivalents and total indebtedness would have been $ million and $16.4 million, respectively. As of June 30, 2006, as further adjusted to give effect to the borrowing of the $100.0 million delayed draw term loan under our credit agreement and the issuance of all common stock subject to the irrevocable standby stock purchase agreement, our total cash and cash equivalents and total indebtedness would have been $ million and $116.4 million, respectively.

Credit Agreement

On April 24, 2006, we entered into a credit agreement providing for $200.0 million in the form of a five-year $150.0 million term loan and a four-year $50.0 million revolving credit facility with Wachovia Investment Holdings, LLC, as administrative agent. The term loan, which was not funded, included a $50.0 million delayed draw portion which could be drawn after the term loan was funded and prior to June 30, 2008, but only if we had received net cash proceeds of $100.0 million from sales of our common stock after April 24, 2006 and prior to the date of drawing (including sales pursuant to the standby stock purchase agreement). The credit agreement provided that the term loan would bear interest at LIBOR plus 4.0% or the prime rate plus 3.0% and revolving credit loans would bear interest at LIBOR plus 3.25% to 4.0%, or the prime rate plus 2.25% to 3.0%. The loans could be prepaid without penalty at any time. Our indebtedness under the credit agreement was guaranteed by our principal domestic subsidiaries and secured by a first lien on our and their property (subject to limitations on the grant of security interests on FCC licenses under applicable law). The credit agreement contained customary representations and warranties, covenants and conditions to borrowing, including financial covenants and covenants limiting our ability to dispose of assets, change our business, merge, make acquisitions or capital expenditures or incur vendor financing obligations, indebtedness or liens, pay dividends, make investments or engage in certain transactions with affiliates. The credit agreement was amended as of June 16, June 23, June 30, July 28, and August 10, 2006 to extend the term loan funding deadline and related dates.

The credit agreement replaced a loan and security agreement with the Union Bank of California that we entered into on December 14, 2005 and that provided for revolving credit loans of up to $15.0 million, which loans were secured by the personal property of our company and of our domestic subsidiaries. We did not borrow any funds under this agreement, which we terminated on April 19, 2006.

On August 16, 2006, we entered into an amended and restated credit agreement with Wachovia Investment Holdings, LLC, as administrative agent and swingline lender, and Wachovia Bank, National Association, as issuing lender. The amended and restated credit agreement provides for a $50.0 million revolving credit facility and a $100.0 million delayed draw term loan facility. The delayed draw term loan may be drawn after January 1, 2008 and prior to August 16, 2009, but only if we have received aggregate net cash proceeds of $200.0 million from sales after April 24, 2006 of our common stock (including sales pursuant to the irrevocable standby stock purchase agreement) prior to the draw date and if, after giving effect to the delayed draw term loan and thereafter at the end of each quarter while the delayed draw term loan is outstanding, our consolidated senior secured leverage ratio does not exceed 3.5 to 1.0. The delayed draw term loan facility will be reduced in an amount equal to the sum of 50% of the net proceeds of any sales of our common stock (other than sales pursuant to the irrevocable standby stock purchase agreement or the parallel offering to our other stockholders who are accredited investors and net proceeds of up to $100.0 million from any other issuance of our common stock after August 16, 2006, including this offering), 100% of the proceeds of any additional term loans under the facility (described below) that we incur prior to the draw of the delayed draw term loan, and 50% of the proceeds of certain permitted unsecured debt financing that we incur prior to the draw of the delayed draw term loan. If drawn, the delayed draw term loan will be subject to prepayment in an amount equal to the sum of 50% of the net proceeds of such sales of common stock and 50% of the net proceeds of certain additional indebtedness, including any such additional term loans, that we incur subsequent to such draw. Other customary prepayment provisions also apply. In addition to the $150.0 million revolving and delayed draw term loan facilities, the amended and restated credit agreement permits us to incur additional term loans on an equally and ratably secured, *pari passu*, basis in an aggregate amount of up to $150.0 million (plus the amount of any reduction in the delayed draw term loan facility or prepayment of the delayed draw term loan described above resulting from sales of common stock or any additional term loans) from the lenders under the credit agreement or other banks, financial institutions or investment funds approved by us and the administrative agent. We have not received any commitments for these additional term loans. These additional term loans may be incurred only if no event of default then exists, if we are in pro-forma compliance with all of the financial covenants of the credit agreement, and if, after giving effect thereto, our consolidated total leverage ratio does not exceed 5.5 to 1.0.

As under the initial Wachovia credit facility described above, all revolving credit loans will mature on June 30, 2010 and all term loans will mature on June 30, 2011. Revolving credit loans will bear interest at LIBOR plus 4.25% to 4.75% or the greater of the prime rate or Federal Funds rate plus 3.25% to 3.75%. The delayed draw term loan will bear interest at LIBOR plus 6.0% or the greater of the prime rate or Federal Funds rate plus 5.0%, and the delayed draw term loan facility bears an annual commitment fee of 2.0% until drawn or terminated. Additional term loans will bear interest at rates to be negotiated. The loans may be prepaid without penalty at any time.

The amended and restated credit agreement is guaranteed and secured in the same manner as, and contains other representations, warranties, covenants and conditions essentially identical to those of, the initial Wachovia credit agreement described above.

In particular, the amended and restated credit agreement requires that:

- we not permit our capital expenditures (other than capital expenditures funded with cash proceeds from insurance and condemnation events, asset sales or equity sales) to exceed the following amounts (with unused amounts permitted to be carried over to subsequent years):

Fiscal Year	Maximum Amount
	(In millions)
2006	$ 232.0
2007	$ 132.0
2008	$ 132.0
2009	$ 243.0
2010	$ 133.0
2011	$ 158.0

- we maintain liquidity (which is defined for this purpose to include up to $10.0 million available under the revolving credit facility and up to $10.0 million available under the standby stock purchase agreement) of not less than $25.0 million (our liquidity as so defined was $41.1 million at June 30, 2006);

- we maintain at the end of each quarter a minimum forward fixed charge coverage ratio (defined as the excess of the sum of adjusted consolidated EBITDA for the prior fiscal quarter plus cash and marketable securities in excess of $5.0 million, plus (to the extent positive) or less (to the extent negative), at all times after we have received aggregate net cash proceeds of $200.0 million from sales of our common stock after April 24, 2006, the unused portion of the revolving credit facility less $25.0 million, less, at all times prior to the receipt of such aggregate net cash proceeds, the amount of outstanding revolving credit loans, to the sum anticipated interest expense, principal payments and capital expenditures for the next quarter) of 1.0:1.0 (our forward fixed charge coverage ratio as so defined was 1.3:1.0 at June 30, 2006);

- while the delayed draw term loan is outstanding, we not permit our consolidated senior secured leverage (defined as the ratio of indebtedness under our credit agreement and any *pari passu* debt to adjusted consolidated EBITDA for the prior four quarters) ratio to exceed 3.5 to 1.0;

- on or before October 13, 2006, we enter into an agreement for the procurement of our second-generation satellite constellation and its launch in accordance with our business plan and financial model or receive aggregate net cash proceeds of at least $100.0 million from the sale of our common stock;

- on or before June 30, 2008, we receive aggregate net cash proceeds of at least $100.0 million from the sale of our common stock; and

- on or before December 31, 2009, we receive aggregate net cash proceeds of at least $200.0 million from the sale of our common stock.

The amended and restated credit agreement provides that we will not, with certain immaterial exceptions:

- incur any indebtedness other than:

    - indebtedness under the agreement, including the delayed draw term loan and the additional term loans described above;

    - certain intercompany indebtedness;

    - satellite vendor obligations of the nature described below;

- capitalized leases and purchase money indebtedness in an aggregate outstanding amount not to exceed $25.0 million;
- indebtedness of a person existing at the time it becomes our subsidiary in an aggregate outstanding amount not to exceed $10.0 million;
- indebtedness of our foreign subsidiaries in an aggregate outstanding amount not to exceed $2.0 million; and
- additional unsecured indebtedness in an aggregate amount not to exceed $200.0 million;

provided that we can incur the indebtedness described in the preceding four items only if, before and after giving effect thereto, our consolidated total leverage does not exceed 5.5 to 1.0;

- make an acquisition of the capital stock or assets of any unrelated entity other than:
  - purchases of assets in the ordinary course of business;
  - acquisitions with the consent of the administrative agent and the required lenders, not to be unreasonably withheld, if an event of default has not occurred and the aggregate amount of all such acquisitions does not exceed $25.0 million in the aggregate during the term of the credit agreement; and
  - other additional investments not exceeding $2.0 million in the aggregate in any fiscal year;
- merge, consolidate or dissolve;
- invest or loan more than $25.0 million in the aggregate in foreign subsidiaries;
- sell assets outside the ordinary course of business in an amount exceeding $10.0 million in any fiscal year;
- engage in transactions with our affiliates other than in the ordinary course of business on arm's-length terms;
- alter in any material respect the nature of our business; or
- incur satellite vendor obligations that are evidenced by a promissory note or are secured by a lien other than on the purchased property or that are in an amount reasonably expected to come due during the term of the amended and restated credit agreement in an aggregate amount in excess of the maximum amount of capital expenditures permitted under the amended and restated credit agreement less the actual amount of capital expenditures as of any date of determination.

We are currently in compliance with the capital expenditure, liquidity and forward fixed charge coverage ratio tests described above and the other restrictive covenants of our amended and restated credit agreement.

The amended and restated credit agreement specifies a number of events of default, including:

- our default in payment of principal, interest or other obligations under the credit agreement;
- our material misrepresentation;
- our breach of any covenant in the credit agreement;
- our default under a hedging agreement where the termination value exceeds $1.0 million;
- our default under other indebtedness with a principal amount exceeding $5.0 million;
- a change in our control, which is defined to include any person other than Thermo obtaining ownership of more than 25% of our capital stock or voting power or, until we have received at

least $200.0 million in aggregate net cash proceeds from sales of common stock, Thermo selling any of our stock which it owned on April 24, 2006;

- certain voluntary or involuntary bankruptcy events;
- our loss of any material communications license;
- any breach by Thermo Funding of the irrevocable standby stock purchase agreement; and
- our being subject to certain governmental disbarment or other investigatory proceedings or being a party to a material governmental contract that is terminated for our alleged fraud or willful misconduct.

Upon any event of default, the lenders may accelerate the maturity of all indebtedness under the amended and restated credit agreement and foreclose on the liens described above.

Irrevocable Standby Stock Purchase Agreement

In connection with the execution of the initial Wachovia credit agreement, we entered into an irrevocable standby stock purchase agreement with Thermo Funding Company pursuant to which it agreed to purchase under certain circumstances up to $200.0 million of our Series A common stock at a price of $97.00 per share. The price per share has been adjusted to $ in connection with our -for-one stock split, but will not be further adjusted as a result of this offering. Our board of directors determined that the price per share represented the fair market value of our common stock on the date of the agreement. Thermo Funding Company's obligation to purchase these shares is secured by the escrow of cash and marketable securities in an amount equal to 105% of its unfunded commitment, initially $210.0 million.

Pursuant to the agreement, Thermo Funding Company will purchase shares of our Series A common stock (in minimum amounts of $5.0 million) as may be necessary:

- to enable us to comply with the minimum liquidity and forward fixed charge coverage ratio tests of our credit agreement as described above;
- to cure a default in payment of regularly scheduled principal or interest under our credit agreement; or
- to enable us to meet the milestone tests in our credit agreement.

Thermo Funding Company may elect at any time to purchase any unpurchased Series A common stock subject to its obligations under the irrevocable standby stock purchase agreement. The agreement terminates on the earliest of December 31, 2011, our payment in full of all obligations under the credit agreement or Thermo Funding Company's purchase of all of our Series A common stock subject to its obligations under the agreement. Pursuant to the agreement, on June 30, 2006, Thermo Funding Company purchased 154,640 shares of our Series A common stock for an aggregate purchase price of $15.0 million.

As we were required to do by the pre-emptive rights provisions contained in our then current certificate of incorporation, we offered existing stockholders who are accredited investors as defined under the Securities Act the opportunity to participate in the transactions contemplated by the standby stock purchase agreement on a pro rata basis on substantially the same terms as Thermo Funding Company, except that stockholders are not subject to the escrow requirements described above. These stockholders agreed to purchase up to additional shares of our Series A common stock.

We plan to use the proceeds from our amended and restated credit agreement and the irrevocable standby stock purchase agreement, cash generated by our business and proceeds from other equity sales or debt financings to fund the procurement and launch of our second-generation satellite constellation,

upgrades to our gateways and other ground facilities and the launch of eight spare satellites to augment our current constellation, as well as for general corporate purposes.

Contractual Obligations and Commitments

During 2004, 2005 and the six months ended June 30, 2006, we purchased $25.7 million, $49.3 million, and $28.0 million, respectively, of mobile phones and other equipment under various commercial agreements with QUALCOMM. At June 30, 2006, we had a remaining commitment to purchase $119.4 million of equipment from QUALCOMM, which includes $18.7 million of inventory advances.

On June 1, 2004, we entered into a master services agreement with Space Systems/Loral, Inc. providing for various services related to our eight spare satellites. The agreement renews annually for up to 10 years unless terminated earlier. As of June 30, 2006, we had authorized Space Systems/Loral, Inc. to spend up to approximately $19.0 million in charges related to this contract.

On September 19, 2005, we executed a contract with Starsem providing for Starsem to launch our eight spare satellites in two launches of four satellites each. The contract also provides for a compatibility and feasibility study. As of June 30, 2006, we had incurred approximately $45.7 million in obligations to Starsem under the contract. We have authorized Starsem to proceed with both launches. Full payment under the contract will be made by April 2007. We estimate that the total cost of completing, testing and launching our eight spare satellites (including launch insurance) will be approximately $110.0 million, including payments to Starsem.

Pursuant to a memorandum dated as of June 1, 2005, we agreed to provide supplemental incentive compensation to certain of our executive officers in the form of cash bonuses which, upon the fulfillment of certain conditions, may aggregate up to $30.0 million. See "Management—Executive Incentive Compensation Plan."

Long-term obligations at June 30, 2006, assuming the borrowing of $100.0 million in delayed draw term loans under our credit agreement, are as follows:

Payments due by period:

Contractual Obligations:	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**	**Total**
			(In thousands)		
Long-term debt obligations(1)(2)	$ 1,179	$ 2,691	$ 112,500	$ —	$ 116,370
Capital (finance) obligations	—	—	—	—	—
Operating lease obligations	1,107	2,014	505	827	4,453
Purchase obligations	90,422	75,438	—	—	165,859
Pension obligations	1,370	2,739	—	—	4,109
Total	$ 94,078	$ 82,882	$ 113,005	$ 827	$ 290,791

(1) Does not include interest on debt obligations. See "Credit Agreement" above.

(2) All of the indebtedness under our credit agreement may be accelerated by the lenders upon an event of default. See "—Liquidity and Capital Resources—Credit Agreement." Events of default under the credit agreement include default under a hedging agreement where the termination value exceeds $1.0 million and default under other indebtedness with a principal amount exceeding $5.0 million. Currently, we have no other indebtedness exceeding $5.0 million.

Distribution to Thermo

Pursuant to the operating agreement of Globalstar LLC, in connection with our conversion to a Delaware corporation on March 17, 2006, we will distribute $685,848 to Thermo from the proceeds of this offering as permitted by our credit agreement. This amount represents a deferred payment of interest that accrued from December 6, 2003 to April 14, 2004 on loans made by Thermo to us that were converted to equity on April 14, 2004.

Quantitative and Qualitative Disclosure Regarding Market Risk

Our services and products are sold, distributed or available in over 120 countries. Our international sales are made primarily in U.S. dollars, Canadian dollars and Euros. In some cases insufficient supplies of U.S. currency 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. However, our credit agreement requires us to do so on terms reasonably acceptable to the administrative agent not later than 90 days after the end of any quarter in which more than 25% of our revenue is originally denominated in a single currency other than U.S. or Canadian dollars.

As discussed in "Contractual Obligations and Commitments," we have entered into a contract with Starsem to launch our eight spare satellites. Our obligations under the Starsem contract are denominated in Euros.

Our interest rate risk arises from our variable rate debt under our credit agreement, under which loans bear interest at a floating rate based on the U.S. prime rate or LIBOR. Assuming that we borrowed the entire $200.0 million in revolving and term debt available under our credit agreement, and without giving effect to the hedging arrangement described in the next sentence, a 1.0% change in interest rates would result in a change to interest expense of approximately $2.0 million annually. To hedge a portion of our interest rate risk, we have entered into a five-year swap agreement with respect to a $100.0 million notional amount at a fixed rate of 5.59%.

Off-Balance Sheet Transactions

We have no material off-balance sheet transactions.

Recently Issued Accounting Pronouncements

In November 2004, the Financial Accounting Standards Board (the "FASB") issued Statement of Financing Accounting Standard ("SFAS") No. 151, *Inventory Costs*, which amended the guidance in ARB No. 43, Chapter 4, *Inventory Pricing*, to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material (spoilage). This statement requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, this statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The provisions of this statement are effective for inventory costs incurred during fiscal years beginning after June 15, 2005. We will adopt SFAS No. 151 effective January 1, 2007. We have determined that the adoption of the statement will not have a material effect on our financial statements.

In December 2004, the FASB issued SFAS No. 153, *Exchanges of Nonmonetary Assets an amendment of APB Opinion No. 29*. This Statement amends Opinion 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This Statement is effective for nonmonetary exchanges occurring in the fiscal periods beginning

after June 15, 2005. We have completed our evaluation of SFAS No. 153 and have determined that it does not have a material effect on our financial statements.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), *Share-Based Payment* ("SFAS No. 123R"). This Statement requires companies to record compensation expense for all share based awards granted subsequent to the adoption of SFAS No. 123R. In addition, SFAS No. 123R requires the recording of compensation expense for the unvested portion of previously granted awards that remain outstanding at the date of adoption. We adopted SFAS No. 123R effective January 1, 2006 and do not expect the adoption to have a material effect on our financial statements.

In March 2005, the FASB issued FASB Interpretation ("FIN") No. 47, *Accounting for Conditional Asset Retirement Obligations* ("FIN No. 47"), which is effective no later than the end of fiscal years ending after December 15, 2005. FIN No. 47 clarifies the term conditional asset retirement obligation as used in SFAS No. 143, *Accounting for Asset Retirement Obligations* ("SFAS No. 143"). Conditional asset retirement obligation refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. We do not expect the adoption of FIN No. 47 to have a material effect on our financial statements.

In May 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Corrections* ("SFAS No. 154"). This Statement requires retrospective application to prior periods' financial statements of voluntary changes in accounting principles unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. SFAS No. 154 makes a distinction between "retrospective application" of an accounting principle and the "restatement" of financial statements to reflect the correction of an error. SFAS No. 154 replaces Accounting Principles Bulletin ("APB") No. 20, *Accounting Changes* ("APB No. 20"), and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statements*. APB No. 20 previously required that most voluntary changes in accounting principle be recognized by including the cumulative effect of changing to the new accounting principle in the net income of the period of the change. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. We do not expect the adoption of SFAS No. 154 to have a material effect on our financial statements.

In February 2006, the FASB issued SFAS No. 155, *Accounting for Certain Hybrid Financial Instruments*—an amendment of FASB Statements No. 133 (*Accounting for Derivative Instruments and Hedging Activities*) and No. 140 (*Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*), which permits fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation. In addition, SFAS No. 155 establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation under the requirements of Statement No. 133. This Statement will be effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006. We will adopt this Statement effective January 1, 2007. Based on our current evaluation of this Statement, we do not expect the adoption of SFAS No. 155 to have a material effect on our financial statements.

In March 2006, the FASB issued SFAS No. 156, *Accounting for Servicing of Financial Assets—an amendment of FASB Statement No. 140*. This Statement amends FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, with respect to the accounting for separately recognized servicing assets and servicing liabilities. This Statement clarifies when servicing rights should be separately accounted for, requires companies to account for separately recognized servicing rights initially at fair value, and gives companies the option of subsequently accounting for those servicing rights at either fair value or under the amortization method. This Statement will be effective as of the beginning of an entity's first fiscal year that begins after September 15, 2006. We will adopt this Statement effective January 1, 2007. Based on our current evaluation of this Statement, we do not expect the adoption of SFAS No. 156 to have a material effect on our financial statements.

BUSINESS

Overview

We are a leading provider of mobile voice and data communications services via satellite. Based on information provided by Northern Sky Research as to the size of the global market, in 2005 we had an estimated 10.2% share of global subscribers in the mobile satellite services industry. By providing wireless services where terrestrial wireless and wireline networks do not, we seek to address the increasing desire by customers for connectivity and reliable service at all times and locations. Using 43 in-orbit satellites and 25 ground stations, which we refer to as gateways, we offer voice and data communications services to government agencies, businesses and other customers in over 120 countries. Sixteen of these gateways are operated by unaffiliated companies, which we refer to as independent gateway operators, that purchase communications services from us on a wholesale basis for resale to their customers.

At June 30, 2006, we served approximately 236,500 subscribers, which represented a 50% increase since June 30, 2005. We believe the heightened demand for reliable communications services, particularly in the wake of the September 11, 2001 terrorist attacks, the December 2004 Asian tsunami and the U.S. Gulf Coast hurricane activity in 2004 and 2005, will continue to drive our strong growth in sales of both voice and data services. We have a diverse customer base, including the government (including federal, state and local agencies), public safety and disaster relief; recreation and personal; maritime and fishing; business, financial and insurance; natural resources, mining and forestry; oil and gas; construction; utilities; and transportation sectors, which we refer to as our vertical markets. According to Gartner, we are one of the two key mobile satellite services providers whose networks can deliver voice and data communication services over most of the world's landmass.

We believe that our distribution network provides broad coverage over our target customer base. We utilize a large network of dealers and agents, including over 850 in territories we serve directly. We also use resellers, including independent gateway operators, to sell the full range of our voice and data products and services, including our Simplex one-way data transmission services, in markets where we do not market directly.

For the year ended December 31, 2005 and the six months ended June 30, 2006, our average monthly revenue per user was $68.11 and $56.84 for retail subscribers, respectively, compared to $67.93 and $66.52 for 2004 and the six months ended June 30, 2005. For both the year ended December 31, 2005 and the six months ended June 30, 2006, our cost per gross addition (our cost of obtaining a new subscriber) was approximately $248, compared to $230 and $334 for 2004 and the six months ended June 30, 2005.

We believe that we offer our customers higher quality voice and data services at a lower price than our principal mobile satellite services competitors. We also believe that the quality and price of our services have contributed to our low average monthly customer turnover, or churn rate, of approximately 1.3% during the year ended December 31, 2005 and 1.1% for the six months ended June 30, 2006 compared to the average monthly churn rate for the top four U.S. wireless carriers of approximately 2.1% for 2005.

We hold licenses to operate a wireless communications network via satellites over 27.85 MHz, comprised of two blocks of contiguous global radio frequencies. We believe our large blocks of spectrum will permit us to capitalize on existing and emerging wireless and broadcast applications globally.

We are licensed by the FCC to provide ATC services in combination with our existing communication services. Currently, our ATC license permits us to use 11 MHz of our licensed spectrum to combine our satellite-based communications network with a terrestrial cellular-like network. This will enable us to address a broader market for our services and products by providing services where satellite services generally do not function, such as urban areas and inside buildings. We have applied to the FCC for authority to provide ATC services over the full 27.85 MHz of our spectrum. Our current network is

capable of supporting ATC services. We are currently evaluating products and selectively exploring opportunities with targeted media, technology and communications companies to develop further the potential of our ATC-licensed spectrum. In addition, regulatory authorities outside of the United States are reviewing ATC-like rulings, and we are beginning to explore selectively capitalizing on these rulings. We expect to be among the first to offer ATC services commercially, potentially as soon as late 2007.

We are currently in the process of designing and procuring our second-generation satellite constellation, which we expect will extend the life of our network until approximately 2025. We believe that our second-generation satellites will improve our ability to support new applications and services, including higher-speed data rates and internet access, video and audio broadcasting, remote file transfer and virtual private networking. We expect these services to be available on a broad range of new customer devices that will be significantly smaller in size, lighter in weight and less expensive than existing mobile satellite services equipment. We believe this expanded service portfolio and advanced equipment offering will significantly expand the target market for our services.

We recorded $127.1 million and $68.7 million in revenue and $18.7 million and $21.7 million in net income during the year ended December 31, 2005 and the six months ended June 30, 2006, respectively, compared to $84.4 million and $50.3 million in revenue and $0.4 million and $2.9 million in net income for the year ended December 31, 2004 and the six months ended June 30, 2005, respectively. Net income for the first six months of 2006 included an income tax benefit of $21.4 million relating to the establishment of deferred tax assets and liabilities upon our election in January 2006 to be taxed as a C corporation.

Industry

We compete in the mobile satellite services sector of the global communications industry. Mobile satellite services operators provide voice and data services using a network of satellites and ground facilities. Mobile satellite services are usually complementary to, and interconnected with, other forms of terrestrial communications services and infrastructure and are intended to respond to users' desires for connectivity at all times and locations. Customers typically use satellite voice and data communications in situations where existing terrestrial wireline and wireless communications networks are impaired or do not exist. Further, many regions of the world benefit from satellite networks, such as rural and developing areas that lack developed wireless or wireline networks, ocean regions, and regions affected by political conflicts and natural disasters. Northern Sky Research stated in a 2006 report that, "the MSS industry has proven to be invaluable in supporting disaster preparedness and recovery activities, military applications, and other critical civil requirements that require rapidly deployable, reliable and ubiquitous communication services."

Worldwide, government organizations, military and intelligence agencies, natural disaster aid associations, event-driven response agencies and corporate security teams depend on mobile and fixed voice and data communications services on a regular basis. Businesses with global operating scope require reliable communications services when operating in remote locations around the world. Mobile satellite services users span the forestry, maritime, government, oil and gas, mining, leisure, emergency services, construction and transportation sectors, among others. Many existing customers increasingly view satellite communications services as critical to their daily operations.

Over the past two decades, the global mobile satellite services market has experienced significant growth. According to a Gartner report published in November 2005, satellite phones are increasingly the technology of choice for first responders, military, businesses, governments and non-governmental agencies. Furthermore, Gartner has predicted that wireline and wireless carriers will increasingly consider augmenting their communication portfolios by aligning themselves with mobile satellite service providers.

Increasingly, better-tailored, improved-technology products and services are creating new channels of demand for mobile satellite services. Growth in demand for mobile satellite voice services is driven by the

declining cost of these services, the diminishing size and lower costs of the handsets, as well as heightened demand by governments, businesses and individuals for ubiquitous global voice coverage. Growth in mobile satellite data services is driven by the rollout of new applications requiring higher bandwidth, as well as low cost data collection and asset tracking devices.

Northern Sky Research has predicted that as service costs continue to decline in our industry, average revenue per user will continue to increase due to increased usage. Furthermore, Northern Sky Research expects units in service in our industry to exhibit a cumulative annual growth rate of 34.2% through 2010, resulting in a 17.9% cumulative annual growth rate in retail revenue.

Communications industry sectors that are relevant to our business include:

- mobile satellite services, which provide customers with connectivity to mobile and fixed devices using ground facilities and networks of geostationary satellites (located approximately 22,300 miles above the earth's surface), medium earth orbit satellites (located between approximately 6,400 and 10,000 miles above the earth's surface), or low earth orbit satellites (located between approximately 300 and 1,000 miles above the earth's surface);

- fixed satellite services, which use geostationary satellites to provide customers with voice and broadband communications links between fixed points on the earth's surface; and

- terrestrial services, which use a terrestrial network to provide wireless or wireline connectivity and are complementary to satellite services.

Within the major satellite sectors, fixed satellite services and mobile satellite services operators differ significantly from each other. Fixed satellite services providers, such as Intelsat, Eutelsat and SES Global, and very small aperture terminals companies, such as Hughes Networks and Gilat Satellite Networks, are characterized by large, often stationary or "fixed," ground terminals that send and receive high-bandwidth signals to and from the satellite network for video and high speed data customers and international telephone markets. On the other hand, mobile satellite services providers, such as our company, Inmarsat and Iridium, focus more on voice and data services (including data services which track the location of remote assets such as shipping containers), where mobility or small sized terminals are essential. As mobile satellite terminals begin to offer higher bandwidth to support a wider range of applications, we expect mobile satellite services operators will increasingly compete with fixed satellite services operators.

According to Gartner, a low earth orbit system, such as the systems we and Iridium currently operate, causes less transmission delay than a geosynchronous system due to the shorter distance signals have to travel and permits the use of smaller devices such as handheld phones.

Currently, our principal mobile satellite services global competitors are Inmarsat and Iridium. United Kingdom-based Inmarsat owns and operates a geostationary satellite network and U.S.-based Iridium owns and operates a low earth orbit satellite network. Inmarsat provides communications services, such as telephony, fax, video, email and high-speed data services. Iridium offers narrow-band data, fax and voice communications services. We also compete with several regional mobile satellite services providers that operate geostationary satellites, such as Thuraya, principally in the Middle East and Africa; Mobile Satellite Ventures and Mobile Satellite Ventures Canada in the Americas; and Asian Cellular Satellites in Asia.

Competitive Strengths

We believe that our competitive strengths position us to enhance our growth and profitability:

Key Markets. We focus on selected underserved public and private sector markets and on customers in these markets that generate high average revenue per user and, therefore, higher revenue growth for our company. Our top revenue-generating markets are government (including federal, state and local agencies), public safety and disaster relief; recreation and personal; maritime and fishing; and business, financial and insurance.

Service and Product Offerings. We believe we are able to retain our current customers and attract new customers because our pricing plans, which offer rates as low as $0.14 per minute, are the lowest in the mobile satellite services industry and our voice services provide the best audio quality in our industry. A report published by Frost & Sullivan in 2002 concluded that our voice services provide audio quality that is superior to that of our principal mobile satellite services competitor and approach that of a good quality cellular call. We believe the voice and data products that we expect to introduce in 2006 and 2007 will be cheaper, lighter and better performing than those previously available to mobile satellite services customers and will be equal to or better than those offered by our competitors. We believe our high quality and low cost services and products offer us a competitive advantage in retaining our current customers and attracting new customers in our vertical markets.

Distribution Network. Our distribution network provides broad coverage of our target subscriber base in over 120 countries. We utilize a large network of dealers, agents and resellers and a direct sales force to sell the full range of our voice and data products. In addition, we have a direct sales force, consisting of specialists in our key vertical markets, which sells our services and products, including customized data solutions, to government agencies and other key customers. We also offer an internet-based distribution channel at *www.globalstar.com*. We sell our services directly in over 25 countries and on a wholesale basis to independent gateway operators who resell our services in over 60 countries.

Existing Global Satellite Communications Network. Our constellation of low earth orbit satellites and terrestrial gateways has been in commercial operation since 2000 and serves as the backbone of our communications network. Gartner has described our satellite constellation as "simple, yet proven technology." We believe our existing network is capable of handling the expected growth in demand for our services, as evidenced by our ability to handle increased usage of over 500% in the areas affected by Hurricane Katrina while terrestrial communications networks were impaired. We plan to supplement our constellation by launching our eight spare satellites during 2007.

Broad, Contiguous Spectrum Holdings. We hold licenses to operate a wireless communications network via satellites over 27.85 MHz in two blocks of contiguous global spectrum. Our spectrum can efficiently support advanced wireless technologies because it is located near the personal communications services, or PCS, bands. As a result, we should be able to deploy cost effectively the terrestrial component of an ATC network by purchasing and slightly modifying inexpensive, off-the-shelf base station equipment and related wireless equipment.

ATC Services Capability. We believe the ability of our current satellites and ground stations to support ATC services will allow us to be among the first to introduce these services. Our current satellite constellation is capable of integrating with and supporting the provision of ATC services to our customers. We are currently in discussions with several parties to exploit our ATC capabilities. Competitors will be able to implement ATC services on a commercial scale only after they launch new satellites and build ground facilities designed specifically to inter-operate with their satellite services.

International Spectrum Licenses. We have access to our 27.85 MHz of 1.6 and 2.4 GHz frequencies globally, while most of our competitors only have access to spectrum frequencies regionally. In addition to mobile satellite services, our coverage in over 120 countries with operating licenses held directly by us or by independent gateway operators affords us economies of scale when introducing ATC and other new mobile communications services.

Strategic Relationship with QUALCOMM. We are the only satellite network operator currently using the patented QUALCOMM Incorporated CDMA technology, which permits the dynamic selection of the strongest signal available and produces a higher audio quality than our principal competitor's technology. In May 2005, we signed an agreement with QUALCOMM for the manufacture of a complete array of next-generation products, including phones, data modems, car kits and accessories designed for our network. These phones and modems will be smaller, lighter and more feature-rich communications devices

than those currently available, and we will offer them at affordable prices. The first of these new products is scheduled to be available beginning in the second half of 2006.

Experienced Management Team. Our senior management team combines experts in wireless and wireline communications with pioneers in the fields of satellite engineering and operations. Our senior satellite managers have 22 to 43 years of experience in satellite engineering and operations. Our senior communications managers have 12 to 18 years of experience in the telecommunications industry.

Our Growth Strategy

Our goal is to be the leading global provider of mobile voice and data communications solutions via satellite. We intend to achieve this objective by:

Continuing Rapid and Profitable Growth of Our Subscriber Base. In 2005, we added approximately 54,000 net subscribers, a 39% growth rate over the number of subscribers at the end of 2004. We intend to continue to increase our penetration of the growing mobile satellite services market and our market share of key vertical markets by continuing to provide compelling service and product offerings and utilizing our strong distribution network. In particular, we intend to target the first responder, natural resources and local, state and federal government customers (including homeland security) segments in the United States, Canada and elsewhere. In Europe, we have increased our direct sales effort by hiring several experienced direct sales professionals to manage diverse territories throughout the region. We believe that continuous innovation in our service plans, including "bundled plans" that pool minutes between multiple phones and pricing plans customized for seasonal users, promotes revenue growth and that these new service offerings, together with lower prices for our services and products, will increase our market penetration. In Venezuela, Colombia and Central America, we see significant opportunities to expand our presence in rural telephony, oil and gas and other markets. Northern Sky Research has predicted that total units in-service in our industry will increase from 3.3 million in 2006 to 16.6 million in 2010 and that retail service revenues will increase from $1.8 billion in 2006 to $8.6 billion in 2010. Northern Sky Research has further predicted that the North American region, which accounts for the majority of our revenue, will account for large shares of worldwide market until 2009 and after 2009 will lead all regions worldwide, accounting for 28% of overall revenue.

Improving Our Profitability by Consolidating Our International Distribution Chain. Over the past four years, we have acquired five independent gateway operators in strategic geographic regions. We believe that our independent gateway operator consolidation strategy will better position us to market our services directly to multinational customers requiring a global communications provider. We also believe that our consolidation strategy will increase our overall profitability because it allows us to sell most of our services directly to subscribers at retail prices, thus substantially increasing our average revenue per user, compared with selling on a wholesale basis to independent gateway operators.

Expanding Our Coverage and Upgrading Our Service Offerings. We intend to continue to increase the quality and availability of our services by selectively adding gateways to our network. In the second quarter of 2006, we commenced operations at a gateway in Wasilla, Alaska to improve coverage in Alaska, the Yukon Territory, Canada and the Northeast Pacific fishing grounds. We have established a subsidiary to initiate service in South Africa using a gateway that was constructed in 2000 but never placed in service. Beginning in 2009, we intend to deploy a second-generation satellite constellation and upgrade our existing ground facilities to handle broadband data, faster transmission speeds and new hybrid applications.

Developing Next-Generation Devices. In late 2006, we expect to begin selling more technologically advanced satellite phones and data products tailored to meet our customers' evolving service needs and to stimulate additional demand for our services. These new products will have a range of functions common to many popular wireless products. We are also planning to introduce in 2006 and 2007 innovative duplex

and simplex data devices that can be used for asset tracking and that are remotely programmable and equipped to monitor a range of variables. We believe that, in each case, the size and weight of our phones and data devices has been reduced while their durability and battery life has been improved. We expect that these advanced devices will stimulate additional demand for our services.

Exploring Opportunities to Maximize the Value of Our Spectrum. We expect the market for wireless applications to continue to grow along with the development of new products capable of transmitting new forms of media and data. We are exploring relationships with a range of communications and media companies to enable us to be among the first in our industry to utilize our spectrum and ATC license for wireless voice, data and video applications. Once an ATC network is fully deployed, end-users will be able to utilize both satellite and terrestrial technologies to complete calls and send or receive data.

Exploiting Our International Spectrum. As a result of our authorization to use our assigned frequencies globally, we believe we are well positioned to advocate for the adoption of rules and regulations that would allow us to use our spectrum for ATC-like services around the world. We have already begun this effort in Canada and Europe. We also believe that the location of our spectrum will allow us to tailor our service and product offerings to customers based on their specific needs and location.

Sales and Marketing

We sell our products and services through a variety of retail and wholesale channels. Our sales and marketing efforts are tailored to each of our geographic regions and targeted vertical markets. Unlike the cellular industry, we do not conduct costly mass consumer marketing campaigns. Rather, our sales professionals target specific commercial vertical markets and customers with face-to-face meetings, product trials, advertising in publications for those markets and direct mailings. We also focus a large amount of our marketing activity on tradeshows. In 2005, we, our dealers and our resellers attended approximately 200 different tradeshows in North America and Europe, where we sponsored booths and demonstrated our products.

Our distribution managers are responsible for conducting direct sales with key accounts and for managing agent, dealer and reseller relationships in assigned territories. They conduct direct sales with key customers and manage over 850 dealers and agents, with many of the agents and dealers having multiple points of sale. We maintain a sales force presence throughout the United States, including an office in Washington, D.C. dedicated to government-based sales. We also distribute our services and products indirectly through approximately 20 major resellers and value added resellers in the United States and 10 independent gateway operators that employ their own salespeople to sell the full range of our voice and data products and services in over 60 countries. Wholesale sales to independent gateway operators represented approximately 11% of our service revenue for the year ended December 31, 2005 and approximately 9% of our service revenue for the six months ended June 2006. No agent, dealer or reseller represented more than 5% of our revenue for the year ended December 31, 2005 or the six months ended June 30, 2006.

Our typical dealer is a communications services equipment retailer. We offer competitive service and equipment commissions to our network of dealers to encourage increased sales. Since the Reorganization, we have terminated our relationship with numerous underperforming dealers and agents and replaced them with better performing new dealers and agents. We believe our more stringent dealer and agent requirements and our incentive programs position us to continue to experience growing dealer and agent sales due to a better-trained, focused and motivated sales network.

In addition to sales through our distribution managers, agents, dealers and resellers, customers can place orders through our website at *www.globalstar.com* or by calling our customer sales office at (877) 728-7466. To encourage internet sales, our website includes special promotional offers that are unavailable elsewhere. We believe that, as awareness of our services grows and our brand name becomes

more recognizable, we will experience an increase in our direct internet and phone order sales. Because we do not need to pay an agent commission or sell our services at reduced margins, our internet and phone sales channels are the most profitable. Our website and call center provide a user-friendly interface with consumers looking for a simple transaction or customer support.

The reseller channel is comprised primarily of communications equipment companies and commercial communications equipment rental companies who retain and bill clients directly, outside of our account maintenance system. Many of our resellers specialize in niche vertical markets where high-use customers are concentrated. We have productive sales arrangements with major resellers to market our services, including some value added resellers who integrate our products into their proprietary end products or applications. Some of our resellers offer our services and products through rental and leasing arrangements.

Outside of the United States and Canada, the majority of our retail sales are conducted through resellers and independent gateway operators. In 2006, we implemented a new direct sales and marketing program in Europe to bolster our growth in the region and further our strategy of direct contact with customers. Accordingly, we hired several experienced salespeople in Europe who have distribution manager-type responsibilities in each of their assigned territories. We believe that our investment in our European distribution channel and effort to transfer existing customers to our direct sales network will enhance our ability to rapidly grow our subscriber base overseas. We also plan to enter new European territories where our network can provide service but where we have not previously marketed our services and products and to target previously underserved vertical markets in Europe. We are implementing similar changes in the territories served by the gateways we acquired from independent gateway operators in Venezuela and Central America.

Our wholesale operations primarily encompass bulk sales of wholesale minutes to the independent gateway operators around the globe. These independent gateway operators maintain their own subscriber bases that are exclusive to us and promote their own service plans. The independent gateway operator system has allowed us to expand in regions that hold significant growth potential but are harder to serve without sufficient operational scale or where local regulatory requirements or business or cultural norms do not permit us to operate directly. Our wholesale efforts also include our Simplex and duplex data tracking devices.

Set forth below is a list of independent gateway operators as of June 30, 2006:

Location	Gateway	Independent Gateway Operators
Argentina	Bosque Alegre	TE.SA.M Argentina
Australia	Dubbo	Globalstar Australia PTY Limited
Australia	Mount Isa	Globalstar Australia PTY Limited
Australia	Meekatharra	Globalstar Australia PTY Limited
Brazil	Manaus	Globalstar do Brasil
Brazil	Presidente Prudente	Globalstar do Brasil
Brazil	Petrolina	Globalstar do Brasil
China	Beijing	China Spacecom
Italy	Avezzano	Elsacom N.V.
Korea	Yeo Ju	Dacom
Mexico	San Martin	Globalstar de Mexico
Peru	Lurin	TE.SA.M Peru
Russia	Khabarovsk	GlobalTel
Russia	Moscow	GlobalTel
Russia	Novosibirsk	GlobalTel
Turkey	Ogulbey	Globalstar Avrasya

We do not own or control these independent gateway operators nor do we operate their gateways. We operate directly gateways in the United States, Canada, Venezuela, Nicaragua, Puerto Rico and France. See "Business—Properties."

Services and Products

Our principal services are satellite communications services, including mobile and fixed voice and data services and asset tracking and monitoring services. We introduced our asset tracking and monitoring services in late 2003, and demand for these services has grown rapidly since then. Sales of our services combined accounted for approximately 64% and 61% of our total revenues for the year ended December 31, 2005 and the six months ended June 30, 2006, respectively. We also sell the related voice and data equipment to our customers, which accounted for approximately 36% and 39% of our total revenues for the year ended December 31, 2005 and the six months ended June 30, 2006, respectively.

Our Services

Mobile Voice and Data Satellite Communications Services

We offer our mobile voice and data services to customers via numerous monthly plans at price levels that vary depending upon expected usage. Except for Simplex services, subscribers under these plans typically pay an initial activation fee to the agent or dealer, as well as a monthly usage fee to us that entitles the customer to a fixed number of minutes in addition to services such as voicemail, call forwarding, short messaging, email, data compression and internet access. We receive both an activation fee and monthly fee for Simplex services. Extra fees may apply for non-voice services, roaming charges and long-distance calls.

We regularly innovate our service offerings. In August 2004, as part of our strategy to offer "bundled minutes" for heavy use customers, we introduced our Liberty Plans, which allow mobile voice and data users to pay an up-front, annual fee for a certain number of minutes to be used at any time within a one-year period, thus providing flexibility for seasonal and sporadic users. All unused minutes expire at the end of the one-year period. If subscribers use all of their minutes before the end of the one-year period, they may purchase an additional year's worth of minutes or can pay for additional minutes at a somewhat higher "overage" rate. We believe that our mobile voice customers are drawn to our Liberty Plans because of their ability to eliminate monthly overage charges given their unpredictable communications needs. We have seen rapid market acceptance of our Liberty Plans and expect they will continue to be an attractive service offering for customers in many of our vertical markets. These plans also eliminate the need for monthly billings, reduce collection costs and enhance our cash flow.

Fixed Voice and Data Satellite Communications Services

We provide fixed voice and data services in rural villages, at remote industrial, commercial and residential sites and on ships at sea, among other places. Fixed voice and data satellite communications services are in many cases an attractive alternative to mobile satellite communications services in situations where multiple users will access the service within a defined geographic area and cellular or ground phone service is not available. Our fixed units also may be mounted on vehicles, barges and construction equipment and benefit from the ability to have higher gain antennas. Our fixed voice and data service plans are similar to our mobile voice and data plans and offer similar flexibility. In addition to offering monthly service plans, our fixed phones can be configured as pay phones (installed at a central location, for example, in a rural village) that accept tokens, debit cards, prepaid usage cards, or credit cards.

Set forth below is a comparison of certain retail rate plans that we currently offer to mobile, fixed and data terminal customers in North America and Europe:

Service	U.S.	Canada(1)	Europe(2)
Low Monthly Plan	Freedom 50	Latitude 50	Voyager 75
bundled minutes:	50/mo	50/mo	75/mo
monthly charge:	$ 50.00	$ 45.00	$ 63.50
implied minute rate:	$ 1.00	$ 0.89	$ 0.85
additional minute rate:	$ 0.99	$ 1.06	$ 1.91
High Monthly Plan	Freedom 4000	Latitude 4000	Voyager 800
bundled minutes:	4,000/mo	4,000/mo	800/mo
monthly charge:	$ 550.00	$ 579.00	$ 317.50
implied minute rate:	$ 0.14	$ 0.14	$ 0.41
additional minute rate:	$ 0.49	$ 0.44	$ 0.64
Low Liberty Plan	Liberty 600	Enterprise 600	Liberty 1000
bundled minutes:	600/yr	600/yr	1,000/yr
annual charge:	$ 600.00	$ 534.00	$ 762.00
implied minute rate:	$ 1.00	$ 0.89	$ 0.76
additional minute rate:	$ 0.99	$ 1.06	$ 1.14
High Liberty Plan	Liberty 48000	Enterprise 48000	Liberty 5000
bundled minutes:	48,000/yr	48,000/yr	5,000/yr
annual charge:	$ 6,600.00	$ 6,942.00	$ 2,286.00
implied minute rate:	$ 0.14	$ 0.14	$ 0.46
additional minute rate:	$ 0.49	$ 0.44	$ 0.89
Home Area (bundled minutes)	U.S. and Caribbean	Canada	23 Euro Countries

(1) CAD$ converted to USD$ using $0.89 conversion rate.

(2) EUR€ converted to USD$ using $1.27 conversion rate.

Satellite Data Modem Services

In addition to data utilization through fixed and mobile services described above, we also offer data-only services. Our system is well-suited to handle duplex data transmission. Duplex devices have two-way transmission capabilities; for asset-tracking applications, this enables the customer to control directly their remote assets and perform more complicated monitoring activities. We offer asynchronous and packet data service in all of our territories. Customers can use our products to access the internet, corporate virtual private networks and other customer specific data centers. Satellite data modems are sold principally through integrators and value added resellers, who developed innovative end-market solutions, such as the Safety Star product, designed to address lone worker safety concerns, and the Skyhawk product, designed for maritime use. Our satellite data modems can be activated under any one of our current pricing plans. Satellite data modems are a fast growing product group that provide solutions that are accessible in every region we serve. The revenue that flows from these products provides an important and growing source of recurring service revenue and subscriber equipment sales for us.

Additionally, we offer a data acceleration and compression service to the satellite data modem market. This service increases web-browsing, email and other data transmission speeds without any special equipment or hardware.

Asset Tracking and Remote Monitoring (Simplex)

Our asset tracking and remote monitoring service, which we refer to as our Simplex service, is designed to address the market need for a small and cost-effective solution for sending data (such as

location) from assets in remote locations to a central monitoring station. Simplex is a one-way burst data transmission to our network from a Simplex telemetry unit, which may be located, for example, on a container in transit. At the heart of the Simplex service is an application server, which is located at a gateway. This server receives and collates messages from all Simplex telemetry units received on our satellite network. Simplex transmitting devices consist of a Simplex telemetry unit, an application specific sensor, a battery (with up to a seven-year life depending on the number of transmissions) and optional global positioning functionality. The small size of the units makes them attractive for use in applications such as tracking asset shipments, monitoring unattended remote assets, trailer tracking and mobile security. Our Simplex service was introduced in 2003. As of June 30, 2006, there were approximately 41,000 Simplex subscribers, representing approximately 287% growth over Simplex subscribers as of June 30, 2005. Current users include various governmental agencies, including FEMA, the U.S. Army and the Mexican Ministry of Education, as well as commercial and other entities such as General Electric, Dell and The Salvation Army.

Customers are able to realize an efficiency advantage from tracking assets on a single system as opposed to several regional systems. Simplex services are currently available from equipment installed into gateways in North America, Europe, Venezuela, Turkey, Korea, Australia, Peru and Russia. We plan to roll out two additional application servers in 2006 to cover what we view as additional major geographic markets for this service. We sell our Simplex services through value added resellers. Value added resellers purchase the services directly from us by subscribing to various pricing options offered by us to address various applications for this service and resell them to the end user. We receive a monthly subscription service fee and a one-time activation fee for each activated Simplex device.

Our Products

Voice and Data Equipment

Our services are available for use only with equipment designed to work on our network, which is typically sold to users in conjunction with an initial service plan. Our mobile phones, similar to ordinary cellular phones, are simple to use. Further, we expect that our new mobile phones from QUALCOMM will be among the smallest, lightest and least-expensive satellite phones available.

Currently, QUALCOMM manufactures all of our mobile phones and most of our accessories. QUALCOMM currently offers GSP-1600 tri-mode units that work on AMPS (the North American analog cellular standard) and CDMA digital cellular networks, as well as on our satellite system. We anticipate that our inventory of GSP-1600s will be depleted later in 2006 or in 2007 as we begin sales of GSP-1700 phones.

Our fixed phones are manufactured by QUALCOMM and Ericsson. We buy GSP-2900s from QUALCOMM and have a substantial inventory of Ericsson EF-200s to meet customers' demands. Ericsson does not plan to manufacture any additional EF-200s.

In May 2005, we entered into an agreement with QUALCOMM to manufacture next-generation mobile devices. Under this agreement, QUALCOMM agreed to supply us with what we project will be a supply of advanced mobile phone units and accessories and advanced data products sufficient to supply our expected demand through 2009. In the second half of 2006, we will begin offering the new satellite-only GSP-1700 phone, which will be an update to the currently offered GSP-1600. The new phones will include a user-friendly color LCD screen and a rugged, water resistant case available in multiple colors. The phones are expected to be a significant improvement over earlier-generation equipment, and we believe that the advantages will drive increased adoption from prospective users as well as increased revenue from our existing subscribers.

In addition to our principal products described above, we offer a large selection of related accessories for our line of phones, including car kits, cigarette lighter adapters, wall chargers, travel chargers and remote antennas. Under our agreement with QUALCOMM, they also will produce for us second generation car kits and other accessories. We believe that sales of these high-margin accessories, especially of car kits, also drive additional product usage, which in turn results in higher service revenue.

In addition to traditional satellite handsets, we sell multiple specialized products designed to address the specific needs of certain attractive end-user markets including the emergency response, maritime and aviation markets. These products include:

Emergency Response. The recently developed Globalstar Emergency Management Communications System (GEMCOMS) is comprised of five of our fixed phones conveniently mounted in a container that allows for quick deployment, set-up and operation in an emergency situation. The GEMCOMS can operate as a standalone unit (allowing up to five simultaneous Globalstar phone calls) or be combined with a small and relatively inexpensive "picocell" to provide an almost instantaneous local cellular capability in areas where the infrastructure has been damaged or destroyed. GEMCOMs operate like stand-alone cellular phone site. Prototypes of this system were made available to FEMA for use in support of the disaster relief efforts for Hurricanes Katrina, Rita and Wilma.

Maritime. We provide mobile satellite services specialized for the maritime market through equipment manufactured and sold by SeaTel Wavecall. SeaTel Wavecall currently produces two maritime products: the Wavecall 3000 and the Wavecall MCM3. The Wavecall 3000 provides a voice and data capability for maritime users with up to 9.6 Kbps (with compressed speeds of up to 38.4 Kbps) data throughput while the MCM3 provides voice and data with a throughput of up to 28.8 Kbps (with compressed speeds of up to 144 Kbps). The omni directional antenna (available on all our products) and small physical package provides a significant savings in both equipment and airtime costs compared to competitive systems. Key users of the WaveCall 3000 include the United States Coast Guard and commercial fishermen. In addition, we are developing our own maritime fixed product for initial sales in the second half of 2006.

Aviation. Our aviation products are specially designed for use in helicopters, waterbombers, U.S. and Canadian Coast Guard surveillance and rescue, commercial, general aviation and transport aircraft. Our products are small and lightweight relative to competitive products and are both FAA certified and flight test proven. We have worked with two major companies in the airline industry to identify the service features and necessary regulatory requirements to provide a wireless in-cabin voice and data service to passengers. Our products are sold by avionic companies, including Sagem Avionics, Geneva Aerospace and Northern Airborne Technologies, to customers including the U.S. Army and Air Force.

Data-Only Equipment

The satellite data modem model GSP-1620 duplex data device developed and manufactured by QUALCOMM provides packet data and data processing capability over our network. The satellite data modem model GSP-1620 has compressed speeds of up to 38.4 Kbps and is highly programmable to meet multiple applications.

Selected New Products in Development

GSM Picocell System. We expect to offer a proprietary picocell product in 2007. The system will allow for global standards for mobile communications, or GSM, cellular service in remote areas by backhauling signaling and voice services over our network through a picocell unit. Picocells will be available in any of the four GSM frequencies. The service will have terrestrial, maritime and aviation applications and given our user testing we expect to see strong initial demand from our target markets, including remote emergency response organizations, off-shore petroleum operators and cruise ships.

Multi-Channel Modem. In the first half of 2006, we introduced our multi-channel modem to the market. We offer the new multi-channel modem with either four or eight modem boards and a single remote antenna which facilitates data rates up to 76.8 Kbps (with compressed speeds of between 144 and 256 Kbps). We expect this product to be attractive to corporate customers requiring downloads of data at higher speeds and to surveillance and security companies that require simultaneous voice and data applications, such as video security monitoring and telephone service from remote locations. Additionally, the U.S. government is testing this product to determine its suitability for security monitoring and transmission of video images from fixed and mobile platforms. The relative benefits are that (1) a high rate data service is available from the network via a relatively small electronics package at our low usage rates and (2) the product allows simultaneous voice and data availability at higher than a single 9.6 Kbps data rate.

QUALCOMM GSP-1720 Satellite Data Modem. We expect to introduce the GSP-1720 modem in the first quarter of 2007. This will be a new satellite data modem board with multiple antenna configurations and an enlarged set of commands for modem control and will be smaller, less expensive and easier to operate than our current product. We expect this new board will be attractive to integrators because it will have more user interfaces that are easily programmable, which will make it easier for value added resellers to integrate the satellite modem processing with the specific application (e.g., monitoring and controlling oil and gas pumps, monitoring and controlling electric power plants and more economically facilitating security and control monitoring of remote facilities).

Customers

The specialized needs of our global customers span many markets. Our system is able to offer our customers cost-effective communications solutions in areas underserved or unserved by existing telecommunications infrastructures. While traditional users of wireless telephony and broadband data services have access to these services in developed locations, our targeted customers often operate or live in remote or under-developed regions where these services are not readily available or are not provided on a reliable basis.

Our markets include government, public safety and disaster relief; recreation and personal; maritime and fishing; business, financial and insurance; natural resources, mining and forestry; oil and gas; construction; utilities; and transportation. We focus our attention on obtaining customers who will be long-term users of our services and products and who will generate high average revenue per user. The following is a discussion of these markets.

Government, Public Safety and Disaster Relief. In the United States and Canada, our customers in the government, public safety and disaster relief sector represent one of our largest and most critical

markets, and constituted 24% of our total subscribers in those regions at December 31, 2005. We conduct business with many major federal, state, provincial and local government agencies, including, in the United States, the Department of Homeland Security, FBI, Department of Defense, NASA and every branch of the U.S. Military, as well as state and local governments, police departments, hospitals and first response teams. In Canada, we conduct business with the Royal Canadian Mounted Police and with many additional federal and provincial agencies. Relief agencies such as the Red Cross, the Salvation Army and FEMA generate significant demand for both our voice and data products, especially during the late summer months in anticipation of the hurricane season in North America. Our Simplex service facilitates tracking and managing the distribution of movable hard assets such as generators, trucks, trailers and relief supplies to disaster areas, while our fixed and mobile voice terminals enable relief workers and victims to communicate in areas where terrestrial service is no longer operational. We provide customized communications solutions to various departments of the U.S. government, enabling them to monitor logistics status, position reporting and vehicle tracking and performance status, as well as two-way voice communications services. Expansion of our government business both in the United States and throughout the rest of the world represents a significant growth opportunity, and we expect that our relationships with various government agencies will bolster our leadership position in the mobile satellite services industry. Aggregate sales to all U.S. government agencies constituted approximately 15% and 17% of our revenue for 2005 and the six months ended June 30, 2006, respectively, U.S. government agencies may terminate their business with us at any time without penalty. Substantially all of our business with U.S. governmental agencies is pursuant to individual purchase orders with various agencies. We did not have any contract backlog at June 30, 2006.

Recreation and Personal. Outdoor enthusiasts, hunters, international leisure travelers, recreational fishermen, backpackers, commercial outfitters, remote lodge owners and nature tour groups use our services for recreational and personal leisure activities and constituted 20% of our U.S. and Canadian customers at December 31, 2005. Our network coverage extends beyond shorelines and provides recreational sailors and recreational fishermen an affordable satellite communications solution. Hunters, hikers and backpackers carry our mobile phones with them to maintain a reliable communications link with the outside world, report emergencies and check voicemail and email.

Maritime and Fishing. Customers in all phases of the maritime industry, including commercial fishing, workboat, transport and recreational maritime, use our services for their primary fleet and ship-to-shore communications and constituted 12% of our U.S. and Canadian customers at December 31, 2005. Commercial fishing customers use voice services as their primary communications to coordinate fishing locations with other boats in their fleet and for ship-to-shore communications to arrange docking times or order parts, check landing prices and manage onshore operations. In addition, they use data services for weather and oceanic conditions, which are key to improving their fishing productivity and communicating with government fisheries departments. Commercial fishing users are located primarily in the Pacific Northwest and northern Atlantic fishing regions. Marine transport customers use voice services as their primary ship-to-shore communications while they transport oil from Valdez, Alaska. Additionally, there is a strong demand for voice and data services throughout the Gulf of Mexico for boats servicing offshore oil rigs and for workboats traveling offshore and up the Mississippi River.

Business, Financial and Insurance. We provide critical primary and back-up communications services to a variety of users in the financial services industry, which constituted 8% of our U.S. and Canadian customers at December 31, 2005. For example, insurance adjustors use our devices while working in remote locations or surveying disaster areas where traditional communications infrastructure is not available or no longer functioning. We also provide back-up communications to financial institutions, banks and investment houses. In addition, a number of customers buy our equipment for their employees who routinely travel to remote or overseas locations.

Natural Resources, Mining and Forestry. Natural resources, mining and forestry customers rely on our communications services to conduct their businesses. These customers constituted 5% of our U.S. and Canadian customers at December 31, 2005. Forestry workers in the field utilize our mobile communications services to patrol remote areas. Timber harvesting workers use mobile voice services to scout sites, coordinate logistics and monitor operations. A significant portion of forestry work occurs in mountainous areas in the northwestern United States and western Canada that lack either wireless or wireline communications networks. Similarly, mining companies use our mobile services to survey new mining opportunities and conduct operations in remote geographies that are not served by cellular communications networks. Once a mine is in operation, our customers tend to install fixed communications terminals that provide essential voice and data service to the mine. Miners use our devices to communicate with other miners, remain in touch with central business hubs and report emergencies.

Oil and Gas. Oil and gas companies are typically our highest average revenue per user customers as they require satellite-based communications to carry out their routine business. They constituted 5% of our U.S. and Canadian customers at December 31, 2005. Oil and gas companies equip their engineers with our equipment for scouting new drilling opportunities and for conducting routine operations in remote areas. There is an essential need for reliable communication to manage effectively oil, gas and energy extraction operations, which results in very high usage levels for those companies. Moreover, off-shore drilling platforms and oil tankers are equipped with our terminals capable of sending and receiving data and voice transmissions.

Construction. Construction companies, which constituted 3% of our U.S. and Canadian customers at December 31, 2005, use our mobile voice phones primarily for constructing new facilities in rural areas. Contractors rely on our mobile devices to maintain contact with sub-contractors, suppliers and architects. Until a remote construction site is connected to a local telecommunications network, our phones often serve as the sole form of communication for site workers. Within the construction industry, drilling and cement companies represent a large customer base. Due to the hazardous nature of construction work, maintaining a reliable communications link at remote construction and drilling sites is critical in the event of an accident or other emergency.

Utilities. Utility customers, which constituted 3% of our U.S. and Canadian customers at December 31, 2005, use our services for both normal and emergency operations. For normal operations, our data modems connect on-truck laptops with headquarters to manage work orders and maintain field operations control. During emergencies, our voice services are used to coordinate crew deployment to restore utility services or to keep remote field workers in touch after an accident.

Transportation. Customers in the transportation industry, which constituted 2% of our U.S. and Canadian customers at December 31, 2005, use our Simplex services to monitor the location of their vehicles, trailers and assets, such as containers, and use our duplex data and voice products to facilitate two-way voice and data communications with drivers. Long distance drivers need reliable communication with both dispatchers and their destinations to coordinate changing business needs, and our satellite network provides continuous communications coverage while they are in transit.

Our Spectrum

We hold licenses to operate a wireless communications network via satellite over 27.85 MHz in two blocks of contiguous global radio frequency spectrum. Access to this spectrum enables us to design satellites, network and terrestrial infrastructure enhancements cost effectively because the products and services can be deployed and sold worldwide. This broad spectrum assignment enhances our ability to capitalize on existing and emerging wireless and broadcast applications.

Because most of the desirable spectrum near the PCS bands has already been allocated by the FCC or will be auctioned by the FCC by January 2008, we believe there are limited options for new spectrum allocations. Utilization of existing spectrum is growing quickly. Our spectrum location near the PCS bands should allow us to deploy cost effectively the terrestrial component of an ATC network by leveraging existing terrestrial wireless infrastructures. Further, we believe the ability of our current network to support ATC services will allow us to introduce new services and capabilities before our competitors.

The FCC has allocated a total of 40 MHz of spectrum at 2 GHz for mobile satellite services. This augments the mobile satellite services spectrum at 1.6 and 2.4 GHz (licensed to us and Iridium) and 1.5 and 1.6 GHz (licensed to Mobile Satellite Ventures, Inmarsat and several foreign operators). In 2001, we received a license to use a portion of this 2 GHz spectrum. In February 2003, the FCC's International Bureau cancelled our authorization based upon our alleged inability to meet future construction milestones and, in June 2004, the FCC affirmed this cancellation. We have asked for reconsideration of the cancellation. In December 2005, the FCC assigned all of the 40 MHz of available spectrum to TMI/TerreStar and ICO Global Communications, although the order granting this was made specifically subject to the outcome of our request for reconsideration. In addition to petitioning for reinstatement of our 2 GHz license, in a separate proceeding we also have challenged the assignment of all of the spectrum to TMI/TerreStar and ICO Global Communications as unlawful and contrary to well-established FCC policy. Although we believe strongly that our 2 GHz license should be reinstated and assigned to us, our existing operations, our plans for the introduction of ATC services and our deployment of a second-generation satellite constellation will not be adversely impacted if we are unsuccessful in obtaining this 2 GHz spectrum license. If we succeed in obtaining reinstatement of the 2 GHz license, it will provide additional spectrum for the future growth of our services.

Domestic and Foreign Revenue

We supply services and products to a number of foreign customers. Although most of our sales are denominated in U.S. dollars, we are exposed to currency risk for sales in Canada and Europe. For information on our revenue from sales to foreign and domestic customers, see Note 14 to our consolidated financial statements contained in this prospectus.

Our Network

Our satellite network includes 43 in-orbit low earth orbit satellites, including in-orbit spares temporarily placed into service and satellites that are temporarily out of service but are considered restorable. The design of our orbital planes and the positioning of our ground stations ensure that generally at least two satellites, and often more, are visible to subscribers from any point on the earth's surface between 70^{o} north latitude to 70^{o} south latitude, covering most of the world's population. All of our satellites are virtually identical in design and manufacture, and each satellite contributes equally to the constellation performance, which allows satellite diversity for mitigation of service gaps from individual satellite outages. Our constellation orbits in a 40-satellite configuration known as a "Walker pattern" orbital geometry. 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. The design of our space and ground control system facilitates the real time intervention and management of the satellite constellation and service upgrades via hardware and software enhancements.

Our satellites communicate with our network of 25 gateways, each of which serves an area of approximately 700,000 to 1,000,000 square miles. Each of our gateways has multiple antennas that communicate with our satellites and pass calls seamlessly between antenna beams and satellites as the satellites traverse the gateways, thereby reflecting the signals from our users' terminals to our gateways. Once a satellite acquires a signal from an end-user, the user is authenticated by the serving gateway and then the voice or data channel is established to complete the call to the public switched telephone network, to a cellular or another wireless network, or, in the case of a Simplex data call, to the internet.

We believe that our terrestrial gateways provide a number of advantages over the in-orbit switching used by Iridium, including better call quality and convenient regionalized local phone numbers for inbound calling. We also believe that our network's design, which relies on terrestrial gateways rather than in-orbit switching, enables faster and more cost-effective system maintenance and upgrades because the system's software and much of its hardware is based on the ground. Our multiple gateways allow us to reconfigure our system quickly to extend another gateway's coverage to make up some or all of the coverage of a disabled gateway or to handle increased call capacity resulting from surges in demand.

Our network uses QUALCOMM's patented CDMA technology to permit dynamic selection of the strongest available signals. Patented receivers in our handsets track the pilot channel or signaling channel as well as three additional communications channels simultaneously. Compared to other satellite and network architectures, we offer superior call clarity, virtually no discernable delay and a low incidence of dropped calls. The worldwide call success rate average for all of our users varies between 79% and 82%. Our system architecture provides full frequency re-use. This maximizes diversity (which maximizes quality) and maximizes capacity as the assigned spectrum can be reused in every satellite beam in every satellite. Our network also works with Internet protocol data for reliable transmission of IP messages. We have a long-standing relationship with QUALCOMM for the manufacture of our phone handsets, data terminals, gateway hardware and equipment.

Although our network is CDMA-based, it is configured so that we can also support one or more other air interfaces that we select in the future. For example, we have developed a non-CDMA technology to offer Simplex data services. Because our satellites are essentially "mirrors in the sky," and all of our network's switches and hardware are located on the ground, we can easily and relatively inexpensively modify our ground hardware and software to use other wave forms to meet customer demands for new and innovative services and products. At this time, we are developing several inexpensive additional products and services which will operate in this manner.

We believe our in-space constellation will provide a commercially acceptable quality of service into 2010. We have eight spare satellites which are being prepared for launch during 2007 to augment our constellation. We plan to place the eight satellites as needed into vacant constellation slots or as in-plane spares. We have negotiated a launch service agreement with Starsem for the spare satellites.

In addition to our eight spare satellites, we own spare parts for our gateways. We have in storage 28 complete and 3 partial antennas and 8 complete and 3 partial gateways. We selectively replace parts as necessary, and anticipate that this supply will sufficiently serve all of our gateway needs throughout the expected life of our existing satellite constellation.

Due to the nature of our satellite constellation, we do not carry in-orbit insurance on our current satellite constellation. We plan on insuring the launch of each of our eight spare satellites. Prior to launching these satellites, we will evaluate all the launch insurance options available to us. We do not plan on insuring the spare satellites once they are safely in orbit. See "Risk Factors—Risks Relating to Our Business—We may not be able to launch our satellites successfully. Loss of a satellite during launch could delay or impair our ability to offer our services or reduce our revenues, and launch insurance, even if it is available, will not cover fully this risk." for an additional discussion of insurance related considerations.

We make no warranties to our subscribers as to the availability of our services and we do not believe we would have any liability to our subscribers in the event of a failure of our network to provide communication services (other than possibly for the refund of unused portions of prepaid service plans).

We are currently designing the architecture of our second-generation of satellites. We are considering several alternative structures, including both low earth orbit and geostationary configurations.

Satellite Constellation Operations

Old Globalstar started commercial service in 2000 with a 48-satellite constellation, four in-orbit spare satellites and eight spare satellites in storage. In response to satellite failures and anomalies, we reconfigured the satellite constellation in mid-2003 from a 48-satellite constellation to a 40-satellite constellation with in-orbit spares. We have maintained the eight orbital planes but now have five service satellites per plane. This constellation transition was achieved with no impact to the service coverage area and with only a modest reduction in the deliverable call capacity of the constellation. Due to continued satellite diversity within the constellation (more than one satellite in view), call quality and call success rates, and thus the customer's experience, were largely unaffected.

We monitor the health of our satellites for quick identification of "out-of-family" conditions. Our control phones located at selected gateways, which are placed in clear line of sight to the sky, make three-minute calls every 10 minutes and are used to recognize and pinpoint problems quickly if they occur on the system. These phones have a call success rate of over 98%. We recently hired an independent third party consultant to conduct a survey on the health of our satellites. The report confirmed that the constellation should provide a commercially acceptable quality of service into 2010, assuming the spare satellites are launched during 2007, no major new anomalies are detected and those anomalies currently known are controlled satisfactorily.

From time to time, individual satellites in our constellation experience operating problems that may result in a temporary satellite outage, but due to satellite diversity within our constellation, the individual satellite outages typically do not negatively affect our customers' use of our system.

Old Globalstar experienced its first satellite failure in March 2001. Eight other satellites have failed subsequently. Eight of these nine failures have been attributed to a common anomaly in the satellite communication subsystem S-band antenna. We have subsequently learned how to control and mitigate this type of anomaly. The other satellite loss was attributed to a unique and typically non-fatal anomaly where successful recovery was precluded by degraded performance of the satellite command receiver subassembly.

We have categorized three types of anomalies among the satellites in our constellation that, if they materialize throughout the satellite constellation, have the potential for a significant operational impact. These include an electrical short, frequently temporary, in the communications S-band antenna that provides the forward link between the satellite and the user; degraded performance and potentially an eventual failure of the command receivers used for satellite command and control; and degraded performance over time of the solid-state power amplifiers of the S-band communications antenna.

Although we have implemented procedures for minimizing the impact of these individual satellite events to the overall performance of our satellite constellation, we also are taking steps to improve our in-orbit sparing to extend the life of the constellation. In addition to increasing in-orbit sparing through the reconfiguration of the constellation in 2003, we will further replenish our constellation by launching our eight spare satellites during 2007. We have executed contracts for post-storage testing of the satellites, re-procurement of new cells for the flight batteries and launch services. We plan to construct and launch a replacement satellite constellation prior to the end of the useful life of this constellation, although no procurement commitment has been made at this time.

Ancillary Terrestrial Component (ATC)

Background

In February 2003, the FCC adopted rules that permit satellite service providers to establish ATC networks. ATC authorization enables the integration of a satellite-based service with terrestrial wireless services, resulting in a hybrid mobile satellite services/ATC network designed to provide advanced services and broad coverage throughout the United States. The ATC network would extend our services to urban

areas and inside buildings where satellite services currently are impractical. We believe we are at the forefront of ATC development and are actively working to be among the first market entrants. For a description of the FCC's ATC rules and our authorization to provide ATC services, see "Regulation—United States FCC Regulation—ATC."

The equipment used for ATC is very much like the equipment used in cellular and PCS networks. In demonstrations in New York and Washington D.C. in July 2002, we used a picocell device to permit our satellite phones, operating at our frequencies, to be used both indoors (where satellite service is unavailable) through the modified PICO cell and outdoors through our satellites and ground stations. This demonstrated our ability to make and receive ATC calls using our mobile satellite services spectrum under the authority of an FCC experimental license.

ATC frequencies are designated in previously satellite-only bands at 1.5 GHz, 1.6 GHz, 2 GHz and 2.5 GHz. On January 20, 2006, we were granted authorization by the FCC to operate an ATC network initially over 11 MHz of our spectrum, divided into 5.5 MHz in the L-band and 5.5 MHz in the S-band. We have filed with the FCC for ATC authorization for all 27.85 MHz of our spectrum. Outside the United States, other countries are actively considering implementing regulations to facilitate ATC services. We are committed to pursuing ATC licenses in those jurisdictions as regulations are implemented and new revenue opportunities are presented.

In keeping with the FCC's decision, ATC services must be complementary or ancillary to mobile satellite services in an "integrated service offering," which can be achieved by using "dual-mode" handsets capable of transmitting and receiving mobile satellite services and ATC signals. Further, user subscriptions that include ATC services must also include mobile satellite subscription services. Because of these requirements, the number of potential early stage competitors in providing ATC services is limited, as only mobile satellite services operators who are offering commercial services can provide ATC services. At the time we commence ATC operations, we must meet all of the FCC's authorization requirements, including an in-orbit spare requirement.

ATC Opportunities

We believe we are uniquely positioned to benefit from the development of our ATC license given our existing in-orbit satellite fleet and ground stations. Unlike several of our competitors, our existing constellation and ground stations are technically capable of accommodating ATC operations. Even with high-bit rate applications, we believe that our network and spectrum are sufficient to meet the demanding requirements of the current and next generation of wireless services.

We could offer the following terrestrial services, among others, with ATC:

- mobile voice
- mobile broadband data
- fixed broadband data
- voice over internet protocol, or VOIP
- multi-casting and broadcasting services for music and video

We are considering a range of options for rollout of our ATC services. We are exploring selective opportunities with a variety of media and communications companies to capture the full potential of our spectrum and ATC license.

Northern Sky Research has predicted that the ATC services market will account for 29% of in-service mobile satellite units and 16% of industry retail revenues by the end of 2010.

Competition

The global communications industry is highly competitive. We currently face substantial competition from other service providers that offer a range of mobile and fixed communications options. Our most direct competition comes from other global mobile satellite services providers. Our two largest global competitors are Inmarsat and Iridium. We compete primarily on the basis of coverage, quality, portability and pricing of services and products.

Inmarsat has been a provider of global communications services since 1982. Inmarsat owns and operates a fleet of geostationary satellites. Due to its geostationary system, Inmarsat's coverage area extends and covers most bodies of water more completely than we do. Accordingly, Inmarsat is the leading provider of satellite communications services to the maritime sector. Inmarsat also offers global land-based and aeronautical communications services. Inmarsat generally does not sell directly to customers. Rather, it markets its products and services principally through a variety of distributors, including Stratos Global Corporation, Telenor Satellite Services, the France Telecom Group, KDDI Corporation and The SingTel Group, who, in most cases, sell to additional downstream entities who sell to the ultimate customer. We compete with Inmarsat in several key areas, particularly in our maritime markets. We believe that the size and functionality of our mobile handsets and data devices are superior to Inmarsat's fixed units, which tend to be significantly bulkier and more cumbersome to operate. In addition, our products generally are substantially less expensive than those of Inmarsat.

Iridium owns and operates a fleet of low earth orbit satellites that is similar to our network of satellites. Iridium entered into bankruptcy protection in March 2000 and was out of service from March 2000 to January 2001. Since Iridium emerged from bankruptcy in 2001, we have faced increased competition from Iridium in some of our target markets. Iridium provides data and voice services at rates of up to 2.4 Kbps, which is approximately 25% of our uncompressed speed.

We compete with regional mobile satellite communications services in several markets. In these cases, the majority of our competitors' customers require regional, not global, mobile voice and data services, so our competitors present a viable alternative to our services. All of these competitors operate geostationary satellites. Our regional mobile satellite services competitors currently include Thuraya, principally in the Middle East and Africa; Asian Cellular Satellites in Asia; Mobile Satellite Ventures and Mobile Satellite Ventures Canada in the Americas; and Optus MobileSat in Australia.

In some of our markets, such as rural telephony, we compete directly or indirectly with very small aperature terminal operators that offer communications services through private networks using very small aperature terminals or hybrid systems to target business users. Very small aperture terminal operators have become increasingly competitive due to technological advances that have resulted in smaller, more flexible and cheaper terminals.

We compete indirectly with terrestrial wireline (landline) and wireless communications networks. We provide service in areas that are inadequately covered by these ground systems. To the extent that terrestrial communications companies invest in underdeveloped areas, we will face increased competition in those areas. We believe that local telephone companies currently are reluctant to invest in new switches and landlines to expand their networks in rural and remote areas due to high costs and to decreasing demand and line loss associated with wireless telephony. Many of the underdeveloped areas are sparsely populated so it would be difficult to generate the necessary returns on the capital expenditures required to build terrestrial wireless networks in such areas. We believe that our solutions offer a cost-effective and reliable alternative to ground-based wireline and wireless systems and that continued growth and utilization will allow us to further lower costs to consumers.

Our industry has significant barriers to entry, including the cost and difficulty associated with obtaining spectrum licenses and successfully building and launching a satellite network. In addition to cost, there is a significant amount of lead-time associated with obtaining the required licenses, building

the satellite constellation and synchronizing the network technology. We will continue to face competition from Inmarsat and Iridium and other businesses that have developed global mobile satellite communications services in particular regions. We will also face competition from incipient ATC services providers who are currently designing a core satellite operating business and a terrestrial component around their spectrum holdings.

Employees

As of June 30, 2006, we had 316 full-time employees and six part-time employees, none of whom is subject to any collective bargaining agreement. We consider our employee relations to be good.

Properties

Our principal headquarters are located in Milpitas, California, where we currently lease 42,000 square feet of office space. We also own or lease the facilities described in the following table:

Location	Country	Sq Feet	Facility Use	Owned/Leased
El Dorado Hills, California	USA	11,000	Back-Up Control Center	Leased
Mississauga, Ontario	Canada	13,627	Canada Office	Leased
Milpitas, California	USA	42,000	Corporate Office	Leased
Dublin	Ireland	1,700	Europe Office	Leased
Landover, Maryland	USA	1,810	Sales Office	Leased
Bogotá	Colombia	500	Sales Office	Leased
Caracas	Venezuela	2,200	Venezuela Office	Leased
Panama City	Panama	1,141	GAT Office	Leased
Guatemala City	Guatemala	699	Sales Office	Leased
Tegucigalpa	Honduras	377	Sales Office	Leased
Managua	Nicaragua	452	Sales Office	Leased
Clifton, Texas	USA	10,000	Gateway	Owned
Sebring, Florida	USA	9,000	Gateway	Leased
Barrio of Las Palmas, Cabo Rojo	Puerto Rico	6,000	Gateway	Owned
Aussaguel	France	4,600	Gateway	Leased
Los Velasquex, Edo Miranda	Venezuela	9,700	Gateway	Owned
Wasilla, Alaska	USA	5,000	Gateway	Owned
Smith Falls, Ontario	Canada	6,500	Gateway	Owned
High River, Alberta	Canada	6,500	Gateway	Owned
Managua	Nicaragua	10,857	Gateway	Owned

Intellectual Property

At June 30, 2006, we held 77 U.S. patents with 13 additional U.S. patents pending and 16 foreign patents with 13 additional foreign patents pending. These patents cover many aspects of our satellite system, our global network and our user terminals. In recent years, we have reduced our foreign filings and allowed some previously-granted foreign patents to lapse based on (a) the significance of the patent, (b) our assessment of the likelihood that someone would infringe in the foreign country, and (c) the probability that we could or would enforce the patent in light of the expense of filing and maintaining the foreign patent which, in some countries, is quite substantial. We continue to maintain all of our important patents in the United States, Canada and Europe.

Legal Proceedings

From time to time, we are involved in various litigation matters involving ordinary and routine claims incidental to our business. Management currently believes that the outcome of these proceedings,

either individually or in the aggregate, will not have a material adverse effect on our business, results of operations or financial conditions. We are involved in certain litigation matters as discussed below.

On May 26, 2005, Loral/QUALCOMM Satellite Services, L.P., et al. ("Loral"), filed a motion for an order in its Delaware bankruptcy case under Rule 2004 seeking to compel us and certain affiliates and individuals to produce documents and appear for oral examination regarding our management of Government Services, LLC ("GSLLC"), our subsidiary formed to engage in certain sales to the U.S. government in which Loral holds a 25% minority interest. We responded and instituted a proceeding in the same court for declaratory judgment as to the parties' rights under a settlement agreement approved by that court on April 14, 2003. Loral's motion was denied. Loral filed a counterclaim in the declaratory judgment proceeding alleging a breach of the settlement agreement and of fiduciary duty by the managers of GSLLC. Loral and we have exchanged documents requested in discovery. We believe that Loral's allegations are without merit; however, if Loral prevails in the declaratory judgment proceeding, we could be ordered to pay Loral an unspecified amount of compensation and/or damages. We have notified our insurance carrier of the case, and the insurance carrier has reserved all rights. The parties have been meeting to attempt to settle this matter, but we cannot predict the outcome of these discussions or the pending litigation.

On January 13, 2006, Elsacom N.V., an independent gateway operator serving portions of Central and Eastern Europe and North Africa from its gateway in Italy, served us with a notice of arbitration pursuant to a dispute resolution provision in its Satellite Services Agreement. The dispute stems from our decision in fall 2005 to realign coverage of the two gateways serving Western and Central Europe in order to improve the signal quality in certain fringe areas. Elsacom has not specified the amount of damages that it is seeking. Elsacom asserts that the realignment diminishes its rights under its Satellite Services Agreement. We disagree and intend to defend our decision vigorously. The arbitration is scheduled to be held in October 2006.

COMPANY HISTORY

We may be viewed as the successor to Old Globalstar, which was a Delaware limited partnership formed on November 19, 1993 by Loral and QUALCOMM. Eight other general or limited partners were admitted to the partnership in 1995.

On February 15, 2002 (the "Petition Date"), Old Globalstar and three of its subsidiaries filed voluntary petitions under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. Old Globalstar and its debtor subsidiaries remained in possession of their assets and properties and continued to operate their businesses as debtors-in-possession.

On November 17, 2003, Old Globalstar, Thermo and the Official Committee of Unsecured Creditors of Globalstar, L.P. (the "Creditors' Committee") executed a term sheet regarding the acquisition of the Globalstar business by Thermo. On December 2, 2003, the Bankruptcy Court entered an order authorizing the transaction contemplated by the term sheet. On December 5, 2003, Old Globalstar, the Creditors' Committee and Thermo entered into an asset contribution agreement pursuant to which Old Globalstar agreed to transfer its assets to us and Thermo agreed to contribute and loan funds to us, each in exchange for our membership units.

In connection with the negotiation of the asset contribution agreement, Old Globalstar and the Creditors' Committee required that we agree to the inclusion of provisions in our limited liability agreement providing for the right of the former creditors of Old Globalstar who became members of our company to elect two of our directors, the rights offering described below, pre-emptive and piggyback rights for the minority owners, restrictions on transactions with Thermo or other extraordinary transactions, our obligation to register our common stock under the Securities Exchange Act of 1934 (the "Exchange Act") by October 13, 2006, and other protections for the former creditors of Old Globalstar when they became our minority owners. Other than with respect to the rights offering and other provisions which had expired or been fulfilled, we were required to include these provisions in our certificate of incorporation when we became a Delaware corporation in March 2006.

Old Globalstar submitted its Disclosure Statement and Fourth Amended Joint Plan to the Bankruptcy Court on May 3, 2004. The Bankruptcy Court confirmed the Plan on June 17, 2004, and the Plan became effective on June 29, 2004 (the "Effective Date"). On the Effective Date, Thermo became our majority equity owner and, pursuant to the Plan, all partnership interests in Old Globalstar were cancelled without consideration, Old Globalstar's then 18.75% membership interest in us was distributed to its unsecured creditors and Old Globalstar was dissolved. Globalstar Capital Corporation, a former subsidiary of Old Globalstar, remains as a debtor entity responsible for the resolution of claims against Old Globalstar and the wind up of Old Globalstar. We do not have any continuing financial commitment related to the wind up.

Under the Plan and the asset contribution agreement, the holders of allowed claims were provided the right to purchase additional membership units in us in a rights offering, which was completed on October 12, 2004. The rights offering was divided into two series. The Series A rights allowed holders in the aggregate to purchase 15.12% of our membership units for $8.0 million. The Series B rights allowed holders in the aggregate to purchase 2.50% of our membership units for $4.0 million. The Series A rights were fully subscribed resulting in the issuance of 1,512,000 of our membership units to unsecured creditors of Old Globalstar at a price of $8.0 million. The Series B rights were partially subscribed resulting in the issuance of an additional 46,782 membership units at a price of $749,000. We then redeemed at the same price an equal number of membership units owned by Thermo.

In April 2004, we agreed to purchase mobile phones from QUALCOMM. Effective October 2004, we and QUALCOMM agreed to restate the terms of this transaction. Under the restated agreement, QUALCOMM provided the mobile phones and various accessories to us in exchange for $1,875,000 and 309,278 membership units with a fair value of approximately $5.3 million.

During the course of its financial restructuring, Old Globalstar developed a business plan predicated on the infusion of capital and the consolidation of certain independent gateway operators. Since 2002, we have consolidated five independent gateway operators, which we believe has brought additional efficiencies to the operation of the Globalstar System and has improved our service and product offerings in North America, Europe, Central America and northern South America. In December 2001, we acquired a 50.1% ownership interest in the Canadian independent gateway operator operations from Vodafone Americas, Inc., which had a joint venture with Loral to be the exclusive Globalstar service provider in Canada. We subsequently acquired the remaining 49.9% ownership interest in the Canadian independent gateway operator from Loral in July 2003 as part of a settlement. In 2002, we consolidated Globalstar USA and Globalstar Caribbean Ltd. (then owned by Vodafone), and acquired a gateway and related assets in France from TE.SA.M., a joint venture of France Telecom, an independent gateway operator serving Western Europe. Most recently, we consolidated our Venezuelan and Central American gateway operations. The acquisition of the Venezuelan gateway from local owners who had acquired it from TE.SA.M. was completed in February 2005, and in January 2006, we acquired all of the stock of various entities which own and operate the independent gateway operator serving Central America. In furtherance of this consolidation strategy, we also have restructured our business relationships with other independent gateway operators and continue to explore additional independent gateway operator acquisitions.

On January 1, 2006, we elected to be taxed as a C corporation. Effective March 17, 2006, we converted from a Delaware limited liability company into a Delaware corporation. In the conversion, all membership units held by Thermo became shares of Series C common stock, all membership units held by QUALCOMM became shares of Series B common stock and all other membership units became shares of Series A common stock.

On August , 2006, our stockholders approved our amended and restated certificate of incorporation and amended and restated bylaws. These amended and restated governance documents, which will become effective immediately prior to the effective date of the registration statement of which this prospectus is a part, will convert each share of our common stock of each series into one share of a single series of common stock, divide our board of directors into three classes with staggered terms and effect other changes in our corporate governance. We anticipate that, immediately prior to this offering, our board of directors will approve a stock dividend effecting a -for-one split of our common stock. See "Description of Capital Stock—Amendment and Restatement of Certificate of Incorporation and Bylaws" and "—Anti-Takeover Effects of Certain Provisions of Our Amended and Restated Certificate of Incorporation and Bylaws and of Delaware General Corporation Law."

United States FCC Regulation

Mobile Satellite Services Spectrum and Satellite Constellation.

Our satellite constellation and four U.S. gateways are licensed by the FCC. Our system is sometimes called a "Big LEO" (for "low earth orbit") system.

We hold regulatory authorization for two pairs of frequencies on our current system: user links (from the user to the satellites, and vice versa) in the 1610 - 1621.35 and 2483.5 - 2500 MHz bands and feeder links (from the gateways to the satellites, and vice versa) in the 5091 - - 5250 and 6875 - 7055 MHz bands. The FCC authorizes the operation of our satellite constellation and gateways and mobile phones in the United States. Gateways outside the United States are licensed by the respective national authorities.

Our subsidiary, Globalstar USA, LLC ("GUSA") is authorized by the FCC to distribute mobile and fixed subscriber terminals and to operate gateways in the United States. GUSA holds a license for a gateway in Texas and has applications pending for gateways in Florida and Alaska. In July 2005, the FCC granted GUSA special temporary authority to operate the Florida gateway for 60 days; the FCC repeatedly has renewed this authority for additional 60-day terms. In May 2006, GUSA obtained similar temporary authority to operate the Alaska gateway. We anticipate that the FCC will continue to renew these special temporary authority approvals for the Florida and Alaska gateways until it acts on GUSA's pending applications for permanent authority. Another subsidiary, Globalstar Caribbean Ltd. ("GCL"), a Cayman Islands company, holds an FCC license to operate a gateway in Puerto Rico. GCL is also subject to regulation by the Puerto Rican regulatory agency.

ATC.

In January 2006, the FCC granted our application to add an ATC service to our existing mobile satellite services. ATC authorization enables the integration of a satellite-based service with terrestrial wireless services, resulting in a hybrid mobile satellite services/ATC network designed to provide advanced services and ubiquitous coverage throughout the United States. The FCC regulates mobile satellite services operators' ability to provide ATC-related services, and our authorization is predicated on compliance with and achievement of various "gating criteria" adopted by the FCC in February 2003 and summarized below.

- The mobile satellite services operator must demonstrate that its satellites are capable of providing substantial satellite service to all 50 states, Puerto Rico and the U.S. Virgin Islands and that its network can offer commercial mobile satellite services service to subscribers throughout that area. A mobile satellite services operator can provide ATC services only within its satellite footprint and within its assigned spectrum.

- Mobile satellite services and ATC services must be fully integrated either by supplying subscribers with dual-mode mobile satellite services/ATC handsets or otherwise showing that the ATC service is substantially integrated with the mobile satellite services service.

- Companies, including our company, that operate low earth orbit constellations must maintain an in-orbit spare satellite at the time that they initiate ATC service.

- The mobile satellite services operator may not offer ATC-only subscriptions.

In March 2005, we filed an application to implement this authority and to provide ATC services. On January 20, 2006, the FCC authorized us to provide ATC services using 11 MHz of our spectrum, 5.5 MHz in our L-band and 5.5 MHz in our S-band. In June 2006 we petitioned the FCC to authorize us to use all of our remaining spectrum for ATC services. Based upon the February 2003 FCC order adopting the ATC rules, we anticipate that the FCC will authorize us to use more of our spectrum for ATC service.

2 GHz Spectrum.

On July 17, 2001, the FCC granted us and seven other applicants authorizations to construct, launch and operate mobile satellite services systems in the 2 GHz mobile satellite services band, subject to strict milestone requirements. In the case of foreign-licensed applicants, the FCC "reserved" spectrum but required the foreign applicants to meet the same milestones as the domestic applicants. The FCC originally allocated 70 MHz (two 35 MHz paired blocks) of spectrum for this mobile satellite service but later reduced the allocation to 40 MHz (two 20 MHz paired blocks), reallocating 30 MHz to terrestrial wireless services. Each applicant received a base allocation of 3.5 MHz of paired spectrum with the opportunity to gain additional spectrum upon launch of its system. Systems were required to be constructed in compliance with certain milestones, the first of which was executing a non-contingent contract by July 17, 2002 for the construction of a system. We believe that we met this first milestone by entering into a non-contingent contract with Space Systems/Loral on July 16, 2002. Although we had not yet reached subsequent milestone dates, we requested the FCC to grant certain waivers of later milestones. On January 30, 2003, the FCC's International Bureau denied our waivers and declared our 2 GHz license to be null and void. In June 2004, the FCC declined to reverse that decision, and we requested reconsideration, which request remains pending. Subsequently, all but two of the other licensees (TMI/TerreStar, a Canadian company licensed by Industry Canada, and ICO Global Communications, a company licensed in the U.K.) either surrendered their licenses or had them canceled. In June 2005, the FCC requested public comment on whether it should divide the remaining 40 MHz of mobile satellite services spectrum between the two remaining foreign licensees, reallocate some of the spectrum to other uses or accept new applications. We argued that the FCC should retain all of the spectrum for mobile satellite services, reinstate our canceled 2 GHz license, and grant each of us, TMI/TerreStar and ICO Global Communications one-third of the 40 MHz.

On December 9, 2005, the FCC decided to retain a 40 MHz allocation for mobile satellite services but to reserve it all for TMI/TerreStar and ICO Global Communication, both of which are non-U.S. corporations, although the reservation was made expressly subject to the outcome of our request for reconsideration of the invalidation of our 2 GHz license. We believe that this action by the FCC reserving all of the spectrum for two companies is inconsistent with the facts and law and have petitioned the FCC to reconsider its decision. The FCC has not yet acted on our petition. If the FCC adheres to this decision, we expect to pursue our available legal remedies, including appealing the FCC's decision to the U.S. Court of Appeals. Any appeal is not likely to be decided before 2007. We do not believe that our existing operations or plans for the introduction of ATC services or for a second-generation satellite constellation will be adversely impacted if the 2 GHz license is not reinstated; however, reinstatement would increase our value and potential revenues and profitability.

Spectrum Sharing.

In July 2004, the FCC issued a decision requiring us and Iridium to share the 1618.25 - 1621.35 MHz portion of our 1610 - 1621.35 MHz band. We share this portion of the band with Iridium on a "co-primary" basis for uplink usage, but we retain priority and are "primary" with respect to the downlink usage in this band. Previously, Iridium had exclusive access to 1621.35 - 1626.5 MHz, and, except for the requirement to protect certain radio astronomy operations, we had exclusive access to 1610 - 1621.35 MHz. We have requested reconsideration of certain portions of this decision, including the specific frequencies that must be shared with Iridium and the technical requirements that will govern the sharing. The FCC has not yet acted on our request. Iridium has sought to extend the sharing over an additional 2.25 MHz of our spectrum, which we have vigorously opposed. We do not expect the FCC to grant Iridium's request for more shared spectrum, in part because Iridium is not using the portion of our spectrum in which it already has sharing rights.

Also in the July 2004 decision, the FCC stated it expects us and Iridium to reach a mutually acceptable coordination agreement. In the same decision, the FCC required us to share the 2496 - 2500

MHz portion of our downlink spectrum with certain Broadband Radio Service fixed wireless licensees and with about 100 "grandfathered" Broadcast Auxiliary Service licensees. We expect the latter to be relocated out of the band by about 2009. Although we requested reconsideration of certain of the rules that will govern our sharing with these Broadband Radio Service and Broadcast Auxiliary Service licensees, the FCC affirmed this portion of its decision in an order issued in April 2006.

International Coordination

Our system operates in frequencies which were allocated on an international basis for mobile satellite services user links and mobile satellite services feeder links. We are required to engage in international coordination procedures with other proposed mobile satellite services systems under the aegis of the International Telecommunications Union. We believe that we have met all of our obligations to coordinate our system.

National Regulation of Service Providers

In order to operate gateways, the independent gateway operators and our affiliates in each country are required to obtain a license from that country's telecommunications regulatory authority. In addition, the gateway operator must enter into appropriate interconnection and financial settlement agreements with local and interexchange telecommunications providers. All 25 gateways operated by us and the independent gateway operators are licensed. An independent gateway operator in South Africa, Vodacom, was unable to secure a license to activate and operate the gateway in that country and turned the gateway over to Telkom, the South African telephone company, in settlement of debts. We have initiated efforts to reestablish the business in South Africa through our own subsidiary and to obtain an operating license.

Our subscriber equipment generally must be type certified in countries in which it is sold or leased. The manufacturers of the equipment and our affiliates or the independent gateway operators are jointly responsible for securing type certification. Thus far, our equipment has received type certification in each country in which that certification was required.

United States International Traffic in Arms Regulations

The United States International Traffic in Arms regulations under the United States Arms Export Control Act authorize the President of the United States to control the export and import of articles and services that can be used in the production of arms. The President has delegated this authority to the U.S. Department of State, Directorate of Defense Trade Controls. Among other things, these regulations limit the ability to export certain articles and related technical data to certain nations. Some information involved in the performance of our operations falls within the scope of these regulations. As a result, we may have to obtain an export authorization or restrict access to that information by international companies that are our vendors or service providers. We have received and expect to continue to receive export licenses for our telemetry and control equipment located outside the United States and for providing technical data to potential launch contractors and developers of our next generation of satellites.

Environmental Matters

We are subject to various laws and regulations relating to the protection of the environment and human health and safety (including those governing the management, storage and disposal of hazardous materials). Some of our operations require continuous power supply, and, as a result, current and past operations at our teleport and other technical facilities include fuel storage and batteries for back-up generators. As an owner or operator of property and in connection with current and historical operations at some of our sites, we could incur significant costs, including cleanup costs, fines, sanctions and third-party claims, as a result of violations of or liabilities under environmental laws and regulations.

MANAGEMENT

Set forth below is certain information concerning our directors, executive officers and nominees for director.

Name	Age*	Position(s)
James Monroe III	51	Chairman of the Board, Chief Executive Officer
Peter J. Dalton	62	Director
James F. Lynch	49	Director
Richard S. Roberts	61	Director and Secretary
Anthony J. Navarra	58	President, Global Operations
Fuad Ahmad	36	Vice President and Chief Financial Officer
Megan L. Fitzgerald	46	Senior Vice President, Strategic Initiatives and Space Operations
Dennis C. Allen	55	Senior Vice President of Sales and Marketing
Steven F. Bell	42	Senior Vice President of International Sales, Marketing and Customer Care
Robert D. Miller	42	Senior Vice President of Engineering and Ground Operations
William F. Adler	60	Vice President—Legal and Regulatory Affairs
Paul A. Monte	47	Vice President—Engineering and Product Development

* As of August 1, 2006.

James Monroe III has served as a director since December 2003 and as Chairman of the Board of Directors since the Reorganization in April 2004. He was elected Chief Executive Officer in January 2005. Since 1984, Mr. Monroe has been the majority owner of a diverse group of privately owned businesses that operate in the fields of telecommunications, real estate, power generation, industrial equipment distribution, financial services and leasing services and that are sometimes referred to collectively in this prospectus as "Thermo." Thermo controls directly or indirectly Globalstar Holdings LLC, Globalstar Satellite, L.P., and Thermo Funding Company LLC.

Peter J. Dalton has been a director of the company since January 2004. He has served as chief executive officer of Dalton Partners, Inc., a turnaround management firm, since January 1989. As chief executive officer of Dalton Partners, Inc., Mr. Dalton also has served as chief executive officer and a director of a number of its clients. From November 2001 to September 2004, Mr. Dalton served as chief executive officer of Clickhome Reality, Inc., a discount real estate and mortgage company. Mr. Dalton served as a director and chief financial officer of Wood Associates, a distributor of promotional items from May 2000 to October 2001.

James F. Lynch has served as a director since December 2003. He has been Managing Director of Thermo Capital Partners, L.L.C. since October 2001. Mr. Lynch has also served as Chairman of Xspedius Communications LLC, a competitive local telephone exchange carrier which is a Thermo affiliate, since January 2005 and served as Chief Executive Officer of Xspedius from August 2005 to March 2006. Prior to joining Thermo Capital Partners, Mr. Lynch was a Managing Director of Bear Stearns & Co., an investment banking and brokerage firm. Mr. Lynch is also a limited partner of Globalstar Satellite, L.P.

Richard S. Roberts has served as a Vice President and General Counsel of Thermo Development Inc. since June 2002. Prior to that he was a partner of Taft, Stettinius & Hollister LLP, a law firm located in Cincinnati, Ohio, for over 20 years. He has also served as Secretary of the company since the Reorganization in April 2004. Mr. Roberts is also a limited partner of Globalstar Satellite, L.P.

Anthony J. Navarra was a director from December 2003 until September 2004. He served as President of Old Globalstar and the company from September 1999 to December 2004 and has served as President, Global Operations of the company since January 2005. He has been a director of Iloop Mobile, Inc., a mobile application software company, since September 2005.

Fuad Ahmad has served as Vice President and Chief Financial Officer of the company since June 2005. From June 1999 to May 2005, he served as Finance Director of Old Globalstar and the company, where he was involved in the initial fundraising activities related to building and launching the Globalstar system. He joined the company in June 1996 as Finance Manager. Prior to that time, he was employed by Transworld Telecommunications, Inc., a private equity financed firm engaged in acquiring telecommunications companies in the United States.

Megan L. Fitzgerald has served as Senior Vice President, Strategic Initiatives and Space Operations of the company since April 2004. From February 2002 to April 2004, Ms. Fitzgerald served as acting Senior Vice President, Operations and Engineering of Old Globalstar. Ms. Fitzgerald served as Senior Vice President, Operations of Old Globalstar from November 2000 to February 2002, as Senior Vice President, Space Operations of Old Globalstar from May 1999 to November 2000 and in various other capacities since June 1994.

Dennis C. Allen has served as Senior Vice President of Sales and Marketing since June 2004 when he joined the company from Xspedius Communications LLC, where he served as Executive Vice President of Sales from January 2003 to May 2004. Prior to joining Xspedius Communications, Mr. Allen served as Executive Vice President of Sales of a predecessor competitive local exchange company from January 2002 to December 2002. From May 1998 to December 2001, Mr. Allen served as Executive Vice President of Network Telephones, a competitive local telephone exchange providing voice and data products to small and medium sized businesses.

Steven F. Bell has served as Senior Vice President of International Sales, Marketing and Customer Care of the company since April 2004 and as General Manager of Globalstar Canada, a subsidiary of our company, since July 2003. From June 1999 to July 2003, Mr. Bell served as Director of Sales and Marketing of Globalstar Canada.

Robert D. Miller has served as Senior Vice President of Engineering and Ground Operations of the company since April 2004. Mr. Miller joined the company from Unibill, Inc., a full service billing vendor for the telecommunications industry, where he served as Senior Vice President and Chief Technology Officer from May 2003 to April 2004. From September 2002 to May 2003, Mr. Miller served as Vice President of Integration & Quality Assurance of Xspedius Communications LLC. Mr. Miller served as Chief Technology Officer of Xspedius, LLC, a predecessor to Xspedius Communications, from September 2001 to September 2002, and as its Vice President of Advanced Services from August 1998 to September 2001.

William F. Adler has served as Vice President—Legal and Regulatory Affairs of the company since April 2004 when he joined the company from Old Globalstar, where he served as Vice President—Legal & Regulatory Affairs from January 1996 to April 2004. Prior to joining Old Globalstar in 1996, Mr. Adler was a partner in a communications law firm located in Washington, D.C. and served in executive capacities at Pacific Telesis Group and the FCC.

Paul A. Monte has served as Vice President—Engineering and Product Development since September 2005. From 1997 to September 2005, he served the company and Old Globalstar as Director of Systems Engineering.

Mr. Navarra, Ms. Fitzgerald and Mr. Adler served as officers or directors of Old Globalstar and certain of its subsidiaries, both prior to and during their bankruptcy proceedings, and Mr. Navarra and Mr. Adler continue to serve as directors or executive officers of a subsidiary of Old Globalstar.

Each officer serves at the discretion of our board of directors and holds office until his or her successor is elected and qualified or until his or her earlier resignation or removal. There are no family relationships among any of our directors or executive officers.

Board of Directors

Our amended and restated bylaws, which will become effective upon the effective date of the registration statement of which this prospectus is a part, provide for a board of directors of seven persons. Our board of directors currently consists of four members, and we intend to elect three new directors to the board following the completion of this offering to fill these vacancies.

Under the amended and restated bylaws, our board of directors will be divided into three classes, with staggered three-year terms. The initial terms of the directors of each class will expire at the annual meetings of stockholders to be held in 2007 (Class A), 2008 (Class B) and 2009 (Class C). At each annual meeting of stockholders, one class of directors will be elected for a full term of three years to succeed that class of directors whose terms are expiring. The directors will be classified as follows:

Class A—Messrs. and ;

Class B—Messrs. Roberts and ; and

Class C—Messrs. Dalton, Monroe and Lynch.

Upon completion of this offering, Thermo and its affiliates will hold shares representing approximately % of the voting power of the company. See "Principal Stockholders." As a result, we will be a "controlled company" for purposes of the corporate governance listing requirements and will not be required to have a majority of independent directors on the board or to comply with the requirements for compensation and nominating/governance committees. We will, however, be subject to all other corporate governance rules, including those applicable to audit committees.

Our board of directors has determined that Mr. Dalton is an independent director as defined in Rule 10A-3 under the Exchange Act and in the listing requirements. Mr. Dalton has no relationships with our company other than in his capacity as a director.

We expect to pay certain of our independent directors a fee for each board and committee meeting attended. We have not yet determined these amounts. We may pay disparate fees for chairing or serving on certain committees and may grant awards to our independent directors under our 2006 Equity Incentive Plan. Mr. Dalton currently receives $2,500 per board meeting and has an option to purchase 20,000 shares of our common stock at a price of $16.00 per share.

Committees of the Board of Directors

Our board of directors has an audit committee, a nominating and governance committee and a compensation committee. The board has adopted a written charter for each of these committees that will be available on our website after the completion of this offering. We currently expect that, at a minimum, the audit committee will meet quarterly, the nominating and governance committee will meet annually and the compensation committee will meet semi-annually.

Audit Committee

Upon completion of this offering, our audit committee will be comprised of Messrs. , and Dalton. The board has determined that Messrs. Dalton and are independent directors. We are required by Rule 10A-3 under the Exchange Act and by the listing rules to have an audit committee composed entirely of at least three independent directors within one year of this offering. Following the offering, Mr. Dalton will be designated as the audit committee financial expert, as defined by Item 401(h) of Regulation S-K of the Exchange Act. The principal duties of the audit committee will be to:

- appoint and replace our independent auditors;

- approve all fees and all audit and non-audit services of our independent auditors;
- annually review the independence of our independent auditors;
- assess annual audit results;
- periodically reassess the effectiveness of our independent auditors;
- review our financial and accounting policies and our annual and quarterly financial statements;
- review the adequacy and effectiveness of our internal accounting controls and the internal audit function;
- oversee our programs for compliance with laws, regulations and our policies;
- consider any requests for waivers from our code of conduct for our executive officers and directors (any such waivers being subject to board approval); and
- in connection with the foregoing, meet with our independent auditors, internal auditors and financial management.

Nominating and Governance Committee

Our nominating and governance committee after this offering will be comprised of Messrs. Monroe, and . The principal duties of the nominating and governance committee will be to:

- recommend to the board of directors proposed nominees for election to the board of directors by the stockholders at annual meetings, including an annual review as to the renominations of incumbents and proposed nominees for election by the board of directors to fill vacancies that occur between stockholder meetings; and
- make recommendations to the board of directors regarding corporate governance matters and practices.

Compensation Committee

Our compensation committee will be comprised of Messrs. Monroe, and after this offering. The principal duties of the compensation committee will be to:

- administer our incentive compensation plans, including our 2006 Equity Incentive Plan described below, and in this capacity, make all grants or awards to our directors and employees under these plans;
- make recommendations to the board of directors with respect to the compensation of our chief executive officer and our other executive officers; and
- review key employee compensation policies, plans and programs.

Executive Compensation

We intend to establish compensation plans for our executive officers that will link compensation with the performance of our company and to review periodically our compensation programs to ensure that they are competitive. The following table summarizes, for 2005, the annual compensation of our Chief Executive Officer and our five other most highly compensated executive officers (collectively, the "named executive officers") for services to our company and its subsidiaries in all capacities.

Summary Compensation Table

Name and Principal Position	Annual Compensation			Long-term Compensation			
	Salary	Bonus	Other Annual Compensation(1)	Restricted Stock Awards	Securities Underlying Options/ SARs	LTIP Payouts	All Other Compensation
James Monroe III, Chief Executive Officer(2)	—	—	—	—	—	—	—
Anthony J. Navarra, President, Global Operations	$ 337,440	$ 12,500	—	—	—	—	$ 6,538(3)
Megan C. Fitzgerald, Senior Vice President, Strategic Initiatives and Space Operations	$ 208,850	$ 50,000	—	—	—	—	$ 2,089(4)
Steven F. Bell, Senior Vice President of International Sales, Marketing and Customer Care	$ 194,865	$ 37,500	—	—	—	—	—
Dennis C. Allen, Senior Vice President, Sales and Marketing	$ 200,000	$ 25,000	—	—	—	—	—
Robert D. Miller, Senior Vice President, Ground Operations and Engineering	$ 200,000	$ 25,000	—	—	—	—	—

(1) None, other than perquisites that did not exceed 10% of salary and bonus for any named executive officer.

(2) Mr. Monroe receives no compensation from us, and we do not intend to compensate him for his services in the future. We accrue $6,875 per month as compensation expense for Mr. Monroe, which amount is reflected in marketing, general and administrative expenses and as an additional capital contribution by Thermo to our equity. No stock is issued in exchange for this capital contribution. We do reimburse Thermo and Mr. Monroe for expenses incurred by him in connection with performing his services for us, including temporary living expenses while at our offices or traveling on our business, but we do not reimburse him for his air travel expenses. Reimbursements to Thermo for Mr. Monroe's expenses aggregated $76,000 for the year ended December 31, 2005 and $20,000 for the six months ended June 30, 2006.

(3) Consists of premiums on life insurance for the benefit of Mr. Navarra ($4,788) and matching contributions to 401(k) Plan ($1,750).

(4) Consists of matching contributions to 401(k) Plan.

Equity Incentive Plan

Our 2006 Equity Incentive Plan was approved by our board of directors and a majority of our stockholders on July 12, 2006 and will become effective upon the registration of our common stock under the Securities Act or the Exchange Act.

Purpose. The Equity Incentive Plan is intended to make available incentives that will assist us in attracting, retaining and motivating employees, directors and consultants whose contributions are essential

to our success. We may provide these incentives through the grant of stock options, stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, performance shares and performance units.

Administration. The compensation committee of our board of directors will administer the Plan, although the board or compensation committee may delegate to one or more of our officers authority, subject to limitations specified by the Plan and the board or committee, to grant awards to service providers who are neither our officers nor directors. Subject to the provisions of the Plan, the administrator will determine in its discretion the persons to whom and the times at which awards are granted, the types and sizes of such awards, and all of their terms and conditions. All awards must be evidenced by a written agreement between us and the participant. The administrator may amend, cancel or renew any award, waive any restrictions or conditions applicable to any award, and accelerate, or otherwise modify the vesting of any award. The administrator has the authority to construe and interpret the terms of the Plan and awards granted under it.

Shares Subject to Equity Incentive Plan. A total of 206,500 shares of our common stock are initially authorized and reserved for issuance under the Equity Incentive Plan. This number will automatically increase on January 1, 2007, and each subsequent anniversary through 2016, by an amount equal to the lesser of (a) 2% of the number of shares of stock issued and outstanding on the immediately preceding December 31, or (b) an amount determined by the board. The board of directors may elect to reduce, but not increase without obtaining stockholder approval, the number of additional shares authorized in any year. Appropriate adjustments will be made in the number of authorized shares and other numerical limits in the Plan and in outstanding awards to prevent dilution or enlargement of participants' rights in the event of a stock split or other change in our capital structure. Shares subject to awards which expire or are cancelled or forfeited will again become available for issuance under the Plan. The shares available will not be reduced by awards settled in cash or by shares withheld to satisfy tax withholding obligations. Only the net number of shares issued upon the exercise of stock appreciation rights or options exercised by tender of previously owned shares will be deducted from the shares available under the Plan.

Eligibility. Awards may be granted under the Plan to our employees, including officers, directors, or consultants or those of any present or future parent or subsidiary corporation or other affiliated entity. Although we may grant incentive stock options only to employees, we may grant nonstatutory stock options, stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, performance shares and performance units to any eligible participant.

Stock Options. The administrator may grant nonstatutory stock options, "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code, or any combination of these. The exercise price for each option may not be less than the fair market value of a share of our common stock on the date of grant. The term of all options may not exceed 10 years. Options vest and become exercisable at such times or upon such events and subject to such terms, conditions, performance criteria or restrictions as specified by the administrator. Unless a longer period is provided by the administrator, an option generally will remain exercisable for three months following the participant's termination of service, except that if service terminates as a result of the participant's death or disability, the option generally will remain exercisable for twelve months, but in any event not beyond the expiration of its term. An option held by a participant whose service is terminated for cause will immediately cease to be exercisable. No options have been issued under the Plan.

Stock Appreciation Rights. A stock appreciation right gives a participant the right to receive the appreciation in the fair market value of our common stock between the date of grant of the award and the date of its exercise. We may pay the appreciation either in cash or in shares of our common stock. We may make this payment in a lump sum, or we may defer payment in accordance with the terms of the participant's award agreement. The administrator may grant stock appreciation rights under the Plan in tandem with a related stock option or as a freestanding award. A tandem stock appreciation right is

exercisable only at the time and to the same extent that the related option is exercisable, and its exercise causes the related option to be canceled. Freestanding stock appreciation rights vest and become exercisable at the times and on the terms established by the administrator. The maximum term of any stock appreciation right granted under the Equity Incentive Plan is 10 years. No stock appreciation rights have been issued under the Plan.

Stock Awards. The administrator may grant stock awards under the Plan either in the form of a restricted stock purchase right, giving a participant an immediate right to purchase our common stock, or in the form of a restricted stock bonus, for which the participant furnishes consideration in the form of services to us. The administrator determines the purchase price payable under restricted stock purchase awards, which may be less than the then current fair market value of our common stock. Stock awards may be subject to vesting conditions based on such service or performance criteria as the administrator specifies, and the shares acquired may not be transferred by the participant until vested. Unless otherwise determined by the administrator, a participant will forfeit any unvested shares upon voluntary or involuntary termination of service for any reason, including death or disability. A participant will also be required to sell to the Company at cost, if requested, any unvested restricted shares acquired via purchase right. Participants holding stock awards will have the right to vote the shares and to receive any dividends paid, except that dividends or other distributions paid in shares will be subject to the same restrictions as the original award.

Restricted Stock Units. Restricted stock units granted under the Plan represent a right to receive shares of our common stock at a future date determined in accordance with the participant's award agreement. The administrator, in its discretion, may provide for settlement of any restricted stock unit by payment to the participant in cash of an amount equal to the fair market value on the payment date of the shares of stock issuable to the participant. No monetary payment is required for receipt of restricted stock units or the shares issued in settlement of the award, the consideration for which is furnished in the form of the participant's services to us. The administrator may grant restricted stock unit awards subject to the attainment of performance goals similar to those described below in connection with performance shares and performance units, or may make the awards subject to vesting conditions similar to those applicable to stock awards. Participants have no voting rights or rights to receive cash dividends with respect to restricted stock unit awards until shares of common stock are issued in settlement of such awards. However, the administrator may grant restricted stock units that entitle their holders to receive dividend equivalents, which are rights to receive additional restricted stock units for a number of shares whose value is equal to any cash dividends we pay. Unless otherwise determined by the administrator, a participant will forfeit any unvested restricted stock units upon voluntary or involuntary termination of service for any reason, including death or disability. No restricted stock units have been issued under the Plan.

Performance Shares and Performance Units. The administrator may grant performance shares and performance units under the Plan, which are awards that will result in a payment to a participant only if specified performance goals are achieved during a specified performance period. Performance share awards are denominated in shares of our common stock, while performance unit awards are denominated in dollars. In granting a performance share or unit award, the administrator establishes the applicable performance goals based on one or more measures of business performance enumerated in the Plan, such as revenue, gross margin, net income, free cash flow, return on capital or market share. To the extent earned, performance share and unit awards may be settled in cash, shares of our common stock, including restricted stock, or any combination of these. Payments may be made in lump sum or on a deferred basis. If payments are to be made on a deferred basis, the administrator may provide for the payment of dividend equivalents or interest during the deferral period. Unless otherwise determined by the administrator, if a participant's service terminates due to death or disability prior to completion of the applicable performance period, the final award value is determined at the end of the period on the basis of the performance goals attained during the entire period, but payment is prorated for the portion of the

period during which the participant remained in service. Except as otherwise provided by the Plan, if a participant's service terminates for any other reason, the participant's performance shares or units are forfeited. No performance shares or performance units have been issued under the Plan.

Change in Control. In the event of a change in control of our company as described in the Plan, the acquiring or successor entity may assume or continue awards outstanding under the Plan or substitute substantially equivalent awards. Any awards which are not assumed or continued in connection with a change in control or exercised or settled prior to the change in control will terminate effective as of the time of the change in control. The administrator may provide for the acceleration of vesting of any or all outstanding awards upon such terms and to such extent as it determines. The Plan also authorizes the administrator, in its discretion and without the consent of any participant, to cancel each or any outstanding award denominated in shares of stock upon a change in control in exchange for a payment to the participant with respect to each vested share (or unvested share, if so determined) subject to the cancelled award of an amount equal to the excess of the consideration to be paid per share of common stock in the change in control transaction over the exercise or purchase price per share under the award.

Amendment and Termination. The Plan will continue in effect until its terminated by the administrator, provided, however, that all awards will be granted, if at all, within 10 years of the effective date of the Plan. The administrator may amend, suspend or terminate the Plan at any time, provided that without stockholder approval, the plan cannot be amended to increase the number of shares authorized, change the class of persons eligible to receive incentive stock options or effect any other change that would require stockholder approval under any applicable law or listing rule. Amendment, suspension or termination of the Plan will not adversely affect any outstanding award without the consent of the participant, unless such amendment, suspension or termination is necessary to comply with applicable law, regulation or rule.

Expected Awards. No stock awards currently have been issued under the Plan. However, promptly after the completion of this offering, we expect to grant restricted stock bonus awards for an aggregate of approximately shares of our common stock under the Plan to substantially all of our employees. As a result of these grants, we will take a pre-tax non-cash charge of approximately $ million; $ million will be recognized in the third quarter of 2006 and the balance will be amortized over the following three years. The shares subject to these restricted stock bonus awards will vest 25% upon grant. The remaining 75% of the shares will vest not later than the third anniversary of the date of grant provided that the participant is still employed by us at such time. Shares that remain unvested at the time of service termination will be forfeited to us.

Executive Incentive Compensation Plan

Our President of Global Operations, Chief Financial Officer and four senior Vice Presidents participate in a plan under which they may become entitled to receive supplemental incentive compensation payments in cash in each of January 2007, 2008 and 2009. Participants in this plan and the terms of this plan were determined and approved by our board of directors; none of the participants in this plan is a director. Payments under this plan will be a percentage of the amount by which the equity value of Thermo's investment in us at valuation dates in October 2006, 2007 and 2008 exceeds three times the amount that Thermo had invested or agreed to invest in us prior to 2006. In order to receive benefits under this plan, a participant must be employed by us on the applicable payment date, subject to certain exceptions for involuntary termination, death and disability, and fulfill individual performance criteria. The individual performance criteria are objective in nature, differ for each participant, and relate to our business functions or operations that the participant supervises. Generally, the criteria require specific and measurable improvements in those functions or operations. Total benefits under this plan are capped at $30 million. Individual benefits are subject to caps on aggregate and annual benefits.

The following table sets forth certain information with respect to awards under this executive incentive compensation plan in 2005. No payments under this plan were made in 2005 or will be made in 2006.

Long-Term Incentive Plans—Awards in Last Fiscal Year

Name	Number of Shares, Units or Other Rights	Performance or other Period until Maturation or Payout	Estimated Future Payouts Under Non-Stock Price-Based Plans		
			Threshold	Target	Maximum
James Monroe III	—	—	—	—	—
Anthony J. Navarra	—	2004-2008	—	—	$ 5,000,000
Megan L. Fitzgerald	—	2004-2008	—	—	$ 5,000,000
Steven F. Bell	—	2004-2008	—	—	$ 5,000,000
Dennis C. Allen	—	2004-2008	—	—	$ 5,000,000
Robert D. Miller	—	2004-2008	—	—	$ 5,000,000

Pension Plan

Mr. Navarra and Ms. Fitzgerald are entitled to benefits under a defined benefit pension plan originally maintained by Space Systems/Loral for employees of Old Globalstar, among others. The accrual of benefits in the Old Globalstar segment of this plan was curtailed, or frozen, as of October 23, 2003. On June 1, 2004, the assets and frozen pension obligations of the Old Globalstar segment of the plan were transferred to a new Globalstar Retirement Plan, which remains frozen. We continue to fund the plan in accordance with Internal Revenue Code requirements, but participants are not currently accruing benefits beyond those accrued at October 23, 2003. The estimated annual benefits payable upon retirement at normal retirement age to Mr. Navarra and Ms. Fitzgerald are $35,349 and $26,560, respectively.

PRINCIPAL STOCKHOLDERS

The following table and accompanying footnotes set forth information regarding the beneficial ownership of our common stock by (1) each person who is known by us to own beneficially more than 5% of our common stock, (2) each director and named executive officer, and (3) all of our directors and executive officers as a group.

Beneficial ownership of shares is determined under the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power.

The number of shares and percentages of beneficial ownership before the offering set forth below are based on 10,479,249 shares of our common stock issued and outstanding as of July 1, 2006 and before giving effect to the -for-one stock split we expect to effect immediately prior to this offering.

Unless otherwise indicated below, the address for each person in the following table is care of Globalstar, Inc., 461 South Milpitas Blvd., Milpitas, California 95035.

	Shares Beneficially Owned Prior to this Offering		Shares Beneficially Owned After this Offering			
			Assuming the Underwriters' Option is Not Exercised		Assuming the Underwriters' Option is Exercised in Full	
Beneficial Owner	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Globalstar Holdings, LLC(1)	6,440,125	61.46				
Thermo Funding Company LLC(1)(2)	2,061,856	16.65				
Columbia Ventures Corporation(3)	1,004,936	9.59				
Banc of America Securities LLC(4)	926,827	8.84				
QUALCOMM Incorporated(5)	692,400	6.61				
Globalstar Satellite, LP	103,093	*				
James Monroe III(1)(6)	8,605,074	69.47				
Peter J. Dalton(7)	20,000	*				
James F. Lynch	—	—				
Richard S. Roberts	—	—				
Anthony J. Navarra	10,000	*				
Megan L. Fitzgerald	—	—				
Steven F. Bell	1,000	*				
Dennis C. Allen	10,000	*				
Robert D. Miller	—	—				
All directors and executive officers as a group (12 persons)	8,646,074	69.80				

* Less than 1%

(1) The address of Mr. Monroe, Globalstar Holdings, LLC and Thermo Funding Company LLC is 1735 Nineteenth Street, Denver, CO 80202.

(2) Consists of 154,640 shares of common stock which are owned of record by Thermo Funding Company LLC and 1,907,216 shares which are subject to the terms of the irrevocable standby stock purchase agreement. See "Certain Relationships and Related Party Transactions—Irrevocable Standby Stock Purchase Agreement."

(3) Based on information provided by Columbia Ventures Corporation as to its beneficial ownership. The address of Columbia Ventures Corporation is 203 SE Park Place Drive #270, Vancouver, WA 98684. Columbia Ventures Corporation has advised us that Mr. Kenneth Peterson is the beneficial owner of the shares held by Columbia Ventures Corporation.

(4) The address of Bank of America Securities LLC is 411 N. Akard Street, Dallas, TX 75201. Bank of America Securities disclaims beneficial ownership of these shares.

(5) The address of QUALCOMM Incorporated is 601 S. Figueroa Street, Los Angeles, CA 90017.

(6) Mr. Monroe controls, either directly or indirectly, each of Globalstar Satellite LP, Globalstar Holdings, LLC and Thermo Funding Company LLC and, therefore, is deemed the beneficial owner of the shares held by such entities.

(7) Consists of 20,000 shares of common stock that may be acquired upon the exercise of a currently exercisable stock option.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Thermo Transaction. As described under "Company History," we were formed as a Delaware limited liability company in November 2003 for the purpose of acquiring substantially all the assets of Old Globalstar and its subsidiaries in a Chapter 11 bankruptcy proceeding. We acquired the Old Globalstar assets and assumed certain liabilities pursuant to an asset contribution agreement among Thermo, Old Globalstar and the Creditor's Committee representing Old Globalstar's unsecured creditors. The Thermo Transaction was accomplished in a two stage process. The first stage, which was completed on December 5, 2003, included Thermo's commitment to make a total investment in the company of $43.0 million, subject to certain conditions, including the completion of the second stage. In the first stage, Thermo contributed $1.8 million in cash in exchange for a 14.8% member interest. Old Globalstar contributed certain non-regulated assets and certain operating liabilities (excluding liabilities subject to compromise) in exchange for an 85.2% member interest. Thermo purchased and restated Old Globalstar's existing $20.0 million debtor-in-possession financing, plus accrued interest of $765,000, and the parties executed a management agreement. Under the management agreement, operational control of the business, as well as certain ownership rights and risks, was transferred to Thermo and us, to the extent permitted by applicable law.

The second stage, which was completed on April 14, 2004, included the transfer to us from Old Globalstar of assets requiring FCC approval and the conversion of $18.0 million due to Thermo under the debtor-in-possession financing (consisting of $10.8 million of the total indebtedness outstanding after the stage one transactions, $1.6 million that was drawn in December 2003, $5.0 million that was drawn from February to March 2004 and $685,848 in accrued interest) into membership units.

Thermo Investments. Following the closing of the Thermo Transaction, we were owned directly and indirectly 81.3% by Thermo and 18.7% by Old Globalstar. Thermo had invested approximately $18.8 million and had a remaining commitment of $24.2 million. Thermo invested an additional $7.0 million through equity contributions in 2004, an additional $4.2 million in April 2005 and an additional $13.0 million in March 2006. No additional equity interests were issued in exchange for these contributions. In connection with our March 2006 conversion to a Delaware corporation, we expect to make a special distribution of $685,848 to Thermo when permitted by our credit agreement. See "Dividend Policy and Restrictions."

Dissolution of Old Globalstar. Old Globalstar was dissolved on June 29, 2004, and its 18.7% minority member interest (represented by 1,875,000 membership units) was distributed to unsecured creditors (represented on our predecessor's balance sheet by the approximately $3.4 billion of "liabilities subject to compromise"), including Loral and QUALCOMM.

The Rights Offering. The holders of allowed claims were provided the right to purchase additional membership units in us in a rights offering that was completed on October 12, 2004. The rights offering was divided into two series. The proceeds of the rights offering were used to redeem an equivalent number of membership units from Thermo.

Services Provided by Thermo. For the years ended December 31, 2004 and 2005 and the six months ended June 30, 2006, we recorded approximately $116,000, $76,000 and $20,000, respectively, for general and administrative expenses incurred by Thermo on our behalf and for services provided to us by officers of Thermo. No such expenses were recorded in 2003. We and Thermo have an informal understanding that we will reimburse Thermo and Mr. Monroe for expenses incurred by him in connection with his services to us; including temporary living expenses while at our offices or traveling on our business, but generally excluding air travel expenses. None of these costs are, or are expected to become, material to us.

Pursuant to an Equipment Sales Agreement and a Lease Management Agreement, each dated as of August 1, 2005, we have agreed to sell our products and provide administrative services to Star Leasing LLC, which is owned indirectly by Mr. Monroe. Star Leasing may purchase products from us at our sales

agent's suggested retail price as set forth from time to time in our equipment order forms. Star Leasing will pay the purchase price of the products in cash and then lease the products to unrelated third parties. All sales to Star Leasing will be final and non-returnable, except for defective products. Under the Lease Management Agreement, we will provide Star Leasing with billing, collection, customer care, equipment reporting and other support services in managing Star Leasing's lease agreements. Star Leasing will pay us a monthly administration fee for these services in an amount ranging up to approximately $10,000 based on the number of products Star Leasing has purchased. The agreements' terms vary from one to five years. During 2005 and the six months ended June 30, 2006, we did not bill Star Leasing for any products under the Equipment Sales Agreement.

Redemption of Interests in Globalstar Leasing LLC. Our subsidiary Globalstar Leasing LLC leases certain telecommunications equipment to us. From December 4, 2003 to January 1, 2005 each of Thermo Development, Inc. and James F. Lynch owned a 1% interest in Globalstar Leasing, which they acquired for an investment of $50,000 each. On January 1, 2005, Globalstar Leasing paid each of them $50,000 to redeem their minority interests.

Irrevocable Standby Stock Purchase Agreement. In April 2006, in connection with the execution of our credit agreement, Thermo Funding Company LLC entered into an irrevocable standby stock purchase agreement with us and Wachovia Investment Holdings, LLC, as administrative agent under our credit agreement, pursuant to which Thermo Funding Company agreed to purchase up to 2,061,856 shares of our common stock at a price of $97 per share (shares of common stock at $ per share on a post-split basis), being, in each case, approximately $200.0 million in the aggregate. Our board of directors determined that the price per share represented the fair market value of our common stock on the date of the agreement. Thermo Funding Company secured its obligations under the agreement by depositing in escrow cash and marketable securities with a fair market value equal to 105% of the undrawn commitment under the agreement, initially $210.0 million.

Pursuant to the agreement, Thermo Funding Company will purchase shares of our Series A common stock (in minimum amounts of $5.0 million) as may be necessary:

- to enable us to comply with the minimum liquidity and forward fixed charge coverage ratio tests of our credit agreement;
- to cure a default in payment of regularly scheduled principal or interest under our credit agreement; or
- to enable us to meet the milestone tests for our receipt of proceeds from the sale of our common stock in our credit agreement.

Pursuant to the agreement, on June 30, 2006, Thermo Funding Company purchased 154,690 shares of our common stock for $15.0 million.

Thermo Funding Company may elect to purchase any unpurchased common stock subject to the irrevocable standby stock purchase agreement at any time. The agreement terminates on the earliest of December 31, 2011, our payment in full of all obligations under the credit agreement or Thermo Funding Company's purchase of all of the common stock subject to the agreement.

In accordance with the requirements of the pre-emptive rights provisions contained in our certificate of incorporation as then in effect, we offered existing stockholders who were accredited investors as defined under the Securities Act the opportunity to participate in the transactions contemplated by the standby stock purchase agreement on a pro rata basis on substantially the same terms as Thermo Funding Company except that the stockholders are not subject to the escrow arrangements described above. These stockholders have agreed to purchase up to shares of common stock for an aggregate purchase price of $ million.

Loral and QUALCOMM Settlements. On March 14, 2003, Loral, the Creditors' Committee and Old Globalstar signed a term sheet outlining the terms and conditions of a comprehensive settlement of certain contested matters and a release of the claims against Loral (the "Loral Settlement"). The Bankruptcy Court approved the Loral Settlement on April 14, 2003. The parties executed a definitive agreement reflecting the terms of the Loral Settlement as of April 8, 2003, and closed the various interrelated transactions on July 10, 2003. Pursuant to the definitive settlement agreement, as of the closing, among other things: (1) Old Globalstar received title to eight spare satellites; (2) certain agreements under which Loral held exclusive rights to provide Old Globalstar services to certain defense, national security and other government agencies and in the aviation market were terminated and a new joint venture, Government Services, L.L.C., owned 75% by Old Globalstar and 25% by Loral was formed to pursue business opportunities with those governmental agencies; (3) Old Globalstar received Loral's interests in the Canadian Globalstar service provider operations (49.9% interest representing 17,758,485 common shares valued at CD$25,000); (4) certain financial obligations of Loral-affiliated service providers ($5.5 million) due to Old Globalstar were settled through deduction in debt obligations owed by Globalstar Canada Co. ($5.5 million) to Loral and $4.4 million of other financial obligations between Old Globalstar and Loral were restructured; (5) Old Globalstar received the unused portion of advance prepayments ($2.2 million) made by it under its 2GHz satellite contract with Space Systems/Loral, Inc., an affiliate of Loral, as reduced by certain financial obligations of Old Globalstar to Loral ($109,000); (6) Loral's designated individuals resigned from Old Globalstar's General Partners Committee, and officers of Old Globalstar were appointed as members of the General Partners Committee; and (7) Old Globalstar and its subsidiaries and Loral and its subsidiaries and affiliates provided mutual releases of claims and Old Globalstar and its subsidiaries released any claims against the members of the Committee.

As a result of the Loral Settlement, we had a restructured note payable to Loral in the amount of approximately $4.0 million with interest at 6% per annum due in equal quarterly installments of $364,000 plus interest from June 2005 through March 2008.

On July 31, 2005, the notes payable and accrued interest to Loral totaled approximately $4.0 million. Pursuant to an agreement reached with Loral effective July 31, 2005, this amount was settled in exchange for (a) the offset of an $818,000 receivable due to us; (b) cash of $500,000 paid by us; (c) the issuance by us to Loral of three credit memos of $300,000, $500,000 and $1,809,000 to be used for purchase by Loral of equipment and air time; and (d) the forgiveness of $100,000 by Loral (recorded as other income). As of December 31, 2005 and June 30, 2006, the credit memos for $300,000 and $500,000 had open purchase commitments placed against the remaining balances of approximately $24,000 and $408,000, respectively, and $24,000 and approximately $0, respectively. Approximately $635,000 and $1,366,000 of the $1,809,000 credit memo had been utilized as of December 31, 2005 and June 30, 2006, respectively. This credit memo is expected to expire in October 2006. As of December 31, 2005 and June 30, 2006, respectively, unused credit memos totaling approximately $1,606,000 and $467,000 were classified as deferred revenue on our balance sheets.

On April 13, 2004, we, Old Globalstar, certain subsidiaries of both Globalstar entities, the Creditors' Committee, Thermo and QUALCOMM entered into a Settlement Agreement and Release (the "QUALCOMM Settlement"). Under the terms of the QUALCOMM Settlement: QUALCOMM's unsecured claim against the estate of Old Globalstar was agreed to be liquidated at a value of approximately $661.3 million; it was agreed that QUALCOMM's unsecured claim would receive pari passu treatment consistent with other unsecured claims against Old Globalstar; all existing agreements between Globalstar entities and QUALCOMM, with certain minor exceptions for in process items, were terminated with no further rights or obligations; and Old Globalstar and QUALCOMM exchanged broad releases of further liability. Also on April 13, 2004, QUALCOMM and we entered into a series of new commercial agreements which defined, among other items, the terms under which we would continue to have a royalty free right to use certain QUALCOMM intellectual property and would continue to purchase products and engineering services from QUALCOMM.

Purchases from QUALCOMM. On July 9, 2004, we issued a QUALCOMM purchase order under the terms of the April 4, 2004 commercial agreements with QUALCOMM for QUALCOMM GSP-1600 mobile phones at a price of $26.0 million. Consistent with the terms of those agreements, we paid $6.5 million (25%) against this purchase order in 2004; the remaining 75% was paid upon the delivery of each unit. Delivery of the units by QUALCOMM commenced in January 2005 and was completed by December 31, 2005. We and QUALCOMM subsequently agreed to certain credits and discounts. Under the terms of these commercial agreements, we have continued to place production orders with QUALCOMM for fixed user terminals, car kits and accessory items on an as-required basis.

During 2005, we issued separate purchase orders to QUALCOMM for additional phone equipment and accessories under the terms of the April agreements that aggregated to a total commitment balance of approximately $158 million. Approximately $107 million of the $158 million consists of the new generation of phones and fixed user terminals, car kits and accessories which will start to be delivered in September 2006. The remaining $51 million consists of phones and accessories relating to GSP-1600 phone purchases. At June 30, 2006, 77% of these purchase orders had been fulfilled and the remainder are expected to be fulfilled by the end of 2006.

Within the terms of the commercial agreements, we paid QUALCOMM approximately 15% to 25% of the total order as advances for inventory. As of December 31, 2004 and 2005, and June 30, 2006, total advances to QUALCOMM for inventory were $8.8 million, $13.5 million and $18.7 million, respectively. Under the new agreements, we did not receive any additional discounts from QUALCOMM.

The total orders placed with QUALCOMM as of June 30, 2006 were approximately $186.3 million, with outstanding commitment balances of approximately $119.4 million, which includes $18.7 million of inventory advances.

In September 2005, QUALCOMM entered into a buyback arrangement with us whereby we delivered several hundred GSP-1600 phones and contracted to provide service to QUALCOMM's customers. Revenue recognized for equipment during 2005 under this arrangement was approximately $440,000 with a related cost of subscriber equipment of $314,000. No revenue was recognized under this arrangement in the six months ended June 30, 2006. Related service billings of $595,000 were recorded to deferred service revenue. Revenue from service billings are recognized based on actual usage.

Total purchases from affiliates are as follows:

	Predecessor	Successor			
	January 1 Through December 4, 2003	December 5 Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Six Months Ended June 30, 2006
	(In thousands)				
QUALCOMM	$ 18,586	$ 1,425	$ 25,708	$ 49,310	$ 35,641
Space Systems/Loral	337	26	—	—	4,514
Loral	649	50	—	—	—
GCC(1)	2,479	—	—	—	—
Other affiliates	489	37	32	73	19
Total	$ 22,540	$ 1,538	$ 25,740	$ 49,383	$ 40,174

(1) Represents Globalstar Canada purchases through May 5, 2003, the date of the Globalstar Canada acquisition.

Total usage revenues from affiliates were $2.1 million, $0.2 million and $0.8 million for the Predecessor Period 2003, the Successor Period 2003, and 2004, respectively. There was no usage revenue from affiliates during 2005 or the first six months of 2006. As of April 2004, these customers, except QUALCOMM, ceased to be considered affiliates. Total equipment revenue from QUALCOMM was approximately $440,000 for the year ended December 31, 2005. There were no equipment sales to affiliates in 2003 or 2004.

DESCRIPTION OF CAPITAL STOCK

As described under "Company History," until March 17, 2006, we operated as a Delaware limited liability company. As such the rights of our members were governed by the Delaware Limited Liability Company Act and the provisions of our limited liability company agreement which reflected various negotiations and agreements among Thermo, the creditors of Old Globalstar and others. The limited liability company agreement expressly permitted our conversion into a Delaware corporation provided that various provisions of the limited liability company agreement, including those dealing with election of directors, voting rights, preemptive rights and "tag along" rights, were incorporated into our certificate of incorporation. On March 17, 2006, we converted into a Delaware corporation. Our certificate of incorporation authorized the issuance of three series of common stock consisting of 300 million shares of Series A common stock, 20 million shares of Series B common stock and 480 million shares of Series C common stock. Each series of common stock had equivalent dividend and liquidation rights, but differing voting rights with respect to the election of directors, amendments to the certificate of incorporation and approval of certain transactions. Thermo held all of the Series C common stock, which entitled it to elect a majority of our directors. As required by our limited liability company agreement, our certificate of incorporation also restricted transfer of our common stock without approval of our board, granted all stockholders who were accredited investors pre-emptive rights to purchase shares of common stock if we issued additional shares of common stock, subject to certain exceptions, and entitled minority stockholders to participate in certain sales of a majority interest in our stock. The certificate also required that our stock be registered under the Exchange Act by October 13, 2006.

Amendment and Restatement of Certificate of Incorporation and Bylaws

In August 2006, our stockholders adopted an amended and restated certificate of incorporation and amended and restated bylaws which will become effective on the effective date of the registration statement of which this prospectus is a part. Pursuant to our amended and restated certificate of incorporation:

- all shares of our common stock of each series will be combined into one series of common stock;
- each outstanding share of common stock of each series will be converted automatically into one share of common stock;
- all special voting rights pertaining to any series of common stock as described above will be abolished;
- preemptive rights and other special provisions described above will terminate; and
- in addition to 800 million shares of common stock, we will be authorized to issue up to shares of preferred stock of one or more classes or series, as described below.

Except where the text or context indicates otherwise, all descriptions of our capital stock in this prospectus reference the certificate of incorporation and bylaws as amended and restated. The following summary of the material terms and provisions of our capital stock after completion of the offering is qualified in its entirety by reference to the forms of our amended and restated certificate of incorporation and bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part and which also may be obtained upon request. See "Where You Can Find Additional Information."

We anticipate that upon the filing of our amended and restated certificate of incorporation and immediately prior to this offering, our board of directors will declare a stock dividend effecting a -for-one split of our common stock.

Common Stock

General. We are authorized to issue 800 million shares of common stock, par value $0.0001 per share. All outstanding shares of common stock are, and all shares of common stock to be outstanding upon completion of the offering will be, fully-paid and nonassessable. As of July 1, 2006, we had 178 stockholders of record.

Dividends. Subject to preferences that may be granted to holders of any preferred stock and restrictions under our credit agreement, the holders of our common stock will be entitled to dividends as may be declared from time to time by the board of directors from funds available therefor. See "Dividend Policy and Restrictions."

Voting Rights. Each share of common stock entitles its holder to one vote on all matters to be voted on by the stockholders. Our certificate of incorporation does not provide for cumulative voting in the election of directors. Generally, all matters to be voted on by the stockholders must be approved by a majority or, in the case of the election of directors, by a plurality, of the votes present in person or by proxy and entitled to vote.

Preemptive Rights. Holders of common stock do not have preemptive rights with respect to the issuance and sale by the company of additional shares of common stock or other equity securities of the company.

Liquidation Rights. Upon dissolution, liquidation or winding-up, the holders of shares of common stock will be entitled to receive our assets available for distribution proportionate to their pro rata ownership of the outstanding shares of common stock.

Preferred Stock

Our board of directors has the authority, without further action of our stockholders, to issue up to 100 million shares of preferred stock, par value $0.0001 per share, in one or more series, to determine the number of shares constituting and the designation of each series and to fix the powers, preferences, rights and qualifications, limitations or restrictions thereof, which may include dividend rights, conversion rights, voting rights, terms of redemption, and liquidation preferences. The issuance of preferred stock could adversely affect the holders of common stock. The potential issuance of preferred stock may discourage bids for shares of our common stock at a premium over the market price of our common stock, may adversely affect the market price of shares of our common stock and may discourage, delay or prevent a change of control us.

No shares of our preferred stock are outstanding. We have no current plans to issue any shares of preferred stock.

Anti-takeover Effects of Certain Provisions of Our Amended and Restated Certificate of Incorporation and Bylaws and of Delaware General Corporation Law

The provisions of the Delaware General Corporation Law and our amended and restated certificate of incorporation and bylaws summarized below may have the effect of discouraging, delaying or preventing a hostile takeover, including one that might result in a premium being paid over the market price of our common stock, and discouraging, delaying or preventing changes in the control or management of our company.

Certificate of Incorporation and Bylaws

Following the completion of this offering, our certificate of incorporation and bylaws will provide that:

- if Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, no action can be taken by stockholders except at an annual or special meeting of the stockholders called in accordance with our bylaws, and stockholders may not act by written consent;
- if Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, the approval of holders of $66^2/3\%$ of the shares then entitled to vote in the election of directors will be required to adopt, amend or repeal our amended and restated certificate of incorporation or bylaws;
- our Board of Directors will be expressly authorized to make, alter or repeal our bylaws;
- stockholders may not call special meetings of the stockholders or fill vacancies on the board of directors;
- our board of directors will be divided into three classes of service with staggered three-year terms, meaning that only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their respective terms;
- our board of directors will be authorized to issue preferred stock without stockholder approval;
- if Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, directors may only be removed for cause by the holders of $66^2/3\%$ of the shares then entitled to vote in the election of directors; and
- we will indemnify directors and certain officers against losses they may incur in connection with investigations and legal proceedings resulting from their service to us, which may include services in connection with takeover defense measures.

The anti-takeover and other provisions of our certificate of incorporation and by-laws could discourage potential acquisition proposals and could delay or prevent a change in control. These provisions are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and in the policies formulated by the board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management.

Delaware General Corporation Law

We will be subject to Section 203 of the Delaware General Corporation Law regulating corporate takeovers, which prohibits a Delaware corporation from engaging in any business combination with an "interested stockholder" for three years after the person becomes an interested stockholder unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of

shares outstanding (a) shares owned by persons who are directors and also officers and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or subsequent to the date of the transaction, the business combination is approved by the board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least $66^2/3\%$ of the outstanding voting stock which is not owned by the interested stockholder.

Except as otherwise specified in Section 203, an "interested stockholder" is defined to include (a) any person that is the owner of 15% or more of the outstanding voting securities of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the date of determination and (b) the affiliates and associates of any such person. Thermo will not be an "interested stockholder" because it acquired more than 15% of our outstanding stock prior to the completion of this offering.

For purposes of Section 203, the term "business combinations" includes mergers, consolidations, asset sales or other transactions that result in a financial benefit to the interested stockholder and transactions that would increase the interested stockholder's proportionate share ownership of our company.

Under some circumstances, Section 203 makes it more difficult for an interested stockholder to effect various business combinations with us. Although our stockholders have the right to exclude us from the restrictions imposed by Section 203, they have not done so. Section 203 may encourage companies interested in acquiring us to negotiate in advance with the board of directors, because the requirement stated above regarding stockholder approval would be avoided if a majority of the directors approves, prior to the time the party became an interested stockholder, either the business combination or the transaction which results in the stockholder becoming an interested stockholder.

Listing

We intend to apply for listing of our common stock on the under the trading symbol " ".

Transfer Agent and Registrar

Upon completion of this offering, the transfer agent and registrar for our common stock will be .

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has not been any public market for our common stock, and we cannot predict what effect, if any, market sales of shares of common stock or the availability of shares of common stock for sale will have on the market price of our common stock. Sales of substantial amounts of common stock in the public market, or the perception that such sales could occur, could materially and adversely affect the market price of our common stock and could impair our future ability to raise capital through the sale of our equity or equity-related securities at a time and price that we deem appropriate.

Upon the closing of this offering, we will have shares of common stock outstanding, assuming no exercise of the underwriters' option to purchase additional shares. Of the outstanding shares, all of the shares sold in this offering, as well as unrestricted shares already outstanding which were issued in the Reorganization and not held by our "affiliates," will be freely tradable without restriction or further registration under the Securities Act. Any shares owned by our "affiliates," as defined under Rule 144 of the Securities Act, may be sold only in compliance with the limitations of that Rule. The remaining outstanding shares of common stock will be deemed "restricted securities" as that term is defined under Rule 144. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144, which is summarized below.

Subject to the lock-up agreements described below and the volume limitations and other conditions under Rule 144, the shares of our common stock that are not sold in this offering, other than the unrestricted shares described above, will be available for sale in the public market under exemptions from registration requirements.

We contemplate that, after the completion of this offering, we will enter into a registration rights agreement with Thermo, providing for our obligation to file a registration statement for the sale by Thermo of our common stock owned by it on a limited number of occasions at the request of Thermo, as well as Thermo's right to participate in any registered public offering which we initiate.

Rule 144

In general, under Rule 144 as currently in effect, a person (or persons whose shares are required to be aggregated), including an affiliate, who has beneficially owned shares of our common stock for at least one year is entitled to sell in any three-month period a number of shares that does not exceed the greater of:

- 1% of the then-outstanding shares of common stock, or approximately shares, assuming no exercise by the underwriters of their option to purchase additional shares; and
- the average weekly reported volume of trading in the common stock on the during the four calendar weeks preceding the date on which notice of sale is filed.

Sales under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 144(k)

In addition, a person who is not deemed to have been an affiliate of ours at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least two years is entitled to sell those shares under Rule 144(k) without regard to the manner of sale, public information, volume limitation or notice requirements of Rule 144. To the extent that our affiliates sell their shares, other than pursuant to Rule 144 or a registration statement, the purchaser's holding period for the purpose of effecting a sale under Rule 144 commences on the date of transfer from the affiliate. At , 2006, shares of our common stock are eligible for resale under Rule 144(k).

Lock-Up Agreements

We, Thermo, our directors, executive officers and all of our other stockholders who are parties to the irrevocable standby stock purchase agreement have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of our and their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the underwriters. The underwriters have advised us that they have no current intent or arrangement to release any of the shares subject to the lock-up agreements prior to the expiration of the lock-up period. The underwriters do not have any pre-established conditions to waiving the terms of the lock-up agreements. Any determination to release any shares subject to the lock-up agreements would be based on a number of factors at the time of determination, including but not necessarily limited to the market price of the common stock, the liquidity of the trading market for the common stock, general market conditions, the number of shares proposed to be sold and the timing, purpose and terms of the proposed sale. There are no contractually specified conditions for the waiver of lock-up restrictions and any waiver is at the sole discretion of the underwriters. There are shares of our common stock held by Thermo, our directors, executive officers and our other stockholders who are parties to the irrevocable standby stock purchase agreement subject to the lock-up agreements. Our other stockholders, who own approximately % of our common stock in the aggregate, are not subject to such restrictions and may sell their shares immediately after this offering.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Wachovia Capital Markets, LLC is the representative of the underwriters.

Underwriters	Number of Shares
Wachovia Capital Markets, LLC	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional shares from us to cover such sales. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

Paid by Us	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be resold at a discount of up to $ per share from the initial public offering price. Any such securities dealers may resell any shares purchased from the underwriters to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. If all the shares are not sold at the initial public offering price, the representatives may change the offering price and the other selling terms.

We, Thermo, our other stockholders who are parties to the irrevocable standby stock purchase agreement, and our directors and executive officers have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of our and their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the underwriters. The underwriters have advised us that they have no current intent or arrangement to release any of the shares subject to the lock-up agreements prior to the expiration of the lock-up period. There are no contractually specified conditions for the waiver of lock-up restrictions and any waiver is at the sole discretion of the underwriters. Our other stockholders, who own approximately % of our common stock in the aggregate, are not subject to such restrictions and may sell their shares immediately after this offering.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among us and the underwriters' representative. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will

be the company's historical performance, estimates of the business potential and earnings prospects of the company, an assessment of the company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We intend to apply to list the common stock on the under the symbol " ". In order to meet one of the requirements for listing the common stock on the , the underwriters have undertaken to sell lots of 100 or more shares to a minimum of 2,000 beneficial holders.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from the company in the offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option granted to them. "Naked" short sales are any sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of the company's stock and, together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the , in the over-the-counter market or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses. Wachovia Investment Holdings, LLC, is a lender and the administrative agent under our credit agreement.

LEGAL MATTERS

The validity of the issuance of the shares of common stock to be sold in this offering will be passed upon for us by Taft, Stettinius & Hollister LLP, Cincinnati, Ohio. Certain other legal matters will be passed upon for the underwriters by Simpson Thacher & Bartlett LLP, New York, New York.

EXPERTS

The financial statements of Globalstar, Inc. as of and for the year ended December 31, 2005 included elsewhere in this prospectus have been audited by Crowe Chizek and Company LLP, independent registered public accounting firm, as stated in their report appearing herein, and are included in reliance upon the report of such firm given upon its authority as experts in accounting and auditing.

The audited consolidated financial statements of Globalstar, Inc. (formerly known as Globalstar LLC) and subsidiaries (Successor Company) as of December 31, 2004, for the year then ended and for the period from December 5, 2003 to December 31, 2003, and the consolidated financial statements of Globalstar, L.P. and subsidiaries (Predecessor Company) for the period January 1, 2003 to December 4, 2003 included in this prospectus have been audited by GHP Horwath, P.C., an independent registered public accounting firm, for the periods and to the extent set forth in their report appearing in this prospectus. Their report describes that the consolidated financial statements of the Successor Company are presented on a different basis from those of the Predecessor Company and, therefore, are not comparable in all respects, and describes that the Predecessor Company's plan of reorganization was confirmed in 2004 and the Predecessor Company was dissolved. Such financial statements have been so included in reliance upon the report of such firm given upon the firm's authority as an expert in auditing and accounting.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

On February 23, 2006, we engaged Crowe Chizek and Company LLP to serve as our independent registered public accountants in lieu of GHP Horwath, P.C., who had previously served in that capacity. We initiated this change with the approval of our board of directors.

The report of GHP Horwath on our financial statements for the fiscal year ended December 31, 2004 contained no adverse opinion or disclaimer of opinion and was not qualified or modified as to any uncertainty, audit scope or accounting principles. During our two most recent fiscal years and any subsequent interim period preceding this change in accountants there were no disagreements with GHP Horwath on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of GHP Horwath, would have caused it to make reference to the subject matter of the disagreement in connection with its report on the financial statements for such periods.

During 2004 and 2005 and through February 22, 2006, there were no reportable events as defined in Regulation S-K, Item 304(a)(1)(v).

During 2004 and 2005 and through February 22, 2006, we did not consult with Crowe Chizek with respect to the application of accounting principles to a specified transaction, either contemplated or proposed, or the type of audit opinion that might be rendered on our financial statements, or any matter that was either the subject of a disagreement or a reportable event.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the issuance of shares of our common stock being offered. This prospectus, which forms a part of the registration statement, does not contain all of the information set forth in the registration

statement. For further information with respect to us and the shares of our common stock, you should refer to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract, agreement or other document are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document.

Upon the closing of the offering, we will be subject to the informational requirements of the Exchange Act and will file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read our SEC filings, including the registration statement, over the internet at the SEC's website at www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facility at 100 F Street, N.E., Room 1580, Washington, D.C. 20549.

You may obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operations of the public reference facilities.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Globalstar, Inc.

We have audited the accompanying consolidated balance sheet of Globalstar, Inc. as of December 31, 2005 and the related consolidated statements of operations, comprehensive income (loss), ownership equity (deficit), and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Globalstar, Inc. as of December 31, 2005 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Crowe Chizek and Company LLP

Oak Brook, Illinois
May 15, 2006

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Globalstar, Inc.

We have audited the accompanying consolidated balance sheet of Globalstar, Inc. (formerly known as Globalstar LLC) and subsidiaries (Successor Company) (Note 1) as of December 31, 2004 and the related consolidated statements of operations, comprehensive income (loss), ownership equity (deficit) and cash flows for the year ended December 31, 2004 and the period December 5, 2003 to December 31, 2003 (Successor Company Period); and we have audited the consolidated statements of operations, comprehensive income (loss), ownership equity (deficit) and cash flows of Globalstar, L.P. and subsidiaries (Predecessor Company) (Note 1) for the period January 1, 2003 to December 4, 2003 (Predecessor Company Period). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position of Globalstar, Inc. and its subsidiaries as of December 31, 2004 and the results of their operations and their cash flows for the year ended December 31, 2004 and the Successor Company Period and the results of operations and cash flows of Globalstar, L.P. and its subsidiaries for the Predecessor Company Period in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, on December 5, 2003, the Predecessor Company was effectively acquired through a series of transactions. The consolidated financial statements of the Successor Company reflect the impact of adjustments to present the fair values of assets acquired and liabilities assumed under the purchase method of accounting. As a result, the consolidated financial statements of the Successor Company are presented on a different basis from those of the Predecessor Company and, therefore, are not comparable in all respects.

As also discussed in Note 1 to the consolidated financial statements, the Predecessor Company previously filed for reorganization under Chapter 11 of the Federal Bankruptcy Code and in June 2004 the Predecessor Company's plan of reorganization under Chapter 11 was confirmed. Under the Plan, the remaining debt of the Predecessor Company was discharged and the Predecessor Company was dissolved.

GHP Horwath, P.C.
Denver, Colorado
April 13, 2005, except for Note 12 as to which the date is May 12, 2006

GLOBALSTAR, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	Successor		
	December 31, 2004	**December 31, 2005**	**June 30, 2006**
			(Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 13,330	$ 20,270	$ 21,074
Accounts receivable, net of allowance of $1,187 (2004), $1,774 (2005), and $2,270 (2006)	9,314	21,652	23,392
Inventory	7,687	17,620	26,319
Advances for inventory	8,826	13,516	18,724
Subscription receivable	4,235	13,000	—
Deferred tax assets	—	2,398	1,832
Prepaid expenses and other current assets	1,687	1,750	2,138
Total current assets	45,079	90,206	93,479
Property and equipment:			
Globalstar System, net	8,583	10,717	18,536
Spare satellites and launch costs	946	3,012	53,035
Other property and equipment, net	3,251	7,531	7,430
	12,780	21,260	79,001
Other assets:			
Gateway receivables, net of allowance of $10,784 (2004), $10,784 (2005), and $4,944 (2006)	1,000	1,000	—
Deferred tax assets	4,777	—	19,050
Other assets, net	261	1,079	4,702
Total assets	$ 63,897	$ 113,545	$ 196,232
LIABILITIES AND OWNERSHIP EQUITY			
Current liabilities:			
Notes payable, current portion	$ 1,093	$ 293	$ 866
Accounts payable	1,419	4,193	16,619
Accrued expenses	8,056	11,484	16,316
Payables to affiliates	1,316	2,959	7,224
Deferred revenue	4,295	17,212	21,793
Total current liabilities	16,179	36,141	62,818
Borrowings under revolving credit facility	—	—	15,000
Notes payable, net of current portion	3,278	631	504
Employee benefit obligations	4,019	2,997	3,062
Other non-current liabilities	—	2,346	450
Total non-current liabilities	7,297	5,974	19,016
Commitments and contingencies			
Ownership equity:			
Common stock, $0.0001 par value; 800,000,000 shares authorized, 10,479,249 shares issued and outstanding at June 30, 2006	—	—	1
Additional paid-in capital	—	—	92,897
Member interests	54,487	73,314	—
Subscription receivable	(13,000)	—	—
Accumulated other comprehensive loss	(1,066)	(1,884)	(152)
Retained earnings	—	—	21,652
Total ownership equity	40,421	71,430	114,398
Total liabilities and ownership equity	$ 63,897	$ 113,545	$ 196,232

See notes to consolidated financial statements.

GLOBALSTAR, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share data)

	Predecessor	Successor				
	January 1, Through December 4, 2003	December 5, Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Six Months Ended June 30, 2005	Six Months Ended June 30, 2006
					(Unaudited)	
Revenue:						
Service revenue	$ 40,048	$ 2,387	$ 57,927	$ 81,472	$ 34,965	$ 42,202
Subscriber equipment sales	16,295	1,470	26,441	45,675	15,360	26,539
Total revenue	56,343	3,857	84,368	127,147	50,325	68,741
Operating expenses:						
Cost of services (exclusive of depreciation and amortization shown separately below)	26,629	1,931	25,208	25,432	13,780	13,888
Cost of subscriber equipment sales	12,881	635	23,399	38,742	12,216	25,769
Marketing, general, and administrative	28,814	4,950	32,151	37,945	16,626	20,691
Restructuring	5,381	690	5,078	—	—	—
Depreciation and amortization	31,473	125	1,959	3,044	1,240	2,698
Impairment of assets	211,854	—	114	114	39	—
Total operating expenses	317,032	8,331	87,909	105,277	43,901	63,046
Operating income (loss)	(260,689)	(4,474)	(3,541)	21,870	6,424	5,695
Other income (expense):						
Interest income	7	7	58	242	62	366
Interest expense	(1,513)	(131)	(1,382)	(269)	(194)	(108)
Other	485	44	921	(622)	(538)	(1,760)
Total other income (expense)	(1,021)	(80)	(403)	(649)	(670)	(1,502)
Income (loss) before income taxes	(261,710)	(4,554)	(3,944)	21,221	5,754	4,193
Income tax expense (benefit)	170	(37)	(4,314)	2,502	2,898	(17,459)
Net income (loss)	$ (261,880)	$ (4,517)	$ 370	$ 18,719	$ 2,856	$ 21,652
Earnings (loss) per common share:						
Basic	N/A	$ (0.45)	$ 0.04	$ 1.82	$ 0.28	$ 2.10
Diluted	N/A	(0.45)	0.04	1.81	0.28	2.09
Weighted-average shares outstanding:						
Basic	N/A	10,000,000	10,077,320	10,309,278	10,309,278	10,326,318
Diluted	N/A	10,000,000	10,077,320	10,325,979	10,325,979	10,381,270
Pro forma C Corporation data (unaudited):						
Historical income before income taxes	N/A	N/A	N/A	$ 21,221	$ 5,754	N/A
Pro forma income tax expense	N/A	N/A	N/A	6,931	3,656	N/A
Pro forma net income	N/A	N/A	N/A	$ 14,290	$ 2,098	N/A
Pro forma earnings per common share:						
Basic	N/A	N/A	N/A	$ 1.39	$ 0.20	N/A
Diluted	N/A	N/A	N/A	1.38	0.20	N/A

GLOBALSTAR, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

	Predecessor	Successor				
	January 1, Through December 4, 2003	December 5, Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Six Months Ended June 30, 2005	Six Months Ended June 30, 2006
					(Unaudited)	
Net income (loss)	$ (261,880)	$ (4,517)	$ 370	$ 18,719	$ 2,856	$ 21,652
Other comprehensive income (loss):						
Minimum pension liability adjustment	—	—	(1,234)	(1,356)	(678)	—
Net foreign currency translation adjustment	—	—	168	538	(266)	1,732
Total comprehensive income (loss)	$ (261,880)	$ (4,517)	$ (696)	$ 17,901	$ 1,912	$ 23,384

See notes to consolidated financial statements.

GLOBALSTAR, INC.

CONSOLIDATED STATEMENTS OF OWNERSHIP EQUITY (DEFICIT)

(In thousands, except share data)

	Successor							Predecessor	
	Member Interest Units Common Shares	Common Stock Amount	Additional Paid-In Capital	Member Interests Amount	Subscription Receivable	Accumulated Other Compre-hensive Loss	Retained Earnings	Partners' Deficit	Total
Predecessor:									
Balances—January 1, 2003								$ (3,150,598)	$ (3,150,598)
Net loss—period from January 1, 2003 through December 4, 2003								(261,880)	(261,880)
Balances—December 4, 2003								$ (3,412,478)	$ (3,412,478)
Successor:									
Beginning Old Globalstar balances—December 5, 2003				$ —	$ —	$ —		$ (3,412,478)	$ (3,412,478)
Contribution of certain Old Globalstar net assets to New Globalstar	8,500,000			9,900	—	—		(9,900)	—
Initial cash contribution—December 5, 2003	1,500,000			1,800	—	—		—	1,800
Net loss—period from December 5, 2003 through December 31, 2003				(3,716)	—	—		(801)	(4,517)
Balances—December 31, 2003	10,000,000			7,984	—	—		(3,423,179)	(3,415,195)
Member Interests Series A—3,073,660									
Member Interests Series B—383,122									
Member Interests Series C—6,543,218									
Conversion of liabilities subject to compromise to New Globalstar member interests, including New Globalstar's assumption of liabilities of $1,416				(1,416)	—	—		3,423,179	3,421,763
Member interests issued in exchange for:									
Cash				7,000	—	—		—	7,000
Term loans, related party				17,950	—	—		—	17,950
Inventory (issuance of Series B member interests)	309,278			5,325	—	—		—	5,325
Subscription receivable, including $4,235 received in April 2005				17,235	(13,000)	—		—	4,235
Series A and B rights offering:									
Member interests issued to current members in exchange for cash				8,749	—	—		—	8,749
Member interests redeemed from Thermo in exchange for cash				(8,749)	—	—		—	(8,749)
Contribution of services				39	—	—		—	39
Other comprehensive loss				—	—	(1,066)		—	(1,066)
Net income				370	—	—		—	370
Balances—December 31, 2004	10,309,278			54,487	(13,000)	(1,066)		—	40,421
Member Interests Series A—3,073,660									
Member Interests Series B—692,400									
Member Interests Series C—6,543,218									

GLOBALSTAR, INC.
CONSOLIDATED STATEMENTS OF OWNERSHIP EQUITY (DEFICIT) (Continued)
(In thousands, except share data)

	Successor							Predecessor	
	Member Interest Units Common Shares	Common Stock Amount	Additional Paid-In Capital	Member Interests Amount	Subscription Receivable	Accumulated Other Compre-hensive Loss	Retained Earnings	Partners' Deficit	Total
Contribution of services				$ 145	$ —	$ —		$ —	$ 145
Redemption of minority interests				(100)	—	—		—	(100)
Contributions				63	—	—		—	63
Reclassification of subscription receivable (received in March 2006)				—	13,000	—		—	13,000
Other comprehensive loss				—	—	(818)		—	(818)
Net income				18,719	—	—		—	18,719
Balances—December 31, 2005	10,309,278			73,314	—	(1,884)		—	71,430
Member interests Series A—3,073,660									
Member interests Series B—692,400									
Member interests Series C—6,543,218									
Recapitalization (unaudited)		$ 1	$ 73,313	(73,314)	—	—	—	—	—
Distribution payable to member (unaudited)		—	(686)	—	—	—	—	—	(686)
Contribution of services (unaudited)		—	72	—	—	—	—	—	72
Issuance of common stock in conjunction with acquisition (unaudited)	15,331	—	5,198	—	—	—	—	—	5,198
Issuance of common stock in connection with Thermo agreement (unaudited)	154,640		15,000	—	—	—	—	—	15,000
Other comprehensive income (loss) (unaudited)		—	—	—	—	1,732	—	—	1,732
Net income (unaudited)		—	—	—	—	—	21,652	—	21,652
Balances—June 30, 2006 (unaudited)	10,479,249	$ 1	$ 92,897	$ —	$ —	$ (152)	$ 21,652	$ —	$ 114,398
Conversion of membership interests into common stock:									
Member Interests Series A	(3,088,991)								
Member Interests Series B	(692,400)								
Member Interests Series C	(6,543,218)								
Common Stock Series A	3,088,991								
Common Stock Series B	692,400								
Common Stock Series C	6,697,858								

See notes to consolidated financial statements.

GLOBALSTAR, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Predecessor	Successor				
	January 1, Through December 4, 2003	December 5, Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Six Months Ended June 30, 2005	Six Months Ended June 30, 2006
					(Unaudited)	
Cash flows from operating activities:						
Net income (loss)	$ (261,880)	$ (4,517)	$ 370	$ 18,719	$ 2,856	$ 21,652
Deferred income taxes	—	—	(4,777)	2,422	2,547	(18,500)
Depreciation and amortization	31,473	125	1,959	3,044	1,240	2,698
Disposal of fixed assets	21	—	—	—		1
Provision for gateway receivables	(104)	—	(71)	—	—	—
Provision for bad debts	492	46	859	998	297	662
Contribution of services	—	—	39	145	72	72
Impairment of assets	214,360	—	114	114	39	—
Other non-cash gains	—	—	—	(100)	—	—
Changes in operating assets and liabilities, net of acquisitions:						
Accounts receivable	(3,231)	(602)	(5,637)	(15,915)	(3,791)	(1,248)
Inventory	(3,021)	293	3,187	(9,634)	(6,033)	(7,841)
Advances for inventory	(2,875)	469	(5,401)	(4,688)	(7,096)	(5,504)
Prepaid expenses and other current assets	3,714	349	676	(32)	(1,030)	(326)
Other assets	211	68	(14)	(293)	17	(467)
Receivables from affiliates	—	—	—	—	(538)	—
Accounts payable	690	(93)	(1,340)	3,044	(80)	603
Payables to affiliates	1,760	213	374	1,643	9,741	3,988
Accrued expenses and employee benefit obligations	(410)	2,543	2,417	2,088	(1,053)	4,869
Other non-current liabilities	—	—	—	1,896	1,298	(2,093)
Deferred revenue	(1,244)	778	2,396	10,243	2,897	4,664
Net cash from operating activities	(20,044)	(328)	(4,849)	13,694	1,383	3,230
Cash flows from investing activities:						
Spare satellites and launch costs	—	—	(88)	(2,066)	(60)	(38,730)
Cash receipts for production gateways and user terminals	2,207	—	—	—	—	—
Property and equipment additions	(1,058)	(10)	(3,927)	(7,819)	(2,680)	(3,750)
Proceeds from sale of property and equipment	—	—	—	86	—	—
Payment for business acquisitions	(212)	—	—	(342)	(442)	(191)
Net cash from investing activities	937	(10)	(4,015)	(10,141)	(3,182)	(42,671)
Cash flows from financing activities:						
Proceeds from term loans	30,914	1,622	5,000	—	—	—
Borrowings under revolving credit facility	—	—	—	—	—	15,000
Repayment of term loans	(10,149)	—	(10,000)	—	—	—
Proceeds from subscription receivable	—	—	—	4,235	4,235	13,000
Principal payments on notes payable	—	—	—	(1,251)	—	—
Deferred transaction cost payments	—	—	—	(48)	—	(2,881)
Redemption of minority interest	—	—	(8,749)	(100)	(100)	—
Contributions	—	1,800	15,749	63	11	
Proceeds from issuance of Series A common stock	—	—	—	—	—	15,000
Net cash from financing activities	20,765	3,422	2,000	2,899	4,146	40,119

	Predecessor	Successor				
	January 1, Through December 4, 2003	December 5, Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Six Months Ended June 30, 2005	Six Months Ended June 30, 2006
					(Unaudited)	
Effect of exchange rate changes on cash	$ —	$ —	$ 168	$ 488	$ 244	$ 126
Net increase (decrease) in cash and cash equivalents	1,658	3,084	(6,696)	6,940	2,591	804
Cash and cash equivalents, beginning of period	15,284	16,942	20,026	13,330	13,330	20,270
Cash and cash equivalents, end of period	$ 16,942	$ 20,026	$ 13,330	$ 20,270	$ 15,921	$ 21,074
Supplemental disclosure of cash flow information:						
Cash paid for:						
Interest	$ 149		$ 710	$ 289	$ 147	$ 16
Income taxes			$ 207	$ 184	$ 178	$ 58
Supplemental disclosure of noncash financing and investing activities:						
Noncash transactions:						
Fair value of assets acquired	$ 8,124					
Cash paid	(376)					
Liabilities assumed	$ 7,748					
Receivables offset by accounts payable and notes payable	$ 1,806	$ 92	$ 1,932	$ 2,675		
Reduction in liabilities subject to compromise upon settlements with Loral Space Communications, Ltd and Elsacom SpA	$ 3,954					
Terms loans converted to member interests			$ 17,950			
Inventory acquired in exchange for member interests			$ 5,325			
Reclassification of subscription receivable			$ 4,235	$ 13,000		
Dissolvement of predecessor company:						
Conversion of liability subject to compromise to New Globalstar Member Interests			$ 3,423,179			
Assumption of liabilities			(1,416)			
			$ 3,421,763			
Accrued launch costs						$ 11,293
Distribution payable to member						$ 686
Issuance of common stock in conjunction with acquisition						$ 5,198

1. ORGANIZATION AND BASIS OF ACCOUNTING

Globalstar, Inc. (Note 17) ("Globalstar" or "Globalstar LLC" or "New Globalstar" or the "Company") was initially formed in November 2003 as New Operating Globalstar LLC, a Delaware limited liability company, for the purpose of acquiring substantially all the assets of Globalstar, L.P. ("Old Globalstar") and its subsidiaries in a Chapter 11 bankruptcy proceeding. Globalstar acquired the Old Globalstar assets and assumed certain liabilities pursuant to an Asset Contribution Agreement among Thermo Capital Partners, L.L.C. and its affiliates (collectively referred to as "Thermo"), New Globalstar, Old Globalstar and Old Globalstar's unsecured creditors. The asset acquisition (the "Thermo Transaction") was accomplished in a two stage closing process. The first stage was completed on December 5, 2003. The first stage included:

- Thermo's commitment to a total investment of $43.0 million, subject to certain conditions including the completion of the stage two closing.
- The formation of New Globalstar. Thermo contributed cash of $1.8 million in exchange for a 14.8% member interest. Old Globalstar contributed certain non-regulated assets and certain operating liabilities of Old Globalstar (excluding liabilities subject to compromise) in exchange for an 85.2% member interest.
- Thermo's purchase and replacement of Old Globalstar's existing $20.0 million debtor-in-possession financing, plus accrued interest of $765,000 (Note 6).
- Execution of a management agreement. Under the management agreement, operational control of the business, as well as certain ownership rights and risks, was effectively transferred to Thermo and New Globalstar.

The second stage was completed on April 14, 2004. The second stage included:

- The transfer of assets requiring United States Federal Communications Commission consents from Old Globalstar to New Globalstar.
- The conversion of $17.950 million due to Thermo under the debtor-in-possession financing (consisting of $10.765 million of the total outstanding after the stage one transactions, $1.6 million that was drawn in December 2003, $5.0 million that was drawn from February to March 2004 and $685,000 in accrued interest) into New Globalstar membership interests (Note 6).

Following the closing of the Thermo Transaction, the Company was directly and indirectly owned 81.25% by Thermo and 18.75% by Old Globalstar. Thermo's 81.25% ownership interest is represented by its $43.0 million commitment. At the completion of the second stage, Thermo had invested approximately $18.8 million and had a remaining commitment of $24.2 million. Thermo invested an additional $7.0 million through equity contributions in 2004, an additional $4.2 million in April 2005, and the remaining $13.0 million was invested by Thermo in March 2006. At December 31, 2004, the $4.2 million received in April 2005 was classified as a current asset, subscription receivable. At December 31, 2005, the $13.0 million received in March 2006 was classified as a current asset, subscription receivable.

Thermo is a private equity firm, headquartered in Denver, Colorado, with investments in the telecommunications, industrial distribution, real estate and energy sectors.

Old Globalstar's *First Modified Fourth Amended Joint Plan under Chapter 11 of the Bankruptcy Code* (the "Plan") became effective on June 29, 2004. Pursuant to this Plan, Old Globalstar was dissolved and its 18.75% minority ownership share (represented by 1,875,000 membership interest units) in New Globalstar was distributed to its unsecured creditors (represented by the approximately $3.4 billion of "liabilities

subject to compromise"), including the founders of Old Globalstar, Loral Space and Communications, Ltd. ("Loral") and QUALCOMM Incorporated ("QUALCOMM").

Under Old Globalstar's Plan, the holders of allowed claims were provided the right to purchase membership units in New Globalstar from Thermo in a rights offering which was completed on October 12, 2004. The rights offering was divided into two series. The Series A rights allowed holders to purchase an aggregate 15.12% membership interest in New Globalstar for $8.0 million. The Series B rights allowed holders to purchase an aggregate 2.5% membership interest in New Globalstar for $4.0 million. The Series A rights offering was fully subscribed, resulting in the issuance of 1,512,000 membership interest units to unsecured creditors of Old Globalstar at a price of $8.0 million. The Series B rights offering was partially subscribed, resulting in the issuance of an additional 46,782 membership interest units at a price of $749,000. In accordance with the Plan, the Company redeemed an equal number of units held by Thermo in exchange for a payment of $8,749,000.

In April 2004, the Company agreed to purchase 22,500 mobile phones from QUALCOMM. Effective October 2004, the Company and QUALCOMM restated the terms of this transaction so that QUALCOMM provided the 22,500 mobile phones and various accessories to Globalstar in exchange for $1,875,000 and 309,278 membership interest units in Globalstar with a fair value of $5.3 million.

In April 2004, certain management employees of the Company, as an incentive, were given the right to purchase up to 60,000 membership units directly from Thermo at a price equivalent to Thermo's April 2004 investment. As of January 2005, a total of 23,000 units had been purchased from Thermo and transferred to such employees. The remaining rights expired at that time. The intrinsic value of these rights was zero. The fair value of these rights using the minimum value method (risk free interest of 1.5%, expected life of nine months, no expected dividends, and zero volatility) was not significant.

After the above transactions and the 2004 Thermo equity transactions, Globalstar's membership interests at December 31, 2004 and 2005 were as follows:

	Membership Interest Units as of December 31, 2004	%	Membership Interest Units as of December 31, 2005	%
Thermo	6,566,218	63.69%	6,543,218	63.47%
Qualcomm	692,400	6.72%	692,400	6.72%
Others	3,050,660	29.59%	3,073,660	29.81%
Total	10,309,278	100.00%	10,309,278	100.00%

Management has determined that operational control of the Globalstar business passed to New Globalstar with the completion of the first stage of the Thermo Transaction on December 5, 2003. Accordingly, Old Globalstar's results of operations and cash flows prior to December 5, 2003 are presented as the "Predecessor" or "Predecessor Period." The results of operations, financial position and cash flows of New Globalstar and Globalstar, L.P. thereafter are collectively presented as the "Successor," and periods after December 5, 2003 are referred to as "Successor Period(s)." The Thermo Transaction has been accounted for using the purchase method of accounting.

The following summarizes the assets acquired, liabilities assumed and the allocation of the acquisition cost (in thousands):

	December 5, 2003
Current assets	$ 35,986
Other assets	12,257
Total assets	48,243
Current liabilities	32,100
Long term liabilities	6,243
Total liabilities	38,343
Net assets acquired	$ 9,900

New Globalstar

The New Globalstar operating agreement provides that the term of the Company shall continue until the sale of substantially all of the Company's assets or certain other defined events. Each member's liability is limited to its contributions. Generally net profits, net losses and distributions are allocated to members in proportion to their respective membership interests.

As of December 31, 2005, Globalstar's operating subsidiaries included Globalstar USA, LLC ("GUSA"), Globalstar Canada Satellite Co. ("GCSC"), Globalstar Europe Satellite Services, Ltd ("GESS"), and Globalstar de Venezuela, which provide satellite services in the United States, Canada, Europe, and South America, respectively. In addition, the Company and its subsidiaries own and operate the Globalstar System including satellites and gateways (Note 3).

Old Globalstar

Old Globalstar was a limited partnership, formed in Delaware in November 1993. General partners were jointly and severally liable for the recourse debt and other recourse obligations of Old Globalstar to the extent Old Globalstar was unable to pay such debts. Limited partners' liability was limited to their contributions.

The following table summarizes the partnership deficit of Old Globalstar:

	Predecessor December 4, 2003	Successor December 31, 2003
	(In thousands)	
Redeemable Preferred Partnership Interests (RPPI):		
8% Series A (4,356,295 outstanding at December 4 and 31, 2003, each unit convertible into .53085 ordinary partnership interests)	$ —	$ —
9% Series B (389,500 outstanding at December 4 and 31, 2003; each unit convertible into .47562 ordinary partnership interests)	—	—
Ordinary general partnership interests (4,910,604 interests outstanding at December 4 and 31, 2003)	(3,376,073)	(3,386,774)
Ordinary limited partnership interests (19,937,500 interests outstanding at December 4 and 31, 2003)	(239,740)	(239,740)
Warrants	203,335	203,335
	$ (3,412,478)	$ (3,423,179)

During the year ended December 31, 2003, no 8% or 9% RPPIs were converted to ordinary partnership interests. As described in Note 2, effective June 29, 2004, all partnership interests in Old Globalstar were cancelled without consideration.

Officers and employees of Old Globalstar were eligible to participate in the Company's general partner's 1994 Stock Option Plan. No options were granted and no compensation expense was recorded during the years ended December 31, 2003 and 2004. At December 31, 2003, there were 5,408,567 options outstanding.

Prior to 2003, Old Globalstar issued warrants in connection with the issuance of certain senior notes, service provider arrangements, and Globalstar construction contracts. These warrants were recorded at fair value at the date of issuance. No warrants were issued during the years ended December 31, 2003 or 2004.

In connection with the Plan, the outstanding stock options and warrants were effectively cancelled and there are no remaining contingent equity issuances with regard to Old Globalstar. Pro forma compensation expense disclosures for Old Globalstar for the period from January 1, 2003 through December 4, 2003 have been omitted because such amounts would not be significant to 2003 operating results and the related stock options and warrants were not exercisable for membership interest units of New Globalstar.

Globalstar Telecommunications Limited ("GTL"), an entity whose sole business was acting as one of two general partners of Old Globalstar, was a publicly traded entity. Old Globalstar was a voluntary filer with the Securities and Exchange Commission. In January 2004, Old Globalstar filed a Form 15 with the Securities and Exchange Commission to suspend its reporting under the Securities Exchange Act of 1934.

2. BUSINESS

Globalstar owns and operates a satellite constellation that forms the backbone of a global telecommunications network designed to serve virtually every populated area of the world. Globalstar's worldwide, low-earth orbit ("LEO") satellite-based digital telecommunications system (the "Globalstar System"), which uses QUALCOMM's patented CDMA technology, provides mobile and fixed telephone service to customers who live, work or travel beyond the reach of terrestrially based communications networks. The Globalstar System has been providing satellite based wireless communications services since 1999. The Globalstar System's coverage is designed to enable its service providers to extend telecommunications services to people who lack basic telephone service and to enhance wireless communications in areas underserved or not served by cellular systems, providing a telecommunications solution in parts of the world where the build-out of terrestrial systems is not economically justified.

On February 15, 2002 (the "Petition Date"), Old Globalstar and three of its subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court ("Bankruptcy Court") for the District of Delaware. Old Globalstar and its debtor subsidiaries remained in possession of their assets and properties and continued to operate their businesses as debtors-in-possession.

Under Chapter 11, substantially all unsecured liabilities as of the Petition Date were subject to compromise or other treatment under a plan of reorganization, which was required to be approved and confirmed by the Bankruptcy Court. For financial reporting purposes, those liabilities and obligations whose treatment and satisfaction were dependent on the outcome of the Chapter 11 case were segregated in the consolidated balance sheet as liabilities subject to compromise. Generally, all actions to enforce or otherwise require repayment of Old Globalstar's pre-petition liabilities were stayed under the Bankruptcy Code while Old Globalstar continued its business operations as a debtor-in-possession.

During the course of its financial restructuring, Old Globalstar developed a business plan, which was predicated on an infusion of funds and assumed the consolidation of certain Globalstar service provider operations into Globalstar. Several of the acquisitions contemplated in the business plan have been completed (Notes 4 and 17). The Company believes that its consolidation strategy has brought additional efficiencies to the operation of the Globalstar System and allowed for increased consistency in product and service offerings in the Americas and Europe. In addition, Globalstar has revised its business relationships with its independent service providers and continues to explore the possible acquisition of additional Globalstar service provider operations.

Under auction procedures approved by the Bankruptcy Court, in April 2003 ICO Global Communications (Holdings) Limited ("ICO"), one of the three qualified investors that participated in the auction, was ultimately selected as the bidder proposing the highest and best offer for Old Globalstar's assets. Old Globalstar and ICO subsequently entered into an investment agreement (the "ICO Investment Agreement"), and Old Globalstar and an affiliate of ICO subsequently entered into a $35.0 million secured, super priority debtor-in-possession credit agreement (the "ICO DIP Facility") as of May 19, 2003. A portion of the ICO DIP Facility was used to repay $10.0 million borrowed under previous debtor-in-possession financing that had been provided by a consortium of lenders, including representatives of the Old Globalstar Official Committee of Unsecured Creditors (the "Creditors' Committee").

In October 2003, ICO informed Old Globalstar that it believed that unspecified conditions to the closing of the ICO Investment Agreement would not be satisfied and therefore consented to Old Globalstar reopening discussions with other potential investors. On November 17, 2003, Old Globalstar, Thermo and the Creditors' Committee executed a term sheet regarding a proposed transaction. On December 2, 2003,

the Bankruptcy Court entered an order authorizing the Thermo Transaction. On December 5, 2003, Old Globalstar, the Creditors' Committee and Thermo entered into the Asset Contribution Agreement.

Old Globalstar submitted its Disclosure Statement and Fourth Amended Joint Plan to the Bankruptcy Court on May 3, 2004. The Bankruptcy Court confirmed the Plan on June 17, 2004, and the Plan became effective June 29, 2004 (the "Effective Date"). Pursuant to the Plan, on the Effective Date, all partnership interests in Old Globalstar were cancelled without consideration, Old Globalstar's membership interests in Globalstar were distributed to its unsecured creditors and Old Globalstar was dissolved. Globalstar Capital Corporation, a former subsidiary of Old Globalstar, remains as a debtor entity responsible for the resolution of claims against Old Globalstar and the wind up of Old Globalstar. New Globalstar does not have any continuing financial commitment related to the wind up.

On March 25, 2003, Old Globalstar entered into a settlement and release agreement with Elsacom SpA ("Elsacom") and a gateway asset purchase agreement (collectively the "Elsacom Settlement") with a wholly owned subsidiary of Elsacom. Elsacom is the primary Globalstar service provider in Central and Eastern Europe, the operator of the gateway located in Avezzano, Italy and, through its affiliate, Globalstar Northern Europe, the former operator of the gateway located in Karkkila, Finland. Under the terms of the Elsacom Settlement, Old Globalstar received cash payments totaling $2.2 million, in two installments, in March 2003 and June 2003 and the release of all past payment obligations, including certain pre-petition liabilities, due to Elsacom in exchange for liquidation of the gateway contract payments due to Old Globalstar from Elsacom. Additionally, Old Globalstar retained title to the gateway equipment installed in Finland. Old Globalstar dismantled the Finland gateway and placed the removable parts, which contain most of the gateway's electronics, into storage for future deployment.

On March 14, 2003, Loral, the Creditors' Committee and Old Globalstar signed a term sheet outlining the terms and conditions of a comprehensive settlement of certain contested matters and a release of the claims against Loral (the "Loral Settlement"). Also on March 14, 2003, Old Globalstar and the Creditors' Committee filed a joint motion with the Bankruptcy Court under Bankruptcy Rule 9019 for an order approving the Loral Settlement. The Bankruptcy Court approved the Loral Settlement on April 14, 2003. The parties executed a definitive agreement reflecting the terms of the Loral Settlement as of April 8, 2003, and closed the various interrelated transactions on July 10, 2003. Pursuant to the definitive settlement agreement, as of the closing, among other things: (1) Old Globalstar received title to eight spare satellites; (2) certain agreements under which Loral held exclusive rights to provide Old Globalstar services to certain defense, national security and other government agencies and in the aviation market were terminated and a new joint venture owned 75% by Old Globalstar and 25% by Loral was formed to pursue business opportunities with those governmental agencies ($300,000 and $100,000 of Government Services, LLC ("GSLLC") accounts payable were converted to equity, respectively); (3) Old Globalstar received Loral's interests in the Canadian Globalstar service provider operations (49.9% interest representing 17,758,485 common shares valued at CD$25,000); (4) certain financial obligations of Loral-affiliated service providers ($5.5 million) due to Old Globalstar were settled through deduction in debt obligations owed by Globalstar Canada Co. ($5.5 million) to Loral and $4.4 million of other financial obligations between Old Globalstar and Loral were restructured; (5) Old Globalstar received the unused portion of advance prepayments ($2.2 million) made by it under its 2GHz satellite contract with Space Systems/Loral, Inc. ("SS/L"), an affiliate of Loral, as reduced by certain financial obligations of Old Globalstar to Loral ($109,000); (6) Loral's designated individuals resigned from Old Globalstar's General Partners Committee, and officers of Old Globalstar were appointed as members of the General Partners Committee; and (7) Old Globalstar and its subsidiaries and Loral and its subsidiaries and affiliates

provided mutual releases of claims and Old Globalstar and its subsidiaries released any claims against the members of the Committee.

On April 13, 2004, Globalstar, Old Globalstar, certain subsidiaries of both Globalstar entities, the Creditors' Committee, Thermo and QUALCOMM entered into a Settlement Agreement and Release (the "QUALCOMM Settlement"). Under the terms of the QUALCOMM Settlement: QUALCOMM's unsecured claim against the estate of Old Globalstar was liquidated at a value of approximately $661.3 million; QUALCOMM's unsecured claim received *pari passu* treatment consistent with other unsecured claims against Old Globalstar; all existing agreements between Globalstar entities and QUALCOMM, with certain minor exceptions for in process items, were terminated with no further rights or obligations; and Old Globalstar and QUALCOMM exchanged broad releases of further liability. Also on April 13, 2004, QUALCOMM and Globalstar entered into a series of new commercial agreements which defined, among other items, the terms under which Globalstar would continue to have a royalty free right to use certain QUALCOMM intellectual property and would continue to purchase products and engineering services from QUALCOMM.

Globalstar is dependent on QUALCOMM for gateway hardware and software, and also as the exclusive manufacturer of phones using the IS-41 CDMA North American standard. Ericsson OCM Limited ("Ericsson") and Telit, which until 2000 manufactured phones and other products for the Company, have discontinued manufacturing these products, and there is no assurance that QUALCOMM will not choose to terminate its business relationship with Globalstar. Management believes that its relationship with QUALCOMM is strong; however, if necessary, this relationship can be replaced. If the relationship were to be replaced, there may be a substantial period of time in which products would not be available or a new relationship may involve a significantly different cost structure.

SS/L completed production of seven of the eight spare satellites. All eight are in storage in California. Title to those satellites was transferred to Old Globalstar effective July 10, 2003, and was subsequently transferred to New Globalstar as part of the Asset Contribution Agreement. Globalstar is dependent on SS/L to complete construction of the eighth satellite if Globalstar determines that the eighth satellite must be launched. There can be no assurance that SS/L will remain a going concern or will retain the capability to complete the eighth satellite.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pre-petition Debt

As a result of the Chapter 11 filing, no principal or interest payments were made on unsecured pre-petition debt. Interest expense on pre-petition debt was not paid during the bankruptcy proceeding and was not an allowed claim.

Use of Estimates in Preparation of Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Principles of Consolidation

The consolidated financial statements include the accounts of Globalstar, its wholly owned subsidiaries and its 75% owned subsidiary, Government Services, L.L.C. All significant intercompany transactions and balances have been eliminated in the consolidation.

Prior to 2005, one subsidiary was 98% owned by Globalstar and 2% owned by minority interests (Thermo). Minority interest amounts were not significant. During 2005, a $100,000 payment was made to redeem the 2% minority interest.

Interim Financial Information

The interim financial information as of June 30, 2006 and for the six months ended June 30, 2005 and 2006 is unaudited. In the opinion of management, such information includes all adjustments, consisting of normal recurring adjustments, that are necessary for a fair presentation of the Company's consolidated financial position, results of operations, and cash flows for such periods. Operating results for the six months ended June 30, 2006 are not necessarily indicative of the results to be expected for the full year or any future period.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less.

Financial Instruments

Except for the payables to affiliates and the note payable to Loral (Note 7), the carrying amounts of financial instruments approximate fair value due to the short maturities of these instruments. The fair value of the payables to affiliates and the note payable to Loral are not practicable to estimate based on the related party nature of the underlying transactions. The Company has no material off-balance sheet financial instruments.

Accounts Receivable

Accounts receivable are uncollateralized and consist primarily of on-going service revenue and equipment receivables. Management reviews accounts receivable on a periodic basis to determine if any receivables will potentially be uncollectible. Accounts receivable balances that are determined likely to be uncollectible are included in the allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance.

The following is a summary of the activity in the allowance for doubtful accounts (in thousands):

	Predecessor	Successor			
	January 1, Through December 4, 2003	December 5, Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Six Months Ended June 30, 2006
					(unaudited)
Balance at beginning of period	$ 2,046	$ 1,127	$ 1,173	$ 1,187	$ 1,774
Provision, net of recoveries	492	46	859	998	662
Write-offs	(1,411)	—	(845)	(411)	(166)
Balance at end of period	$ 1,127	$ 1,173	$ 1,187	$ 1,774	$ 2,270

Inventory

Inventory consists of purchased products, including fixed and mobile user terminals, accessories and gateway spare parts. Inventory acquired on December 5, 2003 is stated at fair value at the date of the Thermo Transaction and subsequent transactions are stated at the lower of cost or market. Inventory prior to December 5, 2003 was stated at the lower of cost or market. Cost is computed using the first-in, first-out (FIFO) method which determines the acquisition cost on a FIFO basis. Inventory allowances are recorded for inventories with a lower market value or which are slow moving. Unsaleable inventory is written off.

Property and Equipment

Property and equipment is stated at acquisition cost, less accumulated depreciation and impairment. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets, as follows:

Globalstar System:	
Space segment	Up to periods of 10 years from commencement of service
Ground segment	Up to periods of 10 years from commencement of service
Furniture, fixtures & equipment	3 to 10 years
Leasehold improvements	Shorter of lease term or the estimated useful lives of the improvements, generally 5 years

The Globalstar System includes costs for the design, manufacture, test, and launch of a constellation of low-earth orbit satellites, including in-orbit spare satellites (the "Space Segment"), and primary and backup control centers and gateways (the "Ground Segment").

Losses from in-orbit failures of satellites are recorded in the period it is determined that the satellite is not recoverable.

The carrying value of the Globalstar System is reviewed for impairment whenever events or changes in circumstances indicate that the recorded value of the Space Segment and Ground Segment, taken as a whole, may not be recoverable. Globalstar looks to current and future undiscounted cash flows, excluding financing costs, as primary indicators of recoverability. If impairment is determined to exist, any related impairment loss is calculated based on fair value.

Following a launch failure in September 1998, Old Globalstar decided to purchase eight additional satellites for $148.0 million (including performance incentives of up to $16.0 million) to serve as on-ground spares. Costs of $147.0 million (including a portion of the performance incentives) were previously recognized for these spare satellites. Prior to 2002, Old Globalstar recorded an impairment of these costs, and at December 31, 2002 they were carried at $24.2 million. Seven of the eight have been completed, and all eight are in storage in California. Depreciation of these assets will not begin until the satellites are placed in service. As of December 31, 2004, these assets were recorded at $946,000, of which $858,000 was based on the Company's allocation of the Thermo Transaction acquisition cost. During the year ended December 31, 2005 and the six months ended June 30, 2006, the Company incurred additional costs of approximately $2.1 million and $50.0 million (unaudited), respectively, in preparation for the future launch of these satellites.

Gateway Receivables

Old Globalstar entered into an agreement with QUALCOMM for the manufacture, deployment and maintenance of gateways. Old Globalstar, in turn, invoiced the service providers for the contract costs plus a markup. The net receivables were $1.0 million at December 31, 2004 and 2005 and zero at June 30, 2006.

As of December 31, 2005, the Company was in negotiation for the purchase of a service provider jointly owned by Globalstar Americas Holding (GAH), Globalstar Americas Telecommunications (GAT), and Astral Technologies Investment Limited (Astral), collectively, the GA Companies (Note 17).

Deferred Transaction Costs

These costs represent costs incurred in obtaining long-term credit facilities and expenses related to the Company's proposed initial public offering of its common stock (IPO). These costs are classified as long-term other assets and will be amortized as additional interest expense over the term of the credit facilities or netted against equity proceeds. As of December 31, 2005 and June 30, 2006, the Company had gross deferred offering costs related to the credit facilities of $524,000 and $3,583,000 (unaudited) and the IPO of $200,000 and $507,000 (unaudited), respectively. Approximately $46,000 was recorded as interest expense for the six months ended June 30, 2006.

Asset Retirement Obligation

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations," the Company capitalized, as part of the carrying amount, the estimated costs associated with the retirement of two gateways owned by the Company. As of December 31, 2005, the Company had accrued $450,000 for asset retirement obligations. The Company believes this estimate

will be sufficient to satisfy the Company's obligation under leases to remove the gateway equipment and restore the sites to their original condition.

Revenue Recognition and Deferred Revenues

Customer activation fees are deferred and recognized over four to five year periods, which approximates the estimated average life of the customer relationship. The Company periodically evaluates the estimated customer relationship life. Historically, changes in the estimated life have not been material to the Company's financial statements.

Monthly access fees billed to retail customers and resellers, representing the minimum monthly charge for each line of service based on its associated rate plan, are billed on the first day of each monthly bill cycle. Airtime minute fees in excess of the monthly access fees are billed in arrears on the first day of each monthly bill cycle. To the extent that bill cycles fall during the course of a given month and a portion of the monthly services have not been delivered at month end, fees are prorated and fees associated with the undelivered portion of a given month are deferred. Under the Company's Liberty Plans, customers prepay for the minutes purchased. Revenue is deferred until the minutes are used or the prepaid time period expires. Unused minutes are accumulated until they expire, usually one year after activation.

Globalstar also provides certain engineering services to assist customers in developing new technologies related to the Globalstar System. The revenues associated with these services are recorded when the services are rendered and the expenses are recorded when incurred. During 2005, the Company recorded engineering services revenues of $3.5 million and related costs of $1.7 million. Engineering services revenues and cost of services were not significant in 2003 and 2004. Engineering service revenues and related costs were $1.1 million (unaudited) and $0.9 million (unaudited), respectively for the six months ended June 30, 2006.

Globalstar owns and operates the Globalstar satellite constellation and earns a portion of its revenues through the sale of airtime minutes on a wholesale basis to independent service providers. Revenue from sales to service providers is recognized based upon airtime minutes processed and contractual fee arrangements.

Airtime revenue is also earned from third party service providers that use the Globalstar System. Prior to December 31, 2005, airtime revenue related to certain of these service providers was recognized on a cash basis due to concerns about the collectibility of the underlying receivables. These revenues were not material to total revenue. As of December 31, 2005, based on Management's review of the payment history of service provider receivables, the revenue recognition was changed from the cash basis to an accrual basis. If any receivable is deemed likely to be uncollectible, the receivable is accounted for in the allowance for doubtful accounts.

Subscriber equipment revenue represents the sale of fixed, mobile user terminals and accessories. Revenue is recognized upon shipment provided title and risk of loss have passed to the customer, persuasive evidence of an arrangement exists, the fee is fixed and determinable and collection is probable.

In December 2002, the Emerging Issues Task Force ("EITF") reached a consensus on EITF Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables." EITF Issue No. 00-21 addresses certain aspects of the accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities. In some arrangements, the different revenue-generating activities (deliveries) are

sufficiently separable and there exists sufficient evidence of their fair values to separately account for some or all of the deliveries (that is, there are separate units of accounting). In other arrangements, some or all of the deliveries are not independently functional, or there is not sufficient evidence of their fair values to account for them separately. EITF Issue No. 00-21 addresses when, and if so, how an arrangement involving multiple deliverables should be divided into separate units of accounting. EITF Issue No. 00-21 does not change otherwise applicable revenue recognition criteria.

Research and Development Expenses

Research and development costs were $1.4 million and $52,000 for the Predecessor and Successor Periods in 2003, respectively, and $2.0 million and $2.4 million for the years ended December 31, 2004 and 2005, respectively and $1.1 million (unaudited) for the six months ended June 30, 2006, and are expensed as incurred as part of marketing, general and administrative expenses.

Foreign Currency

Foreign currency assets and liabilities are remeasured into U.S. dollars at current exchange rates and revenue and expenses are translated at the average exchange rates in effect during each period. For the years ended December 31, 2004 and 2005 and six months ended June 30, 2005 and 2006, the foreign currency translation adjustments were $168,000, $538,000, $(266,000) (unaudited) and $1,732,000 (unaudited), respectively.

Foreign currency transaction gains and losses are included in net income (loss). Foreign currency transaction gains and losses are classified as other income or expense on the statement of operations.

Income Taxes

Until January 1, 2006, Globalstar was treated as a partnership for U.S. tax purposes (Notes 13 and 17). Generally, taxable income or loss, deductions and credits of the Company were passed through to its members. Globalstar does have some corporate subsidiaries that require a tax provision or benefit using the asset and liability method of accounting for income taxes as prescribed by SFAS No. 109, "Accounting for Income Taxes." As of December 31, 2004 and 2005, the corporate subsidiaries had gross deferred tax assets of approximately $10.6 million and $7.6 million, respectively. A valuation reserve has been set up to reserve $5.9 million and $5.2 million, respectively, due to concerns about the Company's ability to generate sufficient income in those corporate subsidiaries to be able to utilize the deferred tax assets

Effective January 1, 2006, Globalstar and its U.S. operating subsidiaries elected to be taxed as a corporation in the United States and began accounting for these entities under SFAS 109.

Old Globalstar was organized as a Delaware limited partnership with various corporate subsidiaries. Generally, taxable income or loss, deductions and credits of the partnership were passed through to its partners.

Stock-Based Compensation

The Company has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," ("APB No. 25") and related interpretations in accounting for its employee stock options. Under APB No. 25, no compensation expense is recognized if the exercise price of the Company's stock options equals or exceeds the fair value of the underlying stock at the date of grant.

Pro forma information regarding net income (loss) is required by SFAS No. 123, "Accounting for Stock-Based Compensation," which also requires that the information be determined as if the Company has accounted for its employee stock options granted under the fair value method. Effective January 1, 2005, the Company promised one of its board members the option to purchase up to 20,000 shares at a price of $16.00 per share. The Company has included these options within its diluted earnings per share computations for all periods in which such options are outstanding. The Company has not disclosed the pro forma information as the pro forma effect is not significant.

Earnings Per Share

The Company applies the provisions of SFAS No. 128, "Earnings Per Share," which requires companies to present basic and diluted earnings per share. Basic earnings per share is computed based on the weighted-average number of common shares 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. The effect of common stock equivalents has been excluded from the calculation of diluted earnings per share for the Predecessor and Successor Periods in 2003 because they were anti-dilutive. For the year ended December 31, 2005 and the three months ended March 31, 2006, weighted average shares outstanding for diluted earnings per share includes the effects of the 20,000 stock options promised to a board member in January 2005. For the three months ended March 31, 2006, weighted average shares outstanding for diluted earnings per share includes the effects of the 20,000 stock options which the Company agreed to grant to a new board member during the first quarter of 2005 and shares of common stock that are contingently issuable to the former stockholders of the GA Companies (Note 17).

The following table sets forth the computations of basic and diluted earnings (loss) per share (in thousands, except per share data):

	December 5, Through December 31, 2003			Year Ended December 31, 2004		
	Income (Loss) (Numerator)	Weighted Average Shares Outstanding (Denominator)	Per-Share Amount	Income (Loss) (Numerator)	Weighted Average Shares Outstanding (Denominator)	Per-Share Amount
Basic earnings (loss) per common share						
Net income (loss)	$ (4,517)	10,000,000	($ 0.45)	$ 370	10,077,320	$ 0.04
Effect of Dilutive Securities						
Stock options to director	—	—		—	—	
Globalstar Americas Telecommunications ("GAT") acquisition	—	—		—	—	
Diluted earnings (loss) per common share	$ (4,517)	10,000,000	($ 0.45)	$ 370	10,077,320	$ 0.04

	Year Ended December 31, 2005			Six Months Ended June 30, 2005		
	Income (Loss) (Numerator)	Weighted Average Shares Outstanding (Denominator)	Per-Share Amount	Income (Loss) (Numerator)	Weighted Average Shares Outstanding (Denominator)	Per-Share Amount
Basic earnings (loss) per common share						
Net income (loss)	$ 18,719	10,309,278	$ 1.82	$ 2,856	10,309,278	$ 0.28
Effect of Dilutive Securities						
Stock options to director	—	16,701		—	16,701	
GAT acquisition	—	—		—	—	
Diluted earnings (loss) per common share	$ 18,719	10,325,979	$ 1.81	$ 2,856	10,325,979	$ 0.28

	Six Months Ended June 30, 2006		
	Income(Loss) (Numerator)	Weighted Average Shares Outstanding (Denominator)	Per-Share Amount
Basic earnings (loss) per common share			
Net income (loss)	$ 21,652	10,326,318	$ 2.10
Effect of Dilutive Securities			
Stock options to director	—	16,701	
GAT acquisition	—	38,251	
Diluted earnings (loss) per common share	$ 21,652	10,381,270	$ 2.09

Pro Forma Net Income and Pro Forma Earnings Per Share (Unaudited)

Pro forma net income and pro forma earnings per share for the year ended December 31, 2005 and the six months ended June 30, 2005 has been calculated as if the Company had been a C corporation for federal income tax purposes (Note 17).

Recently Issued Accounting Pronouncements

In November 2004, Financial Accounting Standards Board ("FASB") issued SFAS No. 151, "Inventory Costs," which amends the guidance in ARB No. 43, Chapter 4, *Inventory Pricing*, to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). This Statement requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, this Statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The provisions of this Statement are effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The Company has completed its evaluation of SFAS No. 151 and has determined that the Statement will not have a material effect on its consolidated financial statements.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets an amendment of APB Opinion No. 29." This Statement amends Opinion 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges

of nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This Statement is effective for nonmonetary exchanges occurring in fiscal periods beginning after June 15, 2005. The Company has completed its evaluation of SFAS No. 153 and has determined that the Statement does not have a material effect on its consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS No. 123R"). This Statement requires companies to record compensation expense for all share based awards granted subsequent to the adoption of SFAS No. 123R. In addition, SFAS No. 123R requires the recording of compensation expense for the unvested portion of previously granted awards that remain outstanding at the date of adoption. The Company will adopt SFAS No. 123R effective January 1, 2006 and does not expect the adoption to have a material effect on its consolidated financial position or results of operations.

In March 2005, the FASB issued FASB Interpretation ("FIN") No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN No. 47"), which is effective no later than the end of fiscal years ending after December 15, 2005. FIN No. 47 clarifies the term conditional asset retirement obligation as used in SFAS No. 143, "Accounting for Asset Retirement Obligations". Conditional asset retirement obligation refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The Company does not expect the adoption of FIN No. 47 to have a material effect on its consolidated financial position or results of operations.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS No. 154"). This Statement requires retrospective application to prior periods' financial statements of voluntary changes in accounting principles unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. SFAS No. 154 makes a distinction between "retrospective application" of an accounting principle and the "restatement" of financial statements to reflect the correction of an error. SFAS No. 154 replaces Accounting Principles Bulletin ("APB") No. 20, "Accounting Changes" ("APB No. 20"), and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements." APB No. 20 previously required that most voluntary changes in accounting principle be recognized by including the cumulative effect of changing to the new accounting principle in the net income of the period of the change. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company does not expect the adoption of SFAS No. 154 to have a material effect on its consolidated financial position or results of operations.

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments—an amendment of FASB Statements No. 133 (Accounting for Derivative Instruments and Hedging Activities) and No. 140 (Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities)" ("SFAS No. 155"), which permits fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation. In addition, SFAS No. 155 establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation under the requirements of Statement No. 133. SFAS No. 155 will be effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006. The Company will adopt SFAS No. 155 effective

January 1, 2007. The Company does not expect the adoption of SFAS No. 155 to have a material effect on its consolidated financial position or results of operations.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets—an amendment of FASB Statement No. 140" ("SFAS No. 156"). SFAS No. 156 amends FASB Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," with respect to the accounting for separately recognized servicing assets and servicing liabilities. SFAS No. 156 clarifies when servicing rights should be separately accounted for, requires companies to account for separately recognized servicing rights initially at fair value, and gives companies the option of subsequently accounting for those servicing rights at either fair value or under the amortization method. SFAS No. 156 will be effective as of the beginning of an entity's first fiscal year that begins after September 15, 2006. The Company will adopt SFAS No. 156 effective January 1, 2007. The Company does not expect the adoption of SFAS No. 156 to have a material effect on its consolidated financial position or results of operations.

4. ACQUISITIONS

Globalstar Canada Satellite Co. ("GCSC")

Prior to 2003, Old Globalstar controlled 50.1% of GCSC, the Company's Canadian satellite service provider. In connection with the Loral Settlement described in Note 2, Old Globalstar acquired Loral's 49.9% minority interest in July 2003.

Prior to 2003, Old Globalstar owned 33.33% of Globalstar Canada Holding Co. ("GCHC"). Pursuant to Old Globalstar's new business plan, on May 6, 2003, Old Globalstar acquired the remaining 66.67% of the outstanding common stock of GCHC. As a result of this stock purchase, Old Globalstar indirectly owned 100% of Globalstar Canada Co. ("GCC"). The acquisition costs were $376,000, including legal fees. This transaction, combined with Old Globalstar's acquisition of GCSC, provided Old Globalstar with 100% ownership of the Canadian service provider operations. GCC and GCHC were amalgamated into GCSC on November 1, 2004. The following table summarizes the estimated values of the assets acquired and liabilities assumed with the acquisition (in thousands):

	May 6, 2003
Current assets	$ 333
Receivables from affiliates	6,510
Fixed assets	1,281
Total assets acquired	8,124
Current liabilities	7,748
Total liabilities assumed	7,748
Net assets acquired	$ 376

The results of operations of GCC have been included in the consolidated financial statements from the date of acquisition. The Company's pro forma results of operations assuming the transaction had been completed on January 1, 2003 are not determinable.

Globalstar de Venezuela, C.A.("GdeV")

Pursuant to Globalstar's continuing consolidation strategy, on February 4, 2005, GdeV, a recently formed indirect (through GCSC) subsidiary of Globalstar, executed a series of agreements to acquire the mobile satellite services business assets of TE.SA.M. de Venezuela, C.A. ("TESAM"), the Globalstar service provider in Venezuela, at a cost of $1.6 million. This asset purchase is expected to be completed in two stages. The first stage, which transferred certain nonregulated assets, including the land where the Venezuelan gateway is located, was completed upon the execution of the agreements.

The second stage of the transaction, which would transfer regulated assets including the gateway equipment, will be completed after the Venezuelan regulatory consents are obtained. Management has determined that operational control passed to New Globalstar with the completion of the first stage of the transaction in February 2005. Regulatory approval is expected in 2006. Pursuant to the purchase agreements, GdeV paid approximately $342,000 upon execution of the agreements. The $1,250,000 balance of the purchase price is payable in sixteen quarterly installments of $78,125 (interest imputed at 7.0% resulting in a discount of approximately $250,000). Only the first two of these sixteen quarterly installments were required in advance of Venezuelan regulatory approvals. Principal payments to be made in 2006, 2007, 2008, and 2009 are $292,972, $280,918, $277,638, and $72,472, respectively.

The following table summarizes the Company's allocation of the estimated values of the assets acquired and liabilities assumed in the acquisition (in thousands):

	February 4, 2005
Current assets	$ 82
Property and equipment	1,314
Total assets acquired	1,396
Current liabilities	367
Long-term debt	687
Total liabilities assumed	1,054
Net assets acquired	$ 342

The results of operations of GdeV have been included in the Company's consolidated financial statements from the date of acquisition. The Company's pro forma results of operations assuming the transaction had been completed on January 1, 2004 are not determinable.

5. PROPERTY AND EQUIPMENT

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

	December 31, 2004	December 31, 2005	June 30, 2006 (unaudited)
Globalstar System:			
Space segment	$ 6,124	$ 5,832	$ 5,832
Ground segment	6,720	11,427	20,806
Spare satellites and launch costs	946	3,012	53,035
Construction in progress	1,223	3,654	1,382
Land	269	1,070	2,591
Leasehold improvements	1,110	1,363	1,376
Building	—	84	484
Furniture and office equipment	4,959	6,624	7,672
	21,351	33,066	93,178
Accumulated depreciation	(8,571)	(11,806)	(14,177)
	$ 12,780	$ 21,260	$ 79,001

Property and equipment consists of an in-orbit satellite constellation, ground equipment, and support equipment located in various countries around the world. During the years ended December 31, 2005 and 2004, the Company recorded impairment charges of $114,000 and $114,000, respectively, related to satellite failures. There were no satellite failures during the six months ended June 30, 2006. During the 2003 Predecessor Period, Old Globalstar recorded an impairment charge of $2.5 million (classified as an operating expense) related to the space segment resulting from a satellite failure and recorded a $211.9 million impairment charge (classified as impairment of assets) related to the Globalstar System, including space segment, ground segment, replacement satellites, unsold production gateways, and other related assets. This charge resulted from a reduction in the estimated fair values of these assets as indicated by the acquisition cost of the Thermo Transaction. During 2004, the Company began construction of a gateway located in Florida. Construction was completed in July 2005 with a cost of $2.9 million. During 2005, the Company began construction of a gateway located in Alaska. Through December 31, 2005, actual costs incurred were approximately $3.3 million. The Alaska gateway construction was completed by June 30, 2006 for a total cost of $4.8 million.

6. TERM LOANS

On March 6, 2003, the Bankruptcy Court approved $10.0 million in debtor-in-possession financing provided by a consortium of lenders, including two members of the Creditors' Committee. Funds totaling $10.0 million were drawn, including the final draw of $2.0 million made on May 8, 2003. On May 27, 2003, the $10.0 million debtor-in-possession financing was retired with proceeds drawn from the ICO DIP Facility at a total cost of $10.4 million, including repayment of the $10.0 million principal balance, accrued interest of $149,000, the funding of the lender's legal expense of $12,000 and $250,000 placed into an escrow account to fund the lenders' commitment fee.

The ICO DIP Facility provided access to $35.0 million that could be borrowed in increments of $1.0 million with no more than one borrowing allowed in any calendar month. The funding provided

under the ICO DIP Facility was limited to $20.0 million until certain conditions had been satisfied. The terms of the ICO DIP Facility provided ICO with a security interest in substantially all the assets of Old Globalstar and its debtor subsidiaries, exclusive of $15.0 million cash reserved to fund a liquidation of Old Globalstar if it were to become necessary. Three borrowings, totaling $20.0 million, were executed as of December 5, 2003. Interest accrued on the loans at 8% per annum. The maturity date of the ICO DIP Facility was the earlier of the closing of the ICO transaction or December 31, 2003.

In December 2003, Thermo and Globalstar entered into a new debtor-in-possession financing agreement (the "Thermo DIP Facility"). The Thermo DIP Facility provided Globalstar with access to up to $43.0 million, subject to certain conditions. Interest accrued on the Thermo DIP Facility at 8% per annum. On December 5, 2003, Thermo purchased from ICO all of ICO's rights under the ICO DIP Facility for consideration of $10.0 million in cash plus accrued interest of $765,000 and a promissory note issued by Thermo for $10.0 million. Subsequent to December 5, 2003, an additional $1.6 million was drawn on the Thermo DIP Facility and an additional $5.0 million was drawn from February to March 2004. In connection with the second stage of the Thermo Transaction in April 2004, $17.9 million of the Thermo DIP Facility (including accrued interest) was converted to New Globalstar membership interests. The remaining $10.0 million principal and $524,000 accrued interest due under the Thermo DIP Facility was paid in full in December 2004. Interest expense on the Thermo DIP Facility for the Successor Period in 2003 and for the year ended December 31, 2004 was $123,000 and $1,087,000, respectively.

7. NOTE PAYABLE TO LORAL

As a result of the Loral Settlement described in Note 2, the Company had a restructured note payable to Loral in the amount of approximately $4.0 million with interest at 6% per annum due in equal quarterly installments of $364,000 plus interest from June 2005 through March 2008.

On July 31, 2005, the note payable and accrued interest to Loral totaled approximately $4.0 million. Pursuant to an agreement reached with Loral effective July 31, 2005, this amount was settled in exchange for a) the offset of an $818,000 receivable due to Globalstar; b) cash of $500,000 paid by Globalstar; c) the issuance of three credit memos by Globalstar of $300,000, $500,000 and $1,809,000 by Globalstar to Loral to be used for future purchases of equipment and air time payments; and d) the forgiveness of $100,000 by Loral (recorded as other income). As of December 31, 2005 and June 30, 2006, the credit memos for $300,000 and $500,000 had open purchase commitments placed against the remaining balances of approximately $24,000 and $408,000, respectively, and $24,000 and approximately $0, respectively. Approximately $635,000 and $1,366,000 (unaudited) of the $1,809,000 credit memo had been utilized as of December 31, 2005 and June 3o, 2006, respectively. This credit memo is expected to expire in October 2006. As of December 31, 2005, unused credit memos totaling approximately $1,606,000 were classified as deferred revenue on the accompanying consolidated balance sheet. As of June 30, 2006 unused credit memos total $467,000.

Interest expense on the note payable to Loral for the Predecessor and Successor periods in 2003 and the years ended December 31, 2004 and 2005 was $337,000, $8,000, $237,000 and $176,000, respectively.

8. ACCRUED EXPENSES

Accrued expenses consist of the following (in thousands):

	December 31, 2004	December 31, 2005	June 30, 2006
			(unaudited)
Accrued compensation and benefits	$ 1,838	$ 1,926	$ 4,802
Accrued professional fees	1,420	582	475
Accrued property and other taxes	598	1,253	2,492
Accrued commissions	529	673	777
Customer deposits	444	1,055	1,695
Accrued pension cost—current portion	300	2,138	350
Other accrued expenses	2,927	3,857	5,725
	$ 8,056	$ 11,484	$ 16,316

Other accrued expenses primarily include warranty reserve, outsourced logistics services, storage, maintenance, and roaming charges.

Warranty terms extend from 90 days on equipment accessories to one year for fixed and mobile user terminals. Warranties are accounted for in accordance with SFAS No. 5, "Accounting for Contingencies," such that an accrual is made when it is estimable and probable that a loss has been incurred based on historical experience. Warranty costs are accrued based on historical trends in warranty charges as a percentage of gross product shipments. A provision for estimated future warranty costs is recorded as cost of sales when products are shipped. The resulting accrual is reviewed regularly and periodically adjusted to reflect changes in warranty cost estimates. The following is a summary of the activity in the warranty reserve account (in thousands):

	Predecessor	Successor			
	January 1, Through December 4, 2003	December 5, Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Six Months Ended June 30, 2006
					(unaudited)
Balance at beginning of period	$ 250	$ 302	$ 319	$ 568	$ 977
Provision	206	17	306	1,031	720
Utilization	(154)	—	(57)	(622)	(409)
Balance at end of period	$ 302	$ 319	$ 568	$ 977	$ 1,288

9. LINE OF CREDIT

On December 14, 2005, the Company entered into a Loan and Security Agreement with Union Bank of California, N.A. providing for revolving credit loans of up to $15.0 million. The agreement provided for interest at either a base rate equal to the higher of the Federal Funds rate plus 0.5% or the bank's reference rate or a LIBOR based rate equal to the LIBOR rate for the relevant period plus 2.25%. All loans

under the loan agreement matured no later than December 31, 2007. The loans could be prepaid without penalty at any time. The Company's indebtedness under the loan agreement was guaranteed by its principal subsidiaries and was secured by a first lien on our and their personal property.

The loan agreement contained covenants limiting the Company's ability to dispose of assets, change its business, merge, make acquisitions, incur indebtedness or liens, pay dividends, make investments or engage in certain transactions with affiliates. Additionally, the agreement contained covenants requiring Globalstar to maintain certain financial and operating covenants and others that restrict distributions.

The Company never borrowed any funds under this loan agreement. On April 19, 2006, the Company terminated the Loan and Security Agreement with Union Bank in preparation for entering into a Credit Agreement with Wachovia Investment Holdings, LLC on April 24, 2006 (Note 18).

10. PAYABLES TO AFFILIATES

Payables to affiliates relate to normal purchase transactions and are comprised of the following (in thousands):

	December 31, 2004	December 31, 2005	June 30, 2006
			(unaudited)
QUALCOMM	$ 1,200	$ 2,758	$ 6,374
Thermo Capital Partners	116	201	850
	$ 1,316	$ 2,959	$ 7,224

Thermo incurs certain general and administrative expenses on behalf of the Company, which are charged to the Company. For the years ended December 31, 2004 and 2005 and the six months ended June 30, 2005 and 2006, total expenses were approximately $116,000, $76,000, $51,008 (unaudited), and $20,000 (unaudited), respectively. For the years ended December 31, 2004 and 2005 and the six months ended June 30, 2005 and 2006, the Company also recorded $39,000, $145,000, $72,000 (unaudited), and $72,000 (unaudited), respectively, of expenses related to services provided by officers of Thermo and accounted for as a contribution to capital. The Thermo expense charges are based on actual amounts incurred or upon allocated employee time. Management believes the allocations are reasonable.

11. RESTRUCTURING

Beginning in 2001, Old Globalstar implemented a number of initiatives designed to reduce its cost of operations and restructure the Company's finances. These initiatives included reductions in Old Globalstar's workforce, the development of financial restructuring plans, negotiations with Old Globalstar's significant creditors, and the initiation of Old Globalstar's Chapter 11 case on February 15, 2002.

Restructuring was completed during 2004 and the Company did not have any restructuring charges for the year ended December 31, 2005 or the six months ended June 30, 2006. For the Predecessor and

Successor Periods of 2003 and the year ended December 31, 2004, restructuring and reorganization charges were as follows (in thousands):

	Predecessor	Successor	
	January 1 Through December 4, 2003	December 5 Through December 31, 2003	Year Ended December 31, 2004
Globalstar advisory fees	$ 3,308	$ 299	$ 2,555
Creditor advisory fees	1,406	177	458
Employee separation costs	—	—	823
Other restructuring costs	739	220	1,268
Total	5,453	696	5,104
Less: interest income	(72)	(6)	(26)
Net restructuring costs	$ 5,381	$ 690	$ 5,078

Globalstar Advisory Fees—Old Globalstar retained financial advisors, restructuring counsel and other advisors to assist in the development of its financial restructuring plans, discussions with its various creditor groups and preparation for its Chapter 11 bankruptcy petition.

Creditor Advisory Fees—At Old Globalstar's expense, Old Globalstar's informal committee of bondholders and later the Creditors' Committee retained financial advisors and restructuring counsel. Old Globalstar discontinued paying the informal committee's expenses upon formation of the Creditors' Committee.

Employee Separation Costs—These costs represent severance and related obligations in relation to Old Globalstar's reduction in workforce implemented through 2004.

All restructuring expenditures were paid in 2004 except approximately $1.5 million that remained in Old Globalstar's accounts at December 31, 2004. As of December 31, 2005, Old Globalstar retained approximately $623,000 in cash related to its restructuring plans and wind up costs. This cash is not reflected on the Company's accompanying consolidated balance sheets as of December 31, 2004 and 2005 and June 30, 2006. Old Globalstar management believes that the remaining cash will be adequate to pay Old Globalstar's restructuring liabilities and wind up costs.

12. PENSIONS AND OTHER EMPLOYEE BENEFITS

Pensions

Until June 1, 2004, substantially all Old and New Globalstar employees and retirees who participated and/or met the vesting criteria for the plan were participants in the Retirement Plan of Space Systems/Loral, (the "Loral Plan"), a defined benefit pension plan. The accrual of benefits in the Old Globalstar segment of the Loral Plan was curtailed, or frozen, by the administrator of the Loral Plan as of October 23, 2003. Prior to October 23, 2003, benefits for the Loral Plan were generally based upon contributions, length of service with the Company and age of the participant. On June 1, 2004, the assets and frozen pension obligations of the Globalstar Segment of the Loral Plan were transferred into a new Globalstar Retirement Plan (the "Globalstar Plan"). The Globalstar Plan remains frozen and participants are

not currently accruing benefits beyond those accrued as of October 23, 2003. Globalstar's funding policy is to fund the Globalstar Plan in accordance with the Internal Revenue Code and regulations.

Components of the net periodic benefit cost of the Company's contributory defined benefit pension plan for the years ended December 31, were as follows (in thousands):

	2003	2004	2005
Service cost	$ 408	$ —	$ —
Interest cost	762	696	734
Expected return on plan assets	(645)	(665)	(599)
Amortization of transition obligation	(34)	—	—
Actuarial loss, net	108	—	52
Curtailment loss	(100)	—	—
Net periodic benefit cost	$ 499	$ 31	$ 187

As of the measurement date (December 31), the status of the Company's defined benefit pension plan was as follows (in thousands):

	2004	2005
Change in benefit obligation, beginning of year	$ 11,184	$ 12,310
Interest cost	696	734
Actuarial loss	996	1,283
Benefits paid	(566)	(662)
Change in benefit obligation, end of year	$ 12,310	$ 13,665
Change in plan assets, beginning of year	$ 8,130	$ 7,991
Actual return on plan assets	427	474
Employer contributions	—	727
Benefits paid	(566)	(662)
Funded status, end of year	$ 7,991	$ 8,530
Fair value of plan assets less benefit obligation	$ (4,319)	$ (5,135)
Unrecognized net actuarial loss	1,234	2,590
Net amount recognized	$ (3,085)	$ (2,545)
Amounts recognized on the balance sheet consist of:		
Accrued pension liability	$ (4,319)	$ (5,135)
Accumulated other comprehensive loss	1,234	2,590
Net amount recognized	$ (3,085)	$ (2,545)

The assumptions used to determine the benefit obligations at December 31 were as follows:

	2004	2005
Discount rate	5.75%	5.50%
Rate of compensation increase	N/A	N/A

The principal actuarial assumptions to determine net period benefit cost for the years ended December 31 were as follows:

	2003	2004	2005
Discount rate	6.25%	6.25%	5.75%
Expected rate of return on plan assets	8.50%	8.50%	7.50%
Rate of compensation increase	4.25%	N/A	N/A

The assumptions, investment policies and strategies for the Globalstar Plan are determined by the Globalstar Plan Committee. Prior to June 1, 2004, the assumptions, investment policies and strategies for the Globalstar segment of the Loral Plan were determined by the Loral Plan Committee. The expected long-term rate of return on pension plan assets is selected by taking into account the expected duration of the projected benefit obligation for the plans, the asset mix of the plans and the fact that the plan assets are actively managed to mitigate risk.

The defined benefit pension plan asset allocation as of the measurement date (December 31) and the target asset allocation, presented as a percentage of total plan assets were as follows:

	2004	2005	Target Allocation
Debt securities	39%	46%	35%-50%
Equity securities	58%	52%	50%-60%
Other investments	3%	2%	0%-5%
Total	100%	100%	

The benefit payments to retirees are expected to be paid as follows (in thousands):

Years Ending December 31,	
2006	$ 725
2007	718
2008	724
2009	735
2010	747
2011-2015	3,987

In 2005, the Company contributed $727,000 to the Globalstar Plan. For the six months ended June 30, 2006, the Company contributed approximately $1,283,000 to the Globalstar Plan. The Company expects to contribute a total of approximately $2,138,000 to the Globalstar Plan in 2006. Due to delays in the transition of the Loral Plan to the Globalstar Plan and the payment schedules under applicable pension laws, some amounts related to 2005 obligations are being made during 2006.

Other Benefits

Old Globalstar reimbursed Loral for the cost of Old Globalstar retirees' participation in the Loral retiree medical plan through May 2004. Old Globalstar withheld $63,000 claimed as due to a dispute with Loral over the pension plan. New Globalstar has not assumed liabilities related to the Loral retiree medical

plan. Old Globalstar's liabilities related to the Loral retiree medical plan have been included in the liabilities subject to compromise. Subsequent to May 2004, New Globalstar did not bear any cost associated with the participation of Old Globalstar's retirees in the Loral retiree medical plan.

New Globalstar has not maintained its own plan to provide medical benefits for its retirees, although some Old Globalstar retirees have continued to be covered under the Loral Retiree Medical Plan sponsored by Loral. Retirees of Old Globalstar and New Globalstar participate in an Employee Term Life Insurance Plan offered by New Globalstar. New Globalstar continues to offer this plan to current retirees. Furthermore, New Globalstar reserves the right to terminate its employee or retiree benefit programs at any time and, accordingly, has not obligated itself to provide any such benefits for any specified period of time.

Eligible retirees of New Globalstar participating in the Loral Supplemental Executive Retirement Plan will remain in such plan. New Globalstar will not offer a comparable plan to these former employees of Old Globalstar. New Globalstar does not bear any cost related to the participation of certain Old Globalstar employees in the Loral Supplemental Executive Retirement Plan.

Other Employee Plans

Old Globalstar and the Company established various other employee benefit plans. These included Old Globalstar's employee stock option plan that was cancelled in 2004 (Note 1), an employee incentive program, an employee savings plan (described below) and other employee/management incentive compensation plans. The employee / management compensation plans are based upon annual performance measures and other criteria. The total expense related to these plans for the Predecessor and Successor Periods in 2003 were $1.7 million and $0.4 million, respectively, and for the years ended December 31, 2004 and 2005 were $0.9 million and $2.0 million, respectively.

In 1996, Old Globalstar adopted a defined contribution employee savings plan, or "401(k)," which provided that Old Globalstar would match the contributions of participating employees up to a designated level. This plan was continued by New Globalstar. Under this plan, the matching contributions were approximately $390,000, $237,000, $112,000 and $121,000 (unaudited) for 2003, 2004, 2005 and the six months ended June 30, 2006, respectively. As a cost reduction measure, Company matching of employee contributions was suspended in July 2004, but was reintroduced at a reduced level in January 2005.

13. TAXES

Prior to January 1, 2006, the Company and its U.S. operating subsidiaries were treated as partnerships for U.S. tax purposes. Generally, taxable income or loss, deductions and credits of the partnership were passed through to its partners. The Company does have significant foreign corporate subsidiaries that are taxable in their respective countries. There is also foreign withholding tax that is withheld on various income payments made to the Company.

Effective January 1, 2006, the Company elected to be taxed as a C corporation in the United States. Under SFAS No. 109, when an enterprise changes its tax status from non-taxable to taxable, the effect of recognizing deferred tax assets and liabilities is included in income from continuing operations in the period of change. As a result, the Company recognized a gross deferred tax asset of $204.2 million and a gross deferred tax liability of $0.1 million on January 1, 2006. SFAS No. 109 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the

deferred tax asset will not be realized. In evaluating the need for a valuation allowance, the Company takes into account various factors including the expected level of future taxable income and available tax planning strategies. Accordingly, the Company also determined that it was more likely than not that it would not recognize the entire deferred tax asset; therefore, the Company established a valuation allowance of $182.7 million, resulting in recognition of a net deferred tax benefit of $21.4 million.

The foreign subsidiaries have traditionally had large deferred tax assets. The Company regularly reviews its deferred tax assets for recoverability taking into consideration such factors as historical financial results, projected future taxable income and the expected timing of the reversals of existing temporary differences. SFAS No. 109 requires the Company to record a valuation allowance when it is "more likely than not that some portion or all of the deferred tax assets will not be realized." It further states "forming a conclusion that a valuation allowance is not needed is difficult when there is negative evidence such as cumulative losses in recent years." Since the purchase of the Canadian entities and until December 31, 2004, the Company maintained a 100% valuation allowance equal to the deferred tax assets after considering deferred tax assets that can be realized through offsets, if any, to existing taxable temporary differences.

Based upon the Canadian subsidiaries' results of operations since December 31, 2001, and their expected profitability in 2005, the Company concluded, effective December 31, 2004, that it was more likely than not that approximately $4.8 million of its net deferred tax assets would be realized. As a result, in accordance with SFAS No. 109, this amount of the valuation allowance applied to such net deferred tax assets was reversed in the fourth quarter of 2004. Reversal of the valuation allowance resulted in a non-cash income tax benefit in the fourth quarter of 2004 totaling $4.8 million. This benefit represented the Company's estimated realizable deferred tax assets, excluding those deferred tax assets that resulted from the ongoing Canadian operation in 2005. At December 31, 2004, the Company's valuation allowance of approximately $5.9 million represented management's estimate at that time of net operating loss carryforwards both in the Canadian subsidiaries and other foreign subsidiaries which management did not believe were more likely than not to be utilized before the losses would expire unused.

Based upon the Canadian subsidiaries' results of operations for the year ended December 31, 2005 and their expected profitability in 2006, the Company concluded that it was more likely than not that all of the remaining Canadian net deferred tax assets will be realized. As a result, in accordance with SFAS No. 109, the valuation allowance applied to such net deferred tax assets was reversed in the third quarter of 2005. Reversal of the valuation allowance resulted in a non-cash income tax benefit in the third quarter of 2005 totaling $4.2 million. The Company also recorded a deferred tax expense of $6.6 million related to the reversal of certain temporary differences, resulting in a net deferred tax expense of approximately $2.4 million.

The components of income tax expense (benefit) were as follows:

	Predecessor	Successor				
	January 1, Through December 4, 2003	December 5, Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Six Months Ended June 30, 2005	Six Months Ended June 30, 2006
					(Unaudited)	
Current:						
Federal tax (benefit)	$ —	$ (37)	$ —	$ —	$ —	$ —
State tax	—	—	15	74	52	23
Foreign tax	170	—	448	6	299	1,018
Total	170	(37)	463	80	351	1,041
Deferred:						
Federal and state tax (benefit)	—	—	—	—	—	(20,322)
Foreign tax (benefit)	—	—	(4,777)	2,422	2,547	1,822
Total	—	—	(4,777)	2,422	2,547	(18,500)
Income tax expense (benefit)	$ 170	$ (37)	$ (4,314)	$ 2,502	$ 2,898	$ (17,459)

U.S. and foreign components of income (loss) before income taxes are presented below (in thousands):

	Predecessor	Successor		
	January 1, Through December 4, 2003	December 5, Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005
U.S. income (loss)	$ (263,745)	$ (3,023)	$ (11,688)	$ 12,736
Foreign income (loss)	2,035	(1,531)	7,744	8,485
Total income (loss) before income taxes	$ (261,710)	$ (4,554)	$ (3,944)	$ 21,221

The components of net deferred income tax assets as of December 31, were as follows (in thousands):

	2004	2005
Federal and foreign net operating loss and credit carryforwards	$ 7,585	$ 5,833
Property and equipment	2,269	177
Accruals and reserves	176	343
Basis in subsidiaries	597	1,222
Gross deferred tax asset	10,627	7,575
Valuation allowance	(5,850)	(5,177)
Net deferred income tax assets	$ 4,777	$ 2,398

As of December 31, 2005, the foreign subsidiaries have cumulative foreign and U.S net operating loss carryforwards for income tax reporting purposes of approximately $37.0 million. The net operating loss carryforwards expire on various dates from 2009 to 2024.

The actual provision for income taxes differs from the statutory U.S. federal income tax rate as follows (in thousands):

	Predecessor	Successor		
	January 1, Through December 4, 2003	December 5, Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005
Provision at U.S. statutory rate of 35%	$ (91,599)	$ (1,594)	$ (1,381)	$ 7,427
Nontaxable partnership interest	92,765	1,623	4,042	(4,561)
State income taxes, net of federal benefit	—	—	15	74
Change in valuation allowance and utilization of deferred tax assets	(2,293)	(176)	(4,777)	(2,326)
Effect of foreign income tax at various rates	1,532	118	(2,460)	1,669
Other	(235)	(8)	247	219
Total	$ 170	$ (37)	$ (4,314)	$ 2,502

14. GEOGRAPHIC INFORMATION

The revenue by geographic location is presented net of eliminations for intercompany sales, and is as follows (in thousands):

	Predecessor	Successor				
	January 1, Through December 4, 2003	December 5, Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Six Months Ended June 30, 2005	Six Months Ended June 30, 2006
					(Unaudited)	
Service:						
United States	$ 15,466	$ 1,015	$ 24,623	$ 37,254	$ 16,009	$ 19,760
Canada	16,666	773	24,328	32,819	14,182	16,535
Europe	4,299	323	5,173	5,648	2,480	2,762
Central and South America	1,480	127	2,266	3,221	1,249	2,065
Others	2,137	149	1,537	2,530	1,045	1,080
Total service revenue	40,048	2,387	57,927	81,472	34,965	42,202
Subscriber equipment:						
United States	9,515	730	14,470	24,715	6,139	12,577
Canada	6,467	703	10,040	12,730	7,022	4,950
Europe	313	37	1,931	4,371	1,795	3,290
Central and South America	—	—	—	1,395	95	2,205
Others	—	—	—	2,464	309	3,517
Total subscriber equipment revenue	16,295	1,470	26,441	45,675	15,360	26,539
Total revenue	$ 56,343	$ 3,857	$ 84,368	$ 127,147	$ 50,325	$ 68,741

The long-lived assets (property and equipment and additional spare satellites) by geographic location are as follows (in thousands):

	December 31, 2004	December 31, 2005
Long-lived assets:		
United States	$ 10,862	$ 18,187
Canada	912	561
Europe	750	958
Carribean	256	201
Central and South America	—	1,353
Total long-lived assets	$ 12,780	$ 21,260

15. OTHER RELATED PARTY TRANSACTIONS

Old Globalstar had a number of transactions with QUALCOMM, Loral and other affiliates. Such transactions were negotiated on an arms-length basis and Old Globalstar believed that the arrangements were no less favorable to Old Globalstar than could be obtained from unaffiliated parties. QUALCOMM and Loral's ownership interest in New Globalstar was substantially diluted upon closing of the Thermo Transaction and the settlement transactions disclosed in Note 2. After the Thermo equity transactions, the A and B rights transactions, and the subsequent QUALCOMM transaction, Loral's ownership interest in New Globalstar is less than 5% and QUALCOMM's ownership interest is approximately 6.72% as of December 31, 2005.

On July 17, 2001, the FCC granted Old Globalstar and seven other applicants authorizations to construct, launch and operate MSS systems in the 2 GHz band, subject to strict milestone requirements. Old Globalstar entered into a non-contingent contract with SS/L for the construction of a second generation Globalstar satellite system that would operate in the 2 GHz band on July 16, 2002. On January 30, 2003, the FCC's International Bureau declared Old Globalstar's 2 GHz license to be null and void. As a result of this regulatory action on January 31, 2003, Old Globalstar instructed SS/L to stop work on the contract and requested repayment of the balance of the payment that had not been spent. SS/L did repay the balance and agreed to maintain the stop-work status of the project. In June 2004, the FCC affirmed the Bureau's decision, and Globalstar has requested reconsideration. Globalstar believes that this action by the FCC is inconsistent with the facts and the law and will ultimately be reversed.

Subsidiaries of Loral have formed joint ventures with partners, which have executed service provider agreements granting the joint ventures exclusive rights to provide Globalstar service to users in Brazil, Mexico, and Russia. Founding service provider agreements were entered into with certain of Old Globalstar's limited partners for specific countries. These agreements were rejected in Old Globalstar's Chapter 11 Plan. The service providers continue to provide Globalstar service and several have negotiated new Satellite Services Agreements with Globalstar.

On July 9, 2004, Globalstar issued a purchase order to QUALCOMM under the terms of previously executed commercial agreements for 40,000 QUALCOMM GSP-1600 mobile phones at a price of $26.0 million. Consistent with the terms of the commercial agreements, Globalstar paid $6.5 million (25%) against this purchase order in 2004; the remaining 75% was due upon the delivery of each unit. Delivery

of these units by QUALCOMM commenced in January 2005. The Company and QUALCOMM subsequently agreed to certain credits and discounts. As of December 31, 2005, the contract was 100% fulfilled. Also, under the terms of the commercial agreements, Globalstar has continued to place production orders with QUALCOMM for fixed user terminals, car kits and accessory items on an as required basis.

During 2005, Globalstar issued separate purchase orders for additional phone equipment and accessories under the terms of previously executed commercial agreements to QUALCOMM that aggregate to a total commitment balance of approximately $158.0 million. Approximately $107.0 million of the $158.0 million consists of the new generation of phones and fixed user terminals, car kits and accessories which will start to be delivered in September 2006. The remaining $51.0 million consists of phones and accessories under the original commercial agreement. At June 30, 2006, 77% (unaudited) of these contracts had been fulfilled and the remainder is expected to be fulfilled by the end of 2006.

Within the terms of the commercial agreements, the Company paid Qualcomm approximately 15% to 25% of the total order as advances for inventory. As of December 31, 2004 and 2005 and June 30, 2006, total advances to QUALCOMM for inventory were $8.8 million, $13.5 million and $18.7 million (unaudited), respectively. Under the new agreements, Globalstar did not receive any additional discounts from QUALCOMM.

The total orders placed with QUALCOMM as of December 31, 2005 and June 30, 2006 were approximately $182.1 million and $186.3 million (unaudited) with an outstanding commitment balance of approximately $136.0 million and $119.4 million (unaudited), respectively.

In September 2005, QUALCOMM entered into a buyback arrangement with Globalstar whereby Globalstar delivered several hundred GSP-1600 phones and contracted to provide service to QUALCOMM's customers. Revenue recognized for equipment during 2005 under this arrangement was approximately $440,000 with a related cost of subscriber equipment of $314,000. Related service billings of $595,000 were recorded to deferred service revenue. Revenue from service billings are recognized based on actual usage.

Total purchases from affiliates are as follows (in thousands):

	Predecessor	Successor				
	January 1, Through December 4, 2003	December 5, Through December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Six Months Ended June 30, 2005	Six Months Ended June 30, 2006
					(Unaudited)	
QUALCOMM	$ 18,586	$ 1,425	$ 25,708	$ 49,310	$ 26,270	$ 35,641
SS/L	337	26	—	—	—	4,514
Loral	649	50	—	—	—	—
GCC(1)	2,479	—	—	—	—	—
Other affiliates	489	37	32	73	50	19
Total	$ 22,540	$ 1,538	$ 25,740	$ 49,383	$ 26,320	$ 40,174

(1) Represents GCC purchases through May 5, 2003, the date of the GCC acquisition.

Total usage revenues from affiliates for the Predecessor and Successor Periods in 2003 and the year ended December 31, 2004 were $2.1 million, $0.2 million, and $0.8 million, respectively. There was no usage revenue from affiliates during 2005 or the six months ended June 30, 2006. As of April 2004, these customers, except QUALCOMM, ceased to be considered affiliates. Total equipment revenue from QUALCOMM was approximately $440,000 and $0 (unaudited) for the year ended December 31, 2005 and the six months ended June 30, 2006. There were no equipment sales to affiliates in 2003 or 2004.

16. COMMITMENTS AND CONTINGENCIES

Future Minimum Lease Obligations

Globalstar currently has several leases for facilities throughout the United States and around the world including, California, Florida, Washington D.C., Texas, Canada, Ireland, France, Venezuela, and Colombia. The leases expire on various dates through August 2015. The following table presents the future minimum lease payments (in thousands):

Years Ending December 31,	
2006	$ 1,312
2007	903
2008	916
2009	522
2010	248
Thereafter	1,208
Total minimum lease payments	$ 5,109

Rent expense for the Predecessor and Successor Periods in 2003 and the years ended December 31, 2004 and 2005 were approximately $3.6 million, $0.2 million, $2.1 million, and $1.5 million, respectively. Rent expense for the six months ended June 30, 2006 was $0.7 million (unaudited).

Litigation

From time to time, the Company is involved in various litigation matters involving ordinary and routine claims incidental to our business. Management currently believes that the outcome of these proceedings, either individually or in the aggregate, will not have a material adverse effect on the Company's business, results of operations or financial condition. The Company is involved in certain litigation matters as discussed below.

Advanced Metering and Technologies Inc. ("AMT") filed with the Bankruptcy Court on April 24, 2003 a motion asking the Bankruptcy Court to reconsider its approval of the Loral Settlement. The Bankruptcy Court denied AMT's motion for reconsideration on May 30, 2003, and thereafter on June 9, 2003, AMT filed a notice of appeal of the Bankruptcy Court's order approving the Loral Settlement. Globalstar believes that AMT's appeal is without merit and will ultimately be denied, although no assurance can be given in this regard or as to what relief, if any, might be granted in the event AMT were to be successful on appeal.

In December 2004, a female employee of Globalstar lodged a complaint of sexual harassment against a male employee. Both the complainant and the defendant filed Notices of Right to sue with the California

Department of Fair Employment & Housing ("DFEH"). The Company, with the assistance of outside counsel, investigated and took certain remedial actions; however, the complainant declined to withdraw her DFEH notices. On June 2, 2005, the complainant filed a complaint against Globalstar and the male employee in Santa Clara County Superior Court seeking compensatory and punitive damages in an unspecified amount. Globalstar's insurer, XL Specialty, notified Globalstar that the Company's defense is covered by Globalstar's employee practices insurance and assigned its counsel to defend the Company. The defendant male employee has joined in the defense. The policy has a $100,000 per claim retention amount, which the litigation has exceeded. The parties unsuccessfully attempted to mediate in August 2005.

On May 26, 2005, Loral/QUALCOMM Satellite Services, L.P., et al. ("Loral"), filed a motion for an order in its Delaware bankruptcy case under Rule 2004 seeking to compel Globalstar and certain affiliates and individuals to produce documents and appear for oral examination. Globalstar answered and filed a motion in the same court for declaratory judgment. Loral's motion was denied, and the declaratory judgment proceeding remains pending. The matter involves Globalstar's management of Government Services, LLC ("GSLLC"), in which Loral holds a 25 percent minority interest, and alleged breach of fiduciary duty by the directors of GSLLC. Loral and Globalstar have exchanged documents requested in discovery and depositions are scheduled for March 2006. Globalstar and its counsel believe that Loral's allegations are without merit; however, if Loral prevails on the declaratory judgment motion, then Globalstar could be ordered to pay Loral an unspecified amount of compensation and/or damages. Globalstar has filed a motion for partial summary judgment which, if granted, would substantially narrow Globalstar's potential liability. Globalstar has notified its insurance carrier of the case, and the insurance carrier has reserved all rights. Accordingly, Globalstar does not yet know whether any damages awarded would be covered by insurance. The parties have been meeting to assess the value of the business and potentially settle the matter.

Launch Costs

On September 19, 2005, Globalstar executed a contract for approximately 59.0 million Euros ($72.0 million at December 31, 2005) for two launches of four satellites each. The contract also provides for a compatibility and feasibility study. As of December 31, 2005, Globalstar had made payments of approximately $122,000. Globalstar has authorized the vendor to proceed with both launches. Total payments under the contract will be paid by April 2007 and will be recorded as an increase to spare satellites and launch costs as such amounts are invoiced or become due under the terms of the contract.

Arbitration

On January 13, 2006, Elsacom N.V., an independent gateway operator serving portions of Central and Eastern Europe and North Africa from its gateway in Italy, served us with a notice of arbitration pursuant to a dispute resolution provision in its Satellite Services Agreement. The dispute stems from our decision in Fall 2005 to realign coverage of the two gateways serving Western and Central Europe in order to improve the signal quality in certain fringe areas. Elsacom has not specified the amount of damages that it is seeking. Elsacom asserts that the realignment diminishes its rights under its Satellite Services Agreement. We disagree and intend to defend our decision vigorously. The arbitration is scheduled to be held in October 2006.

17. SIX MONTHS 2006 EVENTS (UNAUDITED)

Globalstar Americas Telecommunications, LTD

Effective January 1, 2006, the Company consummated an agreement dated December 30, 2005 to purchase all of the issued and outstanding stock of Globalstar Americas Holding (GAH), Globalstar Americas Telecommunications (GAT), and Astral Technologies Investment Limited (Astral), collectively, the "GA Companies." The GA Companies own assets, contract rights, and licenses necessary and sufficient to operate a satellite communications business in Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala, and Belize (collectively, the "Territory"). The Company believes the purchase of the GA Companies will further enhance Globalstar's presence and coverage in the South America region and consolidation efforts. The stipulated purchase price for the GA Companies is $5,250,500 payable substantially 100% in Globalstar membership units or common stock. The Company transferred 15,331 membership units (now shares of Series A common stock as explained in "Incorporation in 2006" below) to the selling stockholders of the GA Companies. The Company has agreed that if the value of the 15,331 shares of common stock, on the earlier of November 15, 2006 or the date that is 15 days after its common stock becomes marketable, is less than the stipulated purchase price, or if the Company's common stock has not become marketable at least 15 trading days prior to November 15, 2006, it will, at the Company's option, (a) issue to the selling stockholders additional shares of its common stock sufficient to cause all of its common stock issued in the transaction to have a total value of approximately $5.2 million at the time the stock is issued, (b) at that time redeem the common stock previously issued at an agreed upon price of $339.00 per share, or (c) make up the difference in cash and or settle with cash.

The following table summarizes the Company's preliminary allocation of the estimated values of the assets acquired and liabilities assumed in the acquisition (in thousands):

	January 1, 2006
Current assets	$ 329
Property and equipment	6,655
Intangible assets	100
Total assets acquired	7,084
Current liabilities	409
Long-term debt	287
Total liabilities assumed	696
Net assets acquired	$ 6,388

The results of operations of the GA Companies have been included in the Company's consolidated financial statements from January 1, 2006. The Company's pro forma results of operations assuming the transaction had been completed on January 1, 2005 are not material.

Incorporation in 2006

Prior to 2006, the Company and its U.S. operating subsidiaries were limited liability companies that were treated as partnerships for U.S. tax purposes. Generally, taxable income or loss, deductions and credits of the partnership are passed through to its partners. In preparation for raising financing and meeting commitments to register Globalstar shares of common stock under the Securities Exchange Act of 1934 no later than October 2006, Globalstar elected to be taxed as a C corporation effective January 1, 2006. Effective March 17, 2006, Globalstar was converted from a limited liability company into a

corporation under Delaware law. On that date, the Company's 10,324,609 issued and outstanding membership units were automatically converted into a like number of shares of common stock, its Third Amended and Restated Limited Liability Company Agreement was replaced by a Certificate of Incorporation and by Bylaws, the number of shares of stock it was authorized to issued was increased from 20,000,000 to 800,000,000, and its name was changed to Globalstar, Inc. In connection with its conversion into a corporation, the Company established three classes of $0.0001 par value common stock, Series A (3,088,991 shares outstanding); Series B (692,400 shares outstanding); and Series C (6,543,218 shares outstanding). All classes of common stock have identical rights and privileges except with respect to their rights to elect directors. Series A holders can elect two directors, Series B holders can elect one director, and Series C holders can elect up to five directors. Under the applicable Delaware statute, all assets and liabilities of the limited liability company became the property of and were deemed to be assumed by the corporation.

On January 1, 2006, Globalstar, Inc. and its U.S. operating subsidiaries began to account for income taxes pursuant to SFAS No. 109, "Accounting for Income Taxes." As a result, the Company established gross deferred tax assets and liabilities of $204.2 million and $0.1 million, respectively. The Company then reviewed these deferred tax assets for recoverability taking into consideration such factors as historical financial results, projected future taxable income and the expected timing of the reversals of existing temporary differences. Based on management's review of these factors, the Company recorded a $182.7 million valuation allowance against its newly established gross deferred tax assets. As a result, the Company recorded a $21.4 million deferred tax benefit on January 1, 2006 related to its election to be taxed as a C corporation. Management is continuing to assess the recoverability of its gross deferred tax assets, which may result in a future adjustment to its valuation allowance.

Pursuant to the operating agreement of Globalstar, in connection with its conversion to a Delaware corporation, Globalstar was obligated to distribute $685,848 to Thermo. This amount has been reflected as a payable to affiliates on the Company's March 31, 2006 unaudited consolidated balance sheet. This amount represents a deferred payment of interest that accrued from December 6, 2003 to April 14, 2004 on loans made by Thermo to Globalstar that were converted to equity on April 14, 2004.

Globalstar Financing Transaction

On April 24, 2006, the Company entered into a credit agreement with Wachovia Investment Holdings, LLC, providing for a term loan, a delayed draw term loan, and a revolving credit facility totaling $200.0 million. The credit agreement was amended as of June 16, June 23 and June 30, 2006 to extend the term loan funding deadline and related dates, and to postpone the effect of certain financial covenants until the term loan is funded. The revolving credit facility will bear interest at either a base rate equal to the higher of the Federal Funds Rate plus 0.5% or the prime rate or the bank's reference rate plus an applicable margin of 2.25% to 3.0% or a LIBOR based rate equal to the LIBOR rate for the relevant period plus an applicable margin of 3.25% to 4.0% per annum. The applicable margin will depend on the applicable leverage ratio, as defined in the agreement. With respect to the term loan and delayed draw term loan, the interest rate margin will be equal to 4.00% per annum for LIBOR rate loans and 3.00% per annum for base rate loans. The term loan, delayed draw term loan and the revolving credit facility are subject to a commitment fee of 0.50%, 0.50% to 2.0% (as defined in the agreement), and 0.375% to 0.50%, respectively. These rates are subject to change pending completion of syndication efforts. All loans under the agreement mature not later than June 30, 2011. The loans are not subject to a prepayment penalty. The Company's indebtedness under the agreement is guaranteed by its principal domestic

subsidiaries and is secured by a first lien on its and their property. The agreement contains covenants limiting the Company's ability to dispose of assets, change its business, merge, make acquisitions, incur indebtedness or liens, pay dividends, make investments or engage in certain transactions with its affiliates. Additionally, the agreement contains covenants requiring Globalstar to maintain certain financial and operating covenants and others that restrict capital expenditures.

In conjunction with the debt transaction, the Company also executed an agreement with an affiliate of Thermo to provide Globalstar up to an additional $200.0 million of equity via an irrevocable standby purchase commitment. The irrevocable standby purchase commitment allows the Company to put shares of its Series A common stock to Thermo Funding Company LLC at a predetermined price of $97.00 per share when the Company requires additional liquidity. Thermo Funding Company may also elect to purchase the shares at any time. Minority stockholders in Globalstar will be provided an opportunity to participate in the equity financing. On June 30, 2006, Thermo Funding Company purchased 154,640 shares of Series A common stock for an aggregate purchase price of $15,000,080.

Litigation Settlement

On June 26, 2006, the litigation related to the employee sexual harassment claim was settled by agreement among the plaintiff, the individual defendant, the Company and its insurer. The settlement amount was not material and was paid to the plaintiff on July 12, 2006.

18. SUBSEQUENT EVENTS (UNAUDITED)

Equity Incentive Plan

On July 12, 2006, the Company's board of directors adopted and a majority of our stockholders approved an Equity Incentive Plan ("Equity Plan") which will become effective upon the registration of its common stock under the Securities Act of 1933 or the Securities Exchange Act of 1934. The purpose of the Equity Plan is to make available incentives that will assist the Company in attracting, retaining and motivating employees, directors and consultants whose contributions are essential to its success. The Company may provide these incentives through the grant of stock options, stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, performance shares or performance units. The Plan will be administered by the compensation committee of the board of directors. The compensation committee has authorized no grants under the Plan.

In January 2005, the Company discussed the issuance of 20,000 options to Peter Dalton prior to his joining the board. These options were issued in July 2006 (Note 3).

Amended and Restated Credit Agreement

On August 16, 2006, the Company entered into an amended and restated credit agreement with Wachovia Investment Holdings, LLC, as administrative agent and swingline lender, and Wachovia Bank, National Association, as issuing lender. The amended and restated credit agreement provides for a $50.0 million revolving credit facility and a $100.0 million delayed draw term loan facility. The delayed draw term loan may be drawn after January 1, 2008 and prior to August 16, 2009, but only if the Company has received aggregate net cash proceeds of $200.0 million from sales after April 24, 2006 of the Company's common stock (including sales pursuant to the irrevocable standby stock purchase agreement) prior to the draw date and if, after giving effect to the delayed draw term loan and thereafter at the end

of each quarter while the delayed draw term loan is outstanding, the Company's consolidated senior secured leverage ratio does not exceed 3.5 to 1.0. The delayed draw term loan facility will be reduced in an amount equal to the sum of 50% of the net proceeds of any sales of the Company's common stock (other than sales pursuant to the irrevocable standby stock purchase agreement or the parallel offering to the Company's other stockholders who are accredited investors and net proceeds of up to $100.0 million from any other issuance of the Company's common stock after August 16, 2006), 100% of the proceeds of any additional term loans under the facility (described below) that the Company incurs prior to the draw of the delayed draw term loan, and 50% of the proceeds of certain permitted unsecured debt financing that the Company incurs prior to the draw of the delayed draw term loan. If drawn, the delayed draw term loan will be subject to prepayment in an amount equal to the sum of 50% of the net proceeds of such sales of common stock and 50% of the net proceeds of certain additional indebtedness, including any such additional term loans, that the Company incurs subsequent to such draw. Other customary prepayment provisions also apply. In addition to the $150.0 million revolving and delayed draw term loan facilities, the amended and restated credit agreement permits the Company to incur additional term loans on an equally and ratably secured, *pari passu*, basis in an aggregate amount of up to $150.0 million (plus the amount of any reduction in the delayed draw term loan facility or prepayment of the delayed draw term loan described above resulting from sales of common stock or any additional term loans) from the lenders under the credit agreement or other banks, financial institutions or investment funds approved by the Company and the administrative agent. The Company has not received any commitments for these additional term loans. These additional term loans may be incurred only if no event of default then exists, if the Company is in pro-forma compliance with all of the financial covenants of the credit agreement, and if, after giving effect thereto, the Company's consolidated total leverage ratio does not exceed 5.5 to 1.0.

As under the initial Wachovia credit facility described in Note 17, all revolving credit loans will mature on June 30, 2010 and all term loans will mature on June 30, 2011. Revolving credit loans will bear interest at LIBOR plus 4.25% to 4.75% or the greater of the prime rate or Federal Funds rate plus 3.25% to 3.75%. The delayed draw term loan will bear interest at LIBOR plus 6.0% or the greater of the prime rate or Federal Funds rate plus 5.0%, and the delayed draw term loan facility bears an annual commitment fee of 2.0% until drawn or terminated. Additional term loans will bear interest at rates to be negotiated. The loans may be prepaid without penalty at any time.

The amended and restated credit agreement is guaranteed and secured in the same manner as, and contains other representations, warranties, covenants and conditions essentially identical to those of, the initial Wachovia credit agreement described in Note 17.

Shares
Common Stock

PROSPECTUS
, 2006

Wachovia Securities

Until , 2006 (25 days after the date of this prospectus) all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution.***

The following table sets forth the costs and expenses payable in connection with the distribution of the securities being registered. All amounts are estimated except the Securities and Exchange Commission registration fee and the NASD filing fee.

Securities and Exchange Commission registration fee	$10,700
NASD filing fee	10,500
listing fees	*
Printing and engraving expenses	*
Blue Sky fees and expenses	*
Legal fees	*
Accounting fees	*
Registrar and transfer agent fees	*
Director and officer liability insurance premium	*
Miscellaneous expenses	*
Total	*

* To be completed by amendment.

Item 14. ***Indemnification of Directors and Officers.***

The registrant's certificate of incorporation provides that, to the fullest extent provided from time to time by Delaware law, the registrant (a) shall indemnify its directors and officers against judgments, fines, penalties, amounts paid in settlement and expenses incurred by them in connection with actions, suits, proceedings or claims arising out of their service to the registrant and, upon receipt of certain undertakings, shall advance expenses to them in connection with such matters and (b) may maintain insurance or make other financial arrangements on behalf of its directors and officers for any liability and expenses incurred by them, whether or not the registrant has authority to indemnify them against such liability and expenses. No arrangement made by the registrant may provide protection for a person judged liable for intentional misconduct, fraud or a knowing violation of law, unless advancement of expenses or indemnification is ordered by a court.

The registrant intends to maintain directors' and officers' liability insurance insuring its directors and executive officers against certain liabilities arising out of their service as such to the registrant.

Item 15. ***Recent Sales of Unregistered Securities*****.**

On December 5, 2003, the registrant (then named "New Operating Globalstar LLC" or "Globalstar LLC" prior to its conversion to a Delaware corporation), pursuant to an Asset Contribution Agreement dated as of December 5, 2003 among itself, Thermo Capital Partners LLC, Globalstar Holdings LLC, Globalstar Leasing LLC, Globalstar, L.P. ("Old Globalstar") and certain subsidiaries of Old Globalstar, issued to Globalstar Holdings LLC a 91.23% membership interest in exchange for $1,000,000 in cash and assets valued at $9,400,000 and issued to Globalstar Satellite LP (then named "Thermo Satellite LP") an 8.77% membership interest in exchange for $1,000,000 in cash. At that time, Old Globalstar owned a 93.4% membership interest in Globalstar Holdings LLC and an affiliate of Thermo Capital Partners, L.L.C. owned the remaining 6.6% membership interest. Globalstar Satellite LP was controlled by an affiliate of Thermo Capital Partners, L.L.C. Globalstar Holdings LLC had acquired the assets from Old Globalstar as a capital

contribution. The issuance of these membership interests in Globalstar LLC was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933 as a transaction not involving a public offering.

On April 14, 2004, pursuant to the Asset Contribution Agreement described above, Globalstar Satellite LP converted $16,600,000 principal amount of outstanding debt of the registrant into capital, contributed or agreed to contribute a total of $24,235,357 in cash to the registrant, and transferred an 18.75% membership interest in the registrant to Old Globalstar and its subsidiaries. Simultaneously, Globalstar Holdings LLC contributed cash and certain assets to the registrant. After such transactions, the registrant was owned as follows:

Globalstar Holdings LLC	19.66%
Globalstar Satellite LP	61.59%
Old Globalstar and subsidiaries	18.75%

These transactions were exempt from registration pursuant to Section 4(2) of the Securities Act as transactions not involving a public offering.

On June 29, 2004, Old Globalstar was dissolved pursuant to its First Modified Fourth Amended Joint Plan under Chapter 11 of the Bankruptcy Code and its 18.75% interest (represented by 1,875,000 membership units) was distributed to its unsecured creditors. This transaction was exempt from registration pursuant to Section 1145 of the Bankruptcy Code because the transaction was authorized by a plan of liquidition approved by the bankruptcy court.

Pursuant to a rights offering completed on October 12, 2004, the registrant sold 1,512,000 membership units to unsecured creditors of Old Globalstar at a price of $8,000,000 in cash and an additional 46,782 membership units to certain of such creditors at a price of $749,000 in cash. Such sales were required by Old Globalstar's bankruptcy plan and were exempt from registration pursuant to Section 1145 of the Bankruptcy Code because the transaction was authorized by a plan of liquidition approved by the bankruptcy court.

In April 2004, the registrant and QUALCOMM Incorporated agreed that QUALCOMM would provide mobile phones and various accessories valued at $ to the registrant in exchange for $1,875,000 in cash and 309,278 membership units. The issuance of these membership units was exempt from registration under Section 4(2) of the Securities Act as a transaction not involving a public offering. QUALCOMM Incorporated was not affiliated with the registrant prior to this transaction.

Effective January 1, 2006, the registrant purchased the stock of three companies which owned and operated a satellite communications business in Central America. These companies also owned five acres of real property in Nicaragua not used directly in the telecommunications business. In consideration, the registrant agreed to issue 15,331 shares of its common stock with a value of approximately $5.2 million. The registrant has agreed that, if the value of 15,331 shares of common stock, at the earlier of November 16, 2006 or the date that is 15 days after its common stock becomes marketable, is less than the stipulated purchase price, or if the registrant's common stock has not become marketable at least 15 trading days prior to November 15, 2006, it will, at the registrant's option, either (a) issue to the selling stockholders additional shares of its common stock sufficient to cause all of its common stock issued in the transaction to have a total value of approximately $5.2 million at the time the stock is issued, or (b) at that time redeem the common stock previously issued at a price of $339.00 per share. The issuance of this common stock was exempt from registration under Section 4(2) of the Securities Act as a transaction not involving a public offering. The owners of the three companies who received the registrant's stock represented that they were sophisticated individuals, were acquiring the stock for investment and not for resale, had received adequate information concerning the registrant and were able to bear the risk of investing in the registrant's stock. All such individuals reside outside the United States and none is affiliated with the registrant.

On March 17, 2006, the registrant was converted into a Delaware corporation named Globalstar, Inc. In connection with such conversion, all outstanding membership units of the registrant were converted into shares of common stock. The issuance of this common stock was exempt from registration under Sections 2(3) and 3(a)(9) of the Securities Act because it did not involve any sale of securities and because it involved the issuance by registrant of its common stock in exchange for its membership interests. No commission or other remuneration was paid or given directly or indirectly in the transaction. The conversion was approved by the board of managers of the registrant (without a vote of the members of the registrant) under authority granted to them in the registrant's operating agreement. As the form of the operating agreement was approved by the bankruptcy court as part of Old Globalstar's plan of liquidation, the transaction is also exempt from registration under Section 1145 of the Bankruptcy Code.

On April 24, 2006, the registrant entered into an irrevocable standby stock purchase agreement with Thermo Funding Company LLC, an affiliate of the registrant, pursuant to which the latter agreed to purchase up to 2,061,896 shares of common stock at a price of $97 per share. Thermo Funding Company purchased 154,640 of such shares on June 30, 2006 for an aggregate purchase price of $15,000,080. The standby stock purchase agreement was required by the lender as a condition to entering into the registrant's credit agreement. As required by the registrant's certificate of incorporation, other stockholders of the registrant who have certified that they are accredited investors as defined under Rule 501 of Regulation D and requested a private placement memorandum are being provided an opportunity to agree to purchase additional shares of common stock on substantially the same terms pursuant to a private placement memorandum to be distributed to those stockholders who have certified that they are accredited investors. The sale of all of such shares will be exempt from registration under Section 4(2) of the Securities Act and Rule 506 thereunder. All of the purchasers must certify that they are acquiring the shares for investment. No remuneration or compensation will be paid to anyone by registrant in connection with such sales.

On April 20, 2005, the registrant's board of directors approved the grant to Peter Dalton, an independent director, of an option to purchase 20,000 shares of common stock at a price of $16 per share. The option had been promised to Mr. Dalton (who joined the board in early January 2005) during the first quarter of 2005 by the registrant's Chairman, Chief Executive Officer and controlling member. The issuance of this option was, and the sale of any shares pursuant to its exercise will be, exempt from registration under Section 4(2) of the Securities Act. Mr. Dalton is a sophisticated investor, will acquire the stock for investment, has access to sufficient information concerning the registrant and is able to bear the risk of his investment. Mr. Dalton is not affiliated with the registrant other than in his capacity as a member of the registrant's board of directors.

Except for the securities issued pursuant to Section 1145 of the Bankruptcy Code, the above-referenced securities are deemed to be restricted securities for the purposes of the Securities Act. No underwriters were involved in connection with the sale of any of the above securities.

Item 16. ***Exhibits and Financial Statement Schedules.***

(a) Exhibits

A list of exhibits filed with this registration statement on Form S-1 is set forth in the Exhibit Index and is incorporated in this Item 16(a) by reference.

(b) Financial Statement Schedules

All financial statement schedules have been omitted because the required disclosures appear in the audited financial statements included in this registration statement.

Item 17. ***Undertakings.***

*(f) The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

*(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

*(i) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For purposes of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offering therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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* Paragraph references correspond to those of Items 512 of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Milpitas, California as of August 28, 2006.

GLOBALSTAR, INC.

By: /s/ Fuad Ahmad

Name: Fuad Ahmad
Title: Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment to the Registration Statement has been signed by the following persons in the capacities indicated as of August 28, 2006.

Signature	Title
*	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)
James Monroe III	
/s/ Fuad Ahmad	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
*Fuad Ahmad	
*	Director
Peter J. Dalton	
*	Director
James F. Lynch	
*	Director
*Richard S. Roberts	

*By: /s/ Fuad Ahmad

Fuad Ahmad, as attorney-in-fact

EXHIBIT INDEX

Exhibit Number	Description
1.1*	Form of Underwriting Agreement
3.1	Form of Amended and Restated Certificate of Incorporation of Globalstar, Inc.
3.2	Form of Amended and Restated Bylaws of Globalstar, Inc.
5.1*	Opinion of Taft, Stettinius & Hollister LLP
10.1	Amended and Restated Credit Agreement dated as of August 16, 2006 among Globalstar, Inc., the lenders referred to therein, and Wachovia Investment Holdings, LLC, as Administrative Agent.
10.2	Second Amended and Restated Irrevocable Standby Stock Purchase Agreement dated as of August 25, 2006 among Globalstar, Inc., Wachovia Investment Holdings, LLC and Thermo Funding Company LLC.
10.3	Escrow Agreement dated as of April 24, 2006 among Thermo Funding Company LLC, Globalstar, Inc., Wachovia Bank and UBS AG, New York Branch, as Escrow Agent.
10.4	Globalstar, Inc. 2006 Equity Incentive Plan.
10.5+	Launch Services Agreement by and between Globalstar LLC and Starsem dated September 21, 2005.
10.6+	Satellite Products Supply Agreement by and between QUALCOMM Incorporated and New Operating Globalstar LLC dated as of April 13, 2004.
10.7+	Amendment Number 1 to Satellite Products Supply Agreement dated as of May 25, 2005.
10.8+	Amendment Number 2 to Satellite Products Supply Agreement dated as of May 25, 2005.
10.9+	Amendment Number 3 to Satellite Products Supply Agreement dated as of September 30, 2005.
10.10+	Globalstar Companies Designated Executive Incentive Compensation Memorandum dated as of June 1, 2005, effective as of November 1, 2004.
10.11	Asset Contribution Agreement by and among Globalstar, L.P., New Operating Globalstar LLC, Thermo Capital Partners LLC and certain of their affiliates dated as of December 5, 2003.
10.12+	Agreement for Sale of Globalstar Satellite Mobile Phones entered into as of April 13, 2004 by and between QUALCOMM Incorporated and New Operating Globalstar LLC.
10.13+	First Amendment to Agreement for Sale of Globalstar Satellite Mobile Phones entered into as of October 5, 2004 by and between QUALCOMM Incorporated and Globalstar LLC.
10.14+	Contract between Globalstar Canada Satellite Co. and Richardson Electronics, Ltd. dated April 17, 2006.
10.15+	Master Agreement between Globalstar LLC and Space Systems/Loral, Inc. for Professional Services effective as of June 1, 2004.
11.1*	Statement of computation of per share earnings
16.1	Letter from GHP Horwath, P.C. pursuant to Item 601(b)(16) of Regulation S-K.
21.1	Subsidiaries of Globalstar, Inc.
23.1	Consent of Crowe Chizek and Company LLP
23.2	Consent of GHP Horwath, P.C.
23.3*	Consent of Taft, Stettinius & Hollister LLP (included in Exhibit 5.1)
24.1**	Power of Attorney

* To be filed by amendment.

** Previously filed.

\+ Portions of the exhibit have been omitted pursuant to a request for confidential treatment.

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 3.1

FORM OF
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
GLOBALSTAR, INC.

[NOT EFFECTIVE UNTIL FILING WITH DELAWARE SECRETARY OF STATE]

1. The name of the corporation is Globalstar, Inc. (the "*Corporation*"). The Corporation was originally incorporated under the same name, and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on March 17, 2006.

2. This 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.

3. This Amended and Restated Certificate of Incorporation hereby amends and restates the 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 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Service Corporation.

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 total number of shares which the Corporation shall have the authority to issue is Nine Hundred Million (900,000,000) 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 Eight Hundred Million (800,000,000) shares of Common Stock, $0.0001 par value per share (the "*Common Stock*").

The Corporation previously created and issued three series of Common Stock: Series A Common Stock, Series B Common Stock, and Series C Common Stock. As of the Effective Date (as defined in Article Eleventh) each issued and outstanding share of Series A Common Stock, Series B Common Stock, and Series C Common Stock shall automatically be reclassified, without any further action of the Corporation or its stockholders, into one share of 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 Certificate (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), to authorize, establish,

designate, create and issue by resolution of the Board from time to time one or more series of the Preferred Stock, each such series having such rights, powers, preferences, qualifications, limitations and restrictions as the Board shall designate in such resolution.

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 the 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*. Each share of Common Stock shall entitle the holder to one vote.

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 Capital Partners, L.L.C. and its Affiliates (as defined in the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder) ("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. 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 it if 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

This Certificate of Incorporation shall be effective upon filing with the Delaware Secretary of State (the "Effective Date").

The undersigned has caused this Amended and Restated Certificate of Incorporation to be executed this day of , 2006.

GLOBALSTAR, INC.

Name:

Title:

QuickLinks

Exhibit 3.2

FORM OF
AMENDED AND RESTATED
BYLAWS
OF
GLOBALSTAR, INC.
[TO BE ADOPTED AFTER AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION FILED]

ARTICLE I

OFFICES

Section 1.1 *Registered Office*. Globalstar, Inc., a Delaware corporation (the "Corporation"), shall maintain a registered office in the State of Delaware at such location as shall from time to time be determined by the Board of Directors of the Corporation (the "Board").

Section 1.2 *Other Offices.* The Corporation may also have offices at such other locations both within and without the State of Delaware as the Board may from time to time determine.

ARTICLE II

STOCKHOLDERS

Section 2.1 *Annual Meeting*. The annual meeting of the stockholders shall be held on the second Tuesday in May in each year at such place (if any) and time as determined by the Board, or on such other date and at such other place and time as determined by the Board, for the purpose of electing directors and conducting such other proper business as may come before the meeting. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than twenty (20) nor more than sixty (60) days before the date of the meeting. If mailed such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

Section 2.2 *Special Meetings*. Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, special meetings of the stockholders, for any purpose or purposes, may be called only by the Board. Notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. Business transacted at any special meeting of the stockholders shall be limited to the purpose(s) stated in the notice.

Section 2.3 *Quorum and Vote Required for Action.* (a) The holders of a majority of the capital stock issued and outstanding and entitled to vote at any meeting of the stockholders shall constitute a quorum for the transaction of business except as otherwise provided by law, the Certificate of Incorporation or these Bylaws. If the vote of a class or series is required, the presence of the holders of a majority of the capital stock of such class or series also shall be required to constitute a quorum. If, however, a quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At the adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, or if after the

adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(b) Except as otherwise provided by law, the Certificate of Incorporation or the rules and regulations of any stock exchange applicable to the Corporation, if a quorum is present at any meeting, the vote of the holders of a majority of the capital stock having voting power present in person or represented by proxy at that meeting shall decide any question brought before the meeting. If the vote of a class or series is required on any question, the vote of the holders of a majority of the capital stock of such class or series also shall be required to decide that question.

Section 2.4 *Voting of Shares*. Except as provided in the Certificate of Incorporation or by law, at every meeting of the stockholders, each stockholder shall be entitled to one (1) vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy may be voted after three (3) years from its date, unless the proxy provides for a longer period. Any proxy shall be in writing and shall be filed with the Secretary of the Corporation before or at the time of the meeting.

Section 2.5 *Action in Lieu of a Meeting*. 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 if and to the extent permitted by the Certificate of Incorporation.

Section 2.6 *Place of Meetings*. Meetings of the stockholders shall be held at such place (if any) within or without of the State of Delaware as is designated by the Board.

Section 2.7 *Stockholders May Participate in Other Activities*. Stockholders and their affiliates and directors, either individually or with others, may participate in other business ventures of every kind, whether or not such other business ventures compete with the Corporation. No stockholder, acting in the capacity of a stockholder, shall be obligated to offer to the Corporation or to the other stockholders any opportunity to participate in any other business venture. Neither the Corporation nor the other stockholders shall have any right to any income or profit derived from any other business venture of a stockholder.

Section 2.8 *Record Date.* For the purpose of determining stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, or in order to make a determination of stockholders for any other purpose, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date: (a) in the case of determining the stockholders entitled to vote at any meeting of stockholders or adjournment thereof, unless otherwise required by law, shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (b) in the case of determining the stockholders entitled to express consent to corporate action in writing without a meeting, if action by written consent is then permitted by the Certificate of Incorporation, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (c) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (x) the record date for determining the stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (y) the record date for determining the stockholders entitled to express consent to corporate action in writing without a meeting, if action by written consent is then permitted by the Certificate of Incorporation, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (z) the record date for determining the stockholders for any other purpose shall

be at the close of business on the day on which the Board adopts the resolution relating thereto. When a determination of stockholders entitled to vote at any meeting of the stockholders has been made as provided in this Section 2.8, the determination shall apply to any adjournment thereof unless a new record date is fixed by the Board.

Section 2.9 *List of Stockholders*. The Secretary shall prepare and make a complete list of the stockholders entitled to vote at any meeting of the stockholders, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours at the principal place of business of the Corporation. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the Corporation, or to vote in person or by proxy at any meeting of the stockholders.

Section 2.10 *Organization*. Meetings of the stockholders shall be presided over by the Chairman of the Board, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board, or in the absence of such designation by a chairman chosen at the meeting. The Secretary or any Assistant Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The chairman of the meeting shall announce at the meeting the opening and the closing of the polls for each matter upon which the stockholders will vote.

Section 2.11 *Conduct of Meetings*. The Board may adopt by resolution such rules and regulations for the conduct of meetings of the stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as have been adopted by the Board, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting: (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of the stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1 *Powers.* (a) The business and affairs of the Corporation shall be managed under the direction of the Board, except to the extent that the Board shall delegate its authority, powers and duties to one or more committees of its members.

(b) The Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these Bylaws directed or required to be exercised, done or approved by the stockholders of the Corporation.

Section 3.2 *Composition, Classes, Election, and Term of Office*. (a) The Board shall be comprised of seven (7) directors. The directors shall be divided three (3) classes designated "Class A," "Class B,"

and "Class C" (each a "Class," and collectively, the "Classes"). Class A and Class B shall have two (2) directors and Class C shall have three (3) directors.

(b) The directors in office on the Effective Date (as defined in Section 9.4) shall divide themselves into the three Classes. The two Class A directors shall hold such office for an initial term expiring at the annual meeting of stockholders to be held in 2007; the two (2) Class B directors shall hold such office for an initial term expiring at the annual meeting of stockholders to be held in 2008; and the three (3) Class C directors shall hold such office for an initial term expiring at the annual meeting of stockholders to be held in 2009. Each director in office on the Effective Date shall continue to hold such office for the term prescribed by the immediately preceding sentence until his or her successor shall have been duly elected and qualified, or until his or her death, resignation, or removal in the manner hereafter provided.

(c) At each annual meeting of stockholders, the stockholders shall vote on the election of directors to fill the positions of the Class of directors whose terms have expired. Each director elected at an annual meeting of stockholders shall hold such office for a term of three (3) years until his or her successor has been duly elected and qualified, or until his or her death, resignation, or removal in the manner hereafter provided. The election of directors shall be by Class, and the directors to be elected to any such Class shall be elected by a plurality of the votes of the stockholders entitled to vote at each meeting for the election of directors in such Class. The terms of each Class of directors shall be staggered such that the expiration of the terms of any two or more Classes of directors shall not occur during the same calendar year.

(d) Any director may resign at any time upon notice to the Corporation. Any newly created directorship or any vacancy occurring in the Board for any cause may be filled only by the remaining directors through 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 elected 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. Directors may be removed with or without cause if and to the extent permitted by the Certificate of Incorporation.

Section 3.3 *Chairman of the Board*. The Board shall elect a Chairman of the Board. The Chairman shall have such duties, authority and obligations as may be given to him by these Bylaws or by the Board.

Section 3.4 *Meetings*. The Board shall meet not less often than quarterly and immediately following the annual meeting of the stockholders. A time and place for regular meetings of the Board may be established by the Board. Meetings of the Board may be held upon call of the Chairman of the Board or any four (4) directors. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 3.5 *Notice of Special Meetings*. Notice of any special meeting of the Board shall be given at least three (3) days before the meeting in writing and by mail, facsimile transmission, electronic mail, personal delivery or private carrier, or telephonic means to each director at his or her business address or such other address as he or she may have advised the Secretary of the Corporation to use for such purpose. If hand delivered, notice shall be deemed to be given when delivered to such address or to the director to be notified. If mailed or sent by private carrier, such notice shall be deemed to be given five (5) business days after deposit in the United States mail, postage prepaid, of a letter addressed to the appropriate location. Notice given by telephonic means, electronic transmission or facsimile transmission shall be deemed to be given when actually received by the director to be notified.

Section 3.6 *Quorum*. The presence of a majority of the members of the Board then in office (present in person or by telephone) shall constitute a quorum at any meeting of the Board.

Section 3.7 *Voting*. Each director shall be entitled to one (1) vote. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the Board shall act by majority vote of those directors present and voting at any duly called meeting at which a quorum is present.

Section 3.8 *Action Without a Meeting*. Any action which may be authorized or taken at a meeting of the Board may be authorized or taken without a meeting if all of the directors consent thereto in writing or by electronic transmission, and such writing(s) or electronic transmission(s) are filed with the minutes of proceedings of the Board.

Section 3.9 *Organization.* Meetings of the Board shall be presided over by the Chairman of the Board, if any, or in his or her absence by the Vice Chairman of the Board, if any, or in their absence by a chairman chosen at the meeting. The Secretary or any Assistant Secretary shall act as secretary of the meeting, but in his or her absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

ARTICLE IV

COMMITTEES OF THE BOARD

Section 4.1 *Number of Committees*. The Board may by resolution establish one or more committees of the Board. To the extent permitted by law and provided in the resolution of the Board, any such committee shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation. All committees shall be subject to the control and supervision of the Board.

Section 4.2 *Appointment; Vacancies; and Removal.* The Board shall appoint the members of the committees established in this Article IV to serve for terms expiring at the regular meeting of the Board following the next succeeding annual election meeting, and the Board may, at any time, with or without cause, remove any member of a committee so appointed. Any vacancy occurring in a committee shall be filled by the Board for the remainder of the term.

Section 4.3 *Committee Procedures*. Each committee shall determine its own time and manner of conducting its meetings; the presence of a majority of the members of the committee shall constitute a quorum; and the vote of a majority of the members of a committee present at a meeting at which a quorum is present shall be the act of the committee. A committee may act informally by written consent of all of its members.

ARTICLE V

OFFICERS

Section 5.1 *Composition of Officers.* The officers of the Corporation shall consist of at least a Chairman of the Board, a President, and a Secretary and may include such other officers as are appointed by the Board, including but not limited to a Chief Executive Officer, one or more Vice Presidents, a Chief Financial Officer, a Treasurer, one or more Assistant Secretaries and one or more Assistant Treasurers. Any two or more offices may be held by the same person, except that the Secretary may not hold the office of President.

Section 5.2 *Tenure and Appointment; Removal.* All officers shall be appointed by the Board and shall hold office for one (1) year or until their successors are elected and qualified, or for such other period as the Board may designate. Any officer may be removed by the Board with or without cause.

Section 5.3 *Powers and Duties*. Each of the officers of the Corporation shall, unless otherwise ordered by the Board, have such powers and duties as customarily pertain to the respective office, and

such further powers and duties as from time to time may be conferred by the Board, or by an officer delegated such authority by the Board.

ARTICLE VI

AMENDMENTS

Section 6.1 *Bylaws*. As set forth in the Certificate of Incorporation, the Board shall have the power to adopt, amend or repeal these Bylaws, from time to time. These Bylaws 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 shares of the Corporation then entitled to vote in the election of the directors. Notwithstanding the foregoing, if Thermo Capital Partners, L.L.C. and its Affiliates (as defined in the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder) ("Thermo") owns beneficially a majority in voting power of the outstanding shares of the Corporation entitled to vote in the election of the directors, these Bylaws may be amended or repealed by the vote of the holders of a majority in voting power of the shares of the Corporation then entitled to vote in the election of the directors.

ARTICLE VII

CERTIFICATES OF STOCK AND THEIR TRANSFER

Section 7.1. *Certificates.* Every stockholder shall be entitled to a certificate or certificates for his shares of the Corporation in such form as may be prescribed by the Board of Directors, duly numbered and setting forth the number and kind of shares. Such certificates shall be signed as permitted by law.

Section 7.2. *Transfer*. Shares may be transferred by delivery of the certificate accompanied either by an assignment in writing on the back of the certificate or by a written power of attorney to sell, assign, and transfer the same on the books of the Corporation, signed by the person appearing by the certificate to be the owner of the shares represented thereby and shall be transferable on the books of the Corporation upon surrender thereof so assigned or endorsed. The person registered on the books of the Corporation as the owner of any shares shall be entitled to all the rights of ownership with respect to such shares.

Section 7.3. *Lost Certificates.* The Board of Directors may order a new certificate or certificates of shares to be issued in place of any certificate or certificates alleged to have been lost or destroyed upon such terms as the Board of Directors may prescribe.

ARTICLE VIII

SEAL

The Corporation shall have no seal unless and until the Board adopts a seal in such form as the Board may designate or approve.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1 *Fiscal year*. The fiscal year of the Corporation shall be the calendar year unless otherwise determined from time to time by the Board.

Section 9.2 *Severability.* If any provision of these Bylaws, or the application of any provision of these Bylaws to any person or circumstance, is held invalid, the remainder of the Bylaws and the application of such provision to other persons or circumstances shall not be affected.

Section 9.3 *Waiver of Notice of Meetings of Stockholders, Directors and Committees.* Any waiver of notice, given by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of

such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 9.4 *Effective Date.* These Amended and Restated Bylaws shall be effective upon the filing of the Amended and Restated Certificate of Incorporation with the Delaware Secretary of State (the "Effective Date").

QuickLinks

Exhibit 10.1

Published CUSIP Number: 37947MAA7
Revolving Credit CUSIP Number: 37947MAB5
Term Loan CUSIP Number: 37947MAD1

$150,000,000

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of August 16, 2006,

by and among

GLOBALSTAR, INC.,
as Borrower,

the Lenders referred to herein,

and

WACHOVIA INVESTMENT HOLDINGS, LLC
as Administrative Agent and Swingline Lender

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Issuing Lender

WACHOVIA CAPITAL MARKETS, LLC,
as Sole Lead Arranger and Sole Book Manager

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AMENDED AND RESTATED CREDIT AGREEMENT, dated as of August 16, 2006, by and among GLOBALSTAR, INC., a Delaware corporation (the "*Borrower*"), the lenders who are or may become a party to this Agreement (collectively, the "*Lenders*") and WACHOVIA INVESTMENT HOLDINGS, LLC, as Administrative Agent for the Lenders.

STATEMENT OF PURPOSE

Pursuant to the Credit Agreement dated as of April 24, 2006 (as previously amended, restated or modified, the "*Existing Facility*") by and among the Borrower, the Lenders party thereto (the "*Existing Lenders*") and the Administrative Agent, the Existing Lenders and the Administrative Agent agreed to extend certain credit facilities to the Borrower pursuant to the terms thereof.

The Borrower has requested, and subject to the terms hereof, the Lenders have agreed to amend and restate the Existing Facility to provide for the modification of certain terms and conditions as set forth herein.

The Borrower has requested, and the Lenders have agreed, to extend certain credit facilities to the Borrower on the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, such parties hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 *Definitions.* The following terms when used in this Agreement shall have the meanings assigned to them below:

"*Additional Term Loan*" has the meaning assigned thereto in *Section 4.5*.

"*Additional Term Loan Effective Date*" means the date, which shall be a Business Day, on or before the Term Loan Maturity Date, but no earlier than thirty (30) days after any Increase Notification Date, on which each of the Increasing Term Lenders make Additional Term Loans to the Borrower pursuant to *Section 4.5*.

"*Additional Term Loan Limit*" means an amount equal to the sum of (a) $150,000,000 *plus* (b) the aggregate amount of any permanent reductions in the Delayed Draw Term Loan Commitment pursuant to *Section 4.4(b)(i)* or *Section 4.4(b)(ii)(A) plus* (c) the aggregate amount of any mandatory prepayments of the outstanding Delayed Draw Term Loan pursuant to *Section 4.4(b)(i)* or *Section 4.4(b)(ii)(B)*.

"*Adjusted Consolidated EBITDA*" means, for any period, Consolidated EBITDA for such period; *provided* that for purposes of calculating the Consolidated Net Income component of Consolidated EBITDA, revenue attributable to any Liberty Plan shall be deemed to be earned in equal monthly installments over the term of such Liberty Plan, starting with the month in which such Liberty Plan commences, regardless of when such revenue is deemed recognized under GAAP.

"*Adjusted Consolidated EBITDA Reconciliation*" means, for any period, a reconciliation statement prepared by the Borrower in a form reasonably acceptable to the Administrative Agent showing a reconciliation of (a) revenues earned from Liberty Plans for such period, as determined in accordance with the definition of Adjusted Consolidated EBITDA to (b) revenues recognized from Liberty Plans for such period, as determined in accordance with GAAP.

"*Administrative Agent*" means Wachovia, in its capacity as Administrative Agent hereunder, and any successor thereto appointed pursuant to *Section 13.6*.

"*Administrative Agent's Office*" means the office of the Administrative Agent specified in or determined in accordance with the provisions of *Section 14.1(c)*.

"*Administrative Questionnaire*" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"*Affiliate*" means, with respect to any Person, any other Person (other than a Subsidiary of the Borrower) which directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person or any of its Subsidiaries. As used in this definition, the term "control" means (a) the power to vote ten percent (10%) or more of the securities or other equity interests of a Person having ordinary voting power, or (b) the possession, directly or indirectly, of any other power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"*Agreement*" means this Amended and Restated Credit Agreement, as further amended, restated, supplemented or otherwise modified from time to time.

"*Amended and Restated Closing Date*" means the date of this Agreement or such later Business Day upon which each condition described in *Section 6.2* shall be satisfied or waived as provided in *Section 14.2*.

"*Applicable Cure Date*" means, with respect to any Default resulting from a breach of:

(a) *Section 9.16*, October 13, 2006,

(b) *Section 9.17(a)*, June 30, 2008,

(c) *Section 9.17(b)*, December 31, 2009,

(d) *Section 10.3*, the date on which any Responsible Officer becomes aware, or should have become aware, of such Default resulting from the breach of *Section 10.3*,

and

(e) *Section 10.4*, the date on which the Borrower delivers (i) an Officer's Certificate or (ii) a Forward Fixed Charge Coverage Ratio Certificate, in either case described in the preceding clause (i) or (ii), evidencing such Default resulting from such breach of *Section 10.4*.

"*Applicable Law*" means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of courts or Governmental Authorities and all orders and decrees of all courts and arbitrators.

"*Applicable Margin*" means (a) with respect to any Delayed Draw Term Loan, 6.00% per annum for LIBOR Rate Loans and 5.00% per annum for Base Rate Loans, (b) with respect to the commitment fee for the Delayed Draw Term Loan Commitment, 2.00%, (c) with respect to the commitment fee for the Revolving Credit Commitment, 0.50% and (d) with respect to any Revolving Credit Loan, the corresponding percentages per annum as set forth below based on the Consolidated Total Leverage Ratio:

		Revolving Credit Loans	
Pricing Level	**Consolidated Total Leverage Ratio**	**Applicable Margin (LIBOR Rate Loans)**	**Applicable Margin (Base Rate Loans)**
I	Greater than or equal to 2.50 to 1.00	4.75%	3.75%
II	Greater than or equal to 1.50 to 1.00; but less than 2.50 to 1.00	4.50%	3.50%
III	Less than 1.50 to 1.00	4.25%	3.25%

The Applicable Margin for Revolving Credit Loans shall be determined and adjusted quarterly on the date (each a "*Calculation Date*") ten (10) Business Days after receipt by the Administrative Agent of the Officer's Compliance Certificate pursuant to *Section 8.2* for the most recently ended fiscal quarter of the Borrower; *provided* that (a) the initial Applicable Margin shall be based on the Consolidated Total Leverage Ratio shown in the Officer's Compliance Certificate delivered on the Amended and Restated Closing Date and calculated as of the last day of the most recent fiscal quarter for which such information is readily available until the first Calculation Date occurring after the Amended and Restated Closing Date and thereafter the Pricing Level shall be determined by reference to the Consolidated Total Leverage Ratio as of the last day of the most recently ended fiscal quarter of the Borrower preceding the applicable Calculation Date as set forth in the Officer's Certificate for such Calculation Date; *provided further* that the Applicable Margin shall be adjusted (as necessary) upon the delivery of each Financial Condition Certificate required to be delivered pursuant to *Section 6.3(c)* and (b) if the Borrower fails to provide the Officer's Compliance Certificate as required by *Section 8.2* for the most recently ended fiscal quarter of the Borrower preceding the applicable Calculation Date, the Applicable Margin from such Calculation Date shall be based on Pricing Level I until such time as an appropriate Officer's Compliance Certificate is provided, at which time the Pricing Level shall be determined by reference to the Consolidated Total Leverage Ratio as of the last day of the most recently ended fiscal quarter of the Borrower preceding such Calculation Date. Subject to the foregoing, the Applicable Margin for Revolving Credit Loans shall be effective from one Calculation Date until the next Calculation Date. Any adjustment in the Applicable Margin shall be applicable to all Extensions of Credit (other than Term Loans) then existing or subsequently made or issued.

"*Approved Fund*" means any Person (other than a natural Person), including, without limitation, any special purpose entity, that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business; *provided*, that such Approved Fund must be administered, managed or underwritten by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"*Asset Disposition*" means the disposition of any or all of the assets (including, without limitation, the Capital Stock of a Subsidiary or any ownership interest in a joint venture) of any Credit Party or any Subsidiary thereof whether by sale, lease, transfer or otherwise. The term "Asset Disposition" shall not include any Equity Issuance or any Debt Issuance.

"*Assignment and Assumption*" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by *Section 14.10*), and accepted by the Administrative Agent, in substantially the form of ***Exhibit G*** or any other form approved by the Administrative Agent.

"*Attributable Indebtedness*" means, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease, the capitalized amount or principal amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease.

"*Base Rate*" means, at any time, the higher of (a) the Prime Rate and (b) the Federal Funds Rate *plus* 1/2 of 1%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or the Federal Funds Rate.

"*Base Rate Loan*" means any Loan bearing interest at a rate based upon the Base Rate as provided in *Section 5.1(a)*.

"*Borrower*" has the meaning assigned thereto in the introductory paragraph hereto.

"*Business Day*" means (a) for all purposes other than as set forth in clause (b) below, any day other than a Saturday, Sunday or legal holiday on which banks in Charlotte, North Carolina and New York, New York, are open for the conduct of their commercial banking business, and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, any LIBOR Rate Loan, any day that is a Business Day described in clause (a) and that is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"*Capital Asset*" means, with respect to the Borrower and its Subsidiaries, any asset that should, in accordance with GAAP, be classified and accounted for as a capital asset on a Consolidated balance sheet of the Borrower and its Subsidiaries.

"*Capital Expenditures*" means with respect to the Borrower and its Subsidiaries for any period, the aggregate cost of all Capital Assets acquired by the Borrower and its Subsidiaries during such period, as determined in accordance with GAAP.

"*Capital Lease*" means any lease of any property by the Borrower or any of its Subsidiaries, as lessee, that should, in accordance with GAAP, be classified and accounted for as a capital lease on a Consolidated balance sheet of the Borrower and its Subsidiaries.

"*Capital Stock*" means (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (c) in the case of a partnership, partnership interests (whether general or limited), (d) in the case of a limited liability company, membership interests and (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"*Change in Control*" means an event or series of events by which (a) any person or group of persons (within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended), other than the Permitted Holders, shall obtain ownership or control in one or more series of transactions of more than twenty-five percent (25%) of the Capital Stock or twenty-five (25%) of the voting power of the Borrower entitled to vote in the election of members of the board of directors of the Borrower; *provided* that such event shall not be a Change in Control if the Permitted Holders then own or control more of the Capital Stock or voting power of the Borrower than such Person or group, (b) there shall have occurred under any indenture or other instrument evidencing any Indebtedness in excess of $1,000,000 any "change in control" or similar provision (as set forth in the indenture, agreement or other evidence of such Indebtedness) obligating the Borrower to repurchase, redeem or repay all or any part of the Indebtedness or Capital Stock provided for therein, or (c) until such time as the Borrower shall have received Net Cash Proceeds of at least $200,000,000 from Equity Issuances by the Borrower of common stock following the Original Closing Date, the Permitted Holders shall cease to own one hundred percent (100%) of the Capital Stock of the Borrower owned by the Permitted Holders on the Original Closing Date.

"*Change in Law*" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

"*Code*" means the Internal Revenue Code of 1986, and the rules and regulations thereunder, each as amended or modified from time to time.

"*Collateral*" means the collateral security for the Obligations pledged or granted pursuant to the Security Documents.

"*Collateral Agreement*" means the collateral agreement dated as of the Original Closing Date, executed by the Credit Parties in favor of the Administrative Agent for the benefit of itself and the Lenders, substantially in the form of ***Exhibit I***, as amended, restated, supplemented or otherwise modified prior to the date hereof, as reaffirmed pursuant to the Reaffirmation Agreement and as amended, restated, supplemented or modified from time to time hereafter.

"*Commitment Percentage*" means, as to any Lender, such Lender's Revolving Credit Commitment Percentage, Delayed Draw Term Loan Percentage or Term Loan Percentage, as applicable.

"*Communications Act*" shall mean the Communications Act of 1934 (47 U.S.C. 151, *et seq*.), as amended.

"*Communications Licenses*" shall mean (a) the licenses, permits, authorizations or certificates to construct, own, operate or promote the telecommunications business of the Borrower and its Subsidiaries (including, without limitation, the launch and operation of Satellites) as granted by the FCC, and all extensions, additions and renewals thereto or thereof, and (b) the licenses, permits, authorizations or certificates which are necessary or desirable to construct, own, operate or promote the telecommunications business of the Borrower and its Subsidiaries (including, without limitation, the launch and operation of Satellites) as granted by administrative law courts or any other Governmental Authority, and all extensions, additions, and renewals thereto and thereof.

"*Consolidated*" means, when used with reference to financial statements or financial statement items of any Person, such statements or items on a consolidated basis in accordance with applicable principles of consolidation under GAAP.

"*Consolidated EBITDA*" means, for any period, the sum of the following determined on a Consolidated basis, without duplication, for the Borrower and its Subsidiaries in accordance with GAAP: (a) Consolidated Net Income for such period *plus* (b) the sum of the following to the extent deducted in determining Consolidated Net Income: (i) income and franchise taxes, (ii) Consolidated Interest Expense, and (iii) amortization, depreciation and other non-cash charges (except to the extent that such non-cash charges are reserved for cash charges to be taken in the future), (iv) extraordinary losses (other than from discontinued operations) and any losses on foreign currency transactions, and (v) Transaction Costs (provided that in no event shall the aggregate amount of Transaction Costs relating to the negotiation of any Permitted Acquisitions or Permitted Joint Ventures which are not consummated added back to Net Income during any four (4) consecutive fiscal quarter period exceed $1,000,000) *less* (c) interest income and any extraordinary gains and any gains on foreign currency transactions. For purposes of this Agreement, Consolidated EBITDA shall be adjusted on a *pro forma* basis, in a manner reasonably acceptable to the Administrative Agent, to include, as of the first day of any applicable period, any Permitted Acquisitions and any Asset Dispositions closed during such period, including, without limitation, adjustments reflecting any non-recurring costs and any extraordinary expenses of any Permitted Acquisitions and any Asset Dispositions closed during such period calculated on a basis consistent with GAAP and Regulation S-X of the Securities Exchange Act of 1934, as amended, or as approved by the Administrative Agent.

"*Consolidated Interest Expense*" means, with respect to the Borrower and its Subsidiaries for any period, the gross interest expense (including, without limitation, interest expense attributable to Capital Leases and all net payment obligations pursuant to Hedging Agreements) of the Borrower and its Subsidiaries, all determined for such period on a Consolidated basis, without duplication, in accordance with GAAP.

"*Consolidated Net Income*" means, with respect to the Borrower and its Subsidiaries, for any period of determination, the net income (or loss) of the Borrower and its Subsidiaries for such

period, determined on a Consolidated basis in accordance with GAAP; *provided* that there shall be excluded from Consolidated Net Income (a) the net income (or loss) of any Person (other than a Subsidiary which shall be subject to clause (c) below), in which the Borrower or any of its Subsidiaries has a joint interest with a third party, except to the extent such net income is actually paid in cash to the Borrower or any of its Subsidiaries by dividend or other distribution during such period, (b) the net income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of such Person or is merged into or consolidated with such Person or any of its Subsidiaries or that Person's assets are acquired by such Person or any of its Subsidiaries except to the extent included pursuant to the foregoing clause (a), and (c) the net income (if positive) of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary to the Borrower or any of its Subsidiaries of such net income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute rule or governmental regulation applicable to such Subsidiary.

"*Consolidated Senior Secured Indebtedness*" means as of any date of determination with respect to the Borrower and its Subsidiaries, on a Consolidated basis without duplication, the sum of (a) the Obligations *plus* (b) all other Indebtedness that ranks *pari passu* with the Obligations and is secured by a Lien on assets of the Borrower or any Subsidiary thereof.

"*Consolidated Senior Secured Leverage Ratio*" means, as of any date of determination, the ratio of (a) Consolidated Senior Secured Indebtedness on such date to (b) Adjusted Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date.

"*Consolidated Total Leverage Ratio*" means, as of any date of determination, the ratio of (a) Consolidated Total Indebtedness on such date to (b) Adjusted Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date.

"*Consolidated Total Indebtedness*" means, as of any date of determination with respect to the Borrower and its Subsidiaries on a Consolidated basis without duplication, the sum of all Indebtedness of the Borrower and its Subsidiaries.

"*Covenant Capital Expenditures*" means all Capital Expenditures other than Excluded Capital Expenditures.

"*Credit Facility*" means, collectively, the Revolving Credit Facility, the Term Loan Facility, the Swingline Facility and the L/C Facility.

"*Credit Parties*" means, collectively, the Borrower and the Subsidiary Guarantors.

"*Debt Issuance*" shall mean the issuance of any Indebtedness for borrowed money by the Borrower or any of its Subsidiaries. The term "Debt Issuance" shall not include any Equity Issuance or any Asset Disposition.

"*Debt Rating*" means, as of any date of determination, the rating as determined by either S&P or Moody's of the Borrower's senior secured long-term debt.

"*Default*" means any of the events specified in *Section 12.1* which with the passage of time, the giving of notice or any other condition, would constitute an Event of Default.

"*Defaulting Lender*" means any Lender that (a) has failed to fund any portion of the Revolving Credit Loans, the Term Loan, participations in L/C Obligations or participations in Swingline Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, (b) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one

Business Day of the date when due, unless such amount is the subject of a good faith dispute, or (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding.

"*Delayed Draw Funding Deadline*" means August 15, 2009.

"*Delayed Draw Term Loan*" means the term loan made, or to be made, to the Borrower by the Lenders pursuant to *Section 4.1* and shall not include any of the Additional Term Loans made, or to be made, to the Borrower pursuant to *Section 4.5*.

"*Delayed Draw Term Loan Commitment*" means (a) as to any applicable Lender, the obligation of such Lender to make a portion of the Delayed Draw Term Loan to the account of the Borrower on the Delayed Draw Term Loan Funding Date in an aggregate principal amount not to exceed the applicable amount set forth opposite such Lender's name on the Register, as such amount may be reduced or otherwise modified at any time or from time to time pursuant to the terms hereof and (b) as to all applicable Lenders, the aggregate commitment of all such Lenders to make the Delayed Draw Term Loan hereunder on the Delayed Draw Term Loan Funding Date. The Delayed Draw Term Loan Commitment of all Lenders on the Amended and Restated Closing Date shall be $100,000,000.

"*Delayed Draw Term Loan Facility*" means the term loan facility established pursuant to *Section 4.1* and the other applicable provisions of *Article IV*.

"*Delayed Draw Term Loan Funding Date*" means a date selected by the Borrower on or after the date on which each condition described in *Section 6.3* shall be satisfied or waived in accordance with *Section 14.2*; *provided* that in no event shall the Delayed Draw Term Loan Funding Date occur (i) prior to January 2, 2008 or (ii) after the Delayed Draw Funding Deadline.

"*Delayed Draw Term Loan Percentage*" means, as to any Lender, the ratio of (a) the outstanding principal balance of the Delayed Draw Term Loan held by such Lender to (b) the aggregate outstanding principal balance of the Delayed Draw Term Loan held by all Lenders.

"*Disputes*" means any dispute, claim or controversy arising out of, connected with or relating to this Agreement or any other Loan Document, between or among parties hereto and to the other Loan Documents.

"*Dollars*" or "*$*" means, unless otherwise qualified, dollars in lawful currency of the United States.

"*Domestic Subsidiary*" means any Subsidiary organized under the laws of any state of the United States or the District of Columbia, other than GCL Licensee LLC.

"*Earth Station*" shall mean any earth station (gateway) licensed for operation by the FCC or by a Governmental Authority outside of the United States that is owned and operated by the Borrower or any of its Subsidiaries.

"*Eligible Assignee*" means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person) approved by (i) the Administrative Agent, (ii) in the case of any assignment of a Revolving Credit Commitment, the Swingline Lender and the Issuing Lender, and (iii) unless a Default or Event of Default has occurred and is continuing, the Borrower (each such approval in clause (i), (ii) or (iii) not to be unreasonably withheld or delayed); *provided* that notwithstanding the foregoing, "Eligible Assignee" shall not include the Borrower or any of the Borrower's Affiliates or Subsidiaries.

"*Employee Benefit Plan*" means any employee benefit plan within the meaning of Section 3(3) of ERISA which (a) is maintained by the Borrower or any ERISA Affiliate or (b) has at any time within the preceding six (6) years been maintained by the Borrower or any current or former ERISA Affiliate.

"*Environmental Claims*" means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, accusations, allegations, notices of noncompliance or violation, investigations (other than internal reports prepared by any Person in the ordinary course of business and not in response to any third party action or request of any kind) or proceedings relating in any way to any actual or alleged violation of or liability under any Environmental Law or relating to any permit issued, or any approval given, under any such Environmental Law, including, without limitation, any and all claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages, contribution, indemnification cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to human health or the environment.

"*Environmental Laws*" means any and all federal, foreign, state, provincial and local laws, statutes, ordinances, codes, rules, standards and regulations, permits, licenses, approvals, interpretations and orders of courts or Governmental Authorities, relating to the protection of human health or the environment, including, but not limited to, requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of Hazardous Materials.

"*Equity Issuance*" means any issuance by the Borrower or any Subsidiary to any Person which is not a Credit Party of (a) shares of its Capital Stock, (b) any shares of its Capital Stock pursuant to the exercise of options or warrants or (c) any shares of its Capital Stock pursuant to the conversion of any debt securities to equity. The term "Equity Issuance" shall not include any Asset Disposition or any Debt Issuance.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, and the rules and regulations thereunder, each as amended or modified from time to time.

"*ERISA Affiliate*" means any Person who together with any Credit Party is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code or Section 4001(b) of ERISA.

"*Escrow Agreement*" means the escrow agreement dated as of the Original Closing Date, by and among the Borrower, Thermo Funding Company LLC, the Administrative Agent and UBS AG, delivered pursuant to the terms of the Irrevocable Standby Stock Purchase Agreement, as such escrow agreement may be amended, restated, supplemented or otherwise modified.

"*Eurodollar Reserve Percentage*" means, for any day, the percentage (expressed as a decimal and rounded upwards, if necessary, to the next higher 1/100th of 1%) which is in effect for such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any basic, supplemental or emergency reserves) in respect of eurocurrency liabilities or any similar category of liabilities for a member bank of the Federal Reserve System in New York City.

"*Event of Default*" means any of the events specified in *Section 12.1*; *provided* that any requirement for passage of time, giving of notice, or any other condition, has been satisfied.

"*Excess Cash Flow*" means, for any period of determination, the sum of the following determined on a Consolidated basis, without duplication, for the Borrower and its Subsidiaries in accordance with GAAP: (a) Adjusted Consolidated EBITDA for such period *minus* (b) the sum of the following: (i) cash taxes and Consolidated Interest Expense paid in cash for such period, (ii) all scheduled principal payments made in respect of Indebtedness during such period, (iii) all Covenant Capital Expenditures made during such period, (iv) (A) non-scheduled principal payments with respect to the Term Loan Facility and (B) prepayments or repayments of the Revolving Credit Loans to the extent in clause (B) that the Revolving Credit Commitment is permanently reduced by an equal amount at the time of such payment, (v) the cash portion of the

purchase price and other reasonable acquisition-related costs paid by the Borrower for Permitted Acquisitions and (vi) Transaction Costs during such period (solely to the extent added back to Net Income in the calculation of Adjusted Consolidated EBITDA).

"*Excluded Equity Issuance*" means (a) the first $100,000,000 of Net Cash Proceeds from any Equity Issuance (other than any Equity Issuance referred to in the following clause (b)) of common stock of the Borrower following the Amended and Restated Closing Date, including, without limitation, pursuant to the IPO and (b) any Equity Issuance pursuant to the Irrevocable Standby Stock Purchase Agreement as in effect on the date hereof (including any Equity Issuance pursuant to the exercise of pre-emptive stock purchase rights, to the extent such rights existed on the Original Closing Date, as a result of the Equity Issuance contemplated by the Irrevocable Standby Stock Purchase Agreement).

"*Excluded Capital Expenditures*" means Capital Expenditures funded (a) with Net Cash Proceeds received in connection (i) with an Insurance and Condemnation Event or an Asset Disposition and reinvested in accordance with *Section 4.4(b)* or (ii) with an Equity Issuance, or (b) by the issuance of Capital Stock of the Borrower to the seller (or an affiliate thereof) of the related Capital Asset.

"*Excluded Subsidiary*" means Government Services, L.L.C.

"*Excluded Taxes*" means, with respect to the Administrative Agent, any Lender, the Issuing Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under *Section 5.12(b)*), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with *Section 5.11(e)*, except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to *Section 5.11(a)*.

"*Existing Facility*" shall have the meaning assigned thereto in the statement of purpose.

"*Existing Lenders*" shall have the meaning assigned thereto in the statement of purpose.

"*Extensions of Credit*" means, as to any Lender at any time, (a) an amount equal to the sum of (i) the aggregate principal amount of all Revolving Credit Loans made by such Lender then outstanding, (ii) such Lender's Revolving Credit Commitment Percentage of the L/C Obligations then outstanding, (iii) such Lender's Revolving Credit Commitment Percentage of the Swingline Loans then outstanding and (iv) the aggregate principal amount of the Term Loan made by such Lender then outstanding, or (b) the making of any Loan or participation in any Letter of Credit by such Lender, as the context requires.

"*FCC*" shall mean the Federal Communications Commission.

"*FDIC*" means the Federal Deposit Insurance Corporation, or any successor thereto.

"*Federal Funds Rate*" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day (or, if such day is not a Business Day, for the immediately preceding Business Day), as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, *provided* that if such rate is not so published for any day which is a Business Day, the average of the quotation for such day on such transactions received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent.

"*Fee Letter*" means the separate fee letter agreement executed by the Borrower and the Administrative Agent and/or certain of its affiliates dated as of the Original Closing Date, as amended and restated as of the Amended and Restated Closing Date.

"*Fiscal Year*" means the fiscal year of the Borrower and its Subsidiaries ending on December 31.

"*Foreign Lender*" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"*Foreign Investment Limitation*" means, as of any date of determination, an amount equal to the sum of (a) $25,000,000 *less* (b) the aggregate amount of Indebtedness permitted pursuant to *Section 11.1(e)(iii)* outstanding as of such date of determination *less* (c) the aggregate amount of all investments in Foreign Subsidiaries (valued as of the initial date of such investment without regard to any subsequent changes in value thereof) made after the date of this Agreement and prior to such date of determination pursuant to *Section 11.3(a)(ii)(B) less* (d) the aggregate amount of all investments (valued as of the initial date of such investment without regard to any subsequent changes in value thereof) in Foreign Subsidiaries (or any entities that would constitute Foreign Subsidiaries if the Borrower or one of its Subsidiaries owned more than fifty percent (50%) of the outstanding Capital Stock of such entity) made after the date of this Agreement and prior to such date of determination pursuant to *Section 11.3(c)*.

"*Foreign Subsidiary*" means any Subsidiary that is not a Domestic Subsidiary.

"*Forward Fixed Charges*" means, for any future period, the sum of the following charges scheduled to be paid in cash, or reasonably expected (as determined by the Borrower in good faith on the basis of reasonable assumptions) to be paid in cash (in each case, whether or not actually paid), during such future period, in each case, determined on a Consolidated basis, without duplication, for the Borrower and its Subsidiaries: (a) Consolidated Interest Expense for such period, (b) principal payments for such period with respect to Consolidated Total Indebtedness and (c) Covenant Capital Expenditures for such period.

"*Forward Fixed Charge Coverage Ratio*" means, as of any date of determination, the ratio of:

(a) the excess of

(i) the sum of (A) Adjusted Consolidated EBITDA for the period of one (1) fiscal quarter ending on or immediately prior to such date, *plus* (B) unrestricted cash, cash equivalents and marketable securities of the Credit Parties in excess of $5,000,000 as of such date, *plus* (to the extent positive) or *less* (to the extent negative) (C) at all times on and after the date by which the Borrower shall have received aggregate Net Cash Proceeds of at least $200,000,000 from Equity Issuances by the Borrower of common stock following the Original Closing Date, an amount equal to the aggregate unused portion of the Revolving Credit Commitment available to be

borrowed in accordance with the terms of this Agreement on such date *less* $25,000,000.

less

(ii) at all times prior to the date by which the Borrower shall have received aggregate Net Cash Proceeds of at least $200,000,000 from Equity Issuances by the Borrower of common stock following the Original Closing Date, the amount of all outstanding Revolving Credit Loans as of such date.

to

(b) Forward Fixed Charges for the period of the one (1) fiscal quarter immediately following such date of determination.

"*Forward Fixed Charge Coverage Ratio Certificate*" means a certificate of the chief financial officer or the treasurer of the Borrower substantially in the form of ***Exhibit F-2***.

"*Forward Fixed Charge Coverage Ratio Cure Amount*" means, with respect to any Default resulting from a breach of *Section 10.4*, an amount equal to the additional unrestricted cash and cash equivalents that the Credit Parties would need to have to achieve a Forward Fixed Charge Coverage Ratio of at least 1.0 to 1.0 calculated on a *pro forma* basis as if the Credit Parties had had such amount of additional unrestricted cash and cash equivalents as of the date of determination.

"*GAAP*" means generally accepted accounting principles, as recognized by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board, consistently applied and maintained on a consistent basis for the Borrower and its Subsidiaries throughout the period indicated and (subject to *Section 14.9*) consistent with the prior financial practice of the Borrower and its Subsidiaries.

"*Governmental Approvals*" means all authorizations, consents, approvals, permits, licenses and exemptions of, registrations and filings with, and reports to, all Governmental Authorities.

"*Governmental Authority*" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union, the European Central Bank, or the International Telecommunications Union).

"*Guaranty Agreement*" means the unconditional guaranty agreement dated as of the Original Closing Date, executed by the Subsidiary Guarantors in favor of the Administrative Agent for the ratable benefit of itself and the Lenders, substantially in the form of ***Exhibit H***, as amended, restated, supplemented or otherwise modified prior to the date hereof, as reaffirmed pursuant to the Reaffirmation Agreement and as amended, restated, supplemented or modified from time to time hereafter.

"*Guaranty Obligation*" means, with respect to the Borrower and its Subsidiaries, without duplication, any obligation, contingent or otherwise, of any such Person pursuant to which such Person has directly or indirectly guaranteed any Indebtedness of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of any such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness (whether arising by virtue of partnership arrangements, by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement condition or otherwise) or (b) entered into for the purpose of

assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided*, that the term Guaranty Obligation shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guaranty Obligation shall be deemed equal to the lesser of the stated or determinable amount of the primary obligation or the maximum liability of the Person giving the Guaranty Obligation.

"*Hazardous Materials*" means any substances or materials (a) which are or become defined as hazardous wastes, hazardous substances, pollutants, contaminants, chemical substances or mixtures or toxic substances under any Environmental Law, (b) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise harmful to human health or the environment and are or become regulated by any Governmental Authority, (c) the presence of which require investigation or remediation under any Environmental Law or common law, (d) the discharge or emission or release of which requires a permit or license under any Environmental Law or other Governmental Approval, (e) which are deemed to constitute a nuisance or a trespass which pose a health or safety hazard to Persons or neighboring properties, (f) which consist of underground or aboveground storage tanks, whether empty, filled or partially filled with any substance, or (g) which contain, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or waste, crude oil, nuclear fuel, natural gas or synthetic gas.

"*Hedging Agreement*" means any agreement with respect to any Interest Rate Contract, forward rate agreement, commodity swap, forward foreign exchange agreement, currency swap agreement, cross-currency rate swap agreement, currency option agreement or other agreement or arrangement designed to alter the risks of any Person arising from fluctuations in interest rates, currency values or commodity prices, all as amended, restated, supplemented or otherwise modified from time to time.

"*Hedging Obligations*" means all existing or future payment and other obligations owing by the Borrower under any Hedging Agreement (which such Hedging Agreement is permitted hereunder) with any Person that is a Lender or an Affiliate of a Lender at the time such Hedging Agreement is executed.

"*Increase Notification*" means the written notice by the Borrower of its desire to increase the Term Loan Commitment pursuant to *Section 4.5*.

"*Increase Notification Date*" means the date on which the Increase Notification is received by the Administrative Agent.

"*Increasing Term Lenders*" has the meaning assigned thereto in *Section 4.5(b)*.

"*Incurrence Test*" shall have the meaning assigned thereto in *Section 10.1*.

"*Indebtedness*" means, with respect to the Borrower and its Subsidiaries at any date and without duplication, the sum of the following calculated in accordance with GAAP:

(a) all liabilities, obligations and indebtedness for borrowed money including, but not limited to, obligations evidenced by bonds, debentures, notes or other similar instruments of any such Person;

(b) all obligations of the Borrower or any of its Subsidiaries to pay the deferred purchase price of property or services, to the extent classified as debt in accordance with GAAP (including, without limitation, all obligations under non-competition, earn-out or similar agreements), except Satellite Vendor Obligations and trade payables arising in the ordinary course of business not more than ninety (90) days past due;

(c) the Attributable Indebtedness of the Borrower or any of its Subsidiaries with respect to the obligations of the Borrower or such Subsidiary in respect of Capital Leases and Synthetic Leases (regardless of whether accounted for as indebtedness under GAAP);

(d) all Indebtedness of any third party secured by a Lien on any asset owned or being purchased by the Borrower or any of its Subsidiaries (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by the Borrower or any of its Subsidiaries or is limited in recourse;

(e) all Guaranty Obligations of the Borrower or any of its Subsidiaries;

(f) all obligations, contingent or otherwise, of the Borrower or any of its Subsidiaries relative to the face amount of letters of credit, whether or not drawn, including, without limitation, any Reimbursement Obligation, and banker's acceptances issued for the account of the Borrower or any of its Subsidiaries;

(g) all obligations of the Borrower or any of its Subsidiaries to redeem, repurchase, exchange, defease or otherwise make payments in respect of Capital Stock of such Person; and

(h) all Net Hedging Obligations.

For all purposes hereof, the Indebtedness of the Borrower or any of its Subsidiaries shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation, limited liability company or the equivalent thereof under the laws of a foreign jurisdiction) in which the Borrower or any of its Subsidiaries is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to the Borrower or any of its Subsidiaries.

"*Indemnified Taxes*" means Taxes and Other Taxes other than Excluded Taxes.

"*Insurance and Condemnation Event*" means the receipt by the Borrower or any of its Subsidiaries of any cash insurance proceeds or condemnation award payable by reason of theft, loss, physical destruction or damage, taking or similar event with respect to any of their respective property or assets.

"*Interest Period*" has the meaning assigned thereto in *Section 5.1(b)*.

"*Interest Rate Contract*" means any interest rate swap agreement, interest rate cap agreement, interest rate floor agreement, interest rate collar agreement, interest rate option or any other agreement regarding the hedging of interest rate risk exposure executed in connection with hedging the interest rate exposure of any Person and any confirming letter executed pursuant to such agreement, all as amended, restated, supplemented or otherwise modified from time to time.

"*IPO*" means the contemplated initial public offering of the Borrower's common stock pursuant to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on July 17, 2006, as amended.

"*Irrevocable Standby Stock Purchase Agreement*" means the amended and restated irrevocable standby stock purchase agreement dated as of July 18, 2006 among the Borrower, Thermo Funding Company LLC and the Administrative Agent providing for the purchase of $200,000,000 of common stock of the Borrower (as such amount may have been reduced by purchases of common stock thereunder after the Original Closing Date), as amended, restated, supplemented or otherwise modified.

"*ISP98*" means the International Standby Practices (1998 Revision, effective January 1, 1999), International Chamber of Commerce Publication No. 590.

"*Issuing Lender*" means Wachovia Bank, or any successor thereto.

"*L/C Commitment*" means the lesser of (a) Ten Million ($10,000,000) and (b) the Revolving Credit Commitment.

"*L/C Facility*" means the letter of credit facility established pursuant to Article III.

"*L/C Obligations*" means at any time, an amount equal to the sum of (a) the aggregate undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit which have not then been reimbursed pursuant to *Section 3.5*.

"*L/C Participants*" means the collective reference to all the Lenders other than the Issuing Lender.

"*Lender*" means each Person executing this Agreement as a Lender (including, without limitation, the Issuing Lender and the Swingline Lender unless the context otherwise requires) set forth on the signature pages hereto and each Person that hereafter becomes a party to this Agreement as a Lender pursuant to *Section 14.11*.

"*Lending Office*" means, with respect to any Lender, the office of such Lender maintaining such Lender's Extensions of Credit.

"*Letter of Credit Application*" means an application, in the form specified by the Issuing Lender from time to time, requesting the Issuing Lender to issue a Letter of Credit.

"*Letters of Credit*" has the meaning assigned thereto in *Section 3.1*.

"*Liberty Plan*" means any pricing plans (whether or not called a Liberty Plan) that allows the subscriber to pre-pay for the service for the entire duration of the contract. For purposes of this Agreement, each renewal, extension, or increase in the pricing of an existing Liberty Plan will constitute a new Liberty Plan.

"*LIBOR*" means the rate of interest per annum determined on the basis of the rate for deposits in Dollars in minimum amounts of at least $5,000,000 for a period equal to the applicable Interest Period which appears on the Telerate Page 3750 at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of the applicable Interest Period (rounded upward, if necessary, to the nearest $1/100^{th}$ of 1%). If, for any reason, such rate does not appear on Telerate Page 3750, then "LIBOR" shall be determined by the Administrative Agent to be the arithmetic average of the rate per annum at which deposits in Dollars in minimum amounts of at least $5,000,000 would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of the applicable Interest Period for a period equal to such Interest Period. Each calculation by the Administrative Agent of LIBOR shall be conclusive and binding for all purposes, absent manifest error.

"*LIBOR Rate*" means a rate per annum (rounded upwards, if necessary, to the next higher 1/100th of 1%) determined by the Administrative Agent pursuant to the following formula:

$$\text{LIBOR Rate} = \frac{\text{LIBOR}}{\text{1.00-Eurodollar Reserve Percentage}}$$

"*LIBOR Rate Loan*" means any Loan bearing interest at a rate based upon the LIBOR Rate as provided in *Section 5.1(a)*.

"*License Subsidiary*" shall mean any single purpose Wholly-Owned Subsidiary of the Borrower or of another Subsidiary of the Borrower, the sole business and operations of which single purpose Subsidiary is to hold one or more Communications Licenses.

"*Lien*" means, with respect to any asset, any mortgage, leasehold mortgage, lien, pledge, charge, security interest, hypothecation or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease or other title retention agreement relating to such asset.

"*Liquidity*" means the sum of (a) unrestricted cash, cash equivalents and marketable securities held by any of the Credit Parties *plus* (b) the undrawn commitment of Thermo Funding Company LLC under the Irrevocable Standby Stock Purchase Agreement (up to a maximum amount under this clause (b) of $10,000,000) *plus* (c) the unused portion of the Revolving Credit Commitment, calculated with the aggregate amount of all outstanding Revolving Credit Loans, Swingline Loans and Letters of Credit as of any date of determination constituting usage of the Revolving Credit Commitment (up to a maximum amount under this clause (c) of $10,000,000).

"*Loan Documents*" means, collectively, this Agreement, each Note, the Letter of Credit Applications, the Guaranty Agreement, the Security Documents and each other document, instrument, certificate and agreement executed and delivered by the Borrower or any Subsidiary thereof in connection with this Agreement or otherwise referred to herein or contemplated hereby (excluding any Hedging Agreement), all as may be amended, restated, supplemented or otherwise modified from time to time.

"*Loans*" means the collective reference to the Revolving Credit Loans, the Term Loans and the Swingline Loans and "Loan" means any of such Loans.

"*Material Adverse Effect*" means, with respect to the Borrower or any of its Subsidiaries, a material adverse effect on (a) the properties, business, operations or condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole or (b) the ability of any such Person to perform its obligations under the Loan Documents to which it is a party.

"*Material Communications License*" shall mean any Communications License, the loss, revocation, modification, non-renewal, suspension or termination of which, could be reasonably expected to have a Material Adverse Effect.

"*Material Contract*" means (a) any contract or other agreement, written or oral, of the Borrower or any of its Subsidiaries involving monetary liability of or to any such Person in an amount in excess of $10,000,000 per annum, or (b) any other contract or agreement, written or oral, of the Borrower or any of its Subsidiaries the failure to comply with which could reasonably be expected to have a Material Adverse Effect but excluding in either case any contract or other agreement that the Borrower or such Subsidiary may terminate on less than ninety (90) days notice without material liability

"*Mortgages*" means the collective reference to each mortgage, deed of trust or other real property security document, encumbering all real property now or hereafter owned by the Borrower or any Subsidiary, in each case, in form and substance reasonably satisfactory to the Administrative Agent and executed by the Borrower or any Subsidiary in favor of the Administrative Agent, for the ratable benefit of itself and the Lenders, as any such document may be amended, restated, supplemented or otherwise modified from time to time.

"*Moody's*" means Moody's Investors Service, Inc. and any successor thereto.

"*Multiemployer Plan*" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate is making, or is accruing an obligation to make, or has accrued an obligation to make contributions within the preceding six (6) years.

"*Net Cash Proceeds*" means, as applicable, (a) with respect to any Asset Disposition, the gross cash proceeds received by the Borrower or any of its Subsidiaries *less* the sum of (i) all income

taxes and other taxes assessed by a Governmental Authority as a result of such sale and any other commissions, fees (including legal and accounting fees) and expenses and similar costs incurred in connection therewith and (ii) the principal amount of, premium, if any, and interest on any Indebtedness secured by a Lien on the asset (or a portion thereof) sold, which Indebtedness is required to be repaid in connection with such sale, (b) with respect to any Equity Issuance or Debt Issuance, the gross cash proceeds received by the Borrower or any of its Subsidiaries therefrom *less* all legal, underwriting, placement agents and other commissions, discounts, premiums, fees and expenses incurred in connection therewith and (c) with respect to any Insurance and Condemnation Event, the gross cash proceeds received by the Borrower or any of its Subsidiaries *less* the sum of (i) all fees and expenses in connection therewith and (ii) the principal amount of, premium, if any, and interest on any Indebtedness secured by a Lien on the asset (or a portion thereof) subject to such Insurance and Condemnation Event, which Indebtedness is required to be repaid in connection therewith.

"*Net Hedging Obligations*" means, as of any date, the Termination Value of any such Hedging Agreement on such date.

"*New Term Lender*" has the meaning assigned thereto in *Section 4.5(b)*.

"*Notes*" means the collective reference to the Revolving Credit Notes, the Swingline Note and the Term Notes.

"*Notice of Account Designation*" has the meaning assigned thereto in *Section 2.3(b)*.

"*Notice of Borrowing*" has the meaning assigned thereto in *Section 2.3(a)*.

"*Notice of Conversion/Continuation*" has the meaning assigned thereto in *Section 5.2*.

"*Notice of Prepayment*" has the meaning assigned thereto in *Section 2.4(d)*.

"*Obligations*" means, in each case, whether now in existence or hereafter arising: (a) the principal of and interest on (including interest accruing after the filing of any bankruptcy or similar petition) the Loans, (b) the L/C Obligations, (c) all Hedging Obligations and (d) all other fees and commissions (including attorneys' fees), charges, indebtedness, loans, liabilities, financial accommodations, obligations, covenants and duties owing by the Borrower or any of its Subsidiaries to the Lenders or the Administrative Agent, in each case under any Loan Document or otherwise, with respect to any Loan or Letter of Credit of every kind, nature and description, direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note.

"*OFAC*" means the U.S. Department of the Treasury's Office of Foreign Assets Control.

"*Officer's Compliance Certificate*" means a certificate of the chief financial officer or the treasurer of the Borrower substantially in the form of ***Exhibit F-1***.

"*Operating Lease*" means, as to any Person as determined in accordance with GAAP, any lease of property (whether real, personal or mixed) by such Person as lessee which is not a Capital Lease.

"*Original Closing Date*" means April 24, 2006.

"*Other Taxes*" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"*Participant*" has the meaning assigned thereto in *Section 14.10(d)*.

"*PBGC*" means the Pension Benefit Guaranty Corporation or any successor agency.

"*Pension Plan*" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV of ERISA or Section 412 of the Code and which (a) is maintained by the Borrower or any ERISA Affiliates or (b) has at any time within the preceding six (6) years been maintained by the Borrower or any of its current or former ERISA Affiliates.

"*Permitted Acquisition*" means any investment by the Borrower, any Subsidiary Guarantor or Globalstar Canada Satellite Co. in the form of acquisitions of all or substantially all of the business or a line of business (whether by the acquisition of Capital Stock, assets or any combination thereof) of any other Person if each such acquisition meets all of the following requirements:

(a) no less than fifteen (15) days prior to the proposed closing date of such acquisition, the Borrower shall have delivered written notice of such acquisition to the Administrative Agent and the Lenders, which notice shall include the proposed closing date of such acquisition;

(b) the Borrower shall have certified on or before the closing date of such acquisition, in writing and in a form reasonably acceptable to the Administrative Agent, that such acquisition has been approved by the board of directors or equivalent governing body of the Person to be acquired;

(c) the Person or business to be acquired shall be in a substantially similar line of business as the Borrower and its Subsidiaries pursuant to *Section 11.12*;

(d) if such transaction is a merger or consolidation, the Borrower or a Subsidiary Guarantor shall be the surviving Person and no Change in Control shall have been effected thereby;

(e) the Borrower shall have delivered to the Administrative Agent such documents reasonably requested by the Administrative Agent or the Required Lenders (through the Administrative Agent) pursuant to *Section 9.11* to be delivered at the time required pursuant to *Section 9.11*;

(f) no Event of Default shall have occurred and be continuing both before and after giving effect to such acquisition;

(g) the Borrower shall have obtained the prior written consent of the Administrative Agent and the Required Lenders (such consent not to be unreasonably withheld or delayed) prior to the consummation of such acquisition if the Permitted Acquisition Consideration for all acquisitions (or series of related acquisitions), together with all other acquisitions consummated during the term of this Agreement exceeds $25,000,000 in the aggregate (excluding any portion of such Permitted Acquisition Consideration consisting of Capital Stock of the Borrower); and

(h) the Borrower shall provide such other documents and other information as may be reasonably requested by the Administrative Agent or the Required Lenders (through the Administrative Agent) in connection with the acquisition.

"*Permitted Acquisition Consideration*" means the aggregate amount of the purchase price (including, but not limited to, any assumed debt, earn-outs (valued at the maximum amount payable thereunder), deferred payments, or Capital Stock of the Borrower, net of the applicable acquired company's cash (including investments of the type described in *Section 11.3(b)*) balance as shown on its most recent financial statements delivered in connection with the applicable Permitted Acquisition) to be paid on a singular basis in connection with any applicable Permitted

Acquisition as set forth in the applicable Permitted Acquisition Documents executed by the Borrower or any of its Subsidiaries in order to consummate the applicable Permitted Acquisition.

"*Permitted Acquisition Documents*" means with respect to any acquisition proposed by the Borrower or any Subsidiary Guarantor, final copies or substantially final drafts if not executed at the required time of delivery of the purchase agreement, sale agreement, merger agreement or other agreement evidencing such acquisition, including, without limitation, all legal opinions and each other document executed, delivered, contemplated by or prepared in connection therewith and any amendment, modification or supplement to any of the foregoing.

"*Permitted Holders*" means (a) Thermo Capital Partners, LLC and (b) any other entity controlled by or under common control with (i) Thermo Capital Partners, LLC or (ii) James Monroe III, members of his immediate family and entities owned by them or trusts for their benefit.

"*Permitted Joint Venture Investment*" means any investment by the Borrower, any Subsidiary Guarantor or Globalstar Canada Satellite Co. in joint ventures and partnerships if each such investment meets all of the following requirements:

(a) no less than fifteen (15) days prior to the proposed closing date of any such investment of more than $1,000,000, the Borrower shall have delivered written notice of such acquisition to the Administrative Agent and the Lenders, which notice shall include the proposed closing date of such investment;

(b) such joint venture or partnership shall be in a substantially similar line of business as the Borrower and its Subsidiaries pursuant to *Section 11.12*;

(c) the Borrower shall have delivered to the Administrative Agent such documents reasonably requested by the Administrative Agent or the Required Lenders (through the Administrative Agent) pursuant to *Section 9.11* to be delivered at the time required pursuant to *Section 9.11*;

(d) no Event of Default shall have occurred and be continuing both before and after giving effect to such investment;

(e) if such investment is as a general partner, such investment shall be made by a Subsidiary that has no assets other than such investment; and in any case, such investment shall not include or result in any contingent liabilities that could reasonably be expected to be material to the business, financial condition, operations or prospects of the Borrower and its Subsidiaries, taken as a whole;

(f) the Borrower shall have obtained the prior written consent of the Administrative Agent and the Required Lenders prior to the consummation of such investment if the amount (including all cash and non-cash consideration paid by or on behalf of the Borrower and its Subsidiaries in correction with such investment) of such investment (or series of related acquisitions), together with all other investments in joint ventures and partnerships consummated during the term of this Agreement, exceeds $30,000,000 in the aggregate (excluding any portion of such Investment consisting of Capital Stock of the Borrower).

"*Permitted Liens*" means the Liens permitted pursuant to *Section 11.2*.

"*Person*" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

"*Prime Rate*" means, at any time, the rate of interest per annum publicly announced from time to time by Wachovia Bank as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such prime rate occurs. The parties hereto acknowledge that the rate announced publicly by Wachovia Bank as its prime rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks.

"*Reaffirmation Agreement*" means the Reaffirmation Agreement, of even date herewith, among the Credit Parties and the Administrative Agent (for the ratable benefit of itself and the Lenders), substantially in the form of ***Exhibit J***, as amended, restated, supplemented or otherwise modified from time to time.

"*Register*" has the meaning assigned thereto in *Section 14.10(c)*.

"*Reimbursement Obligation*" means the obligation of the Borrower to reimburse the Issuing Lender pursuant to *Section 3.5* for amounts drawn under Letters of Credit.

"*Related Parties*" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"*Required Lenders*" means, at any date, any combination of Lenders having more than fifty percent (50%) of the sum of (a) the aggregate amount of the Revolving Credit Commitment plus (b) the aggregate outstanding principal amount of the Term Loan or, if the Revolving Credit Commitment has been terminated, any combination of Lenders holding more than fifty percent (50%) of the aggregate Extensions of Credit; *provided* that the Revolving Credit Commitment of, and the portion of the Extensions of Credit, as applicable, held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"*Responsible Officer*" means the chief executive officer, president, chief financial officer, controller, treasurer or assistant treasurer of a Credit Party or any other officer of a Credit Party reasonably acceptable to the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Credit Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Credit Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Credit Party.

"*Revolving Credit Commitment*" means (a) as to any Revolving Credit Lender, the obligation of such Revolving Credit Lender to make Revolving Credit Loans to the account of the Borrower hereunder in an aggregate principal amount at any time outstanding not to exceed the amount set forth opposite such Revolving Credit Lender's name on the Register, as such amount may be reduced or modified at any time or from time to time pursuant to the terms hereof and (b) as to all Revolving Credit Lenders, the aggregate commitment of all Revolving Credit Lenders to make Revolving Credit Loans, as such amount may be reduced at any time or from time to time pursuant to the terms hereof. The Revolving Credit Commitment of all Revolving Credit Lenders on the Amended and Restated Closing Date shall be $50,000,000.

"*Revolving Credit Commitment Percentage*" means, as to any Revolving Lender at any time, the ratio of (a) the amount of the Revolving Credit Commitment of such Revolving Credit Lender to (b) the Revolving Credit Commitment of all the Revolving Credit Lenders.

"*Revolving Credit Facility*" means the revolving credit facility established pursuant to Article II.

"*Revolving Credit Lenders*" means Lenders with a Revolving Credit Commitment.

"*Revolving Credit Loan*" means any revolving loan made to the Borrower pursuant to *Section 2.1*, and all such revolving loans collectively as the context requires.

"*Revolving Credit Maturity Date*" means the earliest to occur of (a) June 30, 2010, (b) the date of termination of the entire Revolving Credit Commitment by the Borrower pursuant to *Section 2.5*, or (c) the date of termination of the Revolving Credit Commitment by the Administrative Agent on behalf of the Lenders pursuant to *Section 12.2(a)*.

"*Revolving Credit Note*" means a promissory note made by the Borrower in favor of a Lender evidencing the Revolving Credit Loans made by such Lender, substantially in the form of ***Exhibit A-1***, and any amendments, supplements and modifications thereto, any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

"*Sanctioned Entity*" shall mean (i) an agency of the government of, (ii) an organization directly or indirectly controlled by, or (iii) a person resident in a country that is subject to a sanctions program identified on the list maintained by OFAC and available at *http://www.treas.gov/offices/enforcement/ofac/sanctions/index.html*, or as otherwise published from time to time as such program may be applicable to such agency, organization or person.

"*Sanctioned Person*" shall mean a person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at *http://www.treas.gov/offices/enforcement/ofac/sdn/index.html*, or as otherwise published from time to time.

"*Satellite*" shall mean any single geostationary or non-geostationary satellite, or group of substantially identical non-geostationary satellites, owned by, leased to or for which a contract to purchase has been entered into by, the Borrower or any of its Subsidiaries, whether such satellite is in the process of manufacture, has been delivered for launch or is in orbit (whether or not in operational service).

"*Satellite Vendor Obligations*" means the obligations of the Borrower or any of its Subsidiaries to any Satellite or Satellite launch vendor or Affiliate thereof for the procurement, construction, launch and insurance of all or part of one or more Satellites or Satellite launches for such Satellites or a ground or in orbit spare intended for future use or associated improvements to the ground portion of the network of the Borrower and its Subsidiaries; *provided* that such obligation (a) is not evidenced by any promissory note and (b) is not secured by any Lien on any asset or property of the Borrower or any Subsidiary thereof other than the asset or personal property which is the subject of such obligation.

"*Security Documents*" means the collective reference to the Collateral Agreement, the Mortgages, the Reaffirmation Agreement and each other agreement or writing pursuant to which any Credit Party purports to pledge or grant a security interest in any property or assets securing the Obligations or any such Person purports to guaranty the payment and/or performance of the Obligations, in each case, as amended, restated, supplemented or otherwise modified prior to the date hereof, as reaffirmed pursuant by the Reaffirmation Agreement and as amended, restated, supplemented or modified from time to time hereafter.

"*Solvent*" means, as to any Credit Party on a particular date, that any such Person (a) has capital sufficient to carry on its business and transactions and all business and transactions in which it is about to engage and is able to pay its debts as they mature, (b) has assets having a value, both at fair valuation and at present fair saleable value, greater than the amount required to pay its probable liabilities (including contingencies), and (c) does not believe that it will incur debts or liabilities beyond its ability to pay such debts or liabilities as they mature.

"*Subordinated Indebtedness*" means the collective reference to any Indebtedness of the Borrower or any Subsidiary subordinated in right and time of payment to the Obligations and

containing such other terms and conditions, in each case as are reasonably satisfactory to the Administrative Agent.

"*Subsidiary*" means as to any Person, any corporation, partnership, limited liability company or other entity of which more than fifty percent (50%) of the outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company or other entity is at the time owned by or the management is otherwise controlled by such Person (irrespective of whether, at the time, Capital Stock of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency). Unless otherwise qualified, references to "Subsidiary" or "Subsidiaries" herein shall refer to those of the Borrower.

"*Subsidiary Guarantors*" means each direct or indirect Domestic Subsidiary of the Borrower in existence on the Amended and Restated Closing Date (other than the Excluded Subsidiary) or which becomes a party to a Guaranty Agreement pursuant to *Section 9.11*.

"*Swingline Commitment*" means the lesser of (a) Five Million Dollars ($5,000,000) and (b) the Revolving Credit Commitment.

"*Swingline Facility*" means the swingline facility established pursuant to *Section 2.2*.

"*Swingline Lender*" means Wachovia in its capacity as swingline lender hereunder.

"*Swingline Loan*" means any swingline loan made by the Swingline Lender to the Borrower pursuant to *Section 2.2*, and all such swingline loans collectively as the context requires.

"*Swingline Note*" means a promissory note made by the Borrower in favor of the Swingline Lender evidencing the Swingline Loans made by the Swingline Lender, substantially in the form of ***Exhibit A-2***, and any amendments, supplements and modifications thereto, any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"*Swingline Termination Date*" means the first to occur of (a) the resignation of Wachovia as Administrative Agent in accordance with *Section 13.6* and (b) the Revolving Credit Maturity Date.

"*Synthetic Lease*" means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product where such transaction is considered borrowed money indebtedness for tax purposes but is classified as an Operating Lease in accordance with GAAP.

"*Taxes*" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"*Term Loan*" means the Delayed Draw Term Loan and all Additional Term Loans.

"*Term Loan Lender Addition and Acknowledgement Agreement*" shall have the meaning assigned thereto in *Section 4.5(d)*.

"*Term Loan Commitment*" means (a) as to any applicable Lender, (i) such Lender's Delayed Draw Term Loan Commitment or (ii) the obligation of such Lender to make a portion of the Additional Term Loans to the Borrower hereunder on the applicable Additional Term Loan Effective Date in an aggregate amount not to exceed the applicable amount set forth opposite such Lender's name on the Register, as such amount may be reduced or otherwise modified at any time as from time to time pursuant to the terms hereof and (b) as to all applicable Lenders, the aggregate commitment of all such Lenders to make the Delayed Draw Term Loan and/or

Additional Term Loan hereunder on the Delayed Draw Term Loan Funding Date or the Additional Term Loan Effective Date, as applicable.

"*Term Loan Facility*" means the term loan facility established pursuant to *Article IV*.

"*Term Loan Maturity Date*" means the first to occur of (a) June 30, 2011 or (b) the date of termination by the Administrative Agent on behalf of the Lenders pursuant to *Section 12.2(a)*. All Term Loan Commitments of the Lenders shall automatically and immediately terminate on the Term Loan Maturity Date.

"*Term Loan Percentage*" means, as to any Lender, the ratio of (a) the outstanding principal balance of the Term Loan held by such Lender to (b) the aggregate outstanding principal balance of the Term Loan held by all Lenders.

"*Term Note*" means a promissory note made by the Borrower in favor of a Lender evidencing the portion of the Term Loan made by such Lender, substantially in the form of ***Exhibit A-3***, and any amendments, supplements and modifications thereto, any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"*Termination Event*" means except for any such event or condition that could not reasonably be expected to have a Material Adverse Effect: (a) a "Reportable Event" described in Section 4043 of ERISA for which the notice requirement has not been waived by the PBGC, or (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, or (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination, under Section 4041 of ERISA, if the plan assets are not sufficient to pay all plan liabilities, or (d) the institution of proceedings to terminate, or the appointment of a trustee with respect to, any Pension Plan by the PBGC, or (e) any other event or condition which would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, or (f) the imposition of a Lien pursuant to Section 412 of the Code or Section 302 of ERISA, or (g) the partial or complete withdrawal of the Borrower of any ERISA Affiliate from a Multiemployer Plan if withdrawal liability is asserted by such plan, or (h) any event or condition which results in the reorganization or insolvency of a Multiemployer Plan under Sections 4241 or 4245 of ERISA, or (i) any event or condition which results in the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by PBGC of proceedings to terminate a Multiemployer Plan under Section 4042 of ERISA.

"*Termination Value*" means, in respect of any one or more Hedging Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Agreements, (a) for any date on or after the date such Hedging Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedging Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Agreements (which may include a Lender or any Affiliate of a Lender).

"*Transaction Costs*" means all transaction fees, charges and other amounts related to this Credit Facility or any transaction which, if consummated, would be a Permitted Acquisition or Permitted Joint Venture Investment (including, without limitation, any financing fees, merger and acquisition fees, legal fees and expenses, due diligence fees or any other fees and expenses in connection therewith), all such transaction fees as approved by the Administrative Agent, such approval not to be unreasonably withheld.

"*UCC*" means the Uniform Commercial Code as in effect in the State of New York, as amended or modified from time to time.

"*Uniform Customs*" means the Uniform Customs and Practice for Documentary Credits (1993 Revision), effective January, 1994 International Chamber of Commerce Publication No. 500.

"*United States*" means the United States of America.

"*Wachovia*" means Wachovia Investment Holdings, LLC and its successors.

"*Wachovia Bank*" means Wachovia Bank, National Association and its successors.

"*Wholly-Owned*" means, with respect to a Subsidiary, that all of the shares of Capital Stock of such Subsidiary are, directly or indirectly, owned or controlled by the Borrower and/or one or more of its Wholly-Owned Subsidiaries (except for directors' qualifying shares or other shares required by Applicable Law to be owned by a Person other than the Borrower).

SECTION 1.2 *Other Definitions and Provisions.* With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document: (a) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined, (b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms, (c) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (d) the word "will" shall be construed to have the same meaning and effect as the word "shall", (e) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (f) any reference herein to any Person shall be construed to include such Person's successors and assigns, (g) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (h) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (i) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, (j) the term "*documents*" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form, (k) in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including", and (l) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

SECTION 1.3 *Accounting Terms.* All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the audited financial statements required by *Section 8.1(b)*, *except* as otherwise specifically prescribed herein.

SECTION 1.4 *UCC Terms.* Terms defined in the UCC in effect on the Amended and Restated Closing Date and not otherwise defined herein shall, unless the context otherwise indicates, have the meanings provided by those definitions. Subject to the foregoing, the term "*UCC*" refers, as of any date of determination, to the UCC then in effect.

SECTION 1.5 *Rounding.* Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other

component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

SECTION 1.6 *References to Agreement and Laws.* Unless otherwise expressly provided herein, (a) references to formation documents, governing documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by any Loan Document; and (b) references to any Applicable Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Applicable Law.

SECTION 1.7 *Times of Day.* Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

SECTION 1.8 *Letter of Credit Amounts.* Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the maximum face amount of such Letter of Credit after giving effect to all increases thereof contemplated by such Letter of Credit or the Letter of Credit Application therefor, whether or not such maximum face amount is in effect at such time.

ARTICLE II

REVOLVING CREDIT FACILITY

SECTION 2.1 *Revolving Credit Loans.* Subject to the terms and conditions of this Agreement, and in reliance upon the representations and warranties set forth herein, each Revolving Credit Lender severally agrees to make Revolving Credit Loans to the Borrower from time to time from the Amended and Restated Closing Date through, but not including, the Revolving Credit Maturity Date as requested by the Borrower in accordance with the terms of *Section 2.3*; *provided*, that (a) the aggregate principal amount of all outstanding Revolving Credit Loans (after giving effect to any amount requested) shall not exceed the Revolving Credit Commitment *less* the sum of all outstanding Swingline Loans and L/C Obligations and (b) the principal amount of outstanding Revolving Credit Loans from any Revolving Credit Lender to the Borrower shall not at any time exceed such Revolving Credit Lender's Revolving Credit Commitment *less* such Revolving Credit Lender's Revolving Credit Commitment Percentage of outstanding L/C Obligations and outstanding Swingline Loans. Each Revolving Credit Loan by a Revolving Credit Lender shall be in a principal amount equal to such Revolving Credit Lender's Revolving Credit Commitment Percentage of the aggregate principal amount of Revolving Credit Loans requested on such occasion. Subject to the terms and conditions hereof, the Borrower may borrow, repay and reborrow Revolving Credit Loans hereunder until the Revolving Credit Maturity Date.

SECTION 2.2 *Swingline Loans.*

(a) *Availability.* Subject to the terms and conditions of this Agreement, the Swingline Lender agrees to make Swingline Loans to the Borrower from time to time from the Amended and Restated Closing Date through, but not including, the Swingline Termination Date; *provided*, that the aggregate principal amount of all outstanding Swingline Loans (after giving effect to any amount requested), shall not exceed the lesser of (i) the Revolving Credit Commitment *less* the sum of all outstanding Revolving Credit Loans and the L/C Obligations and (ii) the Swingline Commitment.

(b) *Refunding.*

(i) Swingline Loans shall be refunded by the Revolving Credit Lenders on demand by the Swingline Lender. Such refundings shall be made by the Revolving Credit Lenders in accordance with their respective Revolving Credit Commitment Percentages and shall thereafter be reflected as Revolving Credit Loans of the Revolving Credit Lenders on the books and records of the Administrative Agent. Each Revolving Credit Lender shall fund its respective Revolving Credit Commitment Percentage of Revolving Credit Loans as required to repay Swingline Loans outstanding to the Swingline Lender upon demand by the Swingline Lender but in no event later than 1:00 p.m. on the next succeeding Business Day after such demand is made. No Revolving Credit Lender's obligation to fund its respective Revolving Credit Commitment Percentage of a Swingline Loan shall be affected by any other Revolving Credit Lender's failure to fund its Revolving Credit Commitment Percentage of a Swingline Loan, nor shall any Revolving Credit Lender's Revolving Credit Commitment Percentage be increased as a result of any such failure of any other Revolving Credit Lender to fund its Revolving Credit Commitment Percentage of a Swingline Loan.

(ii) The Borrower shall pay to the Swingline Lender on demand the amount of such Swingline Loans to the extent amounts received from the Revolving Credit Lenders are not sufficient to repay in full the outstanding Swingline Loans requested or required to be refunded. In addition, the Borrower hereby authorizes the Administrative Agent to charge any account maintained by the Borrower with the Swingline Lender (up to the amount available therein) in order to immediately pay the Swingline Lender the amount of such Swingline Loans to the extent amounts received from the Revolving Credit Lenders are not sufficient to repay in full the outstanding Swingline Loans requested or required to be refunded. If any portion of any such amount paid to the Swingline Lender shall be recovered by or on behalf of the Borrower from the Swingline Lender in bankruptcy or otherwise, the loss of the amount so recovered shall be ratably shared among all the Revolving Credit Lenders in accordance with their respective Revolving Credit Commitment Percentages (unless the amounts so recovered by or on behalf of the Borrower pertain to a Swingline Loan extended after the occurrence and during the continuance of an Event of Default of which the Administrative Agent has received notice in the manner required pursuant to *Section 13.3* and which such Event of Default has not been waived by the Required Lenders or the Lenders, as applicable).

(iii) Each Revolving Credit Lender acknowledges and agrees that its obligation to refund Swingline Loans in accordance with the terms of this Section is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, non-satisfaction of the conditions set forth in *Article VI*. Further, each Revolving Credit Lender agrees and acknowledges that if, prior to the refunding of any outstanding Swingline Loans pursuant to this Section, one of the events described in *Section 12.1(j)* or *(k)* shall have occurred, each Revolving Credit Lender will, on the date the applicable Revolving Credit Loan would have been made, purchase an undivided participating interest in the Swingline Loan to be refunded in an amount equal to its Revolving Credit Commitment Percentage of the aggregate amount of such Swingline Loan. Each Revolving Credit Lender will immediately transfer to the Swingline Lender, in immediately available funds, the amount of its participation and, upon receipt thereof, the Swingline Lender will deliver to such Revolving Credit Lender a certificate evidencing such participation dated the date of receipt of such funds and for such amount. Whenever, at any time after the Swingline Lender has received from any Revolving Credit Lender such Revolving Credit Lender's participating interest in a Swingline Loan, the Swingline Lender receives any payment on account thereof, the Swingline Lender will distribute to such Revolving Credit Lender its participating interest in such

amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Revolving Credit Lender's participating interest was outstanding and funded).

SECTION 2.3 *Procedure for Advances of Revolving Credit Loans and Swingline Loans.*

(a) *Requests for Borrowing.* The Borrower shall give the Administrative Agent irrevocable prior written notice substantially in the form of ***Exhibit B*** (a "*Notice of Borrowing*") not later than 11:00 a.m. (i) on the same Business Day as each Base Rate Loan and each Swingline Loan and (ii) at least three (3) Business Days before each LIBOR Rate Loan, of its intention to borrow, specifying (A) the date of such borrowing, which shall be a Business Day, (B) the amount of such borrowing, which shall be, (x) with respect to Base Rate Loans (other than Swingline Loans) in an aggregate principal amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof, (y) with respect to LIBOR Rate Loans in an aggregate principal amount of $2,500,000 or a whole multiple of $1,000,000 in excess thereof and (z) with respect to Swingline Loans in an aggregate principal amount of $100,000 or a whole multiple of $100,000 in excess thereof, (C) whether such Loan is to be a Revolving Credit Loan or Swingline Loan, (D) in the case of a Revolving Credit Loan, whether the Loans are to be LIBOR Rate Loans or Base Rate Loans, and (E) in the case of a LIBOR Rate Loan, the duration of the Interest Period applicable thereto. A Notice of Borrowing received after 11:00 a.m. shall be deemed received on the next Business Day. The Administrative Agent shall promptly notify the Lenders of each Notice of Borrowing.

(b) *Disbursement of Revolving Credit and Swingline Loans.* Not later than 1:00 p.m. on the proposed borrowing date, (i) each Lender will make available to the Administrative Agent, for the account of the Borrower, at the office of the Administrative Agent in funds immediately available to the Administrative Agent, such Lender's Revolving Credit Commitment Percentage of the Revolving Credit Loans to be made on such borrowing date and (ii) the Swingline Lender will make available to the Administrative Agent, for the account of the Borrower, at the office of the Administrative Agent in funds immediately available to the Administrative Agent, the Swingline Loans to be made on such borrowing date. The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of each borrowing requested pursuant to this Section in immediately available funds by crediting or wiring such proceeds to the deposit account of the Borrower identified in the most recent notice substantially in the form of ***Exhibit C*** (a "*Notice of Account Designation*") delivered by the Borrower to the Administrative Agent or as may be otherwise agreed upon by the Borrower and the Administrative Agent from time to time. Subject to *Section 5.7* hereof, the Administrative Agent shall not be obligated to disburse the portion of the proceeds of any Revolving Credit Loan requested pursuant to this Section to the extent that any Lender has not made available to the Administrative Agent its Revolving Credit Commitment Percentage of such Revolving Credit Loan. Revolving Credit Loans to be made for the purpose of refunding Swingline Loans shall be made by the Revolving Credit Lenders as provided in *Section 2.2(b)*.

SECTION 2.4 *Repayment and Prepayment of Revolving Credit and Swingline Loans.*

(a) *Repayment on Maturity Date.* The Borrower hereby agrees to repay the outstanding principal amount of (i) all Revolving Credit Loans in full on the Revolving Credit Maturity Date and (ii) all Swingline Loans in accordance with *Section 2.2(b)*, together, in each case, with all accrued but unpaid interest thereon.

(b) *Mandatory Prepayments.* If at any time the outstanding principal amount of all Revolving Credit Loans *plus* the sum of all outstanding Swingline Loans and L/C Obligations exceeds the Revolving Credit Commitment (including, without limitation, as a result of any reduction in the Revolving Credit Commitment pursuant to *Section 4.4(b)(vi)*), the Borrower agrees to repay immediately, upon notice from the Administrative Agent, by payment to the

Administrative Agent for the account of the Lenders, Extensions of Credit in an amount equal to such excess with each such repayment applied *first* to the principal amount of outstanding Swingline Loans, *second* to the principal amount of outstanding Revolving Credit Loans and *third*, with respect to any Letters of Credit then outstanding, a payment of cash collateral into a cash collateral account opened by the Administrative Agent, for the benefit of the Lenders, in an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit (such cash collateral to be applied in accordance with *Section 12.2(b)*).

(c) *Excess Proceeds.* If at any time excess proceeds remain after (i) the reduction of the Delayed Draw Term Loan Commitment pursuant to *Section 4.4(b)(i)* or *Section 4.4(b)(vi)(A)*, (ii) the prepayment of the Delayed Draw Term Loan pursuant to *Section 4.4(b)(i)* or *Section 4.4(b)(vi)(B)*, (iii) the prepayment of any Additional Term Loan pursuant to *Section 4.4(b)(vi)(C)* and (iii) the reduction of the Revolving Credit Commitment pursuant to *Section 4.4(b)(vi)(D)*, the Borrower agrees to repay immediately, upon notice from the Administrative Agent, by payment to the Administrative Agent for the account of the Lenders, outstanding Revolving Credit Loans (if any) in an amount equal to such Excess Proceeds (without any corresponding reduction in the aggregate amount of the Revolving Credit Commitment).

(d) *Optional Prepayments.* The Borrower may at any time and from time to time prepay Revolving Credit Loans and Swingline Loans, in whole or in part, with irrevocable prior written notice to the Administrative Agent substantially in the form of ***Exhibit D*** (a "*Notice of Prepayment*") given not later than 11:00 a.m. (i) on the same Business Day as the payment date for each Base Rate Loan and each Swingline Loan and (ii) at least three (3) Business Days before the payment date for each LIBOR Rate Loan, specifying the date and amount of prepayment and whether the prepayment is of LIBOR Rate Loans, Base Rate Loans, Swingline Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each. Upon receipt of such notice, the Administrative Agent shall promptly notify each Lender. If any such notice is given, the amount specified in such notice shall be due and payable on the date set forth in such notice. Partial prepayments shall be in an aggregate amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof with respect to Base Rate Loans (other than Swingline Loans), $2,500,000 or a whole multiple of $1,000,000 in excess thereof with respect to LIBOR Rate Loans and $100,000 or a whole multiple of $100,000 in excess thereof with respect to Swingline Loans. A Notice of Prepayment received after 11:00 a.m. shall be deemed received on the next Business Day. Each such repayment shall be accompanied by any amount required to be paid pursuant to *Section 5.9* hereof.

(e) *Limitation on Prepayment of LIBOR Rate Loans.* The Borrower may not prepay any LIBOR Rate Loan on any day other than on the last day of the Interest Period applicable thereto unless such prepayment is accompanied by any amount required to be paid pursuant to *Section 5.9* hereof.

(f) *Hedging Agreements.* No repayment or prepayment pursuant to this Section shall affect any of the Borrower's obligations under any Hedging Agreement.

SECTION 2.5 *Permanent Reduction of the Revolving Credit Commitment.*

(a) *Voluntary Reduction.* The Borrower shall have the right at any time and from time to time, upon at least five (5) Business Days prior written notice to the Administrative Agent, to permanently reduce, without premium or penalty, (i) the entire Revolving Credit Commitment at any time or (ii) portions of the Revolving Credit Commitment, from time to time, in an aggregate principal amount not less than $1,000,000 or any whole multiple of $1,000,000 in excess thereof. Any reduction of the Revolving Credit Commitment shall be applied to the Revolving Credit Commitment of each Revolving Credit Lender according to its Revolving Credit Commitment

Percentage. All commitment fees accrued until the effective date of any termination of the Revolving Credit Commitment shall be paid on the effective date of such termination.

(b) *Corresponding Payment.* Each permanent reduction permitted or required pursuant to this Section shall be accompanied by a payment of principal sufficient to reduce the aggregate outstanding Revolving Credit Loans, Swingline Loans and L/C Obligations, as applicable, after such reduction to the Revolving Credit Commitment as so reduced and if the Revolving Credit Commitment as so reduced is less than the aggregate amount of all outstanding Letters of Credit, the Borrower shall be required to deposit cash collateral in a cash collateral account opened by the Administrative Agent in an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Such cash collateral shall be applied in accordance with *Section 12.2(b)*. Any reduction of the Revolving Credit Commitment to zero shall be accompanied by payment of all outstanding Revolving Credit Loans and Swingline Loans (and furnishing of cash collateral satisfactory to the Administrative Agent for all L/C Obligations) and shall result in the termination of the Revolving Credit Commitment and the Swingline Commitment and the Revolving Credit Facility. Such cash collateral shall be applied in accordance with *Section 12.2(b)*. If the reduction of the Revolving Credit Commitment requires the repayment of any LIBOR Rate Loan, such repayment shall be accompanied by any amount required to be paid pursuant to *Section 5.9* hereof.

SECTION 2.6 *Termination of Revolving Credit Facility.* The Revolving Credit Facility shall terminate on the Revolving Credit Maturity Date.

ARTICLE III

LETTER OF CREDIT FACILITY

SECTION 3.1 *L/C Commitment.* Subject to the terms and conditions hereof, the Issuing Lender, in reliance on the agreements of the other Lenders set forth in *Section 3.4(a)*, agrees to issue standby letters of credit ("*Letters of Credit*") for the account of the Borrower on any Business Day from the Amended and Restated Closing Date to but not including the fifth (5^{th}) Business Day prior to the Revolving Credit Maturity Date in such form as may be approved from time to time by the Issuing Lender; *provided*, that the Issuing Lender shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, (a) the L/C Obligations would exceed the L/C Commitment or (b) the aggregate principal amount of outstanding Revolving Credit Loans, *plus* the aggregate principal amount of outstanding Swingline Loans, *plus* the aggregate amount of L/C Obligations would exceed the Revolving Credit Commitment. Each Letter of Credit shall (i) be denominated in Dollars in a minimum amount of $100,000 (or such other amounts as may be agreed by the Issuing Lender), (ii) be a standby letter of credit issued to support obligations of the Borrower or any of its Subsidiaries, contingent or otherwise, incurred in the ordinary course of business, (iii) expire on a date no more than twelve (12) months after the date of issuance or last renewal of such Letter of Credit, which date shall be no later than the fifth (5^{th}) Business Day prior to the Revolving Credit Maturity Date and (iv) be subject to the Uniform Customs and/or ISP98, as set forth in the Letter of Credit Application or as determined by the Issuing Lender and, to the extent not inconsistent therewith, the laws of the State of New York. The Issuing Lender shall not at any time be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause the Issuing Lender or any L/C Participant to exceed any limits imposed by, any Applicable Law. References herein to "issue" and derivations thereof with respect to Letters of Credit shall also include extensions or modifications of any outstanding Letters of Credit, unless the context otherwise requires.

SECTION 3.2 *Procedure for Issuance of Letters of Credit.* The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender at the Administrative Agent's Office a Letter of Credit Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may request. Upon receipt of any Letter of Credit Application, the Issuing Lender shall process such Letter of Credit Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and, subject to *Section 3.1* and *Article VI*, promptly shall issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three (3) Business Days after its receipt of the Letter of Credit Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by the Issuing Lender and the Borrower. The Issuing Lender shall promptly furnish to the Borrower a copy of such Letter of Credit and promptly notify each Lender of the issuance and upon request by any Lender, furnish to such Lender a copy of such Letter of Credit and the amount of such Lender's participation therein.

SECTION 3.3 *Commissions and Other Charges.*

(a) *Letter of Credit Commissions.* The Borrower shall pay to the Administrative Agent, for the account of the Issuing Lender and the L/C Participants, a letter of credit commission with respect to each Letter of Credit in an amount equal to the face amount of such Letter of Credit *multiplied* by the Applicable Margin with respect to Revolving Credit Loans that are LIBOR Rate Loans (determined on a per annum basis). Such commission shall be payable quarterly in arrears on the last Business Day of each calendar quarter, on the Revolving Credit Maturity Date and thereafter on demand of the Administrative Agent. The Administrative Agent shall, promptly following its receipt thereof, distribute to the Issuing Lender and the L/C Participants all commissions received pursuant to this Section in accordance with their respective Revolving Credit Commitment Percentages.

(b) *Issuance Fee.* In addition to the foregoing commission, the Borrower shall pay to the Administrative Agent, for the account of the Issuing Lender, an issuance fee with respect to each Letter of Credit in an amount equal to the face amount of such Letter of Credit multiplied one-quarter of one percent (0.250%) per annum. Such issuance fee shall be payable quarterly in arrears on the last Business Day of each calendar quarter commencing with the first such date to occur after the issuance of such Letter of Credit, on the Revolving Credit Maturity Date and thereafter on demand of the Administrative Agent.

(c) *Other Costs.* In addition to the foregoing fees and commissions, the Borrower shall pay or reimburse the Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, effecting payment under, amending or otherwise administering any Letter of Credit.

SECTION 3.4 *L/C Participations.*

(a) The Issuing Lender irrevocably agrees to grant, and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase, and hereby accepts and purchases from the Issuing Lender, on the terms and conditions hereinafter stated, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Credit Commitment Percentage in the Issuing Lender's obligations and rights under and in respect of each Letter of Credit issued hereunder and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower through a Revolving Credit Loan or otherwise in accordance with the terms

of this Agreement, such L/C Participant shall pay to the Issuing Lender upon demand at the Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Revolving Credit Commitment Percentage of the amount of such draft, or any part thereof, which is not so reimbursed.

(b) Upon becoming aware of any amount required to be paid by any L/C Participant to the Issuing Lender pursuant to *Section 3.4(a)* in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit, the Issuing Lender shall notify each L/C Participant of the amount and due date of such required payment and such L/C Participant shall pay to the Issuing Lender the amount specified on the applicable due date. If any such amount is paid to the Issuing Lender after the date such payment is due, such L/C Participant shall pay to the Issuing Lender on demand, in addition to such amount, the product of (i) such amount, *times* (ii) the daily average Federal Funds Rate as determined by the Administrative Agent during the period from and including the date such payment is due to the date on which such payment is immediately available to the Issuing Lender, *times* (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. A certificate of the Issuing Lender with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error. With respect to payment to the Issuing Lender of the unreimbursed amounts described in this Section, if the L/C Participants receive notice that any such payment is due (A) prior to 1:00 p.m. on any Business Day, such payment shall be due that Business Day, and (B) after 1:00 p.m. on any Business Day, such payment shall be due on the following Business Day.

(c) Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its Revolving Credit Commitment Percentage of such payment in accordance with this Section, the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise), or any payment of interest on account thereof, the Issuing Lender will distribute to such L/C Participant its *pro rata* share thereof; *provided*, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such L/C Participant shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

SECTION 3.5 *Reimbursement Obligation of the Borrower.* In the event of any drawing under any Letter of Credit, the Borrower agrees to reimburse (either with the proceeds of a Revolving Credit Loan as provided for in this Section or with funds from other sources), in same day funds, the Issuing Lender on each date on which the Issuing Lender notifies the Borrower of the date and amount of a draft paid under any Letter of Credit for the amount of (a) such draft so paid and (b) any amounts referred to in *Section 3.3(c)* incurred by the Issuing Lender in connection with such payment. Unless the Borrower shall immediately notify the Issuing Lender that the Borrower intends to reimburse the Issuing Lender for such drawing from other sources or funds, the Borrower shall be deemed to have timely given a Notice of Borrowing to the Administrative Agent requesting that the Revolving Credit Lenders make a Revolving Credit Loan bearing interest at the Base Rate on such date in the amount of (a) such draft so paid and (b) any amounts referred to in *Section 3.3(c)* incurred by the Issuing Lender in connection with such payment, and the Revolving Credit Lenders shall make a Revolving Credit Loan bearing interest at the Base Rate in such amount, the proceeds of which shall be applied to reimburse the Issuing Lender for the amount of the related drawing and costs and expenses. Each Revolving Credit Lender acknowledges and agrees that its obligation to fund a Revolving Credit Loan in accordance with this Section to reimburse the Issuing Lender for any draft paid under a Letter of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, non-satisfaction of the conditions set forth in *Section 2.3(a)* or *Article VI*. If the Borrower has elected to pay the amount of such drawing with funds from other sources and shall fail to reimburse the Issuing Lender as provided above, the unreimbursed amount of such drawing shall

bear interest at the rate which would be payable on any outstanding Base Rate Loans which were then overdue from the date such amounts become payable (whether at stated maturity, by acceleration or otherwise) until payment in full.

SECTION 3.6 *Obligations Absolute.* The Borrower's obligations under this Article III (including, without limitation, the Reimbursement Obligation) shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which the Borrower may have or have had against the Issuing Lender or any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees that the Issuing Lender and the L/C Participants shall not be responsible for, and the Borrower's Reimbursement Obligation under *Section 3.5* shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions caused by the Issuing Lender's gross negligence or willful misconduct, as determined by a court of competent jurisdiction by final nonappealable judgment. The Borrower agrees that any action taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct shall be binding on the Borrower and shall not result in any liability of the Issuing Lender or any L/C Participant to the Borrower. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are in conformity with such Letter of Credit.

SECTION 3.7 *Effect of Letter of Credit Application.* To the extent that any provision of any Letter of Credit Application related to any Letter of Credit is inconsistent with the provisions of this *Article III*, the provisions of this *Article III* shall apply.

ARTICLE IV

TERM LOAN FACILITY

SECTION 4.1 *Delayed Draw Term Loan.* Subject to the terms and conditions of this Agreement, each Lender with a Delayed Draw Term Loan Commitment on the Delayed Draw Term Loan Funding Date severally agrees to make a Delayed Draw Term Loan to the Borrower on the Delayed Draw Term Loan Funding Date in a principal amount equal to such Lender's Delayed Draw Term Loan Commitment as of the Delayed Draw Term Loan Funding Date. If the Delayed Draw Term Loan Funding Date shall not have occurred on or prior to the Delayed Draw Funding Deadline, the Delayed Draw Term Loan Commitment of each applicable Lender shall terminate on the Delayed Draw Funding Deadline.

SECTION 4.2 *Procedure for Advance of Delayed Draw Term Loan.* The Borrower shall give the Administrative Agent an irrevocable Notice of Borrowing prior to 11:00 a.m. on the Delayed Draw Term Loan Funding Date requesting that the Lenders make the Delayed Draw Term Loan as a Base Rate Loan on such date (provided the Borrower may request, no later than three (3) days prior to the Delayed Draw Term Loan Funding Date, that the Lender make the Delayed Draw Term Loan as a LIBOR Rate Loan). Upon receipt of any such Notice of Borrowing from the Borrower, the Administrative Agent shall promptly notify each Lender thereof. Not later than 1:00 p.m. on the Delayed Draw Term Loan Funding Date each applicable Lender will make available to the

Administrative Agent for the account of the Borrower, at the Administrative Agent's Office in immediately available funds, the amount of such Delayed Draw Term Loan to be made by such Lender on such borrowing date. The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of the Delayed Draw Term Loan in immediately available funds by wire transfer to such Person or Persons as may be designated by the Borrower in writing.

SECTION 4.3 *Repayment of Term Loan.*

(a) *Delayed Draw Term Loan.* The Borrower shall repay the aggregate outstanding principal amount of the Delayed Draw Term Loan (if any) in consecutive quarterly installments on the last Business Day of each of March, June, September and December commencing with the first full calendar quarter ending after the Delayed Draw Term Loan Funding Date, in the following amounts (which amounts shall be calculated on the Delayed Draw Term Loan Funding Date): (i) as of any fiscal quarter end prior to the fiscal quarter ending March 31, 2011, an amount equal to one quarter of one percent (0.250%) of the original principal amount of the Delayed Draw Term Loans and (ii) as of any fiscal quarter ending on or after March 31, 2011, equal ratable amounts for each remaining fiscal quarter to the Term Loan Maturity Date in an aggregate amount equal to the sum of (X) the original amount of the Delayed Draw Term Loan *less* (Y) the aggregate amount of all scheduled amortization payments made with respect to the Delayed Draw Term Loan (determined as of the Delayed Draw Term Loan Funding Date) prior to March 31, 2011 as provided in clause (i) of this *Section 4.3(b)*; *provided* that such amounts of individual installments may be adjusted pursuant to *Section 4.4*. If not sooner paid, the Delayed Draw Term Loan shall be paid in full, together with accrued interest thereon, on the Term Loan Maturity Date.

(b) *Additional Term Loans.* The Borrower shall repay the aggregate outstanding principal amount of the Additional Term Loans (if any) in consecutive quarterly installments on the last Business Day of each of March, June, September and December commencing with the first full calendar quarter ending after the Additional Term Loan Effective Date, in the following amounts (which amounts shall be calculated on the Additional Term Loan Effective Date): (i) as of any fiscal quarter end prior to the fiscal quarter ending March 31, 2011, an amount equal to one quarter of one percent (0.250%) of the original principal amount of the Additional Term Loans and (ii) as of any fiscal quarter ending on or after March 31, 2011, equal ratable amounts for each remaining fiscal quarter to the Term Loan Maturity Date in an aggregate amount equal to the sum of (X) the original amount of the Additional Term Loans *less* (Y) the aggregate amount of all scheduled amortization payments made with respect to the Additional Term Loans (determined as of the Additional Term Loan Effective Date) prior to March 31, 2011 as provided in clause (i) of this *Section 4.3(c)*; *provided* that such amounts of individual installments may be adjusted pursuant to *Section 4.4*. If not sooner paid, the Additional Term Loans shall be paid in full, together with accrued interest thereon, on the Term Loan Maturity Date.

SECTION 4.4 *Prepayments of Term Loan.*

(a) *Optional Prepayments; Reductions of the Delayed Draw Term Loan Commitment.*

(i) The Borrower shall have the right at any time and from time to time, without premium or penalty, to prepay the Term Loan, in whole or in part, upon delivery to the Administrative Agent of a Notice of Prepayment not later than 11:00 a.m. (A) on the same Business Day as the prepayment of each Base Rate Loan and (B) at least three (3) Business Days before the prepayment of each LIBOR Rate Loan, specifying the date and amount of repayment and whether the repayment is of LIBOR Rate Loans or Base Rate Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each. Each optional prepayment of the Term Loan hereunder shall be in an aggregate principal amount of at least $1,000,000 or any whole multiple of $500,000 in excess thereof and shall be applied,

first to reduce on a *pro rata* basis, the remaining scheduled principal installments of the Delayed Draw Term Loan pursuant to *Section 4.3* and *second* to reduce on a *pro rata* basis, the remaining scheduled principal installments of the Additional Term Loans (if any) pursuant to *Section 4.3*. Each repayment shall be accompanied by any amount required to be paid pursuant to *Section 5.9* hereof. A Notice of Prepayment received after 11:00 a.m. shall be deemed received on the next Business Day. The Administrative Agent shall promptly notify the Lenders of each Notice of Prepayment.

(ii) The Borrower shall have the right at any time and from time to time, upon at least five (5) Business Days prior written notice to the Administrative Agent, to reduce permanently, without premium or penalty, (A) the entire Delayed Draw Term Loan Commitment at any time or (B) portions of the Delayed Draw Term Loan Commitment, from time to time, in an aggregate principal amount not less than $1,000,000 or any whole multiple of $1,000,000 in excess thereof. Any reduction of the Delayed Draw Term Loan Commitment pursuant to this *Section 4.4(a)(ii)* shall be applied to the Delayed Draw Term Loan Commitment of each Lender with a Delayed Draw Term Loan Commitment according to its Delayed Draw Term Loan Commitment Percentage. All commitment fees accrued until the effective date of any such reduction of the Delayed Draw Term Loan Commitment shall be paid on the effective date of such reduction.

(b) *Mandatory Prepayments; Commitment Reductions.*

(i) *Equity Issuances.* The Borrower shall prepay the Delayed Draw Term Loan (or, if applicable, the Delayed Draw Term Loan Commitment shall be permanently reduced) in an amount equal to fifty percent (50%) of the aggregate Net Cash Proceeds from any Equity Issuance (other than any Excluded Equity Issuance) by the Borrower or any of its Subsidiaries other than the exercise price on stock options issued as part of employee compensation. Such prepayment (or commitment reduction, as applicable) shall be made within three (3) Business Days after the date of receipt of the Net Cash Proceeds of any such transaction. Upon the occurrence of any Equity Issuance (other than any Excluded Equity Issuance or exercise of any stock option), the Borrower shall promptly deliver a Notice of Prepayment to the Administrative Agent and upon receipt of such notice, the Administrative Agent shall promptly so notify each Lender with a Delayed Draw Term Loan Commitment. Each prepayment (or commitment reduction, as applicable) under this *clause (i)* of this *Section 4.4(b)* shall be applied as follows: (A) *first*, if such prepayment occurs prior to the Delayed Draw Term Loan Funding Date, to permanently reduce the unfunded Delayed Draw Term Loan Commitment, (B) *second*, if such prepayment occurs on or after the Delayed Draw Term Loan Funding Date, to reduce on a *pro rata* basis the remaining scheduled principal installments of the Delayed Draw Term Loan pursuant to *Section 4.3* and (C) *third* to the extent of any further excess, to repay outstanding Revolving Credit Loans (without any corresponding permanent reduction of the Revolving Credit Commitment) pursuant to *Section 2.4(c)*. Amounts prepaid under the Delayed Draw Term Loan pursuant to this *clause (i)* of this *Section 4.4(b)* may not be reborrowed. Each prepayment of the Delayed Draw Term Loan pursuant to this *clause (i)* of this *Section 4.4(b)*shall be accompanied by any amount required to be paid pursuant to *Section 5.9*. Notwithstanding the foregoing, regardless of whether there are amounts outstanding under the Revolving Credit Facility, each Lender having a Delayed Draw Term Loan Commitment or outstanding Delayed Draw Term Loan shall have the right to refuse its *pro rata* share (based on its respective Commitment Percentage) of any such mandatory prepayment pursuant to this *clause (i)* of this *Section 4.4(b)* at which time the remaining amount shall be applied to repay outstanding Revolving Credit Loans (without any corresponding permanent reduction of the Revolving

Credit Commitment) pursuant to *Section 2.4(c)*. Any amounts remaining after such repayment (if any) may be retained by the Borrower.

(ii) *Debt Issuances.* The Borrower shall prepay the Loans (or, as applicable, the Delayed Draw Term Loan Commitment shall be permanently reduced) in the manner and to the extent set forth in *clause (vi)* below in amounts equal to:

(A) as of any date prior to the Delayed Draw Term Loan Funding Date, one hundred percent (100%) of the aggregate Net Cash Proceeds from the borrowing of any Additional Term Loans. Such prepayment (or commitment reduction, as applicable) shall be made within three (3) Business Days after the date of receipt of the Net Cash Proceeds of any such transaction;

(B) as of any date on or after the Delayed Draw Term Loan Funding Date, fifty percent (50%) of the aggregate Net Cash Proceeds from the borrowing of any Additional Term Loans. Such prepayment (or commitment reduction, as applicable) shall be made within three (3) Business Days after the date of receipt of the Net Cash Proceeds of any such transaction; and

(C) at all times, fifty percent (50%) of the aggregate Net Cash Proceeds from any Debt Issuance permitted pursuant to *Section 11.1(f)(v)* by the Borrower or any of its Subsidiaries. Such prepayment (or commitment reduction, as applicable) shall be made within three (3) Business Days after the date of receipt of the Net Cash Proceeds of any such transaction.

(iii) *Asset Dispositions.* The Borrower shall prepay the Loans and/or cash collateralize the L/C Obligations (or, as applicable, the Delayed Draw Term Loan Commitment and/or the Revolving Credit Commitment shall be permanently reduced) in the manner and to the extent set forth in *clause (vi)* below in amounts equal to one hundred percent (100%) of the aggregate Net Cash Proceeds from any Asset Disposition by the Borrower or any of its Subsidiaries. Such prepayments (or commitment reductions, as applicable) shall be made within three (3) Business Days after receipt of the Net Cash Proceeds of any such transaction by the Borrower or any of its Subsidiaries; *provided* that, so long as no Default or Event of Default has occurred and is continuing, no prepayments or commitment reductions shall be required hereunder (A) in connection with such Asset Dispositions yielding less than $500,000 in Net Cash Proceeds or (B) with respect to any such Net Cash Proceeds which are (1) reinvested within one year after receipt of such Net Cash Proceeds by such Person in replacement assets (useful to the business of the Borrower and its Subsidiaries as conducted in accordance with *Section 11.12*) or (2) committed (as evidenced by a contractual agreement for the purchase or acquisition of assets) within one year after receipt of such Net Cash Proceeds by such Person to be reinvested in the procurement or launch of a Satellite or Satellites acquired or planned to be acquired pursuant to the then current business plan of the Borrower.

(iv) *Insurance and Condemnation Events.* The Borrower shall prepay the Loans and/or cash collateralize the L/C Obligations (or, as applicable, the Delayed Draw Term Loan Commitment and/or the Revolving Credit Commitment shall be permanently reduced) in the manner and to the extent set forth in *clause (vi)* below in amounts equal to one hundred percent (100%) of the aggregate Net Cash Proceeds from any Insurance and Condemnation Event and other extraordinary recoveries by the Borrower or any of its Subsidiaries. Such prepayments (or commitment reductions, as applicable) shall be made within three (3) Business Days after receipt of Net Cash Proceeds of any such transaction by the Borrower or any of its Subsidiaries; *provided* that, so long as no Default or Event of Default has occurred and is continuing, no prepayments or commitment reductions shall be required

hereunder (A) in connection with such Insurance and Condemnation Event yielding less than $500,000 in Net Cash Proceeds or (B) with respect to any such Net Cash Proceeds which are (1) reinvested within one year after receipt of such Net Cash Proceeds by such Person in replacement assets (useful to the business of the Borrower and its Subsidiaries as conducted in accordance with *Section 11.12*) or (2) committed (as evidenced by a contractual agreement for the purchase or acquisition of assets) within one year after receipt of such Net Cash Proceeds by such Credit Party to be reinvested in the procurement or launch of a Satellite or Satellites acquired or planned to be acquired to the then current business plan of the Borrower.

(v) *Excess Cash Flow.* No later than one-hundred (100) days after the end of any Fiscal Year (commencing with the Fiscal Year ending December 31, 2006), the Borrower shall make mandatory principal prepayments of the Loans (or, as applicable, the Delayed Draw Term Loan Commitment) in the manner and to the extent set forth in *clause (vi)* below in an amount equal to (A) seventy-five percent (75%) of Excess Cash Flow when the Consolidated Total Leverage Ratio as of the end of such Fiscal Year equals or exceeds 3.00 to 1.00, (B) fifty percent (50%) of Excess Cash Flow when the Consolidated Total Leverage Ratio as of the end of such Fiscal Year is less than 3.00 to 1.00, but greater than or equal to 2.00 to 1.00, and (C) zero percent (0%) of Excess Cash Flow when the Consolidated Total Leverage Ratio as of the end of such Fiscal Year is less than 2.00 to 1.00.

(vi) *Notice; Manner of Payment.* Upon the occurrence of any event triggering the prepayment requirement under *clauses (ii)* through and including *(v)* above, the Borrower shall promptly deliver a Notice of Prepayment to the Administrative Agent and upon receipt of such notice, the Administrative Agent shall promptly so notify the Lenders. Each prepayment (or commitment reductions, as applicable) under this Section shall be applied as follows: (A) *first*, if such prepayment occurs prior to the Delayed Draw Term Loan Funding Date, to permanently reduce the unfunded Delayed Draw Term Loan Commitment, (B) *second*, if such prepayment occurs on or after the Delayed Draw Term Loan Funding Date, to reduce on a *pro rata* basis the remaining scheduled principal installments of the Delayed Draw Term Loan pursuant to *Section 4.3*, (C) *third*, to the extent of any excess, to reduce on a *pro rata* basis the remaining scheduled principal installments of the Additional Term Loans (if any) pursuant to *Section 4.3* (excluding any prepayment required pursuant to *Section 4.4(b)(ii)* resulting from the borrowing of any Additional Term Loans, in which case, this *clause (C)* shall be skipped and the amount of such required prepayment shall constitute an excess amount subject to application in accordance with the following *clauses (D)* and *(E)*), (D) *fourth*, to the extent of any further excess (excluding any prepayment required pursuant to *Section 4.4(b)(ii)* or *Section 4.4(b)(v)*, in which case, this *clause (D)* shall be skipped and the amount of such required prepayment shall constitute an excess amount subject to application in accordance with the following *clause (E*)), to permanently reduce the Revolving Credit Commitment until the Revolving Credit Commitment has been reduced to $25,000,000 and (E) *fifth*, to the extent of any further excess, to repay outstanding Revolving Credit Loans (without any corresponding permanent reduction of the Revolving Credit Commitment), pursuant to *Section 2.4(c)*. Amounts prepaid under the Term Loan pursuant to this Section may not be reborrowed. Each prepayment shall be accompanied by any amount required to be paid pursuant to *Section 5.9*.

(vii) *Refusal of Payments.* Notwithstanding the foregoing, regardless of whether there are amounts outstanding under the Revolving Credit Facility, each Lender having a Term Loan Commitment or outstanding Term Loans shall have the right to refuse its *pro rata* share (based on its respective Commitment Percentage) of any such mandatory prepayment at which time the remaining amount shall be applied to the next tranche of the Credit Facility entitled to such mandatory prepayment in accordance with the preceding *clause (vi)*. Any amounts

remaining after such repayment or commitment reduction (if any) may be retained by the Borrower.

SECTION 4.5 *Optional Increase In Term Loan Commitment.*

(a) Subject to the conditions set forth below, the Borrower shall have the option, exercisable on no more than three (3) occasions following the Amended and Restated Closing Date until the Term Loan Maturity Date, to incur additional indebtedness under this Agreement in the form of an increase of the Term Loan Commitment by a principal amount of up to (i) the Additional Term Loan Limit *less* (ii) the aggregate principal amount of any prior increase to the Term Loan Commitment made pursuant to this Section. In the event the Borrower desires to exercise the above-described option, the Borrower shall deliver to the Administrative Agent an Increase Notification pursuant to which the Borrower may request that additional Term Loans be made on the Additional Term Loan Effective Date pursuant to such increase in the Term Loan Commitment (each such additional Term Loan, an "*Additional Term Loan*", and collectively, the "*Additional Term Loans*").

(b) Each Additional Term Loan shall be obtained from existing Lenders or from other banks, financial institutions or investment funds that qualify as Eligible Assignees, in each case in accordance with this Section. Participation in any Additional Term Loan shall be offered first to each of the existing Lenders; *provided* that no Lender shall have any obligation to provide any portion of such Additional Term Loans. If the amount of the Additional Term Loans requested by the Borrower shall exceed the commitments which the existing Lenders are willing to provide with respect to such Additional Term Loans, then the Borrower may invite other banks, financial institutions and investment funds which meet the requirements of an Eligible Assignee to join this Agreement as Lenders for the portion of such Additional Term Loans not committed to by existing Lenders (each such other bank, financial institution or investment fund, a "*New Term Lender*" and collectively with the existing Lenders providing increased Term Loan Commitments, the "*Increasing Term Lenders*"). The Administrative Agent is authorized to enter into, on behalf of the Lenders, any amendment to this Agreement or any other Loan Document as may be necessary to incorporate the terms of any Additional Term Loan herein or therein; *provided* that such amendment shall not modify this Agreement or any other Loan Document in any manner materially adverse to any Lender and shall otherwise be in accordance with *Section 14.2*.

(c) The following terms and conditions shall apply to each Additional Term Loan: (i) the Additional Term Loans made under this Section shall constitute Obligations of the Borrower and shall be secured and guaranteed with the other Extensions of Credit on a *pari passu* basis (*provided* that the Delayed Draw Term Loans shall be entitled to receive optional and mandatory prepayments prior to the Additional Term Loans in the manner specified in *Section 4.4*); (ii) any New Term Lender making Additional Term Loans shall be entitled to the same voting rights as the existing Lenders under the Term Loan Facility; (iii) the Borrower shall, upon the request of any Increasing Term Lender, execute such Term Loan Notes as are necessary to reflect such Increasing Term Lender's Additional Term Loans; (iv) the Administrative Agent and the Lenders shall have received from the Borrower an Officer's Compliance Certificate in form and substance satisfactory to the Administrative Agent, demonstrating that, after giving effect to any such Additional Term Loan, the Borrower will be in *pro forma* compliance with the financial covenants set forth in *Section 10.2*, *Section 10.3*, *Section 10.4* and *Section 10.5* and demonstrating compliance with the Incurrence Test set forth in *Section 10.1*; (v) no Default or Event of Default shall have occurred and be continuing hereunder as of the Additional Term Loan Effective Date or after giving effect to the making of any such Additional Term Loans; (vi) the representations and warranties contained in Article VII and in the other Loan Documents shall be true and correct on and as of the Additional Term Loan Effective Date with the same effect as if made on and as of such date (other than those representations and warranties that by their terms speak as of a particular date,

which representations and warranties shall be true and correct as of such particular date); (vii) the amount of such increase in the Term Loan Commitment and any Additional Term Loans obtained thereunder shall not be less than a minimum principal amount of $10,000,000, or any whole multiple of $5,000,000 in excess thereof, or if less, the maximum amount permitted pursuant to clause (a) above; (viii) the Borrower and each Increasing Term Lender shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, a Term Loan Lender Addition and Acknowledgement Agreement; and (ix) the Administrative Agent shall have received any documents or information, including any joinder agreements, resolutions, certificates and legal opinions in connection with such increase in the Term Loan Commitment as it may reasonably request.

(d) Upon the execution, delivery, acceptance and recording of a written agreement (i) executed by the Borrower and each Increasing Term Lender and (ii) acknowledged by the Administrative Agent and each Subsidiary Guarantor, in form and substance satisfactory to the Administrative Agent (a "*Term Loan Lender Addition and Acknowledgement Agreement*"), from and after the applicable Additional Term Loan Effective Date, each Increasing Term Lender shall have a Term Loan Commitment as set forth in the Register and all the rights and obligations of a Lender with such a Term Loan Commitment hereunder. The Increasing Term Lenders shall make the Additional Term Loans to the Borrower on the Additional Term Loan Effective Date in an amount equal to each such Increasing Term Lender's commitment in respect of Additional Term Loans as agreed upon pursuant to subsection (b) above.

(e) The Administrative Agent shall maintain a copy of each Term Loan Lender Addition and Acknowledgment Agreement delivered to it in accordance with *Section 14.10(d)*.

(f) Within five (5) Business Days after receipt of notice, the Borrower shall execute and deliver to the Administrative Agent, in exchange for any surrendered Term Loan Note or Term Loan Notes of any existing Lender or with respect to any New Term Lender, a new Term Loan Note or Term Loan Notes to the order of the applicable Lenders in amounts equal to the Term Loan Commitment of such Lenders as set forth in the Register. Such new Term Loan Note or Term Loan Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such Term Loan Commitments, shall be dated as of the Additional Term Loan Effective Date and shall otherwise be in substantially the form of the existing Term Loan Notes. Each surrendered Term Loan Note and/or Term Loan Notes shall be canceled and returned to the Borrower.

(g) The Applicable Margin and pricing grid, if applicable, for the Additional Term Loans shall be determined on the applicable Additional Term Loan Effective Date; *provided* that if the all-in-yield, after giving effect to any offering of such proposed Additional Term Loan at a discount from par or any fees paid to the Lenders in connection with such proposed Additional Term Loan (the "*All-in-Yield*"), exceeds the all-in-yield (as reasonably determined by the Administrative Agent) with respect to the Delayed Draw Term Loan or any existing Additional Term Loan by more than 0.25%, then the Applicable Margin or fees payable by the Borrowers with respect to the Delayed Draw Term Loan and/or such existing Additional Term Loan shall be increased to the extent necessary to cause the All-in-Yield with respect to the Delayed Draw Term Loan and/or such existing Additional Term Loans to be no more than 0.25% less than the All-in-Yield with respect to the proposed Additional Term Loan (the amount of such increase to be determined by the Administrative Agent, in accordance with the foregoing, as of the applicable Additional Term Loan Effective Date).

ARTICLE V

GENERAL LOAN PROVISIONS

SECTION 5.1 *Interest.*

(a) *Interest Rate Options.* Subject to the provisions of this Section, at the election of the Borrower, (i) Revolving Credit Loans and the Term Loan shall bear interest at (A) the Base Rate *plus* the Applicable Margin or (B) the LIBOR Rate *plus* the Applicable Margin and (ii) any Swingline Loan shall bear interest at the Base Rate *plus* the Applicable Margin. The Borrower shall select the rate of interest and Interest Period, if any, applicable to any Loan at the time a Notice of Borrowing is given or at the time a Notice of Conversion/Continuation is given pursuant to *Section 5.2*. Any Loan or any portion thereof as to which the Borrower has not duly specified an interest rate as provided herein shall be deemed a Base Rate Loan.

(b) *Interest Periods.* In connection with each LIBOR Rate Loan, the Borrower, by giving notice at the times described in *Section 2.3* or *5.2*, as applicable, shall elect an interest period (each, an "*Interest Period*") to be applicable to such Loan, which Interest Period shall be a period of one (1), two (2), three (3), or six (6) months; *provided* that:

(i) the Interest Period shall commence on the date of advance of or conversion to any LIBOR Rate Loan and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;

(ii) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; *provided*, that if any Interest Period with respect to a LIBOR Rate Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;

(iii) any Interest Period with respect to a LIBOR Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period;

(iv) no Interest Period shall extend beyond the Revolving Credit Maturity Date or the Term Loan Maturity Date, as applicable, and Interest Periods shall be selected by the Borrower so as to permit the Borrower to make the quarterly principal installment payments pursuant to *Section 4.3* without payment of any amounts pursuant to *Section 5.9*; and

(v) there shall be no more than eight (8) Interest Periods in effect at any time.

(c) *Default Rate.* Subject to *Section 12.3*, (i) immediately upon the occurrence and during the continuance of an Event of Default under *Section 12.1(a), (b), (j)* or *(k)*, or (ii) at the election of the Required Lenders, upon the occurrence and during the continuance of any other Event of Default, (A) the Borrower shall no longer have the option to request LIBOR Rate Loans or, Swingline Loans or Letters of Credit, (B) all outstanding LIBOR Rate Loans shall bear interest at a rate per annum of two percent (2%) in excess of the rate then applicable to LIBOR Rate Loans until the end of the applicable Interest Period and thereafter at a rate equal to two percent (2%) in excess of the rate then applicable to Base Rate Loans, and (C) all outstanding Base Rate Loans and other Obligations arising hereunder or under any other Loan Document shall bear interest at a rate per annum equal to two percent (2%) in excess of the rate then applicable to Base Rate Loans or such other Obligations arising hereunder or under any other Loan Document. Interest shall continue to accrue on the Obligations after the filing by or against the Borrower of any

petition seeking any relief in bankruptcy or under any act or law pertaining to insolvency or debtor relief, whether state, federal or foreign.

(d) *Interest Payment and Computation.* Interest on each Base Rate Loan shall be due and payable in arrears on the last Business Day of each calendar quarter commencing September 30, 2006; and interest on each LIBOR Rate Loan shall be due and payable in arrears on the last day of each Interest Period applicable thereto, and if such Interest Period extends over three (3) months, at the end of each three (3) month interval during such Interest Period. Interest on LIBOR Rate Loans and all fees payable hereunder shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed and interest on Base Rate Loans shall be computed on the basis of a 365/366-day year and assessed for the actual number of days elapsed.

(e) *Maximum Rate.* In no contingency or event whatsoever shall the aggregate of all amounts deemed interest under this Agreement charged or collected pursuant to the terms of this Agreement exceed the highest rate permissible under any Applicable Law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such a court determines that the Lenders have charged or received interest hereunder in excess of the highest applicable rate, the rate in effect hereunder shall automatically be reduced to the maximum rate permitted by Applicable Law and the Lenders shall at the Administrative Agent's option (i) promptly refund to the Borrower any interest received by the Lenders in excess of the maximum lawful rate or (ii) apply such excess to the principal balance of the Obligations on a pro rata basis. It is the intent hereof that the Borrower not pay or contract to pay, and that neither the Administrative Agent nor any Lender receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by the Borrower under Applicable Law.

SECTION 5.2 *Notice and Manner of Conversion or Continuation of Loans.* Provided that no Default or Event of Default has occurred and is then continuing, the Borrower shall have the option to (a) convert at any time all or any portion of any outstanding Base Rate Loans (other than Swingline Loans) in a principal amount equal to $5,000,000 or any whole multiple of $1,000,000 in excess thereof into one or more LIBOR Rate Loans and (b) upon the expiration of any Interest Period, (i) convert all or any part of its outstanding LIBOR Rate Loans in a principal amount equal to $3,000,000 or a whole multiple of $1,000,000 in excess thereof into Base Rate Loans (other than Swingline Loans) or (ii) continue such LIBOR Rate Loans as LIBOR Rate Loans. Whenever the Borrower desires to convert or continue Loans as provided above, the Borrower shall give the Administrative Agent irrevocable prior written notice in the form attached as ***Exhibit E*** (a "*Notice of Conversion/Continuation*") not later than 11:00 a.m. three (3) Business Days before the day on which a proposed conversion or continuation of such Loan is to be effective specifying (A) the Loans to be converted or continued, and, in the case of any LIBOR Rate Loan to be converted or continued, the last day of the Interest Period therefor, (B) the effective date of such conversion or continuation (which shall be a Business Day), (C) the principal amount of such Loans to be converted or continued, and (D) the Interest Period to be applicable to such converted or continued LIBOR Rate Loan. The Administrative Agent shall promptly notify the Lenders of such Notice of Conversion/Continuation.

SECTION 5.3 *Fees.*

(a) *Revolving Credit Facility Commitment Fee.* Commencing on the Amended and Restated Closing Date, the Borrower shall pay to the Administrative Agent, for the account of the Revolving Credit Lenders, a non-refundable commitment fee at a rate per annum equal to the Applicable Margin on the daily unused portion of the Revolving Credit Commitment; *provided*, that the amount of outstanding Swingline Loans shall not be considered usage of the Revolving Credit Commitment for the purpose of calculating such commitment fee. The commitment fee shall be payable in arrears on the last Business Day of each calendar quarter during the term of

this Agreement commencing September 30, 2006 and ending on the Revolving Credit Maturity Date. Such commitment fee shall be distributed by the Administrative Agent to the Revolving Credit Lenders *pro rata* in accordance with the Lenders' respective Revolving Credit Commitment Percentages.

(b) *Delayed Draw Term Loan Commitment Fee.* Commencing on the Amended and Restated Closing Date, the Borrower shall pay to the Administrative Agent, for the account of the Lenders with a Delayed Draw Term Loan Commitment, a non-refundable commitment fee at a rate per annum equal to the Applicable Margin on the average daily unused portion of the Delayed Draw Term Loan Commitment. The commitment fee shall be payable in arrears on the last Business Day of each calendar quarter during the period commencing on the Amended and Restated Closing Date and ending on the earlier to occur of (A) the Delayed Draw Term Loan Funding Date and (B) the Delayed Draw Funding Deadline. Such commitment fee shall be distributed by the Administrative Agent to the Lenders with a Delayed Draw Term Loan Commitment *pro rata* in accordance with such Lenders' respective Delayed Draw Term Loan Percentages.

(c) *Administrative Agent's and Other Fees.* In order to compensate the Administrative Agent for structuring and syndicating the Lenders for their obligations hereunder, the Borrower agrees to pay to the Administrative Agent, for the account of the Administrative Agent, the Lenders and their Affiliates, any fees set forth in the Fee Letter.

SECTION 5.4 *Manner of Payment.* Each payment by the Borrower on account of the principal of or interest on the Loans or of any fee, commission or other amounts (including the Reimbursement Obligation) payable to the Lenders under this Agreement shall be made not later than 1:00 p.m. on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent's Office for the account of the applicable Lenders (other than as set forth below) *pro rata* in accordance with their respective applicable Commitment Percentages, (except as specified below), in Dollars, in immediately available funds and shall be made without any set-off, counterclaim or deduction whatsoever. Any payment received after such time but before 2:00 p.m. on such day shall be deemed a payment on such date for the purposes of *Section 12.1*, but for all other purposes shall be deemed to have been made on the next succeeding Business Day. Any payment received after 2:00 p.m. shall be deemed to have been made on the next succeeding Business Day for all purposes. Upon receipt by the Administrative Agent of each such payment, the Administrative Agent shall distribute to each Lender at its address for notices set forth herein its *pro rata* share of such payment in accordance with such Lender's applicable Commitment Percentage, (except as specified below) and shall wire advice of the amount of such credit to each Lender. Each payment to the Administrative Agent of the Issuing Lender's fees or L/C Participants' commissions shall be made in like manner, but for the account of the Issuing Lender or the L/C Participants, as the case may be. Each payment to the Administrative Agent of Administrative Agent's fees or expenses shall be made for the account of the Administrative Agent and any amount payable to any Lender under *Sections 5.9*, *5.10*, *5.11* or *14.3* shall be paid to the Administrative Agent for the account of the applicable Lender. Subject to *Section 5.1(b)(ii)* if any payment under this Agreement shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding day which is a Business Day and such extension of time shall in such case be included in computing any interest if payable along with such payment. In furtherance thereof, any funds in or payments to the Funding Account (as defined in the Irrevocable Standby Stock Purchase Agreement) pursuant to Section 2.3(c) of the Irrevocable Standby Stock Purchase Agreement as a result of any Default under *Section 12.1(a)* or *Section 12.1(b)* shall be immediately applied by the Administrative Agent to repay in accordance with this Agreement outstanding Obligations that are then due and payable.

SECTION 5.5 *Evidence of Indebtedness.*

(a) *Extensions of Credit.* The Extensions of Credit made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Extensions of Credit made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Revolving Credit Note, Term Note and/or Swingline Note, as applicable, which shall evidence such Lender's Revolving Credit Loans, Term Loan and/or Swingline Loans, as applicable, in addition to such accounts or records. Each Lender may attach schedules to its Notes and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

(b) *Participations.* In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swingline Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

SECTION 5.6 *Adjustments.* If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations (other than pursuant to *Sections 5.9*, *5.10*, *5.11* or *14.3* hereof) greater than its *pro rata* share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; *provided* that

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and

(b) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in Swingline Loans and Letters of Credit to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Credit Party in the amount of such participation.

SECTION 5.7 *Nature of Obligations of Lenders Regarding Extensions of Credit; Assumption by the Administrative Agent.* The obligations of the Lenders under this Agreement to make the Loans and issue or participate in Letters of Credit are several and are not joint or joint and several. Unless the Administrative Agent shall have received notice from a Lender prior to a proposed borrowing date that such Lender will not make available to the Administrative Agent such Lender's ratable portion of the amount to be borrowed on such date (which notice shall not release such Lender of its obligations hereunder), the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the proposed borrowing date in accordance with *Sections 2.3(b)* and *4.2*, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If such amount is made available to the Administrative Agent on a date after such borrowing date, such Lender shall pay to the Administrative Agent on demand an amount, until paid, equal to the product of (a) the amount not made available by such Lender in accordance with the terms hereof, *times* (b) the daily average Federal Funds Rate during such period as determined by the Administrative Agent, *times* (c) a fraction the numerator of which is the number of days that elapse from and including such borrowing date to the date on which such amount not made available by such Lender in accordance with the terms hereof shall have become immediately available to the Administrative Agent and the denominator of which is 360. A certificate of the Administrative Agent with respect to any amounts owing under this Section shall be conclusive, absent manifest error. If such Lender's Commitment Percentage of such borrowing is not made available to the Administrative Agent by such Lender within three (3) Business Days after such borrowing date, the Administrative Agent shall be entitled to recover such amount made available by the Administrative Agent with interest thereon at the rate per annum applicable to Base Rate Loans hereunder, on demand, from the Borrower. The failure of any Lender to make available its Commitment Percentage of any Loan requested by the Borrower shall not relieve it or any other Lender of its obligation, if any, hereunder to make its Commitment Percentage of such Loan available on the borrowing date, but no Lender shall be responsible for the failure of any other Lender to make its Commitment Percentage of such Loan available on the borrowing date.

SECTION 5.8 *Changed Circumstances.*

(a) *Circumstances Affecting LIBOR Rate Availability.* If with respect to any Interest Period the Administrative Agent or any Lender (after consultation with the Administrative Agent) shall determine that, by reason of circumstances affecting the foreign exchange and interbank markets generally, deposits in eurodollars, in the applicable amounts are not being quoted via the Telerate Page 3750 or offered to the Administrative Agent or such Lender for such Interest Period, then the Administrative Agent shall forthwith give notice thereof to the Borrower. Thereafter, until the Administrative Agent notifies the Borrower that such circumstances no longer exist, the obligation of the Lenders to make LIBOR Rate Loans and the right of the Borrower to convert any Loan to or continue any Loan as a LIBOR Rate Loan shall be suspended, and the Borrower shall repay in full (or cause to be repaid in full) the then outstanding principal amount of each such LIBOR Rate Loan together with accrued interest thereon, on the last day of the then current Interest Period applicable to such LIBOR Rate Loan or convert the then outstanding principal amount of each such LIBOR Rate Loan to a Base Rate Loan as of the last day of such Interest Period.

(b) *Laws Affecting LIBOR Rate Availability.* If, after the date hereof, the introduction of, or any change in, any Applicable Law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any of the Lenders (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall make it unlawful or impossible for any of the Lenders (or any of their respective Lending Offices) to honor its obligations hereunder to make or maintain any LIBOR Rate Loan, such Lender shall promptly

give notice thereof to the Administrative Agent and the Administrative Agent shall promptly give notice to the Borrower and the other Lenders. Thereafter, until the Administrative Agent notifies the Borrower that such circumstances no longer exist, (i) the obligations of the Lenders to make LIBOR Rate Loans and the right of the Borrower to convert any Loan or continue any Loan as a LIBOR Rate Loan shall be suspended and thereafter the Borrower may select only Base Rate Loans hereunder, and (ii) if any of the Lenders may not lawfully continue to maintain a LIBOR Rate Loan to the end of the then current Interest Period applicable thereto as a LIBOR Rate Loan, the applicable LIBOR Rate Loan shall immediately be converted to a Base Rate Loan for the remainder of such Interest Period.

SECTION 5.9 *Indemnity.* The Borrower hereby indemnifies each of the Lenders against any loss or expense which may arise or be attributable to each Lender's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain any Loan (a) as a consequence of any failure by the Borrower to make any payment when due of any amount due hereunder in connection with a LIBOR Rate Loan, (b) due to any failure of the Borrower to borrow, continue or convert on a date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation or (c) due to any payment, prepayment or conversion of any LIBOR Rate Loan on a date other than the last day of the Interest Period therefor. The amount of such loss or expense shall be determined, in the applicable Lender's sole discretion, based upon the assumption that such Lender funded its Commitment Percentage of the LIBOR Rate Loans in the London interbank market and using any reasonable attribution or averaging methods which such Lender deems appropriate and practical. A certificate of such Lender setting forth the basis for determining such amount or amounts necessary to compensate such Lender shall be forwarded to the Borrower through the Administrative Agent and shall be conclusively presumed to be correct save for manifest error.

SECTION 5.10 *Increased Costs.*

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Lender (except any reserve requirement reflected in the LIBOR Rate) or the Issuing Lender;

(ii) subject any Lender or the Issuing Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any LIBOR Rate Loan made by it, or change the basis of taxation of payments to such Lender or the Issuing Lender in respect thereof (except for Indemnified Taxes or Other Taxes covered by *Section 5.11* and the imposition of, or any change in the rate of any Excluded Tax payable by such Lender or the Issuing Lender); or

(iii) impose on any Lender or the Issuing Lender or the London interbank market any other condition, cost or expense affecting this Agreement or LIBOR Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting into or maintaining any LIBOR Rate Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the Issuing Lender of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Lender hereunder (whether of principal, interest or any other amount) then, upon written request of such Lender or the Issuing Lender, the Borrower shall promptly pay to any such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as

will compensate such Lender or the Issuing Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If any Lender or the Issuing Lender determines that any Change in Law affecting such Lender or the Issuing Lender or any lending office of such Lender or such Lender's or the Issuing Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Lender's capital or on the capital of such Lender's or the Issuing Lender's holding company, if any, as a consequence of this Agreement, the Revolving Credit Commitment of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Lender, to a level below that which such Lender or the Issuing Lender or such Lender's or the Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Lender's policies and the policies of such Lender's or the Issuing Lender's holding company with respect to capital adequacy), then from time to time upon written request of such Lender or such Issuing Lender the Borrower shall promptly pay to such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender or such Lender's or the Issuing Lender's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of a Lender or the Issuing Lender setting forth the amount or amounts necessary to compensate such Lender or the Issuing Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Issuing Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of any Lender or the Issuing Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender or the Issuing Lender pursuant to this Section for any increased costs incurred or reductions suffered more than six (6) months prior to the date that such Lender or the Issuing Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 5.11 *Taxes.*

(a) *Payments Free of Taxes.* Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; *provided* that if the Borrower shall be required by Applicable Law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or Issuing Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) *Payment of Other Taxes by the Borrower.* Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) *Indemnification by the Borrower.* The Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Lender, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent, such Lender or the Issuing Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Issuing Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Lender, shall be conclusive absent manifest error.

(d) *Evidence of Payments.* As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) *Status of Lenders.* Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Without limiting the generality of the foregoing, in the event that the Borrower is a resident for tax purposes in the United States, any Foreign Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower to determine the withholding or deduction required to be made.

(f) *Treatment of Certain Refunds.* If the Administrative Agent, a Lender or the Issuing Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent, such Lender or the Issuing Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the Borrower, upon the request of the Administrative Agent, such Lender or the Issuing Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or the Issuing Lender in the event the Administrative Agent, such Lender or the Issuing Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent, any Lender or the Issuing Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

(g) *Survival.* Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section shall survive the payment in full of the Obligations and the termination of the Revolving Credit Commitment.

SECTION 5.12 *Mitigation Obligations; Replacement of Lenders.*

(a) *Designation of a Different Lending Office.* If any Lender requests compensation under *Section 5.10*, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to *Section 5.11*, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to *Section 5.10* or *Section 5.11*, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) *Replacement of Lenders.* If any Lender requests compensation under *Section 5.10*, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to *Section 5.11*, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, *Section 14.10*), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that

(i) the Borrower shall have paid to the Administrative Agent the assignment fee specified in *Section 14.10*,

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under *Section 5.9*) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts),

(iii) in the case of any such assignment resulting from a claim for compensation under *Section 5.10* or payments required to be made pursuant to *Section 5.11*, such assignment will result in a reduction in such compensation or payments thereafter, and

(iv) such assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 5.13 *Security.* The Obligations of the Borrower shall be secured as provided in the Security Documents.

ARTICLE VI

CLOSING; CONDITIONS OF CLOSING AND BORROWING

SECTION 6.1 *Closing.* The closing shall take place at the offices of Kennedy Covington Lobdell & Hickman, L.L.P. at 10:00 a.m. on August 16, 2006, or on such other place, date and time as the parties hereto shall mutually agree.

SECTION 6.2 *Conditions to Closing and Funding of the Initial Extensions of Credit.* The obligation of the Lenders to close this Agreement and to fund the initial Revolving Credit Loans or issue or participate in the initial Letter of Credit, if any, is subject to the satisfaction of each of the following conditions:

(a) *Executed Loan Documents.* This Agreement, a Revolving Credit Note in favor of each Lender requesting a Revolving Credit Note, a Term Note in favor of each Lender requesting a Term Note, a Swingline Note in favor of the Swingline Lender (if requested thereby), the Reaffirmation Agreement, together with any other applicable Loan Documents, shall have been duly authorized, executed and delivered to the Administrative Agent by the parties thereto, shall be in full force and effect and no Default or Event of Default shall exist hereunder or thereunder.

(b) *Closing Certificates; Etc.* The Administrative Agent shall have received each of the following in form and substance reasonably satisfactory to the Administrative Agent:

(i) *Officer's Certificate of the Borrower.* A certificate from a Responsible Officer of the Borrower to the effect that all representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents are true, correct and complete in all material respects (*provided* that any representation or warranty that is qualified by materiality or by reference to Material Adverse Effect shall be true, correct and complete in all respects); that none of the Credit Parties is in violation of any of the covenants contained in this Agreement and the other Loan Documents; that, after giving effect to the transactions contemplated by this Agreement, no Default or Event of Default has occurred and is continuing; and that each of the Credit Parties, as applicable, has satisfied each of the conditions set forth in *Section 6.2* and *Section 6.4*.

(ii) *Certificate of Secretary of each Credit Party.* A short-form certificate of a Responsible Officer of each Credit Party certifying as to the incumbency and genuineness of the signature of each officer of such Credit Party executing Loan Documents to which it is a party, certifying that the articles of incorporation or formation and bylaws or other governing document of such Credit Party delivered pursuant to the Existing Facility continue unchanged (or, if applicable, specifying the nature of any changes thereto) and remain in full force and effect as of the date hereof, and certifying that attached thereto is a true, correct and complete copy of (A) resolutions duly adopted by the board of directors or other governing

body of such Credit Party authorizing the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party, and (B) each certificate required to be delivered pursuant to *Section 6.2(b)(iii)*.

(iii) *Certificates of Good Standing.* Certificates as of a recent date of the good standing of each Credit Party under the laws of its jurisdiction of organization and, to the extent requested by the Administrative Agent, each other jurisdiction where such Credit Party is qualified to do business.

(iv) *Opinions of Counsel.* Favorable opinions of counsel to the Credit Parties addressed to the Administrative Agent and the Lenders with respect to the Credit Parties, the Loan Documents and such other matters as the Administrative Agent shall reasonably request, including, without limitation, FCC matters.

(c) *Personal Property Collateral.*

(i) *Filings and Recordings.* The Administrative Agent shall have received all filings and recordations required by the Security Documents that are necessary to perfect the security interests of the Administrative Agent, on behalf of itself and the Lenders, in the Collateral and the Administrative Agent shall have received evidence reasonably satisfactory to the Administrative Agent that upon such filings and recordations such security interests constitute valid and perfected first priority Liens thereon, to the extent Liens can be perfected by such filings and recordings.

(ii) *Pledged Collateral.* The Administrative Agent shall have received (A) original stock certificates or other certificates evidencing the Capital Stock pledged pursuant to the Security Documents, together with an undated stock power for each such certificate duly executed in blank by the registered owner thereof and (B) each original promissory note pledged pursuant to the Security Documents.

(iii) *Lien Search.* The Administrative Agent shall have received the results of a Lien search (including a search as to judgments, pending litigation and tax matters), in form and substance reasonably satisfactory thereto, made against the Credit Parties under the Uniform Commercial Code (or applicable judicial docket) as in effect in any state in which any material assets of such Credit Party are located, indicating among other things that its assets are free and clear of any Lien except for Permitted Liens.

(iv) *Hazard and Liability Insurance.* The Administrative Agent shall have received certificates of property hazard, business interruption and liability insurance, evidence of payment of all insurance premiums for the current policy year of each (naming the Administrative Agent as loss payee (and mortgagee, as applicable) on all certificates for property hazard insurance and as additional insured on all certificates for liability insurance), and, if requested by the Administrative Agent, copies (certified by a Responsible Officer) of insurance policies in the form required under the Security Documents and otherwise in form and substance reasonably satisfactory to the Administrative Agent.

(d) *Consents; No Injunction, Etc.*

(i) *Governmental and Third Party Approvals.* The Credit Parties shall have received all material governmental, shareholder and third party consents and approvals (including, without limitation, any required approvals, permits and consents of the FCC) necessary (or any other material consents as determined in the reasonable discretion of the Administrative Agent) in connection with the transactions contemplated by this Agreement and the other Loan Documents and the other transactions contemplated hereby and all applicable waiting periods

shall have expired without any action being taken by any Person that could reasonably be expected to restrain, prevent or impose any material adverse conditions on any of the Credit Parties or such other transactions or that could seek or threaten any of the foregoing, and no law or regulation shall be applicable which in the reasonable judgment of the Administrative Agent could reasonably be expected to have such effect.

(ii) *No Injunction, Etc.* No action, proceeding, investigation, regulation or legislation shall have been instituted, threatened or proposed before any Governmental Authority to enjoin, restrain, or prohibit, or to obtain substantial damages in respect of, or which is related to or arises out of this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby or thereby, or which, in the Administrative Agent's sole discretion, would make it inadvisable to consummate the transactions contemplated by this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby or thereby. The Administrative Agent shall be reasonably satisfied that no proceeding shall be pending or threatened which may result in the loss, revocation, modification, non-renewal, suspension, or termination of any Material Communications License, the issuance of any cease and desist order or the imposition of any fines, forfeitures or other administrative actions by the FCC with respect to any operations of the Borrower and its Subsidiaries. The Administrative Agent shall be reasonably satisfied that no proceeding shall be pending or threatened which may result in the denial by the FCC of any pending material applications of the Borrower or any Subsidiary thereof, if such denial could reasonably be expected to have a Material Adverse Effect.

(e) *Financial Matters.*

(i) *Financial Statements.* The Administrative Agent shall have received (A) the audited Consolidated balance sheet of the Borrower and its Subsidiaries as of December 31, 2004, the audited Consolidated balance sheet of the Borrower and its Subsidiaries as of December 31, 2005 and the related audited statements of income and retained earnings and cash flows for the fiscal periods then ended and (B) a unaudited Consolidated balance sheet of the Borrower and its Subsidiaries and the related unaudited statements of income and retained earnings and cash flows for the fiscal quarter ended June 30, 2006, in each case, reasonably satisfactory in form to the Administrative Agent.

(ii) *Financial Projections.* Pro forma Consolidated financial statements for the Borrower and its Subsidiaries, and forecasts prepared by management of the Borrower, of balance sheets, income statements and cash flow statements on a quarterly basis for the first eighteen (18) months following the Original Closing Date and on an annual basis for each year thereafter during the term of the Credit Facility, in each case, reasonably satisfactory in form to the Administrative Agent.

(iii) *Financial Condition Certificate.* The Borrower shall have delivered to the Administrative Agent a certificate, in form and substance reasonably satisfactory to the Administrative Agent, and certified as accurate by a Responsible Officer, that (A) the Borrower and each of the other Credit Parties are Solvent, (B) the payables of each Credit Party are current and not past due with immaterial exceptions and subject to any that are being disputed in good faith, (C) attached thereto are calculations for the fiscal quarter ended June 30, 2006, in form and substance satisfactory to the Administrative Agent, evidencing compliance on a *pro forma* basis with the financial covenants contained in *Section 10.2*, *Section 10.3* and *Section 10.4*, (D) the financial projections previously delivered to the Administrative Agent represent the good faith estimates (utilizing reasonable assumptions) of the financial condition and operations of the Borrower and its Subsidiaries, (E) attached thereto is a calculation of the Applicable Margin and (F) attached thereto is an Adjusted

Consolidated EBITDA Reconciliation for the four (4) consecutive fiscal quarter period ending on June 30, 2006.

(iv) *Payment at Closing.* The Borrower shall have paid to the Administrative Agent and the Lenders the fees set forth or referenced in *Section 5.3* which are then due and payable and any other accrued and unpaid fees or commissions due hereunder (including, without limitation, legal fees and expenses) and to any other Person such amount as may be due thereto in connection with the transactions contemplated hereby, including all taxes, fees and other charges in connection with the execution, delivery, recording, filing and registration of any of the Loan Documents.

(v) *Irrevocable Standby Stock Purchase Agreement.* The Irrevocable Standby Stock Purchase Agreement shall have been duly authorized and executed and a copy thereof delivered to the Administrative Agent by the parties thereto and shall be in full force and effect and no default or event of default shall exist thereunder.

(f) *Miscellaneous.*

(i) *Due Diligence.* The Administrative Agent shall have completed, to its satisfaction, all financial, legal and business and other due diligence with respect to the business, assets, liabilities, operations and condition (financial or otherwise) of the Borrower and its Subsidiaries in scope and determination satisfactory to the Administrative Agent in its sole discretion.

(ii) *Repayment of Debt.* All existing Debt of the Borrower and its Subsidiaries, other than any Debt permitted to remain outstanding pursuant to the terms of this Agreement shall be repaid in full and all credit facilities, security interests and other agreements relating thereto shall have been terminated (or provision for the termination thereof shall have been made) in a manner satisfactory to the Administrative Agent and the Lenders, and the Administrative Agent shall have received pay-off letters in form and substance satisfactory to it evidencing such repayment, termination and release.

(iii) *Other Documents.* All opinions, certificates and other instruments and all proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Administrative Agent. The Administrative Agent shall have received copies of all other documents, certificates and instruments reasonably requested thereby with respect to the transactions contemplated by this Agreement.

SECTION 6.3 *Conditions to the Delayed Draw Term Loan.* The applicable Lenders shall have no obligation to make the Delayed Draw Term Loan, if any, until the later to occur of (a) January 2, 2008 and (b) the satisfaction of each of the following conditions:

(a) *Minimum Net Cash Proceeds from Equity Issuances.* The Administrative Agent shall have received evidence satisfactory thereto of receipt by the Borrower of Net Cash Proceeds of at least $200,000,000 from Equity Issuances by the Borrower of common stock following the Original Closing Date.

(b) *Consents; No Injunction, Etc.*

(i) *Governmental and Third Party Approvals.* The Credit Parties shall have received all material governmental, shareholder and third party consents and approvals necessary (or any other material consents as determined in the reasonable discretion of the Administrative Agent) in connection with the transactions contemplated by this Agreement and the other Loan Documents and the other transactions contemplated hereby and all applicable waiting periods shall have expired without any action being taken by any Person that could reasonably be expected to restrain, prevent or impose any material adverse conditions on any of the

Credit Parties or such other transactions or that could seek or threaten any of the foregoing, and no law or regulation shall be applicable which in the reasonable judgment of the Administrative Agent could reasonably be expected to have such effect.

(ii) *No Injunction, Etc.* No action, proceeding, investigation, regulation or legislation shall have been instituted, threatened or proposed before any Governmental Authority to enjoin, restrain, or prohibit, or to obtain substantial damages in respect of, or which is related to or arises out of this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby or thereby, or which, in the Administrative Agent's sole discretion, would make it inadvisable to consummate the transactions contemplated by this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby or thereby. The Administrative Agent shall be reasonably satisfied that no proceeding shall be pending or threatened which may result in the loss, revocation, modification, non-renewal, suspension, or termination of any Material Communications License, the issuance of any cease and desist order or the imposition of any fines, forfeitures or other administrative actions by the FCC with respect to any operations of the Borrower and its Subsidiaries. The Administrative Agent shall be reasonably satisfied that no proceeding shall be pending or threatened which may result in the denial by the FCC of any pending material applications of the Borrower or any Subsidiary thereof, if such denial could reasonably be expected to have a Material Adverse Effect.

(c) *Financial Condition Certificate.* The Borrower shall have delivered to the Administrative Agent a certificate, in form and substance satisfactory to the Administrative Agent, and certified as accurate by a Responsible Officer, that (i) the Borrower and each of the other Credit Parties is Solvent, (ii) the payables of the Borrower and each of the other Credit Parties are current and not past due (subject to immaterial exceptions and matters disputed in good faith), (iii) attached thereto are calculations evidencing compliance on a *pro forma* basis with the financial covenants contained in *Section 10.2*, *Section 10.3*, *Section 10.4* and *Section 10.5* and (iv) the financial projections previously delivered to the Administrative Agent represent the good faith estimates (utilizing reasonable assumptions) of the financial condition and operations of the Borrower and its Subsidiaries, (v) attached thereto is a calculation of the Applicable Margin and (vi) attached thereto is an Adjusted Consolidated EBITDA Reconciliation for the four (4) consecutive fiscal quarter period ending on or immediately prior to the date of such certificate and, with respect to which fiscal quarter end, financial statements are available.

(d) *Miscellaneous.*

(i) *Notice of Borrowing.* The Administrative Agent shall have received a Notice of Borrowing from the Borrower in accordance with *Section 4.2*, and a Notice of Account Designation specifying the account or accounts to which the proceeds of any Delayed Draw Term Loans are to be disbursed.

(ii) *Other Documents.* All opinions, certificates and other instruments and all proceedings in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in form and substance to the Administrative Agent. The Administrative Agent shall have received copies of all other documents, certificates and instruments reasonably requested thereby with respect to the transactions contemplated by this Agreement.

SECTION 6.4 *Conditions to All Extensions of Credit.* The obligations of the Lenders to make any Extensions of Credit (including the initial Extension of Credit), convert or continue any Loan and/or the Issuing Lender to issue or extend any Letter of Credit are subject to the satisfaction of the

following conditions precedent on the relevant borrowing, continuation, conversion, issuance or extension date:

(a) *Continuation of Representations and Warranties.* With respect to the borrowing of any loan and the issuance or extension of any Letter of Credit (but not the conversion or continuation of any loan), the representations and warranties contained in Article VII shall be true and correct in all material respects on and as of such borrowing, issuance or extension date with the same effect as if made on and as of such date, except for any representation and warranty made as of an earlier date, which representation and warranty shall remain true and correct as of such earlier date; *provided* that any representation or warranty that is qualified by materiality or by reference to Material Adverse Effect shall be true and correct in all respects on and as of such borrowing, issuance or extension date.

(b) *No Existing Default.* No Default or Event of Default shall have occurred and be continuing (i) on the borrowing, continuation or conversion date with respect to such Loan or after giving effect to the Loans to be made, continued or converted on such date or (ii) on the issuance or extension date with respect to such Letter of Credit or after giving effect to the issuance or extension of such Letter of Credit on such date.

(c) *Notices.* The Administrative Agent shall have received a Notice of Borrowing or Notice of Conversion/Continuation, as applicable, from the Borrower in accordance with *Section 2.3(a)*, *Section 4.2* or *Section 5.2*.

(d) *Additional Documents.* The Administrative Agent shall have received each additional document, instrument, legal opinion or other item reasonably requested by it.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF THE BORROWER

SECTION 7.1 *Representations and Warranties.* To induce the Administrative Agent and Lenders to enter into this Agreement and to induce the Lenders to make Extensions of Credit, the Borrower hereby represents and warrants to the Administrative Agent and Lenders both before and after giving effect to the transactions contemplated hereunder that:

(a) *Organization; Power; Qualification.* Each of the Borrower and its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, has the power and authority to own its properties and to carry on its business as now being conducted and is duly qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification and authorization except in jurisdictions where the failure to be so qualified or authorized could not reasonably be expected to result in a Material Adverse Effect. The jurisdictions in which the Borrower and its Subsidiaries are organized and qualified to do business as of the Amended and Restated Closing Date are listed on *Schedule 7.1(a)*.

(b) *Ownership.* Each Subsidiary of the Borrower as of the Amended and Restated Closing Date is listed on *Schedule 7.1(b)*. As of the Amended and Restated Closing Date, the capitalization of the Borrower and its Subsidiaries consists of the number of shares, authorized, issued and outstanding, of such classes and series, with or without par value, described on *Schedule 7.1(b)*. All outstanding shares have been duly authorized and validly issued and are fully paid and nonassessable, with no personal liability attaching to the ownership thereof, and not subject to any preemptive or similar rights, except as described in Schedule 7.1(b). The shareholders of Borrower and its Subsidiaries and the number of shares owned by each as of the Amended and Restated Closing Date are described on *Schedule 7.1(b)*. As of the Amended and Restated Closing Date, there are no outstanding stock purchase warrants, subscriptions, options, securities, instruments or other rights of any type or nature whatsoever, which are convertible into, exchangeable for or otherwise provide for or permit the issuance of Capital Stock of the Borrower or its Subsidiaries, except as described on *Schedule 7.1(b)*.

(c) *Authorization of Agreement, Loan Documents and Borrowing.* Each of the Credit Parties has the right, power and authority and has taken all necessary corporate and other action to authorize the execution, delivery and performance of this Agreement and each of the other Loan Documents to which it is a party in accordance with their respective terms. This Agreement and each of the other Loan Documents have been duly executed and delivered by the duly authorized officers of each of the Credit Parties party thereto, and each such document constitutes the legal, valid and binding obligation of the Credit Parties party thereto, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal debtor relief laws from time to time in effect which affect the enforcement of creditors' rights in general and the availability of equitable remedies.

(d) *Compliance of Agreement, Loan Documents and Borrowing with Laws, Etc.* The execution, delivery and performance by the Credit Parties of the Loan Documents to which each such Person is a party, in accordance with their respective terms, the Extensions of Credit hereunder and the transactions contemplated hereby do not and will not, by the passage of time, the giving of notice or otherwise, (i) require any Governmental Approval or violate any Applicable Law relating to the Borrower or any of its Subsidiaries where the failure to obtain such Governmental Approval or violation could reasonably be expected to have a Material Adverse Effect, (ii) conflict with, result in a breach of or constitute a default under the certificate of incorporation, bylaws or other organizational documents of the Borrower or any of its Subsidiaries, (iii) conflict with, result in a breach of or constitute a default under any indenture, agreement or other instrument to which such Person is a party or by which any of its properties may be bound or any Governmental Approval relating to such Person in each case, which could reasonably be expected to have a Material Adverse Effect, (iv) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by such Person other than Liens arising under the Loan Documents or (iv) require any consent or authorization of, filing with, or other act in respect of, an arbitrator or Governmental Authority and no consent of any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement other than consents, authorizations, filings or other acts or consents for which the failure to obtain or make could not reasonably be expected to have a Material Adverse Effect and other than consents or filings under the UCC.

(e) *Compliance with Law; Governmental Approvals*. Each of the Borrower and its Subsidiaries (i) has all Governmental Approvals required by any Applicable Law for it to conduct its business as currently conducted, each of which is in full force and effect, is final and not subject to review on appeal and is not the subject of any pending or, to the best of its knowledge, threatened attack by direct or collateral proceeding, (ii) is in compliance with each Governmental Approval applicable to it and in compliance with all other Applicable Laws relating to it or any of its respective properties and (iii) has timely filed all material reports, documents and other materials required to be filed by it under all Applicable Laws with any Governmental Authority and has retained all material records and documents required to be retained by it under Applicable Law except in each case (i), (ii) or (iii) where the failure to have, comply or file could not reasonably be expected to have a Material Adverse Effect.

(f) *Tax Returns and Payments*. Each of the Borrower and its Subsidiaries has duly filed or caused to be filed all federal, material state, material local and other material tax returns required by Applicable Law to be filed, and has paid, or made adequate provision for the payment of, all federal, material state, material local and other material taxes, assessments and governmental charges or levies upon it and its property, income, profits and assets which are due and payable. Such returns accurately reflect in all material respects all liability for taxes of the Borrower and its Subsidiaries for the periods covered thereby. There is no ongoing audit or examination or, to the knowledge of the Borrower, other investigation by any Governmental Authority of the tax liability

of the Borrower and its Subsidiaries. No Governmental Authority has asserted any Lien or other claim against the Borrower or any Subsidiary thereof with respect to unpaid taxes which has not been discharged or resolved other than Permitted Liens. The charges, accruals and reserves on the books of the Borrower and any of its Subsidiaries in respect of federal, material state, material local and other material taxes for all Fiscal Years and portions thereof since the organization of the Borrower and any of its Subsidiaries are in the judgment of the Borrower adequate, and the Borrower does not anticipate any additional taxes or assessments for any of such years.

(g) *Intellectual Property Matters*. Each of the Borrower and its Subsidiaries owns or possesses rights to use all material franchises, licenses, copyrights, copyright applications, patents, patent rights or licenses, patent applications, trademarks, trademark rights, service mark, service mark rights, trade names, trade name rights, copyrights and other rights with respect to the foregoing which are reasonably necessary to conduct its business as currently conducted. No event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such material rights, and, to Borrower's knowledge, neither the Borrower nor any Subsidiary thereof is liable to any Person for infringement under Applicable Law with respect to any such rights as a result of its business operations except as could not reasonably be expected to have a Material Adverse Effect.

(h) *Environmental Matters*.

(i) The properties owned, leased or operated by the Borrower and its Subsidiaries now or in the past do not contain, and to their knowledge have not previously contained, any Hazardous Materials in amounts or concentrations which (A) constitute or constituted an unremediated violation of applicable Environmental Laws or (B) could give rise to material liability under applicable Environmental Laws;

(ii) To the knowledge of the Borrower and its Subsidiaries, the Borrower, each of its Subsidiaries and such properties and all operations conducted in connection therewith are in compliance, and, at all such times when such properties have been owned or operated by the Borrower or any of its Subsidiaries have been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about such properties or such operations which could interfere with the continued operation of such properties or materially impair the fair saleable value thereof;

(iii) Neither the Borrower nor any Subsidiary thereof has received any written notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters, Hazardous Materials, or compliance with Environmental Laws, nor does the Borrower or any Subsidiary thereof have knowledge or reason to believe that any such notice will be received or is being threatened;

(iv) To the knowledge of the Borrower and its Subsidiaries, Hazardous Materials have not been transported or disposed of to or from the properties owned, leased or operated by the Borrower and its Subsidiaries in violation of, or in a manner or to a location which could give rise to material liability under, Environmental Laws, nor have any Hazardous Materials been generated, treated, stored or disposed of at, on or under any of such properties in violation of, or in a manner that could give rise to material liability under, any applicable Environmental Laws;

(v) No judicial proceedings or governmental or administrative action is pending, or, to the knowledge of the Borrower, threatened, under any Environmental Law to which the Borrower or any Subsidiary thereof is or will be named as a potentially responsible party with respect to such properties or operations conducted in connection therewith, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or

other administrative or judicial requirements outstanding under any Environmental Law with respect to Borrower, any Subsidiary or such properties or such operations that could reasonably be expected to have a Material Adverse Effect; and

(vi) There has been no release, or to the best of the Borrower's knowledge, threat of release, of Hazardous Materials at or from properties owned, leased or operated by the Borrower or any Subsidiary, now or in the past, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws that could reasonably be expected to have a Material Adverse Effect.

(i) *ERISA*.

(i) As of the Amended and Restated Closing Date, neither the Borrower nor any ERISA Affiliate maintains or contributes to, or has any obligation under, any Employee Benefit Plans other than those identified on *Schedule 7.1(i)*;

(ii) The Borrower and each ERISA Affiliate is in material compliance with all applicable provisions of ERISA and the regulations and published interpretations thereunder with respect to all Employee Benefit Plans except for any required amendments for which the remedial amendment period as defined in Section 401(b) of the Code has not yet expired and except where a failure to so comply could not reasonably be expected to have a Material Adverse Effect. Each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code has been determined by the Internal Revenue Service to be so qualified, and each trust related to such plan has been determined to be exempt under Section 501(a) of the Code except for such plans that have not yet received determination letters but for which the remedial amendment period for submitting a determination letter has not yet expired. No liability has been incurred by the Borrower or any ERISA Affiliate which remains unsatisfied for any taxes or penalties with respect to any Employee Benefit Plan or any Multiemployer Plan except for a liability that could not reasonably be expected to have a Material Adverse Effect;

(iii) As of the Amended and Restated Closing Date, no Pension Plan has been terminated, nor has any accumulated funding deficiency (as defined in Section 412 of the Code) been incurred (without regard to any waiver granted under Section 412 of the Code), nor has any funding waiver from the Internal Revenue Service been received or requested with respect to any Pension Plan, nor has the Borrower or any ERISA Affiliate failed to make any contributions or to pay any amounts due and owing as required by Section 412 of the Code, Section 302 of ERISA or the terms of any Pension Plan prior to the due dates of such contributions under Section 412 of the Code or Section 302 of ERISA, nor has there been any event requiring any disclosure under Section 4041(c)(3)(C) or 4063(a) of ERISA with respect to any Pension Plan;

(iv) Except where the failure of any of the following representations to be correct in all material respects could not reasonably be expected to have a Material Adverse Effect, neither the Borrower nor any ERISA Affiliate has: (A) engaged in a nonexempt prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code, (B) incurred any liability to the PBGC which remains outstanding other than the payment of premiums and there are no premium payments which are due and unpaid, (C) failed to make a required contribution or payment to a Multiemployer Plan, or (D) failed to make a required installment or other required payment under Section 412 of the Code;

(v) No Termination Event has occurred or is reasonably expected to occur; and

(vi) Except where the failure of any of the following representations to be correct in all material respects could not reasonably be expected to have a Material Adverse Effect, no

proceeding, claim (other than a benefits claim in the ordinary course of business), lawsuit and/or investigation is existing or, to the best knowledge of the Borrower after due inquiry, threatened concerning or involving any (A) employee welfare benefit plan (as defined in Section 3(1) of ERISA) currently maintained or contributed to by the Borrower or any ERISA Affiliate, (B) Pension Plan or (C) Multiemployer Plan.

(j) *Margin Stock*. Neither the Borrower nor any Subsidiary is engaged principally or as one of its activities in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" (as each such term is defined or used, directly or indirectly, in Regulation U of the Board of Governors of the Federal Reserve System). No part of the proceeds of any of the Loans or Letters of Credit will be used for purchasing or carrying margin stock or for any purpose which violates, or which would be inconsistent with, the provisions of Regulation T, U or X of such Board of Governors.

(k) *Government Regulation*. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company" (as each such term is defined or used in the Investment Company Act of 1940, as amended) and neither the Borrower nor any Subsidiary is, or after giving effect to any Extension of Credit will be, subject to regulation under the Interstate Commerce Act, as amended, or any other Applicable Law which limits its ability to incur or consummate the transactions contemplated hereby.

(l) *Material Contracts*. *Schedule 7.1(l)* sets forth a complete and accurate list of all Material Contracts of the Borrower and its Subsidiaries in effect as of the Amended and Restated Closing Date not listed on any other Schedule hereto; other than as set forth in *Schedule 7.1(l)*, each such Material Contract is, and after giving effect to the consummation of the transactions contemplated by the Loan Documents will be, in full force and effect in accordance with the terms thereof. To the extent requested by the Administrative Agent, the Borrower and its Subsidiaries have delivered to the Administrative Agent a true and complete copy of each Material Contract required to be listed on *Schedule 7.1(l)* or any other Schedule hereto. Neither the Borrower nor any Subsidiary (nor, to the knowledge of the Borrower, any other party thereto) is in breach of or in default under any Material Contract in any material respect.

(m) *Employee Relations*. Each of the Borrower and its Subsidiaries has a work force in place adequate to conduct its business as currently conducted and is not, as of the Amended and Restated Closing Date, party to any collective bargaining agreement nor has any labor union been recognized as the representative of its employees except as set forth on *Schedule 7.1(m)*. The Borrower knows of no pending, threatened or contemplated strikes, work stoppage or other collective labor disputes involving its employees or those of its Subsidiaries that could reasonably be expected to have a Material Adverse Effect.

(n) *Burdensome Provisions*. No Subsidiary (other than the Excluded Subsidiary) is party to any agreement or instrument or otherwise subject to any restriction or encumbrance that restricts or limits its ability to make dividend payments or other distributions in respect of its Capital Stock to the Borrower or any Subsidiary or to transfer any of its assets or properties to the Borrower or any other Subsidiary in each case other than existing under or by reason of the Loan Documents or Applicable Law.

(o) *Financial Statements*. The audited and unaudited financial statements delivered pursuant to *Section 6.2(e)(i)(A)* are complete and correct and fairly present in all material respects on a Consolidated basis the assets, liabilities and financial position of the Borrower and its Subsidiaries as at such dates, and the results of the operations and changes of financial position for the periods then ended (other than the absence of footnotes and customary year-end adjustments for unaudited financial statements). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP. Such financial statements show all

material indebtedness and other material liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the dates thereof, including material liabilities for taxes, material commitments, and Indebtedness, in each case, to the extent required to be disclosed under GAAP. The *pro forma* financial statements delivered pursuant to *Section 6.2(e)(ii)* were prepared in good faith on the basis of the assumptions stated therein, which assumptions are believed to be reasonable in light of then existing conditions except that such financial statements and forecasts shall be subject to normal year end closing and audit adjustments.

(p) *No Material Adverse Change*. Since December 31, 2005, there has been no material adverse change in the properties, business, operations, or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole and no event has occurred or condition arisen that could reasonably be expected to have a Material Adverse Effect.

(q) *Solvency*. As of the Amended and Restated Closing Date and after giving effect to each Extension of Credit made hereunder, each of the Credit Parties will be Solvent.

(r) *Titles to Properties*. Each of the Borrower and its Subsidiaries has such title to the real property owned or leased by it as is necessary to the conduct of its business as currently conducted and valid and legal title to all of its personal property and assets, including, but not limited to, those reflected on the Consolidated balance sheets of the Borrower and its Subsidiaries delivered pursuant to *Section 6.2(e)*, except those which have been disposed of by the Borrower or its Subsidiaries subsequent to the dates of such balance sheets which dispositions have been in the ordinary course of business or as otherwise expressly permitted hereunder.

(s) *Insurance*. The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in locations where the Borrower or the applicable Subsidiary operates; *provided* that neither the Borrower nor any of its Subsidiaries shall be required to obtain any insurance protection against the risk of loss of any in-orbit Satellite or any business interruption insurance in addition to or providing a broader scope of coverage than is maintained by the Borrower and its Subsidiaries as of the Amended and Restated Closing Date.

(t) *Liens*. None of the properties and assets of the Borrower or any Subsidiary thereof is subject to any Lien, except Permitted Liens. Neither the Borrower nor any Subsidiary thereof has signed any financing statement or any security agreement authorizing any secured party thereunder to file any financing statement, except to perfect those Permitted Liens.

(u) *Indebtedness and Guaranty Obligations*. *Schedule 7.1(u)* is a complete and correct listing of all Indebtedness and Guaranty Obligations of the Borrower and its Subsidiaries as of the Amended and Restated Closing Date in excess of $1,000,000. The Borrower and its Subsidiaries have performed and are in compliance with all of the material terms of such Indebtedness and Guaranty Obligations and all instruments and agreements relating thereto, and no default or event of default, or event or condition which with notice or lapse of time or both would constitute such a default or event of default on the part of the Borrower or any of its Subsidiaries exists with respect to any such Indebtedness or Guaranty Obligation.

(v) *Litigation*. Except for matters existing on the Amended and Restated Closing Date and set forth on *Schedule 7.1(v)*, there are no actions, suits or proceedings pending nor, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary thereof or any of their respective properties in any court or before any arbitrator of any kind or before or by any Governmental Authority that (i) has or could reasonably be expected to have a Material Adverse Effect, or (ii) materially adversely affects any transaction contemplated hereby.

(w) *Communications Licenses*.

(i) *Schedule 7.1(w)* accurately and completely lists, as of the date hereof, for the Borrower and each of its Subsidiaries, all Material Communications Licenses (and the expiration dates thereof) granted or assigned to the Borrower or any Subsidiary, including, without limitation, for (A) each Satellite owned by the Borrower or any of its Subsidiaries, all space station licenses or authorizations, including placement on the FCC's "Permitted Space Station List," for operation of Satellites with C-band or Ku-band transponders issued or granted by the FCC to the Borrower or any of its Subsidiaries and (B) for each Earth Station of the Borrower and its Subsidiaries.

(ii) The Communications Licenses listed on *Schedule 7.1(w)* include all material authorizations, licenses, and permits issued by the FCC or any other Governmental Authority that are required or necessary for the operation and the conduct of the business of the Borrower and its Subsidiaries, as now conducted or proposed to be conducted. Each Communications License listed on *Schedule 7.1(w)* is issued in the name of the Subsidiary indicated on such schedule.

(iii) Each Material Communications License is in full force and effect. The Borrower has no knowledge of any condition imposed by the FCC or any other Governmental Authority as part of any Communications License which is neither set forth on the face thereof as issued by the FCC or any other Governmental Authority nor contained in the rules and regulations of the FCC or any other Governmental Authority applicable generally to telecommunications activities of the type, nature, class or location of the activities in question. Each applicable location of the Borrower or any of its Subsidiaries has been and is being operated in all material respects in accordance with the terms and conditions of the Communications license applicable to it and Applicable Law, including but not limited to the Communications Act and the rules and regulations issued thereunder.

(iv) No proceedings are pending or, to the Borrower's knowledge, are threatened which may result in the loss, revocation, modification, non-renewal, suspension or termination of any Communications license, the issuance of any cease and desist order or the imposition of any fines, forfeitures or other administrative actions by the FCC or any other Governmental Authority with respect to any operations of the Borrower and its Subsidiaries, which in any case could reasonably be expected to have a Material Adverse Effect

(v) All reports, applications and other documents required to be filed by the Borrower or any of its Subsidiaries with the FCC or any other Governmental Authority have been timely filed, and all such reports, applications and documents are true, correct and complete in all respects, except where the failure to make such timely filing or any inaccuracy therein could not reasonably be expected to have a Material Adverse Effect, and the Borrower has no knowledge of any matters which could reasonably be expected to result in the loss, revocation, modification, non-renewal, suspension or termination of any Communications License or the imposition on the Borrower of any fines or forfeitures by the FCC or any other Governmental Authority, or which could reasonably be expected to result in a revocation, rescission, reversal or modification of any applicable authorization of the Borrower and its Subsidiaries to operate as currently authorized under Applicable Law, including but not limited to the Communications Act and the policies, rules and regulations of the FCC, which in any case could reasonably be expected to have a Material Adverse Effect.

(x) *Satellites*. All Satellites owned by the Borrower or any Subsidiary thereof, are directly owned by a Credit Party. *Schedule 7.1(x)* accurately and completely lists as of the date of this Agreement, the flight model number of each of the Satellites owned by the Borrower and its

Subsidiaries, and for each such Satellite whether it is operational in-orbit, spare in-orbit or spare on-ground.

(y) *Absence of Defaults*. No event has occurred and is continuing which constitutes a Default or an Event of Default, or which constitutes, or which with the passage of time or giving of notice or both would constitute, a default or event of default by the Borrower or any Subsidiary thereof under any Material Contract or judgment, decree or order to which the Borrower or its Subsidiaries is a party or by which the Borrower or its Subsidiaries or any of their respective properties may be bound or which would require the Borrower or its Subsidiaries to make any payment thereunder prior to the scheduled maturity date therefor.

(z) *Senior Indebtedness Status*. The Obligations of the Borrower and each of its Subsidiaries under this Agreement and each of the other Loan Documents rank and shall continue to rank at least senior in priority of payment to all Subordinated Indebtedness and all senior unsecured Indebtedness of each such Person and is designated as "Senior Indebtedness" under all instruments and documents, now or in the future, relating to all Subordinated Indebtedness and all senior unsecured Indebtedness of such Person.

(aa) *OFAC*. None of the Borrower, any Subsidiary of the Borrower or any Affiliate of the Borrower or any Guarantor: (i) is a Sanctioned Person, (ii) has more than 10% of its assets in Sanctioned Entities, or (iii) derives more than 10% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. The proceeds of any Loan will not be used and have not been used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

(bb) *Disclosure*. No financial statement, material report, material certificate or other material information furnished (whether in writing or orally), taken together as a whole, by or on behalf of any of the Borrower or any of its Subsidiaries to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that, with respect to projected financial information, pro forma financial information, estimated financial information and other projected or estimated information, such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 7.2 *Survival of Representations and Warranties, Etc*. All representations and warranties set forth in this Article VII and all representations and warranties contained in any certificate, or any of the Loan Documents (including, but not limited to, any such representation or warranty made in or in connection with any amendment thereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under this Agreement shall be made or deemed to be made at and as of the Amended and Restated Closing Date (except those that are expressly made as of a specific date), shall survive the Amended and Restated Closing Date and shall not be waived by the execution and delivery of this Agreement, any investigation made by or on behalf of the Lenders or any borrowing hereunder.

ARTICLE VIII

FINANCIAL INFORMATION AND NOTICES

Until all the Obligations have been paid and satisfied in full and the Revolving Credit Commitment terminated, unless consent has been obtained in the manner set forth in *Section 14.2*, the Borrower will furnish or cause to be furnished to the Administrative Agent at the Administrative Agent's Office at the address set forth in *Section 14.1* and to the Lenders at their respective addresses

as set forth on the Register, or such other office as may be designated by the Administrative Agent and Lenders from time to time:

SECTION 8.1 *Financial Statements and Projections.*

(a) *Quarterly Financial Statements*. As soon as practicable and in any event within forty-five (45) days after the end of each fiscal quarter of each Fiscal Year (or, if the date of any required public filing is earlier, no later than the Business Day immediately following the date of any required public filing thereof after giving effect to any extensions granted with respect to such date), an unaudited Consolidated balance sheet of the Borrower and its Subsidiaries as of the close of such fiscal quarter and unaudited Consolidated statements of income, retained earnings and cash flows and a report containing management's discussion and analysis of such financial statements for the fiscal quarter then ended and that portion of the Fiscal Year then ended, including the notes (if any) thereto, all in reasonable detail setting forth in comparative form the corresponding figures as of the end of and for the corresponding period in the preceding Fiscal Year and prepared by the Borrower in accordance with GAAP and, if applicable, containing disclosure of the effect on the financial position or results of operations of any change in the application of accounting principles and practices during the period, and certified by the chief financial officer of the Borrower to present fairly in all material respects the financial condition of the Borrower and its Subsidiaries on a Consolidated basis as of their respective dates and the results of operations of the Borrower and its Subsidiaries for the respective periods then ended, subject to normal year end adjustments.

(b) *Annual Financial Statements*. As soon as practicable and in any event within ninety (90) days after the end of each Fiscal Year (or, if the date of any required public filing is earlier, no later than the Business Day immediately following the date of any required public filing thereof after giving effect to any extensions granted with respect to such date), an audited Consolidated balance sheet of the Borrower and its Subsidiaries as of the close of such Fiscal Year and audited Consolidated statements of income, retained earnings and cash flows and a report containing management's discussion and analysis of such financial statements for the Fiscal Year then ended, including the notes thereto, all in reasonable detail setting forth in comparative form the corresponding figures as of the end of and for the preceding Fiscal Year and prepared in accordance with GAAP and, if applicable, containing disclosure of the effect on the financial position or results of operations of any change in the application of accounting principles and practices during the year. Such annual financial statements shall be audited by an independent certified public accounting firm acceptable to the Administrative Agent, and accompanied by a report thereon by such certified public accountants that is not qualified with respect to scope limitations imposed by the Borrower or any of its Subsidiaries or with respect to accounting principles followed by the Borrower or any of its Subsidiaries not in accordance with GAAP.

(c) *Annual Business Plan and Financial Projections*. As soon as practicable and in any event within fifteen (15) days after the beginning of each Fiscal Year during the term of this Agreement, a business plan of the Borrower and its Subsidiaries for the ensuing four (4) fiscal quarters, such plan to be prepared in accordance with GAAP and to include, on a quarterly basis, the following: a quarterly operating and capital budget, a projected income statement, statement of cash flows and balance sheet and a report setting forth management's operating and financial assumptions underlying such projections, accompanied by a certificate from a Responsible Officer of the Borrower to the effect that, to the best of such officer's knowledge, such projections are good faith estimates (utilizing reasonable assumptions) of the financial condition and operations of the Borrower and its Subsidiaries for such four (4) fiscal quarter period.

SECTION 8.2 *Officer's Compliance Certificate; Schedule of Covenant Capital Expenditures; Forward Fixed Charge Coverage Ratio Certificate; Changes to Business Plan, Financial Projections and Projected Current Capital Expenditures.*

(a) At each time financial statements are delivered pursuant to *Sections 8.1(a)* or *(b)* and at such other times as the Administrative Agent shall reasonably request, an Officer's Compliance Certificate, together with an Adjusted Consolidated EBITDA Reconciliation for the fiscal period covered by such financial statements.

(b) At each time financial statements are delivered pursuant to *Section 8.1(a)*, and at such other times as the Administrative Agent shall reasonably request, a report of Covenant Capital Expenditures (i) actually made during the fiscal quarter period subject to such financial statements (including a comparison of such amounts to the projections for such period previously delivered to the Administrative Agent) and (ii) scheduled to be paid in cash, or reasonably expected (as determined by the Borrower in good faith on the basis of reasonable assumptions) to be paid in cash during the twelve (12) month period immediately following the fiscal quarter subject to such financial statements (including, without limitation, a statement of the methodology and assumptions used to calculate such report of projected Covenant Capital Expenditures and identifying the relevant Satellite Vendor Obligations, contracts and agreements related to such report).

(c) On the first Business Day of the second fiscal month of each fiscal quarter of the Borrower commencing with November 2006, a Forward Fixed Charge Coverage Ratio Certificate, together with an Adjusted Consolidated EBITDA Reconciliation for the most recent fiscal quarter then ended.

(d) Prompt (but in no event later than ten (10) Business Days after any Responsible Officer of the Borrower obtains knowledge thereof) telephonic and written notice of any material changes to (i) the annual Business Plan and Financial Projections delivered pursuant to *Section 8.1(c)* and (ii) the report of projected Covenant Capital Expenditures delivered pursuant to *Section 8.2(b)*.

SECTION 8.3 *Accountants' Certificate*. At each time financial statements are delivered pursuant to *Section 8.1(b)*, a certificate of the independent public accountants certifying such financial statements that in connection with their audit, nothing came to their attention that caused them to believe that the Borrower failed to comply with the financial covenants, set forth in *Section 10.2* or *Section 10.5*, insofar as they relate to financial and accounting matters or, if such is not the case, specifying such non-compliance and its nature and period of existence.

SECTION 8.4 *Other Reports.*

(a) Promptly upon receipt thereof, copies of all reports, if any, submitted to the Borrower or its Board of Directors by its independent public accountants in connection with their auditing function, including, without limitation, any management report and any management responses thereto;

(b) No less than annually, and at any time upon the reasonable request of the Administrative Agent, a Satellite health report prepared by the Borrower and certified by a Responsible Officer setting forth the operational status of each Satellite (other than Satellites yet to be launched) based on reasonable assumptions of the Borrower made in good faith and including such information with respect to the projected solar array life based on the total Satellite power requirements, projected battery life based on total Satellite power requirements, projected Satellite life, information concerning the availability of spare Satellites and such other information pertinent to the operation of such Satellite and the transponders thereon as the Administrative Agent may reasonably request, it being understood that to the extent that any such Satellite health report contains any forward looking statements, estimates or projections, such statements, estimates or

projections are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, and no assurance can be given that such forward looking statements, estimates, projections will be realized, provided that nothing in this clause (b) shall require the Borrower to delivery any information to any Lender to the extent delivery of such information is restricted by applicable law or regulation; and

(c) Such other information regarding the operations, business affairs and financial condition of the Borrower or any of its Subsidiaries as the Administrative Agent or any Lender may reasonably request.

SECTION 8.5 *Notice of Litigation and Other Matters.* Prompt (but in no event later than ten (10) Business Days after any Responsible Officer of the Borrower obtains knowledge thereof) telephonic and written notice of:

(a) the commencement of all proceedings and investigations by or before any Governmental Authority and all actions and proceedings in any court or before any arbitrator against or involving the Borrower or any Subsidiary thereof or any of their respective properties, assets or businesses that if adversely determined could reasonably be expected to result in a Material Adverse Effect;

(b) any notice of any violation received by the Borrower or any Subsidiary thereof from any Governmental Authority including, without limitation, any notice of violation of Environmental Laws, in each case which could reasonably be expected to have a Material Adverse Effect;

(c) any labor controversy that has resulted in a strike or other work action against the Borrower or any Subsidiary thereof;

(d) any attachment, judgment, lien, levy or order exceeding $1,000,000 that has been assessed against the Borrower or any Subsidiary thereof;

(e) (i) any Default or Event of Default or (ii) any event which constitutes or which with the passage of time or giving of notice or both would constitute a default or event of default under any Material Contract to which the Borrower or any of its Subsidiaries is a party or by which the Borrower or any Subsidiary thereof or any of their respective properties may be bound which could reasonably be expected to have a Material Adverse Effect;

(f) (i) any unfavorable determination letter from the Internal Revenue Service regarding the qualification of an Employee Benefit Plan under Section 401(a) of the Code (along with a copy thereof), (ii) all notices received by the Borrower or any ERISA Affiliate of the PBGC's intent to terminate any Pension Plan or to have a trustee appointed to administer any Pension Plan, (iii) all notices received by the Borrower or any ERISA Affiliate from a Multiemployer Plan sponsor concerning the imposition or amount of withdrawal liability pursuant to Section 4202 of ERISA and (iv) the Borrower obtaining knowledge or reason to know that the Borrower or any ERISA Affiliate has filed or intends to file a notice of intent to terminate any Pension Plan under a distress termination within the meaning of Section 4041(c) of ERISA; and

(g) any announcement by Moody's or S&P of any change in a Debt Rating.

SECTION 8.6 *Notices Concerning Communications Licenses.* Prompt (but in no event later than ten (10) Business Days after any Responsible Officer of the Borrower obtains knowledge thereof) telephonic and written notice of:

(a) (i) any citation, notice of violation or order to show cause issued by the FCC or any Governmental Authority with respect to any Material Communications License, and (ii) if applicable, a copy of any notice or application by the Borrower requesting authority to or notifying the FCC of its intent to cease telecommunications operations for any period in excess of ten days, or (iii) notice of any other action, proceeding or other dispute, which, if adversely determined, could reasonably be expected to result in the loss or revocation of any Material Communications License; and

(b) any lapse, loss, modification, suspension, termination or relinquishment of any Material Communications License, permit or other authorization from the FCC or other Governmental Authority held by the Borrower or any Subsidiary thereof or any failure of the FCC or other Governmental authority to renew or extend any such Material Communications License, permit or other authorization for the usual period thereof and of any complaint against the Borrower or any of its Subsidiaries or other matter filed with or communicated to the FCC or other Governmental Authority.

SECTION 8.7 *Accuracy of Information.* All written information, reports, statements and other papers and data furnished by or on behalf of the Borrower to the Administrative Agent or any Lender whether pursuant to this Article VIII or any other provision of this Agreement, or any of the Security Documents, shall, at the time the same is so furnished, comply with the representations and warranties set forth in *Section 7.1(bb)*.

ARTICLE IX

AFFIRMATIVE COVENANTS

Until all of the Obligations have been paid and satisfied in full and the Revolving Credit Commitment terminated, unless consent has been obtained in the manner provided for in *Section 14.2*, the Borrower will, and will cause each of its Subsidiaries to:

SECTION 9.1 *Preservation of Corporate Existence and Related Matters.* Except as permitted by *Section 11.4*, preserve and maintain its separate corporate existence and all rights, franchises, licenses and privileges necessary to the conduct of its business as currently conducted, and qualify and remain qualified as a foreign corporation and authorized to do business in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Effect.

SECTION 9.2 *Maintenance of Property.* In addition to the requirements of any of the Security Documents, protect and preserve all properties necessary in and material to its business, including copyrights, patents, trade names, service marks and trademarks; maintain in good working order and condition, ordinary wear and tear excepted, all buildings, equipment and other tangible real and personal property; and from time to time make or cause to be made all repairs, renewals and replacements thereof and additions to such property necessary for the conduct of its business as currently conducted, so that the business carried on in connection therewith may be conducted in a commercially reasonable manner. Cause all Satellites owned by the Borrower or its Subsidiaries to be owned directly by one of the Credit Parties.

SECTION 9.3 *Insurance.*

(a) Maintain insurance with financially sound and reputable insurance companies against such risks and in such amounts as are customarily maintained by similar businesses using non-geostationary satellites and as may be required by Applicable Law and as are required by any

Security Documents (including, without limitation, hazard and business interruption insurance with amounts and scope of coverage not less than those maintained by the Borrower and its Subsidiaries as of the Amended and Restated Closing Date), and on the Amended and Restated Closing Date and from time to time thereafter deliver to the Administrative Agent upon its request information in reasonable detail as to the insurance then in effect, stating the names of the insurance companies, the amounts and rates of the insurance, the dates of the expiration thereof and the properties and risks covered thereby; provided that neither the Borrower nor any of its Subsidiaries shall be required to obtain any insurance against the risk of loss of any in-orbit Satellite(s) or against business interruption risks in addition to or with a broader scope of coverage than is maintained by the Borrower and its Subsidiaries as of the Amended and Restated Closing Date.

(b) In addition to, and without limiting the foregoing, the Borrower will, and will cause each of its Subsidiaries to, maintain insurance with respect to Satellites as follows:

(i) *All Risks Insurance.* The Borrower will procure or will cause each Satellite manufacturer to procure at its own expense and maintain in full force and effect, at all times prior to the launch of any Satellite purchased by the Borrower or any of its Subsidiaries pursuant to the terms of the applicable Satellite purchase agreement, All Risks Insurance upon such terms and conditions as are reasonably commercially available and customary in the industry with respect to such Satellite, it being understood that if the applicable Satellite manufacturer procures All Risks Insurance for Satellites in accordance with the requirements of the applicable Satellite purchase agreement, the Borrower's obligations under this Subsection (b)(i) with respect to such Satellites shall be satisfied. In no event shall the Borrower be required to, or be required to cause any Satellite manufacturer to, procure or maintain All Risks Insurance to insure risks that may be required to be insured by, or that covers the same risks or the same period of coverage as, Launch Insurance described in the Subsection (b)(ii).

(ii) *Launch Insurance.* The Borrower will, or will cause the relevant Satellite manufacturer to, obtain, maintain and keep in full force and effect with respect to each Satellite that is to be launched, space risk insurance against loss of or damage to the Satellite (it being understood that if the applicable Satellite manufacturer procures such space risk insurance for the applicable Satellites in accordance with the terms of this Subsection (b)(ii), the Borrower's obligations with respect to such Satellite shall be satisfied), such space risk insurance (hereinafter in this Section 9.3 "Launch Insurance") to be procured prior to the then-scheduled launch of such Satellite, which insurance risk shall attach not later than at launch ("attachment of risk") and continue in full force and effect until no sooner than the completion of successful separation of the insured Satellite from its launch vehicle, or launch dispenser, if applicable. Without limitation of the foregoing, should the Borrower elect to insure a Satellite to a point in time beyond successful separation from the launch vehicle (or launch dispenser, if applicable), the Borrower may determine to insure only the successful performance of the Satellite's bus systems. The Borrower shall not be obligated to obtain, maintain or keep in force space risk insurance on any Satellite after termination of risk of the relevant Launch Insurance policy. The foregoing notwithstanding, if the board of directors determines in good faith as evidenced by a board resolution delivered to the Administrative Agent not to procure Launch Insurance for a specified Satellite and the Required Lenders approve in writing of such election, the provisions of this *Section 9.3(b)(ii)* shall not apply to such Satellite. The Launch Insurance for each Satellite:

(A) shall provide coverage for all of the risks of loss of and damage to such Satellite (other than any risks borne by the relevant launch services provider pursuant to any launch risk guarantee in accordance with the terms of the applicable launch services

agreement or by the relevant Satellite manufacturer in accordance with the terms of the applicable Satellite purchase agreement), occurring prior to successful separation from the launch vehicle (or launch dispenser, if applicable), subject to (x) insurers' liability in the event of a claim shall be determined by the Launch Insurance policy's definitions for "partial loss," "constructive total loss" and "total loss," such definitions to be applicable to and appropriate for the scope of the Launch insurance purchased by the Borrower, (y) such exclusions or limitations of coverage applicable to all Satellites of the same model or relating to systemic anomalies as are then customary in the Satellite insurance market and as are reasonably acceptable to the Administrative Agent, and (z) such specific exclusions applicable to the performance of such Satellite as are reasonably accepted by the board of directors in order to obtain Launch Insurance for such Satellite for a price that is, and on other terms and conditions that are, commercially reasonable;

(B) shall be in an amount not less than the aggregate of the purchase price of such Satellite, the purchase price of launch services therefor (other than for risks borne by the relevant launch services provider pursuant to any launch risk guarantee in accordance with the terms of the applicable launch services agreement or by the relevant Satellite manufacturer in the premium payable for such insurance, and subject to any then customary deductible but in no event in an amount exceeding 15% of such Satellite, unless otherwise agreed by the Administrative Agent;

(C) shall name the applicable Credit Party purchasing the Satellite as the named insured and the Administrative Agent as additional insured and loss payee as its interests may appear; *provided, however*, that claims if any shall be adjusted with the named insured and paid to the loss payee; and

(D) shall provide that it will not be canceled or reduced, amended or allowed to lapse without renewal, except after not less than thirty (30) days' prior notice to the Administrative Agent or not less than fifteen (15) days' prior notice to the Administrative Agent if thirty (30) days is not then commercially available at a reasonable cost.

SECTION 9.4 *Accounting Methods and Financial Records.* Maintain a system of accounting, and keep proper books, records and accounts (which shall be true and complete in all material respects) as may be required or as may be necessary to permit the preparation of financial statements in accordance with GAAP and in compliance with the regulations of any Governmental Authority having jurisdiction over it or any of its properties.

SECTION 9.5 *Payment and Performance of Obligations.* Pay and perform all Obligations under this Agreement and the other Loan Documents, and pay or perform (a) all taxes, assessments and other governmental charges that may be levied or assessed upon it or any of its property, and (b) all other indebtedness, obligations and liabilities in accordance with customary trade practices, except where the failure to pay or perform such items described in clause (a) or (b) of this Section could not reasonably be expected to have a Material Adverse Effect.

SECTION 9.6 *Compliance With Laws and Approvals.* Observe and remain in compliance in all material respects with all Applicable Laws and maintain in full force and effect all Governmental Approvals, in each case applicable to the conduct of its business except where the failure to do so could not reasonably be expected to have a Material Adverse Effect. Without limiting the foregoing, the Borrower shall, and shall cause each of its Subsidiaries to, comply in all material respects with all terms and conditions of all Communications Licenses and all Federal, state and local laws, all rules, regulations and administrative orders of the FCC, state and local commissions or authorities, or any other Governmental Authority that are applicable to the Borrower and its Subsidiaries or the telecommunications operations thereof; *provided* that the Borrower or any Subsidiary may dispute in

good faith the applicability or requirements of any such matter so long as such dispute could not reasonably be expected to have a Material Adverse Effect.

SECTION 9.7 *Environmental Laws.* In addition to and without limiting the generality of *Section 9.6*, (a) comply with, and ensure such compliance by all tenants and subtenants with all applicable Environmental Laws and obtain and comply with and maintain, and ensure that all tenants and subtenants, if any, obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, (b) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws, and promptly comply with all lawful orders and directives of any Governmental Authority regarding Environmental Laws, and (c) defend, indemnify and hold harmless the Administrative Agent and the Lenders, and their respective parents, Subsidiaries, Affiliates, employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature known or unknown, contingent or otherwise, arising out of, or in any way relating to the presence of Hazardous Materials, or the violation of, noncompliance with or liability under any Environmental Laws applicable to the operations of the Borrower or any such Subsidiary, or any orders, requirements or demands of Governmental Authorities related thereto, including, without limitation, reasonable attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses, except to the extent that any of the foregoing directly result from the gross negligence or willful misconduct of the party seeking indemnification therefor, as determined by a court of competent jurisdiction by final nonappealable judgment.

SECTION 9.8 *Compliance with ERISA.* In addition to and without limiting the generality of *Section 9.6*, (a) except where the failure to so comply could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) comply with all material applicable provisions of ERISA and the regulations and published interpretations thereunder with respect to all Employee Benefit Plans, (ii) not take any action or fail to take action the result of which could be a liability to the PBGC or to a Multiemployer Plan, (iii) not participate in any prohibited transaction that could result in any civil penalty under ERISA or tax under the Code and (iv) operate each Employee Benefit Plan in such a manner that will not incur any tax liability under Section 4980B of the Code or any liability to any qualified beneficiary as defined in Section 4980B of the Code and (b) furnish to the Administrative Agent upon the Administrative Agent's request such additional information about any Employee Benefit Plan as may be reasonably requested by the Administrative Agent.

SECTION 9.9 *Compliance With Agreements.* Comply in all respects with each term, condition and provision of all leases, agreements and other instruments entered into in the conduct of its business including, without limitation, any Material Contract except as could not reasonably be expected to have a Material Adverse Effect.

SECTION 9.10 *Visits and Inspections.* Permit representatives of the Administrative Agent or any Lender, from time to time upon prior reasonable notice and at such times during normal business hours, at the Borrower's expense (but only once per year unless an Event of Default has occurred and is continuing and otherwise at the Administrative Agent's or a Lender's expense), to visit and inspect its properties; inspect, audit and make extracts from its books, records and files, including, but not limited to, management letters prepared by independent accountants; and discuss with its principal officers, and its independent accountants, its business, assets, liabilities, financial condition, results of operations and business prospects. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent or any Lender may do any of the foregoing at any time without advance notice.

SECTION 9.11 *Additional Subsidiaries; Real Property Collateral.*

(a) *Additional Domestic Subsidiaries.* Notify the Administrative Agent of the creation or acquisition of any Domestic Subsidiary and promptly thereafter (and in any event within sixty (60) days), cause such Person to (i) become a Subsidiary Guarantor by delivering to the Administrative Agent a duly executed supplement to the Guaranty Agreement or such other document as the Administrative Agent shall deem appropriate for such purpose, (ii) pledge a security interest in all Collateral owned by such Subsidiary (*provided* that if such Collateral consists of Capital Stock of a Foreign Subsidiary, such security interest will be limited to sixty-five percent (65%) of such Capital Stock) by delivering to the Administrative Agent a duly executed supplement to each Security Document or such other document as the Administrative Agent shall deem appropriate for such purpose and comply with the terms of each Security Document, (iii) deliver to the Administrative Agent such documents and certificates referred to in *Section 6.2* as may be reasonably requested by the Administrative Agent, (iv) deliver to the Administrative Agent such original Capital Stock or other certificates and stock or other transfer powers evidencing the Capital Stock of such Person, (v) deliver to the Administrative Agent such updated Schedules to the Loan Documents as requested by the Administrative Agent with respect to such Person, and (vi) deliver to the Administrative Agent such other documents as may be reasonably requested by the Administrative Agent, all in form, content and scope reasonably satisfactory to the Administrative Agent.

(b) *Additional Foreign Subsidiaries.* Notify the Administrative Agent at the time that any Person becomes a Foreign Subsidiary of the Borrower or any Subsidiary, and promptly thereafter (and in any event within sixty (60) days after notification) (i) with respect to any Foreign Subsidiary that is directly owned by a Credit Party, cause the Borrower or the applicable Subsidiary to deliver to the Administrative Agent Security Documents pledging sixty-five percent (65%) of the total outstanding Capital Stock of such new Foreign Subsidiary and a consent thereto executed by such new Foreign Subsidiary (including, without limitation, if applicable, original stock certificates (or the equivalent thereof pursuant to the Applicable Laws and practices of any relevant foreign jurisdiction) evidencing the Capital Stock of such new Foreign Subsidiary, together with an appropriate undated stock power for each certificate duly executed in blank by the registered owner thereof), (ii) cause such Person to deliver to the Administrative Agent such documents and certificates referred to in *Section 6.2* as may be reasonably requested by the Administrative Agent, (iii) cause the Borrower deliver to the Administrative Agent such updated Schedules to the Loan Documents as requested by the Administrative Agent with regard to such Person and (iv) cause such Person to deliver to the Administrative Agent such other documents as may be reasonably requested by the Administrative Agent, all in form, content and scope reasonably satisfactory to the Administrative Agent.

(c) *Additional Communications Licenses.* Notify the Administrative Agent, within thirty (30) days after the acquisition of any Material Communications License and cause any Communications License issued by the FCC that is acquired by the Borrower or any Subsidiary thereof after the Amended and Restated Closing Date to be held by a License Subsidiary.

(d) *Owned Real Property as of the Amended and Restated Closing Date.* As soon as practical, and in any event within thirty (30) days following the Amended and Restated Closing Date (as such date may be extended by the Administrative Agent in its reasonable discretion), or at such later time as may be provided below, with respect to all owned real property (to the extent located in the United States) of the Borrower or any of the other Credit Parties as of the Amended and Restated Closing Date:

(i) *Mortgages.* The Administrative Agent shall have received a duly authorized, executed and delivered Mortgage in form and substance reasonably satisfactory thereto.

(ii) *Title Insurance.* The Administrative Agent shall have received a marked-up commitment for a policy of title insurance, insuring Lenders' first priority Liens and showing no Liens prior to Lenders' Liens other than for ad valorem taxes not yet due and payable, with title insurance companies acceptable to the Administrative Agent on the property subject to a Mortgage with the final title insurance policy, being delivered within sixty (60) days after the Amended and Restated Closing Date, as such date may be extended by the Administrative Agent in its reasonable discretion. Further, the Borrower agrees to provide or obtain any customary affidavits and indemnities as may be required or necessary to obtain title insurance satisfactory to the Administrative Agent.

(iii) *Title Exceptions.* The Administrative Agent shall have received copies of all recorded documents creating exceptions to the title policy referred to in *Section 9.11(d)(i)*.

(iv) *Matters Relating to Flood Hazard Properties.* The Administrative Agent shall have received a certification from the National Research Center, or any successor agency thereto, regarding each parcel of real property subject to a Mortgage.

(v) *Surveys.* The Administrative Agent shall have received copies of as-built surveys of a date reasonably satisfactory to the Administrative Agent of each parcel of real property subject to a Mortgage certified as of a recent date by a registered engineer or land surveyor and otherwise in forma and substance satisfactory to the Administrative Agent.

(vi) *Environmental Assessments.* The Administrative Agent shall have received a Phase I environmental assessment and such other environmental report reasonably requested by the Administrative Agent regarding each parcel of real property subject to a Mortgage by an environmental engineering firm reasonably acceptable to the Administrative Agent showing no environmental conditions in violation of Environmental Laws or liabilities under Environmental Laws, either of which could reasonably be expected to have a Material Adverse Effect.

(vii) *Other Real Property Information.* The Administrative Agent shall have received such other certificates, documents and information as are reasonably requested by the Administrative Agent, including, without limitation, engineering and structural reports, permanent certificates of occupancy and evidence of zoning compliance, each in form and substance satisfactory to the Administrative Agent.

(e) *Leased Real Property as of the Amended and Restated Closing Date.* The Borrower shall use reasonable efforts to cause as soon as practical, and in any event within thirty (30) days following the Amended and Restated Closing Date (as such date may be extended by the Administrative Agent in its reasonable discretion), with respect to all leased real property (to the extent located in the United States and other than the Landover, Maryland sales offices) of the Borrower or any of the other Credit Parties as of the Amended and Restated Closing Date, the Administrative Agent to have received a duly authorized, executed and delivered collateral assignment of lease and related landlord agreement, in each case, in form and substance satisfactory thereto.

(f) *After Acquired Real Property Collateral.* Notify the Administrative Agent, within ten (10) Business Days after the acquisition of any owned or leased real property by any Credit Party that is not subject to the existing Security Documents, and within sixty (60) days following request by the Administrative Agent, deliver or, in the case of leased real property, use reasonable efforts to deliver, the corresponding documents, instruments and information required to be delivered pursuant to (i) *Section 9.11(d)* if such real property is owned or (ii) *Section 9.11(e)* if such real property is leased.

SECTION 9.12 *Hedging Agreement.* Not later than ninety (90) days after the end of any fiscal quarter during which more than twenty-five percent (25%) of revenues is originally denominated in a single currency other than Dollars or Canadian dollars, execute foreign currency exchange or swap Hedge Agreements for such currency on terms and conditions reasonably acceptable to the Administrative Agent.

SECTION 9.13 *License Subsidiaries.* As soon as possible, and in any event within (a) one-hundred and twenty (120) days following the Amended and Restated Closing Date, cause to be filed with the FCC, all necessary documentation to request and effectuate the transfer of all Communications Licenses issued by the FCC to one or more License Subsidiaries and (b) one (1) year following the Amended and Restated Closing Date, cause all Communications Licenses issued by the FCC to be held by one or more License Subsidiaries. At all times following the filings referred to in clause (a) of this *Section 9.13*, use commercially reasonable best efforts to pursue diligently the transfer of all Communications Licenses issued by the FCC described in this *Section 9.13*.

SECTION 9.14 *Use of Proceeds.* The Borrower shall use the proceeds of the Extensions of Credit (a) to finance the acquisition of Capital Assets, (b) to refinance or repay existing Indebtedness required to be refinanced or repaid pursuant to *Section 6.2(f)(ii)*, and (c) for working capital and general corporate purposes of the Borrower and its Subsidiaries, including the payment of certain fees and expenses incurred in connection with this Agreement.

SECTION 9.15 [Intentionally Omitted].

SECTION 9.16 *Second Generation Satellite Constellation.* On or before October 13, 2006, the Borrower shall (a) enter into agreements for the procurement of its second generation satellite constellation and the launch thereof (if contracted for in connection with such procurement) in accordance with the Borrower's current business plan and its financial model dated April 19, 2006 or (b) have received Net Cash Proceeds of at least $100,000,000 from Equity Issuances by the Borrower of common stock following the Original Closing Date.

SECTION 9.17 *Receipt of Minimum Net Cash Proceeds from Equity Issuances Following the Original Closing Date.* On or prior to (a) June 30, 2008, the Borrower shall have received aggregate Net Cash Proceeds of at least $100,000,000 from Equity Issuances by the Borrower of common stock following the Original Closing Date and (b) December 31, 2009, the Borrower shall have received aggregate Net Cash Proceeds of at least $200,000,000 from Equity Issuances by the Borrower of common stock following the Original Closing Date.

SECTION 9.18 *Further Assurances.* Make, execute and deliver all such additional and further acts, things, deeds and instruments as the Administrative Agent or the Required Lenders (through the Administrative Agent) may reasonably require to document and consummate the transactions contemplated hereby and to vest completely in and insure the Administrative Agent and the Lenders their respective rights under this Agreement, the Letters of Credit and the other Loan Documents.

ARTICLE X

FINANCIAL COVENANTS

Until all of the Obligations have been paid and satisfied in full and the Revolving Credit Commitment terminated, unless consent has been obtained in the manner set forth in *Section 14.2*, the Borrower and its Subsidiaries on a Consolidated basis:

SECTION 10.1 *Incurrence Test.* To the extent the provisions of *Section 4.5* or *Section 11.1(f)* are applicable, will not permit the incurrence of Indebtedness if, on the date of incurrence of such Indebtedness, or after giving effect thereto, the Consolidated Total Leverage Ratio would exceed 5.5 to 1.0 (such requirement, the "*Incurrence Test*").

SECTION 10.2 *Maximum Covenant Capital Expenditures.* Will not permit the aggregate amount of all Covenant Capital Expenditures to exceed the corresponding amount set forth below in any Fiscal Year.

Fiscal Year	Maximum Amount
2006	$ 232,000,000
2007	$ 132,000,000
2008	$ 132,000,000
2009	$ 243,000,000
2010	$ 133,000,000
2011	$ 158,000,000

Notwithstanding the foregoing, the maximum amount of Covenant Capital Expenditures permitted by this *Section 10.2* in any Fiscal Year shall be increased by the aggregate amount of Covenant Capital Expenditures that were permitted to be made under this *Section 10.2* in the preceding Fiscal Years over the amount of Covenant Capital Expenditures actually made during such preceding Fiscal Years.

SECTION 10.3 *Minimum Liquidity.* As of the Amended and Restated Closing Date and at all times thereafter during the term hereof, maintain a minimum Liquidity of $25,000,000.

SECTION 10.4 *Minimum Forward Fixed Charge Ratio.* Commencing with the fiscal quarter ending June 30, 2006 (after giving *pro forma* effect to the Amended and Restated Closing Date) and as of the end of any fiscal quarter thereafter, will not permit the Forward Fixed Charge Coverage Ratio to be less than 1.0 to 1.0.

SECTION 10.5 *Maximum Consolidated Senior Secured Leverage Ratio.* As of the Delayed Draw Term Loan Funding Date, and as of the end of any fiscal quarter thereafter for so long as the Delayed Draw Term Loan is outstanding, will not permit the Consolidated Senior Secured Leverage Ratio to exceed 3.5 to 1.0.

ARTICLE XI

NEGATIVE COVENANTS

Until all of the Obligations have been paid and satisfied in full and the Revolving Credit Commitment terminated, unless consent has been obtained in the manner set forth in *Section 14.2*, the Borrower has not and will not and will not permit any of its Subsidiaries to:

SECTION 11.1 *Limitations on Indebtedness.* Create, incur, assume or suffer to exist any Indebtedness except:

(a) the Obligations (excluding Hedging Obligations permitted pursuant to *Section 11.1(b)*);

(b) Indebtedness incurred in connection with a Hedging Agreement (i) with a counterparty and upon terms and conditions (including interest rate) reasonably satisfactory to the Administrative Agent or (ii) required pursuant to *Section 9.12*; *provided*, that any counterparty that is a Lender shall be deemed reasonably satisfactory to the Administrative Agent;

(c) Indebtedness existing on the Amended and Restated Closing Date and not otherwise permitted under this Section and listed on *Schedule 7.1(u)*, and the renewal, refinancing, extension and replacement (but not the increase in the aggregate principal amount) thereof;

(d) Guaranty Obligations in favor of the Administrative Agent for the benefit of the Administrative Agent and the Lenders;

(e) Unsecured:

(i) Subordinated Indebtedness owed by any Credit Party to another Credit Party,

(ii) Subordinated Indebtedness owed by any Credit Party to a Foreign Subsidiary,

(iii) Indebtedness owed by a Foreign Subsidiary to any Credit Party; *provided* that the aggregate amount of such Subordinated Indebtedness outstanding at any time pursuant to this clause (iii) shall not exceed the Foreign Investment Limitation (calculated without regard to clause (b) of the definition of Foreign Investment Limitation and excluding the Existing Canadian Note) as of any date of determination,

(iv) Indebtedness owed by a Foreign Subsidiary to another Foreign Subsidiary, and

(v) Subordinated Indebtedness consisting of promissory notes issued to current or former officers, directors and employees (or their estates, spouses or former spouses) of the Borrower or any Subsidiary to purchase or redeem Capital Stock of the Borrower permitted by *Section 11.6(d)*;

(f) Indebtedness pursuant to the following clauses (i) through (v) (and any extension, renewal, replacement or refinancing thereof, but not to increase the aggregate principal amount); *provided* that at the time such Indebtedness is incurred, the Administrative Agent and the Lenders shall have received from the Borrower an Officer's Compliance Certificate in form and substance satisfactory to the Administrative Agent (including an Adjusted Consolidated EBITDA Reconciliation for the fiscal period covered by such Officer's Compliance Certificate), demonstrating that, after giving effect to the incurrence of any such Indebtedness, the Borrower will be in pro forma compliance with the financial covenants set forth in *Section 10.2*, *Section 10.3*, *Section 10.4* and *Section 10.5* and demonstrating compliance with the Incurrence Test set forth in *Section 10.1*:

(i) Indebtedness of the Borrower and its Subsidiaries incurred in connection with Capital Leases and/or purchase money Indebtedness of the Borrower and its Subsidiaries in an aggregate amount not to exceed $25,000,000 on any date of determination;

(ii) Indebtedness of a Person existing at the time such Person became a Subsidiary or assets were acquired from such Person, to the extent such Indebtedness was not incurred in connection with or in contemplation of, such Person becoming a Subsidiary or the acquisition of such assets, not to exceed in the aggregate at any time outstanding $10,000,000;

(iii) Guaranty Obligations with respect to Indebtedness permitted pursuant to subsection (f) of this Section;

(iv) Indebtedness of Foreign Subsidiaries, not to exceed in the aggregate at any time outstanding $2,000,000; *provided* that no Default or Event of Default shall have occurred and be continuing, or result therefrom, as of the date of incurrence of any such Indebtedness;

(v) additional unsecured Indebtedness not otherwise permitted pursuant to this Section in an aggregate amount outstanding not to exceed $200,000,000; *provided* that in the case of each issuance of such Indebtedness, (i) no Default or Event of Default shall have occurred and be continuing or would be caused by the issuance of such Indebtedness and (ii) the Borrower shall have complied with the applicable requirements of *Section 4.4(b)*;

(g) Indebtedness incurred in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, performance, surety and similar bonds and completion guarantees provided by the Borrower or one of its Subsidiaries in the ordinary course of business;

(h) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument in the ordinary course of business inadvertently drawn against insufficient funds, provide however, that such Indebtedness is extinguished within five (5) Business Days; and

(i) Indebtedness arising from any agreement by the Borrower or any of its Subsidiaries providing for indemnities, guarantees, purchase price adjustments, holdbacks, contingency payment obligations based on the performances of the acquired or disposed assets or similar obligations incurred by any Person in connection with the acquisition or disposition of assets or Capital Stock as permitted by this Agreement.

SECTION 11.2 *Limitations on Liens.* Create, incur, assume or suffer to exist, any Lien on or with respect to any of its assets or properties (including, without limitation, shares of Capital Stock), real or personal, whether now owned or hereafter acquired, except:

(a) Liens of the Administrative Agent for the benefit of the Administrative Agent and the Lenders under the Loan Documents;

(b) Liens not otherwise permitted by this Section and in existence on the Amended and Restated Closing Date and described on *Schedule 11.2*;

(c) Liens for taxes, assessments and other governmental charges or levies not yet due or as to which the period of grace if any, related thereto has not expired or which are being contested in good faith and by appropriate proceedings if adequate reserves are maintained to the extent required by GAAP;

(d) the claims of materialmen, mechanics, carriers, warehousemen, processors or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business, (i) which are not overdue for a period of more than ninety (90) days or (ii) which are being contested in good faith and by appropriate proceedings if adequate reserves are maintained to the extent required by GAAP;

(e) Liens consisting of deposits or pledges made in the ordinary course of business in connection with, or to secure payment of, obligations under workers' compensation, unemployment insurance or similar legislation;

(f) Liens constituting encumbrances in the nature of zoning restrictions, easements and rights or restrictions of record on the use of real property, which in the aggregate are not substantial in amount and which do not, in any case, detract from the value of such property or impair the use thereof in the ordinary conduct of business;

(g) Liens existing on any asset of any Person at the time such Person becomes a Subsidiary or is merged or consolidated with or into a Subsidiary which (i) were not created in contemplation of or in connection with such event and (ii) do not extend to or cover any other property or assets of Borrower or any Subsidiary, so long as any Indebtedness related to any such Liens are permitted under *Section 11.1(f)(ii)*;

(h) Liens securing Indebtedness permitted under *Sections 11.1(f)(i)*; *provided* that (i) such Liens shall be created substantially simultaneously with the acquisition or lease of the related asset, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, (iii) the amount of Indebtedness secured thereby is not increased and (iv) the principal amount of Indebtedness secured by any such Lien shall at no time exceed one hundred percent (100%) of the original purchase price or lease payment amount of such property at the time it was acquired;

(i) Liens securing Indebtedness permitted under *Section 11.1(f)(iv)*; *provided* that such liens do not at any time encumber any property other than that of the applicable Foreign Subsidiary obligated with respect to such Indebtedness;

(j) Liens not otherwise permitted hereunder securing obligations not at any time exceeding in the aggregate $5,000,000;

(k) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(l) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(m) rights of banks to set off deposits against debts owed to such banks;

(n) Liens upon specific items of inventory or other goods and proceeds of the Borrower and its Subsidiaries securing their obligations in respect of bankers' acceptances issued or created for the account of any such Person to facilitate the purchase, storage or shipment of such inventory or other goods;

(o) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(p) Liens securing reimbursement obligations with respect to letters of credit which encumber documents and other property relating to such letters of credit and the products and proceeds thereof:

(q) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Borrower or one of its Subsidiaries relating to such property or assets;

(r) Liens on assets that are the subject of a sale and leaseback transaction permitted by the provisions of this Agreement; and

(s) Liens securing Satellite Vendor Obligations; *provided* that such Lien does not attach or encumber any asset or property of the Borrower or any Subsidiary thereof other than the asset or personal property which is the subject of such obligation.

SECTION 11.3 *Limitations on Loans, Advances, Investments and Acquisitions.* Purchase, own, invest in or otherwise acquire, directly or indirectly, any Capital Stock, interests in any partnership or joint venture (including, without limitation, the creation or capitalization of any Subsidiary), evidence of Indebtedness or other obligation or security, substantially all or a portion of the business or assets of any other Person or any other investment or interest whatsoever in any other Person, or make or permit to exist, directly or indirectly, any loans, advances or extensions of credit to, or any investment in cash or by delivery of property in, any Person except:

(a) investments:

(i) existing on the Amended and Restated Closing Date in Subsidiaries existing on the Amended and Restated Closing Date;

(ii) after the Amended and Restated Closing Date in (A) existing Subsidiaries and/or (B) Subsidiaries formed or acquired after the Amended and Restated Closing Date; *provided* that:

(I) the Borrower and its Subsidiaries comply with the applicable provisions of *Section 9.11*; and

(II) the amount of any such investments in a Foreign Subsidiary shall not exceed the Foreign Investment Limitation as of the date of such investment;

(iii) the other loans, advances and investments described on *Schedule 11.3* existing on the Amended and Restated Closing Date;

(iv) by any Subsidiary in the Borrower;

(b) investments in (i) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency thereof maturing within one hundred twenty (120) days from the date of acquisition thereof, (ii) commercial paper maturing no more than one hundred twenty (120) days from the date of creation thereof and currently having the highest rating obtainable from either Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or Moody's Investors Service, Inc., (iii) certificates of deposit maturing no more than one hundred twenty (120) days from the date of creation thereof issued by commercial banks incorporated under the laws of the United States, each having combined capital, surplus and undivided profits of not less than $500,000,000 and having a rating of "A" or better by a nationally recognized rating agency; *provided*, that the aggregate amount invested in such certificates of deposit shall not at any time exceed $5,000,000 for any one such certificate of deposit and $10,000,000 for any one such bank, (iv) time deposits maturing no more than thirty (30) days from the date of creation thereof with commercial banks or savings banks or savings and loan associations each having membership either in the FDIC or the deposits of which are insured by the FDIC and in amounts not exceeding the maximum amounts of insurance thereunder, and (v) other investments permitted by the Borrower's investment policy as of the date hereof in the form attached hereto as Schedule 11.3(b) (including any amendment to Section V "Concentration Limits/Credit Quality" of such investment policy to the extent allowing for investments in any investment grade corporate bonds);

(c) investments by the Borrower or any of its Subsidiaries in the form of Permitted Acquisitions or Permitted Joint Venture Investments; *provided* that the amount of any such investments in a Foreign Subsidiary (or any entity that would constitute a Foreign Subsidiary if the Borrower or one of its Subsidiaries owned more than fifty percent (50%) of the outstanding Capital Stock of such entity) shall not exceed the Foreign Investment Limitation as of the date of such investment;

(d) Hedging Agreements permitted pursuant to *Section 11.1*;

(e) purchases of assets in the ordinary course of business;

(f) investments in the form of loans and advances to employees in the ordinary course of business, which, in the aggregate, do not exceed at any time $500,000;

(g) intercompany Indebtedness permitted pursuant to *Section 11.1(e)*;

(h) loans to one or more officers or other employees of the Borrower or its Subsidiaries in connection with such officers' or employees' acquisition of Capital Stock of the Borrower;

(i) other additional investments not otherwise permitted pursuant to this Section not exceeding $2,000,000 in the aggregate in any Fiscal Year;

(j) endorsement of checks or bank drafts for deposit or collection in the ordinary course of business;

(k) performance, surety and appeal bonds;

(l) investments made solely with the proceeds of the sale of Capital Stock by the Borrower;

(m) investments consisting of non-cash consideration received by the Borrower or any of its Subsidiaries from the sale of assets or Capital Stock of a Subsidiary as permitted by this Agreement; and

(n) the transfer of the Communications License issued by the FCC and held Globalstar Caribbean Ltd. to GCL Licensee LLC so long as the Borrower and its Subsidiaries comply with the applicable provisions of *Section 9.11*.

SECTION 11.4 *Limitations on Mergers and Liquidation.* Merge, consolidate or enter into any similar combination with any other Person or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution) except:

(a) any Wholly-Owned Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (*provided* that the Borrower shall be the continuing or surviving Person) or with or into any Subsidiary Guarantor (*provided* that the Subsidiary Guarantor shall be the continuing or surviving Person);

(b) any Wholly Owned Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any other Wholly Owned Subsidiary; (*provided* that if the transferor in such a transaction is a Subsidiary Guarantor, then the transferee must either be the Borrower or a Subsidiary Guarantor);

(c) any Wholly-Owned Subsidiary of the Borrower may merge with or into the Person such Wholly-Owned Subsidiary was formed to acquire in connection with a Permitted Acquisition; and

(d) any Subsidiary of the Borrower may wind-up into the Borrower or any Subsidiary Guarantor.

SECTION 11.5 *Limitations on Asset Dispositions.* Make any Asset Disposition (including, without limitation, the sale of any receivables and leasehold interests and any sale-leaseback or similar transaction) except:

(a) the sale of inventory in the ordinary course of business;

(b) the sale of obsolete, damaged, worn-out or surplus assets no longer needed in the business of the Borrower or any of its Subsidiaries;

(c) the transfer of assets to the Borrower or any Subsidiary Guarantor pursuant to *Section 11.4 (b)*;

(d) the sale or discount without recourse of accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof;

(e) subject to the requirements of *Section 9.12*, the disposition of any Hedging Agreement; and

(f) additional Asset Dispositions not otherwise permitted pursuant to this Section in an aggregate amount not to exceed $10,000,000 in any Fiscal Year.

SECTION 11.6 *Limitations on Dividends and Distributions.* Declare or pay any dividends upon any of its Capital Stock; purchase, redeem, retire or otherwise acquire, directly or indirectly, any shares of its Capital Stock, or make any distribution of cash, property or assets among the holders of shares of its Capital Stock, or make any change in its capital structure which such change in its capital structure could reasonably be expected to have a Material Adverse Effect; *provided* that:

(a) the Borrower or any Subsidiary may pay dividends in shares of its own Capital Stock;

(b) any Subsidiary may pay cash dividends to the Borrower or any other Subsidiary that is its parent;

(c) so long as no Default or Event of Default shall have occurred and be continuing, at the time thereof, the Borrower may purchase, redeem, retire, defease or otherwise acquire shares of its Capital Stock with the proceeds received contemporaneously from the issue of new shares of its Capital Stock with equal or inferior voting powers, designations, preferences and rights;

(d) so long as no Default or Event of Default shall have occurred and be continuing, at the time thereof, the Borrower may purchase (with cash or notes) Capital Stock of the Borrower from former directors or employees of the Borrower or its Subsidiaries, their estates, spouses or former spouses in connection with the termination of such employee's employment (or such director's directorship); *provided* that, (i) no such note shall require any payment if such payment or a distribution by the Borrower to make such payment is prohibited by the terms of this Agreement and (ii) the aggregate amount of all payments under this *Section 11.6(d)* (including payments in respect of any such purchase or any such notes) shall not exceed the sum of (A) $500,000 in any Fiscal Year or $1,000,000 in the aggregate during the term of this Agreement, *plus* (B) the amount of any cash equity contributions received by the Borrower for the purpose of making such payments and used for such purpose;

(e) any non-Wholly Owned Subsidiary may make pro rata dividends or distributions to holders of its Capital Stock; and

(f) on or prior to the date that is ten (10) days following the receipt of Net Cash Proceeds from the IPO, the Borrower may distribute up to $685,848 of Net Cash Proceeds from the IPO to Globalstar Satellite LP for the payment of deferred interest that accrued from December 6, 2003 to April 14, 2004 on loans made by Globalstar Satellite LP to the Borrower, which such loans were converted to equity on April 14, 2004.

SECTION 11.7 *Limitations on Exchange and Issuance of Capital Stock.* Issue, sell or otherwise dispose of any class or series of Capital Stock that, by its terms or by the terms of any security into which it is convertible or exchangeable, is, or upon the happening of an event or passage of time would be, (a) convertible or exchangeable into Indebtedness or (b) required to be redeemed or repurchased, including at the option of the holder, in whole or in part, or has, or upon the happening of an event or passage of time would have, a redemption or similar payment due.

SECTION 11.8 *Transactions with Affiliates.* Directly or indirectly (a) make any loan or advance to, or purchase or assume any note or other obligation to or from, any of its officers, directors, shareholders or other Affiliates, or to or from any member of the immediate family of any of its officers, directors, shareholders or other Affiliates, or subcontract any operations to any of its Affiliates or (b) enter into, or be a party to, any other transaction not described in clause (a) above with any of its Affiliates other than:

(i) transactions permitted by *Sections 11.1*, *11.3*, *11.4*, *11.6* and *11.7*;

(ii) transactions existing on the Amended and Restated Closing Date and described on *Schedule 11.8*;

(iii) normal compensation and reimbursement of reasonable expenses of officers and directors including adoption of a restricted stock bonus or purchase plan;

(iv) other transactions in the ordinary course of business on terms as favorable as would be obtained by it on a comparable arms-length transaction with an independent, unrelated third party as determined in good faith by the board of directors of the Borrower;

(v) the transactions contemplated by the Standby Purchase Agreement and the Escrow Agreement or sales of the Borrower's common stock to certain of its executive officers on similar terms; and

(vi) the Borrower's incentive compensation plan described in Schedule 11.8(vi).

SECTION 11.9 *Certain Accounting Changes; Organizational Documents.* (a) Change its Fiscal Year end, or make any change in its accounting treatment and reporting practices except as required by GAAP or (b) amend, modify or change (i) its articles of incorporation (or corporate charter or other similar organizational documents), or (ii) its bylaws (or other similar documents), or (iii) the Irrevocable Standby Stock Purchase Agreement or (iv) the Escrow Agreement, in any such case, in any manner adverse in any respect to the rights or interests of the Lenders.

SECTION 11.10 *Amendments; Payments and Prepayments of Subordinated Indebtedness.*

(a) Amend or modify (or permit the modification or amendment of) any of the terms or provisions of any Subordinated Indebtedness in any respect which would materially adversely affect the rights or interests of the Administrative Agent and Lenders hereunder.

(b) Cancel, forgive, make any payment or prepayment on, or redeem or acquire for value (including, without limitation, (i) by way of depositing with any trustee with respect thereto money or securities before due for the purpose of paying when due and (ii) at the maturity thereof) any Subordinated Indebtedness, except refinancings, refundings, renewals, extensions or exchange of any Subordinated Indebtedness permitted by *Section 11.1(e)*.

SECTION 11.11 *Restrictive Agreements.*

(a) Enter into any Indebtedness which contains any negative pledge on assets or any covenants more restrictive than the provisions of *Articles IX*, *X* and *XI*, or which restricts, limits or otherwise encumbers its ability to incur Liens on or with respect to any of its assets or properties other than the assets or properties securing such Indebtedness.

(b) Enter into or permit to exist any agreement which impairs or limits the ability of any Subsidiary of the Borrower (other than the Excluded Subsidiary) to pay dividends to the Borrower.

SECTION 11.12 *Nature of Business.* Alter in any material respect the character or conduct of the business conducted by the Borrower and its Subsidiaries as of the Amended and Restated Closing Date. Without limiting the foregoing, the Borrower will not permit or cause any License Subsidiary to engage in any line of business or engage in any other activity (including without limitation incurring liabilities) other than the ownership of one or more Communications license; *provided*, *however*, that, subject to any restrictions under Applicable Law with respect to Communications Licenses, the Borrower shall cause each of the License Subsidiaries to execute and deliver the Guaranty Agreement, the Security Agreement and each other Loan Document to which such License Subsidiary is a party. Following the assignment of all Communications Licenses issued by the FCC to one or more License Subsidiaries in accordance with Section 9.13, in no event shall (a) any License Subsidiary own any assets other than one or more Communications Licenses (and assets reasonably related thereto to the extent necessary to comply with all Applicable Law) and (b) neither the Borrower nor any Subsidiary other than a License Subsidiary shall hold any Communications Licenses issued by the FCC.

SECTION 11.13 *Maximum Satellite Vendor Obligations.* Create, incur, assume or suffer to exist outstanding Satellite Vendor Obligations that are reasonably expected to come due during the term of this Agreement and that will not constitute Excluded Capital Expenditures in an aggregate amount in excess of an amount equal to (a) the aggregate amount of Covenant Capital Expenditures allowed under this Agreement during the term hereof *less* (b) the aggregate amount of all Covenant Capital Expenditures actually made during the term of this Agreement.

SECTION 11.14 *Impairment of Security Interests.* Take or omit to take any action, which might or would have the result of materially impairing the security interests in favor of the Administrative Agent with respect to the Collateral or grant to any Person (other than the Administrative Agent for the benefit of itself and the Lenders pursuant to the Security Documents) any interest whatsoever in the Collateral, except for Permitted Liens and Asset Dispositions permitted under *Section 11.5*.

ARTICLE XII

DEFAULT AND REMEDIES

SECTION 12.1 *Events of Default.* Each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any Governmental Authority or otherwise:

(a) *Default in Payment of Principal of Loans and Reimbursement Obligations. Default in Payment of Principal of Loans and Reimbursement Obligations.* The Borrower shall default in any payment of principal of any Loan or Reimbursement Obligation when and as due (whether at maturity, by reason of acceleration or otherwise); *provided* that, so long as an unfunded commitment remains outstanding under the Irrevocable Standby Stock Purchase Agreement in an amount sufficient to cure a default under this *Section 12.1(a)*, the Borrower may cure any default under this *Section 12.1(a)* if, within five (5) Business Days of the date of such default, the Borrower (i) receives Net Cash Proceeds from Equity Issuances under the Irrevocable Standby Stock Purchase Agreement in an amount equal to or greater than the amount necessary to cure such default and (ii) pays to the Administrative Agent, for the benefit of the Lenders pursuant to, and in accordance, with *Section 5.4*, the applicable amount of such Net Cash Proceeds.

(b) *Other Payment Default.* The Borrower or any other Credit Party shall default in the payment when and as due (whether at maturity, by reason of acceleration or otherwise) of interest on any Loan or Reimbursement Obligation or the payment of any other Obligation, and such default shall continue for a period of five (5) Business Days.

(c) *Misrepresentation.* Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Credit Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith that is subject to materiality or Material Adverse Effect qualifications, shall be incorrect or misleading in any respect when made or deemed made or any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Credit Party herein, any other Loan Document, or in any document delivered in connection herewith or therewith that is not subject to materiality or Material Adverse Effect qualifications, shall be incorrect or misleading in any material respect when made or deemed made

(d) *Default in Performance of Certain Covenants.* The Borrower or any other Credit Party shall default in the performance or observance of any covenant or agreement contained in:

(i) *Section 9.16*, *Section 9.17*, *Section 10.3* or *Section 10.4; provided* that so long as:

(A) an unfunded commitment remains outstanding under the Irrevocable Standby Stock Purchase Agreement in an amount sufficient to cure a default under this *Section 12.1(d)(i)* as more fully described below

and

(B) the Borrower makes a "Call" under the Irrevocable Standby Stock Purchase Agreement (as such term is defined therein) as promptly as possible and in any event within five (5) Business Days after the Applicable Cure Date, then the Borrower shall have ten (10) Business Days from the date of such Call to cure such default described in this *Section 12.1(d)(i)* by receiving Net Cash Proceeds from the Equity Issuance triggered by such Call in an amount equal to or greater than (1) the amount required under *Section 9.16* or *Section 9.17*, as applicable, with respect to any default under either *Section 9.16* or *Section 9.17*, as applicable, (2) the amount necessary to achieve a minimum Liquidity of $25,000,000 with respect to any default in the performance of

Section 10.3 or (3) the Forward Fixed Charge Coverage Ratio Cure Amount with respect to any default in the performance of *Section 10.4*; or

(ii) *Section 8.1*, *Section 8.2* or *Section 8.5(e)(i)* or *Articles X* (other than *Section 10.3* or *Section 10.4*) or *XI*.

(e) *Default in Performance of Other Covenants and Conditions.* The Borrower or any other Credit Party shall default in the performance or observance of any term, covenant, condition or agreement contained in this Agreement (other than as specifically provided for otherwise in this Section) or any other Loan Document and such default shall continue for a period of thirty (30) days after written notice thereof has been given to the Borrower by the Administrative Agent.

(f) *Hedging Agreement.* The Borrower or any other Credit Party shall default in the performance or observance of any terms, covenant, condition or agreement (after giving effect to any applicable grace or cure period) under any Hedging Agreement and such default causes the termination of such Hedging Agreement and the Termination Value owed by such Credit Party as a result thereof exceeds $1,000,000.

(g) *Indebtedness Cross-Default.* The Borrower or any other Credit Party shall (i) default in the payment of any Indebtedness (other than the Loans or any Reimbursement Obligation) the aggregate outstanding amount of which Indebtedness is in excess of $5,000,000 beyond the period of grace if any, provided in the instrument or agreement under which such Indebtedness was created, or (ii) default in the observance or performance of any other agreement or condition relating to any Indebtedness (other than the Loans or any Reimbursement Obligation) the aggregate outstanding amount of which Indebtedness is in excess of $5,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, any such Indebtedness to become due prior to its stated maturity (any applicable grace period having expired).

(h) *Other Cross-Defaults.* The Borrower or any other Credit Party shall default in the payment when due, or in the performance or observance, of any obligation or condition of any Material Contract unless, but only as long as, the existence of any such default is being contested by the Borrower or any such Subsidiary in good faith by appropriate proceedings and adequate reserves in respect thereof have been established on the books of the Borrower or such Credit Party to the extent required by GAAP.

(i) *Change in Control.* Any Change in Control shall occur.

(j) *Voluntary Bankruptcy Proceeding.* The Borrower or any Subsidiary thereof shall (i) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (ii) file a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition for adjustment of debts, (iii) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy laws or other laws, (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign, (v) admit in writing its inability to pay its debts as they become due, (vi) make a general assignment for the benefit of creditors, or (vii) take any corporate action for the purpose of authorizing any of the foregoing.

(k) *Involuntary Bankruptcy Proceeding.* A case or other proceeding shall be commenced against the Borrower or any Subsidiary thereof in any court of competent jurisdiction seeking (i) relief under the federal bankruptcy laws (as now or hereafter in effect) or under any other laws,

domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or adjustment of debts, or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like for the Borrower or any Subsidiary thereof or for all or any substantial part of their respective assets, domestic or foreign, and such case or proceeding shall continue without dismissal or stay for a period of sixty (60) consecutive days, or an order granting the relief requested in such case or proceeding (including, but not limited to, an order for relief under such federal bankruptcy laws) shall be entered.

(l) *Failure of Agreements.* Any provision of this Agreement or any provision of any other Loan Document shall for any reason cease to be valid and binding on the Borrower or any other Credit Party party thereto or any such Person shall so state in writing, or any Loan Document shall for any reason cease to create a valid and perfected first priority Lien on, or security interest in, any of the Collateral purported to be covered thereby, in each case other than in accordance with the express terms hereof or thereof.

(m) *Termination Event.* The occurrence of any of the following events: (i) the Borrower or any ERISA Affiliate fails to make full payment when due of all amounts which, under the provisions of any Pension Plan or Section 412 of the Code, the Borrower or any ERISA Affiliate is required to pay as contributions thereto, (ii) an accumulated funding deficiency in excess of $2,500,000 occurs or exists, whether or not waived, with respect to any Pension Plan, (iii) a Termination Event which, if such Termination Event is reasonably susceptible to cure, is not cured within thirty (30) days after the occurrence thereof or (iv) the Borrower or any ERISA Affiliate as an employer under one or more Multiemployer Plans makes a complete or partial withdrawal from any such Multiemployer Plan and the plan sponsor of such Multiemployer Plans notifies such withdrawing employer that such employer has incurred a withdrawal liability requiring payments in an amount exceeding $2,500,000.

(n) *Judgment.* A judgment or order for the payment of money which causes the aggregate amount of all such judgments to exceed $1,000,000 in any Fiscal Year shall be entered against the Borrower or any Credit Party by any court and such judgment or order shall continue without having been discharged, vacated or stayed for a period of thirty (30) days after the entry thereof.

(o) *Environmental.* Any one or more Environmental Claims shall have been asserted against the Borrower or any of its Subsidiaries; the Borrower or any of its Subsidiaries would be reasonable likely to incur liability as a result thereof; and such liability would be reasonably likely, individually or in the aggregate, to have a Material Adverse Effect.

(p) *Communications Licenses.* The Borrower and its Subsidiaries taken as a whole, shall fail to hold (either through revocation, forfeiture, failure of renewal, or otherwise) all required material authorizations and licenses (including without limitation all Material Communications Licenses) or any Material Communications License shall be lost, terminated, forfeited or revoked or shall fail to be renewed for any reason whatsoever, or shall be modified in a manner which could reasonably be expected to have a Material Adverse Effect.

(q) *Irrevocable Standby Stock Purchase Agreement.* The Borrower shall breach its obligations under Section 2.5 of the Irrevocable Standby Stock Purchase Agreement or any material provision of the Irrevocable Standby Stock Purchase Agreement shall for any reason cease to be valid and binding on the parties thereto or any such Person shall so state in writing, or the Irrevocable Standby Stock Purchase Agreement shall be terminated or expired, except pursuant to Equity Issuances by the Borrower of common stock under such Irrevocable Standby Stock Purchase Agreement which has resulted in Net Cash Proceeds to the Borrower of an aggregate of $200,000,000.

(r) *Government Contracts.* Any of the Borrower, its Subsidiaries or its Affiliates, (i) is debarred or suspended by any Governmental Authority, or has been issued a notice of proposed debarment or notice of proposed suspension by any Governmental Authority; (ii) is the subject of an investigation by any Governmental Authority (other than a normal and customary review) involving or possibly involving fraud or willful misconduct which could reasonably be expected to result in criminal liability, civil liability or expense in excess of $1,000,000, suspension, debarment or any other adverse administrative action; or (iii) is a party to any Material Contract with any Governmental Authority which has been actually terminated due to the Borrower's, such Subsidiary's or such Affiliate's alleged fraud or willful misconduct.

SECTION 12.2 *Remedies.* Upon the occurrence of an Event of Default, with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower:

(a) *Acceleration; Termination of Facilities.* Terminate the Revolving Credit Commitment and declare the principal of and interest on the Loans and the Reimbursement Obligations at the time outstanding, and all other amounts owed to the Lenders and to the Administrative Agent under this Agreement or any of the other Loan Documents (including, without limitation, all L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented or shall be entitled to present the documents required thereunder) and all other Obligations (other than Hedging Obligations), to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Credit Party, anything in this Agreement or the other Loan Documents to the contrary notwithstanding, and terminate the Credit Facility and any right of the Borrower to request borrowings or Letters of Credit thereunder; *provided*, that upon the occurrence of an Event of Default specified in *Section 12.1(j)* or *(k)*, the Credit Facility shall be automatically terminated and all Obligations (other than Hedging Obligations) shall automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Credit Party, anything in this Agreement or in any other Loan Document to the contrary notwithstanding.

(b) *Letters of Credit.* With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to the preceding paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay the other Obligations on a pro rata basis. After all such Letters of Credit shall have expired or been fully drawn upon, the Reimbursement Obligation shall have been satisfied and all other Obligations shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower.

(c) *Rights of Collection.* Exercise on behalf of the Lenders all of its other rights and remedies under this Agreement, the other Loan Documents and Applicable Law, in order to satisfy all of the Borrower's Obligations.

SECTION 12.3 *Rights and Remedies Cumulative; Non-Waiver; etc.* The enumeration of the rights and remedies of the Administrative Agent and the Lenders set forth in this Agreement is not intended to be exhaustive and the exercise by the Administrative Agent and the Lenders of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder or under the other Loan Documents or that may now or hereafter exist at law or in equity or by suit or otherwise. No delay or failure to

take action on the part of the Administrative Agent or any Lender in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default. No course of dealing between the Borrower, the Administrative Agent and the Lenders or their respective agents or employees shall be effective to change, modify or discharge any provision of this Agreement or any of the other Loan Documents or to constitute a waiver of any Event of Default.

SECTION 12.4 *Crediting of Payments and Proceeds.* In the event that the Borrower shall fail to pay any of the Obligations when due and the Obligations have been accelerated pursuant to *Section 12.2*, all payments received by the Lenders upon the Obligations and all net proceeds from the enforcement of the Obligations shall be applied:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such and the Issuing Lender in its capacity as such (ratably among the Administrative Agent and the Issuing Lender in proportion to the respective amounts described in this clause *First* payable to them);

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders, including attorney fees (ratably among the Lenders in proportion to the respective amounts described in this clause *Second* payable to them);

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and Reimbursement Obligations and any Hedging Obligations (including any termination payments and any accrued and unpaid interest thereon) (ratably among the Lenders in proportion to the respective amounts described in this clause *Third* payable to them);

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and Reimbursement Obligations (ratably among the Lenders in proportion to the respective amounts described in this clause *Fourth* held by them);

Fifth, to the Administrative Agent for the account of the Issuing Lender, to cash collateralize any L/C Obligations then outstanding; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Applicable Law.

SECTION 12.5 *Administrative Agent May File Proofs of Claim.* In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under *Sections 3.3, 5.3* and *14.3*) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under *Sections 3.3*, *5.3* and *14.3*.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

ARTICLE XIII

THE ADMINISTRATIVE AGENT

SECTION 13.1 *Appointment and Authority.* Each of the Lenders and the Issuing Lender hereby irrevocably appoints Wachovia to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Lender, and neither the Borrower nor any Subsidiary thereof shall have rights as a third party beneficiary of any of such provisions.

SECTION 13.2 *Rights as a Lender.* The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 13.3 *Exculpatory Provisions.* The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in *Section 14.2* and *Section 12.2*) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower, a Lender or the Issuing Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in *Article VI* or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 13.4 *Reliance by the Administrative Agent.* The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Lender prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 13.5 *Delegation of Duties.* The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

SECTION 13.6 *Resignation of Administrative Agent.*

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Lender and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor,

which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the Issuing Lender, appoint a successor Administrative Agent meeting the qualifications set forth above provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Lender under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the Issuing Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and *Section 14.3* shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

(b) Any resignation by Wachovia as Administrative Agent pursuant to this Section shall also constitute its resignation as Swingline Lender and shall be deemed to constitute the resignation of Wachovia Bank as Issuing Lender, unless Wachovia Bank delivers written notice of its election to continue as Issuing Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swingline Lender and the retiring Issuing Lender (if applicable), (b) the retiring Swingline Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents and (c) the successor Issuing Lender (if any) shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangement satisfactory to the retiring Issuing Lender to effectively assume the obligations of the retiring Issuing Lender with respect to such Letters of Credit..

SECTION 13.7 *Non-Reliance on Administrative Agent and Other Lenders.* Each Lender and the Issuing Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 13.8 *No Other Duties, etc.* Anything herein to the contrary notwithstanding, none of the syndication agents, documentation agents, co-agents, book manager, lead manager, arranger, lead arranger or co-arranger listed on the cover page or signature pages hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the Issuing Lender hereunder.

SECTION 13.9 *Collateral and Guaranty Matters.* The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any Collateral granted to or held by the Administrative Agent, for the ratable benefit of itself and the Lenders, under any Loan Document (i) upon repayment of the outstanding principal of and all accrued interest on the Loans and Reimbursement Obligations, payment of all outstanding fees and expenses hereunder, the termination of the Revolving Credit Commitment and the expiration or termination of all Letters of Credit, (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) subject to *Section 14.2*, if approved, authorized or ratified in writing by the Required Lenders;

(b) to subordinate or release any Lien on any Collateral granted to or held by the Administrative Agent under any Loan Document to the holder of any Permitted Lien; and

(c) to release any Subsidiary Guarantor from its obligations under the Guaranty Agreement if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Subsidiary Guarantor from its obligations under the Guaranty Agreement pursuant to this Section.

ARTICLE XIV

MISCELLANEOUS

SECTION 14.1 *Notices.*

(a) *Method of Communication.* Except as otherwise provided in this Agreement, all notices and communications hereunder shall be in writing (for purposes hereof, the term "writing" shall include information in electronic format such as electronic mail and internet web pages), or by telephone subsequently confirmed in writing. Any notice shall be effective if delivered by hand delivery or sent via electronic mail, posting on an internet web page, telecopy, recognized overnight courier service or certified mail, return receipt requested, and shall be presumed to be received by a party hereto (i) on the date of delivery if delivered by hand or sent by electronic mail, posting on an internet web page, telecopy, (ii) on the next Business Day if sent by recognized overnight courier service and (iii) on the third Business Day following the date sent by certified mail, return receipt requested. A telephonic notice to the Administrative Agent as understood by the Administrative Agent will be deemed to be the controlling and proper notice in the event of a discrepancy with or failure to receive a confirming written notice.

(b) *Addresses for Notices*. Notices to any party shall be sent to it at the following addresses, or any other address as to which all the other parties are notified in writing.

If to the Borrower:	Globalstar, Inc. 461 South Milpitas Boulevard Building 5, Suite 1 and 2 Milpitas, CA 95035 Attention: Chief Financial Officer and Vice President—Legal and Regulatory Affairs Telephone No.: (408) 933-4403 Telecopy No.: (408) 933-4949
With a copy to:	Taft, Stettinius & Hollister LLP 425 Walnut Street Cincinnati, OH 45202 Attention: Gerald S. Greenberg, Esq. Telephone No.: (513) 357-9670 Telecopy No.: (513) 381-0205
If to Wachovia as Administrative Agent:	Wachovia Investment Holdings, LLC Charlotte Plaza, CP-8 201 South College Street Charlotte, North Carolina 28288-0680 Attention: Syndication Agency Services Telephone No.: (704) 374-2698 Telecopy No.: (704) 383-0288
If to any Lender:	To the address set forth on the Register

(c) *Administrative Agent's Office*. The Administrative Agent hereby designates its office located at the address set forth above, or any subsequent office which shall have been specified for such purpose by written notice to the Borrower and Lenders, as the Administrative Agent's Office referred to herein, to which payments due are to be made and at which Loans will be disbursed and Letters of Credit requested.

SECTION 14.2 *Amendments, Waivers and Consents*. Except as set forth below or as specifically provided in any Loan Document, any term, covenant, agreement or condition of this Agreement or any of the other Loan Documents may be amended or waived by the Lenders, and any consent given by the Lenders, if, but only if, such amendment, waiver or consent is in writing signed by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and delivered to the Administrative Agent and, in the case of an amendment, signed by the Borrower; *provided*, that no amendment, waiver or consent shall:

(a) waive any condition set forth in *Section 6.2* without the written consent of each Lender directly affected thereby;

(b) extend or increase the Revolving Credit Commitment of any Lender (or reinstate any Revolving Credit Commitment terminated pursuant to *Section 12.2*) or the amount of Loans of any Lender without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or Reimbursement Obligation, or (subject to clause (iv) of the second proviso to this Section) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; *provided* that only the consent of the Required Lenders shall be necessary (i) to waive any obligation of the Borrower to pay interest at the rate set forth in *Section 5.1(c)* during the continuance of an Event of Default, or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;

(e) change *Section 5.4* or *Section 12.4* in a manner that would alter the *pro rata* sharing of payments required thereby without the written consent of each Lender directly affected thereby;

(f) change *Section 4.4(b)(vi)* in a manner that would alter the order of application of amounts prepaid pursuant thereto without the written consent of each Lender directly affected thereby;

(g) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender directly affected thereby;

(h) release all of the Guarantors or release Guarantors comprising substantially all of the credit support for the Obligations, in either case, from the Guaranty Agreement (other than as authorized in *Section 13.9*), without the written consent of each Lender; or

(i) release all or a material portion of the Collateral or release any Security Document (other than as authorized in *Section 13.9* or as otherwise specifically permitted or contemplated in this Agreement or the applicable Security Document) without the written consent of each Lender;

provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Issuing Lender in addition to the Lenders required above, affect the rights or duties of the Issuing Lender under this Agreement or any Letter of Credit Application relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above, affect the rights or duties of the Swingline Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

Notwithstanding anything to the contrary herein, (i) each Lender hereby irrevocably authorizes the Administrative Agent on its behalf, and without further consent, to enter into amendments or modifications to this Agreement (including, without limitation, amendments to this Section) or any of the other Loan Documents or to enter into additional Loan Documents as the Administrative Agent reasonably deems appropriate in order to effectuate the terms of *Section 4.5* (including, without limitation, as applicable, (1) to permit the Additional Term Loans to share ratably in the benefits of this Agreement and the other Loan Documents, and (2) to include the Increasing Term Lender's Commitments or outstanding Additional Term Loans in any determination of Required Lenders) and (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Revolving Credit Commitment of such Lender may not be increased or extended without the consent of such Lender.

SECTION 14.3 *Expenses; Indemnity.*

(a) *Costs and Expenses.* The Borrower and any other Credit Party, jointly and severally, shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), and shall pay all fees and time charges and disbursements for attorneys who may be employees of the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or the Issuing Lender), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, any Lender or the Issuing Lender, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) *Indemnification by the Borrower.* The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "*Indemnitee*") against, and hold each Indemnitee harmless from, any and all losses, claims (including, without limitation, any Environmental Claims or civil penalties or fines assessed by OFAC), damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Credit Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Claim related in any way to the Borrower or any of its Subsidiaries, (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Credit Party, and regardless of whether any Indemnitee is a party thereto, or (v) any claim (including, without limitation, any Environmental Claims or civil penalties or fines assessed by the U.S. Department of the Treasury's Office of Foreign Assets Control), investigation, litigation or other proceeding (whether or not the Administrative Agent or any Lender is a party thereto) and the prosecution and defense thereof, arising out of or in any way connected with the Loans, this Agreement, any other Loan Document, or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby, including without limitation, reasonable attorneys and consultant's fees, *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related

expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) *Reimbursement by Lenders.* To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under clause (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Issuing Lender or such Related Party, as the case may be, such Lender's Applicable Margin (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the Issuing Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or Issuing Lender in connection with such capacity. The obligations of the Lenders under this clause (c) are subject to the provisions of *Section 5.7*.

(d) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by Applicable Law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) *Payments.* All amounts due under this Section shall be payable promptly after demand therefor.

SECTION 14.4 *Right of Set-off.* If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Lender, the Swingline Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the Issuing Lender, the Swingline Lender or any such Affiliate to or for the credit or the account of the Borrower or any other Credit Party against any and all of the obligations of the Borrower or such Credit Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, the Issuing Lender or the Swingline Lender, irrespective of whether or not such Lender, the Issuing Lender or the Swingline Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Credit Party may be contingent or unmatured or are owed to a branch or office of such Lender, the Issuing Lender or the Swingline Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, the Issuing Lender, the Swingline Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the Issuing Lender, the Swingline Lender or their respective Affiliates may have. Each Lender, the Issuing Lender and the Swingline Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 14.5 *Governing Law.*

(a) *Governing Law.* This Agreement and the other Loan Documents, unless expressly set forth therein, shall be governed by, and construed in accordance with, the law of the State of New

York (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York).

(b) *Submission to Jurisdiction.* The Borrower and each other Credit Party irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender or the Issuing Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or any other Credit Party or its properties in the courts of any jurisdiction.

(c) *Waiver of Venue.* The Borrower and each other Credit Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) *Service of Process.* Each party hereto irrevocably consents to service of process in the manner provided for notices in *Section 14.1*. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

SECTION 14.6 *Waiver of Jury Trial.* EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 14.7 *Reversal of Payments.* To the extent the Borrower makes a payment or payments to the Administrative Agent for the ratable benefit of the Lenders or the Administrative Agent receives any payment or proceeds of the collateral which payments or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds repaid, the Obligations or part thereof intended to be satisfied shall be revived and continued in full force and effect as if such payment or proceeds had not been received by the Administrative Agent.

SECTION 14.8 *Injunctive Relief; Punitive Damages.*

(a) The Borrower recognizes that, in the event the Borrower fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy of law may prove to be inadequate relief to the Lenders. Therefore, the Borrower agrees that the Lenders, at the Lenders' option, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

(b) The Administrative Agent, the Lenders and the Borrower (on behalf of itself and the Credit Parties) hereby agree that no such Person shall have a remedy of punitive or exemplary damages against any other party to a Loan Document and each such Person hereby waives any right or claim to punitive or exemplary damages that they may now have or may arise in the future in connection with any Dispute, whether such Dispute is resolved through arbitration or judicially.

SECTION 14.9 *Accounting Matters.* If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); *provided* that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

SECTION 14.10 *Successors and Assigns; Participations.*

(a) *Successors and Assigns Generally.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Assignments by Lenders.* Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Credit Commitment and the Loans at the time owing to it); *provided* that

(i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Revolving Credit Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Revolving Credit Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Revolving Credit Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment

and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, in the case of any assignment in respect of the Revolving Credit Facility, or $1,000,000, in the case of any assignment in respect of the Term Loan Facility, unless (A) such assignment is made to an existing Lender, to an Affiliate thereof, or (with respect to any Term Loan) to an Approved Fund, in which case no minimum amount shall apply, or (B) each of the Administrative Agent and, so long as no Default or Event of Default has occurred and is continuing, the Borrower otherwise consent (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Revolving Credit Commitment assigned;

(iii) any assignment of a Revolving Credit Commitment must be approved by the Administrative Agent, the Swingline Lender and the Issuing Lender unless the Person that is the proposed assignee is itself a Lender with a Revolving Credit Commitment (whether or not the proposed assignee would otherwise qualify as an Eligible Assignee); and

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 for each assignment, and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of *Sections 5.8*, *5.9*, *5.10*, *5.11* and *14.3* with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) *Register.* The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in Charlotte, North Carolina, a copy of each Assignment and Assumption, each Revolving Lender Addition and Acknowledgement Agreement and each Term Loan Lender Addition and Acknowledgement Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Credit Commitment of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) *Participations.* Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural

person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "*Participant*") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Credit Commitment and/or the Loans owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver or modification described in *Section 14.2* that directly affects such Participant. Subject to paragraph (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of *Sections 5.8*, *5.9*, *5.10* and *5.11* to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of *Section 14.4* as though it were a Lender, provided such Participant agrees to be subject to *Section 5.6* as though it were a Lender.

(e) *Limitations upon Participant Rights.* A Participant shall not be entitled to receive any greater payment under *Sections 5.10* and *5.11* than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of *Section 5.11* unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with *Section 5.11(e)* as though it were a Lender.

(f) *Certain Pledges.* Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 14.11 *Confidentiality.* Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by, or required to be disclosed to, any rating agency, or regulatory or similar authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies under this Agreement or under any other Loan Document (or any Hedging Agreement with a Lender or the Administrative Agent) or any action or proceeding relating to this Agreement or any other Loan Document (or any Hedging Agreement with a Lender or the Administrative Agent) or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any purchasing Lender, proposed purchasing Lender, Participant or proposed Participant, (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (iii) to an investor or prospective investor in an Approved Fund that also agrees that

Information shall be used solely for the purpose of evaluating an investment in such Approved Fund, (iv) to a trustee, collateral manager, servicer, backup servicer, noteholder or secured party in an Approved Fund in connection with the administration, servicing and reporting on the assets serving as collateral for an Approved Fund, or (v) to a nationally recognized rating agency that requires access to information regarding the Borrower and its Subsidiaries, the Loans and Loan Documents in connection with ratings issued with respect to an Approved Fund, (g) with the consent of the Borrower, (h) to *Gold Sheets* and other similar bank trade publications, such information to consist of deal terms and other information customarily found in such publications, or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower or (j) to governmental regulatory authorities in connection with any regulatory examination of the Administrative Agent or any Lender or in accordance with the Administrative Agent's or any Lender's regulatory compliance policy if the Administrative Agent or such Lender deems necessary for the mitigation of claims by those authorities against the Administrative Agent or such Lender or any of its subsidiaries or affiliates. For purposes of this Section, "*Information*" means all information received from the Borrower or any of its Subsidiaries relating to any Credit Party or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by any Credit Party; *provided* that, in the case of information received from a Credit Party after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 14.12 *Performance of Duties.* Each of the Credit Party's obligations under this Agreement and each of the other Loan Documents shall be performed by such Credit Party at its sole cost and expense.

SECTION 14.13 *All Powers Coupled with Interest.* All powers of attorney and other authorizations granted to the Lenders, the Administrative Agent and any Persons designated by the Administrative Agent or any Lender pursuant to any provisions of this Agreement or any of the other Loan Documents shall be deemed coupled with an interest and shall be irrevocable so long as any of the Obligations remain unpaid or unsatisfied, any of the Revolving Credit Commitment remains in effect or the Credit Facility has not been terminated.

SECTION 14.14 *Survival of Indemnities.* Notwithstanding any termination of this Agreement, the indemnities to which the Administrative Agent and the Lenders are entitled under the provisions of this Article XIV and any other provision of this Agreement and the other Loan Documents shall continue in full force and effect and shall protect the Administrative Agent and the Lenders against events arising after such termination as well as before.

SECTION 14.15 *Titles and Captions.* Titles and captions of Articles, Sections and subsections in, and the table of contents of, this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.

SECTION 14.16 *Severability of Provisions.* Any provision of this Agreement or any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 14.17 *Counterparts.* This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be

deemed to be an original and shall be binding upon all parties, their successors and assigns, and all of which taken together shall constitute one and the same agreement.

SECTION 14.18 *Integration.* This Agreement, together with the other Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. In the event of any conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control; *provided* that the inclusion of supplemental rights or remedies in favor of the Administrative Agent or the Lenders in any other Loan Document shall not be deemed a conflict with this Agreement. Each Loan Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof.

SECTION 14.19 *Term of Agreement.* This Agreement shall remain in effect from the Amended and Restated Closing Date through and including the date upon which all Obligations arising hereunder or under any other Loan Document shall have been indefeasibly and irrevocably paid and satisfied in full and the Revolving Credit Commitment has been terminated. No termination of this Agreement shall affect the rights and obligations of the parties hereto arising prior to such termination or in respect of any provision of this Agreement which survives such termination.

SECTION 14.20 *Advice of Counsel, No Strict Construction.* Each of the parties represents to each other party hereto that it has discussed this Agreement with its counsel. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

SECTION 14.21 *USA Patriot Act.* The Administrative Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "*Act*"), it is required to obtain, verify and record information that identifies the Borrower and Guarantors, which information includes the name and address of each Borrower and Guarantor and other information that will allow such Lender to identify such Borrower or Guarantor in accordance with the Act.

SECTION 14.22 *Inconsistencies with Other Documents; Independent Effect of Covenants.*

(a) In the event there is a conflict or inconsistency between this Agreement and any other Loan Document, the terms of this Agreement shall control; *provided* that any provision of the Security Documents which imposes additional burdens on the Borrower or its Subsidiaries or further restricts the rights of the Borrower or its Subsidiaries or gives the Administrative Agent or Lenders additional rights shall not be deemed to be in conflict or inconsistent with this Agreement and shall be given full force and effect.

(b) This Agreement constitutes an amendment and restatement of the Existing Facility effective from and after the Amended and Restated Closing Date. The execution and delivery of this Agreement shall not constitute a novation of any Debt or other obligations owing to the Lenders or the Administrative Agent under the Existing Facility based on facts or events occurring or existing prior to the execution and delivery of this Agreement. On the Amended and Restated Closing Date, the credit facilities described in the Existing Facility shall be amended, supplemented, modified and restated in their entirety by the facilities described herein, and all loans and other obligations of the Borrower outstanding as of such date under the Existing Facility shall be deemed to be loans and obligations outstanding under the corresponding facilities described herein, without any further action by any Person, except that the Administrative Agent shall make such transfers of funds as are necessary in order that the outstanding balance of such

Loans, together with any Loans funded on the Amended and Restated Closing Date, reflect the commitments of the Lenders hereunder.

(c) The Borrower expressly acknowledges and agrees that each covenant contained in *Articles IX*, *X*, or *XI* hereof shall be given independent effect. Accordingly, the Borrower shall not engage in any transaction or other act otherwise permitted under any covenant contained in *Articles IX*, *X*, or *XI* if, before or after giving effect to such transaction or act, the Borrower shall or would be in breach of any other covenant contained in *Articles IX*, *X*, or *XI*.

[Signature pages to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal by their duly authorized officers, all as of the day and year first written above.

GLOBALSTAR, INC., as Borrower

By: /s/ FUAD AHMAD

Name: Fuad Ahmad
Title: *Vice President and CFO*

AGENT AND LENDERS:

WACHOVIA INVESTMENT HOLDINGS, LLC,
as Administrative Agent, Swingline Lender and Lender

By: /s/ MARC A. BIRENBAUM

Name: Marc A. Birenbaum
Title: *Director*

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Issuing Lender

By: /s/ MARC A. BIRENBAUM

Name: Marc A. Birenbaum
Title: *Director*

QuickLinks

Exhibit 10.2

SECOND AMENDED AND RESTATED IRREVOCABLE STANDBY STOCK PURCHASE AGREEMENT

This Second Amended and Restated Irrevocable Standby Stock Purchase Agreement ("**Agreement**") is entered into as of August 25, 2006 among Globalstar, Inc. ("**Globalstar**"), the Administrative Agent (as defined below) and Thermo Funding Company LLC ("**Thermo**").

WHEREAS, Globalstar and certain of its subsidiaries have entered into an amended and restated credit agreement dated as of August 16, 2006 (which amended and restated a prior credit agreement among certain of the parties dated as of April 24, 2006, as further amended, restated, refinanced, replaced, supplemented or otherwise modified, the "**Credit Agreement**") by and among the lenders party thereto (the "**Lenders**") and Wachovia Investment Holdings, LLC, as administrative agent for the lenders (the "**Administrative Agent**") and swingline lender, and Wachovia Bank, National Association, as issuing lender;

WHEREAS, Globalstar, the Administrative Agent and Thermo entered into an Irrevocable Standby Stock Purchase Agreement dated as of April 24, 2006 as a condition to the consummation of the transaction contemplated by the Credit Agreement;

WHEREAS, the Irrevocable Standby Stock Purchase Agreement was amended and restated as of July 18, 2006;

WHEREAS, Thermo is willing, upon the terms and conditions set forth in this Agreement, to purchase Common Stock from Globalstar;

WHEREAS, the parties wish to further amend and restate the Irrevocable Standby Stock Purchase Agreement as previously amended;

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, Globalstar and Thermo hereby agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Incorporation of Certain Definitions by Reference. All capitalized terms used in this Agreement without definition shall have the respective meanings assigned to them in the Credit Agreement.

1.2 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York are authorized or required by law to close.

"**Commitment**" means the remaining dollar amount which Thermo is required to invest in Purchased Shares pursuant to this Agreement.

"**Common Stock**" means Globalstar's Series A common stock, par value $0.0001 per share, or any shares of common stock into which such Series A common stock are changed.

"**Current Stockholders**" means holders of Globalstar's Series A common stock, Series B common stock or Series C common stock as of the date hereof who are accredited investors as defined in Rule 501(a) under the Securities Act of 1933, as amended.

"**Effective Registration**" means a registration statement under the Securities Act that has been declared effective by the Securities and Exchange Commission and with respect to which no "stop order" has been issued.

"**Existing Shares**" means any shares of Globalstar's Series A common stock, Series B common stock or Series C common stock held as of the date hereof by Thermo and each Current Stockholder which executes a separate stock purchase agreement pursuant to Section 2.5 of this Agreement or its Affiliates or any shares of common stock into which such Series A common stock, Series B common stock or Series C common stock are changed.

"**Funding Account**" means account number 200032011311 of Globalstar at Wachovia Bank, National Association.

"**Initial Public Offering"** means the first bona fide public offering of the Common Stock registered with the Securities and Exchange Commission, other than any such offering registered on a registration statement on Form S-4 or Form S-8.

"**Losses**" means any and all losses, claims, damages, liabilities, settlement costs and expenses, including, without limitation, costs of preparation and reasonable attorneys' fees.

"**Public Sale**" means any sale of Securities to the public pursuant to a public offering registered under the Securities Act or to the public through a broker or market-maker pursuant to the provisions of Rule 144 (or any successor rule) under the Securities Act.

"**SEC**" means the United States Securities and Exchange Commission.

ARTICLE II.
THE COMMITMENT

2.1 Commitment to Purchase. Subject to the terms and conditions of this Agreement, Thermo hereby irrevocably and unconditionally agrees from time to time during the period commencing on April 24, 2006 and ending on the earliest of (a) December 31, 2011, (b) the date on which the Commitment has been reduced to zero pursuant to Section 2.2(a), and (c) the date on which all of the Obligations have been indefeasibly paid in full and the Credit Agreement and all commitments of the Lenders thereunder have been terminated (the "**Commitment Period**"), to purchase up to 2,061,856 shares of Common Stock at a price of $97.00 per share (the "**Purchase Price**") for an aggregate Purchase Price of $200,000,000. The number of shares and Purchase Price shall be adjusted proportionately to reflect any split or combination of the Common Stock or any stock dividend on the Common Stock. Any shares of Common Stock purchased pursuant to this Agreement are referred to herein as "**Purchased Shares**." On June 30, 2006, Thermo purchased 154,640 shares of Common Stock pursuant to the Irrevocable Standby Stock Purchase Agreement as in effect on that date; as a result thereof, on the date hereof the remaining Commitment is 1,907,216 shares of Common Stock to be purchased at an aggregate Purchase Price of $184,999,952.

2.2 Reduction and Termination of Commitment.

a. Upon any purchase by Thermo of Purchased Shares pursuant to this Agreement, the Commitment shall automatically be reduced on a dollar for dollar basis by the amount paid by Thermo for such Purchased Shares.

b. The Commitment shall automatically be reduced to zero at the end of the Commitment Period.

c. At such time as the Commitment has been terminated or reduced to zero in accordance with the terms hereof, the Administrative Agent shall assign to Thermo all of the Administrative Agent's rights under the Escrow Agreement (as defined below), except for any rights to indemnity or reimbursement thereunder.

2.3 Obligation to Purchase.

a. Pursuant to Section 10.3 of the Credit Agreement, Globalstar is required, at all times during the term of the Credit Agreement, to maintain a minimum Liquidity of $25,000,000. Globalstar shall promptly (and in any event within five (5) Business Days after any Responsible Officer obtains knowledge thereof) provide written notice to the Administrative Agent (with a copy to Thermo) of any breach of Section 10.3 of the Credit Agreement other than any such breach which results solely from an acceleration of the Loans and the Reimbursement Obligations pursuant to Section 12.2(a) of the Credit Agreement and the exercise by the Administrative Agent of remedies which result in the payment (by set-off or otherwise) of cash, cash equivalents or marketable securities of Globalstar or any of its Subsidiaries for application to, or the reduction of, such accelerated Loans and/or Reimbursement Obligations (such notice, a "**Notice of Liquidity Default**"). Upon receipt of any Notice of Liquidity Default, Thermo shall purchase a number of shares of Common Stock with a purchase price equal to the greater of (x) the amount necessary to enable Globalstar to achieve a minimum Liquidity of $25,000,000 and (y) $5,000,000.

b. Pursuant to Section 10.4 of the Credit Agreement, Globalstar is required to maintain, as of the end of any fiscal quarter, a Forward Fixed Charge Coverage Ratio of at least 1.0 to 1.0. Pursuant to Section 8.2(c) of the Credit Agreement, Globalstar is required to deliver a Forward Fixed Charge Coverage Ratio Certificate on the first Business Day of the second fiscal month of each of fiscal quarter of Globalstar. Furthermore, pursuant to Section 8.2(a) of the Credit Agreement, Globalstar is required to deliver an Officer's Certificate at each time quarterly and annual financial statements are provided to the Administrative Agent. Globalstar hereby agrees to provide a copy of each Forward Fixed Charge Coverage Certificate and each Officer's Compliance Certificate to Thermo simultaneously with delivery to the Administrative Agent. Upon receipt of any Forward Fixed Charge Coverage Ratio Certificate or Officer's Compliance Certificate showing a Forward Fixed Charge Coverage Ratio of less than 1.0 to 1.0, Thermo shall purchase a number of shares of Common Stock with a purchase price equal to the greater of (x) the Forward Fixed Charge Coverage Ratio Cure Amount and (y) $5,000,000.

c. If a payment default has occurred and is continuing under Section 12.1(a) or 12.1(b) of the Credit Agreement with respect to any regularly scheduled payment of principal or interest (a "**Payment Default**"), Thermo shall purchase a number of shares of Common Stock with a purchase price equal to the greater of (x) the amount of such Payment Default and (y) $5,000,000.

d. If Globalstar has not (i) received aggregate Net Cash Proceeds from Equity Issuances of Common Stock (including any Equity Issuance pursuant to this Agreement) after April 24, 2006 and prior to October 14, 2006 of at least $100,000,000 or (ii) performed in full its obligations under Section 9.16(a) of the Credit Agreement, Thermo shall purchase a number of shares of Common Stock with a purchase price equal to the greater of (x) the amount by which $100,000,000 exceeds such Net Cash Proceeds received by Globalstar and (y) $5,000,000.

e. If Globalstar has not received aggregate Net Cash Proceeds from Equity Issuances of Common Stock (including any Equity Issuance pursuant to this Agreement) after April 24, 2006 and prior to July 1, 2008 of at least $100,000,000, Thermo shall purchase a number of shares of Common Stock with a purchase price equal to the greater of (x) the amount by which $100,000,000 exceeds such Net Cash Proceeds received by Globalstar and (y) $5,000,000.

f. If Globalstar has not received aggregate Net Cash Proceeds from Equity Issuances of Common Stock (including any Equity Issuance pursuant to this Agreement) after April 24, 2006 and prior to January 1, 2010 of at least $200,000,000, Thermo shall purchase a number of shares of Common Stock with a purchase price equal to the greater of (x) the amount by which $200,000,000 exceeds such Net Cash Proceeds received by Globalstar and (y) $5,000,000.

g. Notwithstanding any other provision of this Agreement, in no event shall Thermo be required to purchase more than an aggregate of $200,000,000 of Common Stock pursuant to this Agreement, including the Common Stock purchased by Thermo on June 30, 2006.

h. If Thermo is required to purchase shares of Common Stock pursuant to Section 2.3(a),(b), (c), (d), (e) or (f), within one (1) Business Day of the determination thereof, Globalstar shall give written notice (a "**Call Notice**") to Thermo setting forth the number of shares of Common Stock which Thermo must purchase (a "**Call**").

i. If Globalstar fails to give a Call Notice as required by Section 2.3(h) or fails to deliver a Notice of Liquidity Default, a Forward Fixed Charge Coverage Ratio Certificate or an Officer's Compliance Certificate as required by the terms hereof, the Administrative Agent may deliver such Call Notice, Notice of Liquidity Default, Forward Fixed Charge Coverage Ratio Certificate or Officer's Compliance Certificate, as applicable. The amount of the Call specified by the Administrative Agent shall be presumptively correct, absent manifest error. In preparing any such Notice of Liquidity Default, Forward Fixed Charge Coverage Ratio Certificate or Officer's Compliance Certificate, or calculating the amount of any such Call, the Administrative Agent shall deem the aggregate amount of unrestricted cash, cash equivalents and readily marketable securities of the Credit Parties to be $0 and Globalstar shall not receive any credit for net cash proceeds from Equity Issuances of Common Stock made after the date hereof, unless in either case the Administrative Agent has satisfactory written evidence of such amount of unrestricted cash, cash equivalents and readily marketable securities or Equity Issuance on or prior to the date that is two (2) Business Days prior to the date of such Notice of Liquidity Default, Forward Fixed Charge Coverage Ratio Certificate, Officer's Compliance Certificate or Call, as applicable.

j. If Thermo receives a Call Notice (regardless of whether such Call Notice has been delivered by Globalstar or the Administrative Agent), Thermo hereby irrevocably and unconditionally agrees that it shall purchase shares of Common Stock in the amount set forth in the Call Notice and shall transfer immediately available funds to Globalstar by payment to the Funding Account in an amount equal to the Purchase Price for such Purchased Shares within five (5) Business Days.

k. If Thermo fails to pay the Purchase Price to Globalstar by payment to the Funding Account in immediately available funds within five (5) Business Days of delivery of the Call Notice, Globalstar or the Administrative Agent may give notice of a claim in such amount under the Escrow Agreement among Thermo, Globalstar, the Administrative Agent, and UBS AG, as Escrow Agent (the "**Escrow Agent**"), dated as of April 24, 2006 (the "**Escrow Agreement**"). Payment by the Escrow Agent shall not be deemed to waive any claim Thermo may have against Globalstar or the Administrative Agent for breach of this Agreement by Globalstar in connection with such Claim or otherwise; provided that the Administrative Agent shall have no liability to any party for actions taken hereunder in good faith.

l. If Thermo pays the Purchase Price to Globalstar by payment to the Funding Account in immediately available funds within five (5) Business Days of delivery of the Call Notice, Globalstar shall promptly notify the Escrow Agent that Thermo may withdraw escrowed funds or securities in an amount equal to the Purchase Price, subject to the limitations in the Escrow Agreement.

m. Upon receipt of the Purchase Price from Thermo or the Escrow Agent, Globalstar shall deliver promptly to Thermo the certificates for the Purchased Shares which Thermo is then purchasing, duly executed on behalf of Globalstar and registered in the name of Thermo or its designee, or other evidence of ownership if the Common Stock is uncertificated.

n. The failure of Globalstar to give a notice of a claim under the Escrow Agreement will not constitute an election of remedies or limit Globalstar in any manner in the enforcement of any other remedies that may be available to it.

2.4 Thermo Option to Purchase. Upon 10 Business Days' written notice by Thermo to Globalstar given by Thermo at any time during the Commitment Period, Thermo may elect to purchase any or all of the Common Stock subject to the Commitment by paying to the Funding Account the Purchase Price therefor in immediately available funds. Upon such payment, Globalstar shall deliver promptly to Thermo the certificates for the Purchased Shares which Thermo is then purchasing, duly executed on behalf of Globalstar and registered in the name of Thermo or its designee, or other evidence of ownership if the Common Stock is uncertificated, and Thermo may withdraw escrowed funds or securities in an amount equal to the Purchase Price, subject to the limitations in the Escrow Agreement.

2.5 Current Stockholder Option to Purchase. As promptly as practicable after the date of this Agreement, Globalstar shall notify the Current Stockholders of this Agreement and shall offer the Current Stockholders the option to purchase Common Stock pro rata on substantially the same terms and conditions as Thermo hereunder, with such variations as may be approved by Globalstar (the "**Pro Rata Offering**"). Current Stockholders shall have twenty (20) days to elect to exercise such option by executing and delivering to Thermo and Globalstar a separate stock purchase agreement in form and substance satisfactory to Thermo and Globalstar and agreeing to pay to the Funding Account as and when required by such agreement the Purchase Price for the Purchased Shares. Purchases by a Current Stockholder pursuant to the Pro Rata Offering will not reduce Thermo's Commitment.

2.6 Restriction on Sales or Purchases. Globalstar, Thermo, or any Current Stockholder shall not sell or purchase the Purchased Shares at any time when it would be prohibited by applicable federal or state securities laws. Any Purchased Shares acquired pursuant to this Agreement are subject to the restrictions on transfer under: (a) Article VI of this Agreement, (b) Globalstar's Certificate of Incorporation, and (c) any applicable laws. The Existing Shares of Thermo or any Current Stockholder which executes a joinder to this Agreement or a separate stock purchase agreement pursuant to Section 2.5 of this Agreement also are subject to the restrictions on transfer under Article VI of this Agreement.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES OF GLOBALSTAR

Globalstar represents and warrants to Thermo as follows:

3.1 Authority; Valid and Binding Agreements. Globalstar and each of its Subsidiaries has all requisite power and authority, as applicable, to (i) own, lease, operate and encumber its properties and assets, and to carry on its respective business as presently conducted and as presently proposed to be conducted, (ii) execute and deliver this Agreement and the Escrow Agreement, (iii) issue and sell the Common Stock subject to the Commitment, and (iv) consummate the other transactions contemplated hereby and thereby. The execution, delivery and performance by Globalstar of this Agreement and the Escrow Agreement and the filing of all documents, certificates and instruments to be executed by Globalstar in connection therewith and the authorization, issuance (or reservation for issuance, as the case may be), sale and delivery of the Securities have been duly authorized by all requisite corporate action on the part of Globalstar, its board of directors and its stockholders. This Agreement and the Escrow Agreement, when each is duly executed and delivered by Globalstar, will constitute legal, valid and binding obligations of Globalstar, enforceable against Globalstar in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles whether in a proceeding in equity or at law.

3.2 Securities.

a. As of the date hereof, Globalstar's authorized capital stock consists of 800 million shares of common stock, of which 300 million are shares of Common Stock, 20 million are shares of Series B Common Stock and 480 million are shares of Series C Common Stock.

b. Shares of duly authorized but unissued Common Stock equal to the maximum number of shares of Common Stock issuable under this Agreement will be reserved for issuance hereunder.

c. The outstanding shares of capital stock of Globalstar are duly authorized, validly issued, fully paid and non-assessable and are not subject to any preemptive or subscription rights except as described in Exhibit 3.2. The Purchased Shares, when issued in accordance with this Agreement, will be duly authorized, validly issued, fully paid and nonassessable.

d. All of the Purchased Shares, when issued and delivered in accordance with this Agreement, will be free and clear of any Liens, stock transfer, stamp, documentary and similar taxes (excluding any taxes on the income or gain of Thermo) and other charges, and Thermo will have good title thereto.

e. Assuming that the representations and warranties of Thermo set forth in Section 4.2 and Section 4.3 are true and complete, the offer, sale and issuance of the Purchased Shares as contemplated by this Agreement are exempt from the registration requirements of the Securities Act, and neither Globalstar nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption. Globalstar is not required to make or obtain any filings, registrations, qualifications, notifications or consents or approvals of or with any Governmental Authority (including, without limitation, under the Securities Act, the Exchange Act or the Investment Company Act) in connection therewith except under state securities or "blue sky" laws, which, if required, have been made or obtained.

3.3 Valid Issuance. The Purchased Shares, when issued in accordance with this Agreement, will be free of restrictions on transfer other than restrictions on transfer under Globalstar's Certificate of Incorporation or Article VI hereof, under applicable state and federal securities laws or as described in the Exhibit 3.3, and will not have been issued in violation of, and will not be subject to, any preemptive or subscription rights, except as described in Exhibit 3.3.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES OF THERMO

Thermo hereby represents and warrants to Globalstar as follows:

4.1 Organization and Authority. Thermo is duly organized and validly existing as a limited liability company in good standing under the laws of Colorado. Thermo has all requisite power and authority to enter into this Agreement and the Escrow Agreement and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Thermo of this Agreement and the Escrow Agreement and the consummation by Thermo of the transactions contemplated hereby and thereby have been duly authorized. This Agreement and the Escrow Agreement, when each is duly executed and delivered by Thermo will constitute legal, valid and binding obligations of Thermo, enforceable against Thermo in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles whether in a proceeding in equity or at law.

4.2 Securities Act. Thermo is acquiring the Purchased Shares for its own account for investment only and not with a present view towards the public sale or distribution thereof, except pursuant to sales registered or exempted under the Securities Act; provided, however, that, except as provided in Article VI hereof, by making the representations herein, Thermo does not agree to hold any Common

Stock for any minimum or other specific term and reserves the right to dispose of the Common Stock at any time in accordance with or pursuant to a registration statement or an exemption under the Securities Act.

4.3 Accredited Investor. Thermo is an "accredited investor" as such term is defined in Regulation D under the Securities Act.

4.4 Transfer or Resale. Thermo understands that: (i) the Purchased Shares have not been and are not being registered under the Securities Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) Thermo shall have delivered to Globalstar an opinion of a counsel (selected by Thermo and reasonably acceptable to Globalstar), in a form reasonably acceptable to Globalstar, to the effect that the Purchased Shares may be offered for sale, sold, assigned or transferred pursuant to an exemption from registration, or (C) Thermo provides Globalstar with assurance (reasonably acceptable to Globalstar) that the Purchased Shares can be sold, assigned or transferred pursuant to Rule 144; (ii) any sale of the Purchased Shares made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144 and further, if Rule 144 is not applicable, any resale of the Purchased Shares under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; (iii) neither Globalstar nor any other Person is under any obligation to register the Purchased Shares under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder; and (iv) transfer of the Common Stock is further restricted under Article VI hereof and Globalstar's Certificate of Incorporation.

4.5 Legends. Thermo understands that the certificates or other instruments representing the Purchased Shares, except as set forth below, shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

> NEITHER THE ISSUANCE NOR SALE OF THIS COMMON STOCK HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THIS COMMON STOCK MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THIS COMMON STOCK UNDER THE SECURITIES ACT, OR (B) AN OPINION OF COUNSEL (SELECTED BY THE HOLDER AND REASONABLY ACCEPTABLE TO GLOBALSTAR), IN A FORM REASONABLY ACCEPTABLE TO GLOBALSTAR, THAT THIS COMMON STOCK MAY BE OFFERED FOR SALE, SOLD, ASSIGNED OR TRANSFERRED PURSUANT TO AN EXEMPTION FROM REGISTRATION OR (II) THE HOLDER PROVIDES GLOBALSTAR WITH ASSURANCE (REASONABLY SATISFACTORY TO GLOBALSTAR) THAT SUCH COMMON STOCK CAN BE SOLD, ASSIGNED OR TRANSFERRED PURSUANT TO RULE 144; PROVIDED HOWEVER, THAT PRIOR TO AN INITIAL PUBLIC OFFERING THIS COMMON STOCK WILL NOT BE MADE ELIGIBLE FOR CLEARANCE AND SETTLEMENT THROUGH THE DEPOSITARY TRUST COMPANY. THIS COMMON STOCK HAS BEEN ISSUED PURSUANT TO THAT CERTAIN SECOND AMENDED AND RESTATED IRREVOCABLE STANDBY STOCK PURCHASE AGREEMENT, DATED AS OF AUGUST , 2006, BY AND AMONG GLOBALSTAR AND THERMO FUNDING COMPANY LLC (THE "STANDBY AGREEMENT"). ARTICLE VI OF THE STANDBY AGREEMENT CONTEMPLATES CERTAIN RESTRICTIONS ON SALES, PURCHASES, HEDGING TRANSACTIONS AND CERTAIN OTHER TRANSACTIONS RELATING TO GLOBALSTAR'S COMMON STOCK. ANY ASSIGNEE OR TRANSFEREE OF THIS COMMON STOCK SHALL BE

SUBJECT TO THE RESTRICTIONS SET FORTH IN ARTICLE VI OF THE STANDBY AGREEMENT.

The legend set forth above shall be removed and Globalstar shall issue a certificate without such legend to the holder of the Purchased Shares upon which it is stamped, unless otherwise required by state securities laws, (i) in connection with a sale, assignment or other transfer pursuant to a registration statement that is effective under the Securities Act, (ii) in connection with a sale, assignment or other transfer where such holder provides Globalstar with an opinion of a counsel selected by Thermo, in a form reasonably acceptable to Globalstar, to the effect that such sale, assignment or transfer of the Common Stock may be made without registration under the applicable requirements of the Securities Act and once sold, assigned or transferred, no further restrictive legend is required, or (iii) such holder provides Globalstar with reasonable assurance that the Common Stock can be sold, assigned or transferred pursuant to Rule 144(k) promulgated under the Securities Act.

4.6 Experience. Thermo is experienced in evaluating and investing in companies such as Globalstar. Thermo has substantial experience in investing in and evaluating private placement transactions of securities in companies similar to Globalstar and is capable of evaluating the risks and merits of its investment in Globalstar and has the capacity to protect its own interests.

4.7 Receipt of Information. Thermo understands that the Purchased Shares are subject to the terms of Globalstar's Certificate of Incorporation, a copy of which has been made available to Thermo. Thermo has had an opportunity to ask questions and receive answers from Globalstar regarding the terms and conditions of this investment and the business, management and financial affairs of Globalstar and has availed itself of such opportunity to the extent that Thermo deemed necessary to make an informed investment decision. The foregoing, however, does not limit or modify the representations and warranties of Globalstar in Article III of this Agreement or the right of Thermo to rely thereon.

ARTICLE V.
COVENANTS

5.1 Listing. Upon the occurrence of an Initial Public Offering, Globalstar shall promptly secure the listing of all of the Purchased Shares upon each national securities exchange and automated quotation system, if any, upon which the Common Stock is then listed (subject to official notice of issuance) and shall maintain such listing from time to time. Globalstar shall maintain the Common Stock's authorization for quotation on the principal exchange or market in which it is listed. Neither Globalstar nor any of its Subsidiaries shall take any action which would be reasonably expected to result in the delisting or suspension of the Common Stock on the principal market in which it is listed. Globalstar shall pay all fees and expenses in connection with satisfying its obligations under this Section 5.1.

5.2 Transfer Agent / Registrar Instructions. If Thermo provides Globalstar with an opinion of counsel pursuant to Section 4.4, Globalstar shall permit the transfer of the Purchased Shares which are the subject of such opinion and promptly instruct its transfer agent / registrar to issue one or more certificates or, as the case may be, credit shares to one or more balance accounts at DTC, in such name and in such denominations as specified by Thermo.

ARTICLE VI.
RESTRICTIONS

6.1 Restrictions on Sale or Hedging of the Purchased Shares and Existing Shares. Thermo agrees that, during the period commencing on the date 31 days after Globalstar files a registration statement for an Initial Public Offering (including without limitation, the Registration Statement on Form S-1 (No. 333-135809) filed on July 17, 2006) and ending on the 180th day following the consummation of an Initial Public Offering (the "**Lock-Up Period**"), Thermo will not, without the prior written consent of Globalstar (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any Purchased Shares or Existing Shares, or (ii) enter into any swap or any other agreement or any transaction that hedges or transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Purchased Shares or Existing Shares (the "**Hedge Lockup**"), whether any such transaction or swap described in clause (i), or (ii) above is to be settled by delivery of Common Stock, in cash or otherwise. Other than pursuant to the Hedge Lockup, the foregoing shall in no way restrict the ability of Thermo to freely transfer the Purchased Shares or the Existing Shares in accordance with applicable law and Globalstar's Certificate of Incorporation.

Notwithstanding the foregoing, Thermo may transfer the Purchased Shares or the Existing Shares (i) as a bona fide gift or gifts, (ii) to any affiliate (as defined in Regulation C under the Securities Act) of Thermo, (iii) to any member of Thermo provided, however, that it shall be a condition to such transfer that the transferee above) execute an agreement stating that such transferee is receiving and holding such Purchased Shares or Existing Shares subject to the provisions of this Section 6.1 and shall remain subject to the restrictions in this Section 6.1, and provided further that any such transfer shall not involve a disposition for value. Globalstar agrees that if the terms of any lock-up agreement between the underwriters of an Effective Registration and any securityholders, executive officers or directors are more favorable from the perspective of such securityholder, executive officer or director than those contained in this Section 6.1, than this Section 6.1 shall be deemed amended to incorporate such terms. Further, to the extent that, during the Lock-Up Period, either (i) Globalstar releases Thermo from the restrictions of this Section 6.1 or (ii) the underwriters of any Effective Registration release securityholders with respect to which they are party to a lock-up agreement from such securityholders' obligations thereunder in full or in part, then the holders of outstanding Purchased Shares at such time shall automatically be released in all respects from their obligations related to the Purchased Shares and the Existing Shares under this Section 6.1.

Notwithstanding anything to the contrary contained herein (including, without limitation, this Section 6.1), if (i) during the last 17 days of the Lock-Up Period, Globalstar releases earnings results or announces material news or a material event or (ii) prior to the expiration of the Lock-Up Period, Globalstar announces that it will release earnings results during the 15-day period following the last day of the Lock-Up Period, then in each such case the Lock-Up Period will be automatically extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the announcement of the material news or material event, as applicable, unless Globalstar waives, in writing, such extension.

ARTICLE VII.
INDEMNIFICATION

7.1 Indemnification. Notwithstanding any termination of this Agreement, Globalstar agrees to indemnify, defend and hold harmless Thermo, the Administrative Agent and their respective Affiliates and controlling persons (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and each of their respective officers, managers, members, partners, directors, stockholders, employees, representatives and agents (all such Persons and entities being collectively

referred to as the "**Indemnified Parties**") to the fullest extent permitted by applicable law from and against any and all Losses (including any diminution in value of the Common Stock), demands, actions, causes of action, assessments, damages, liabilities, costs or expenses, including, without limitation interest, penalties, fines, fees, deficiencies, claims of damage, court and arbitration costs and fees and disbursements of attorneys, accountants, consultants and other experts as and when incurred or sustained by any Indemnified Party (collectively, "**Indemnified Claims**") as a result of or arising from (a) any misrepresentation or breach of any representation or warranty made by Globalstar in this Agreement, (b) any breach of any covenant, agreement or obligation of Globalstar or the Administrative Agent contained in this Agreement, other than Indemnified Claims resulting solely from the gross negligence or willful misconduct of such Indemnified Party or Indemnified Claims solely brought against an Indemnified Party by any investor in such Indemnified Party, or (c) any cause of action, suit or claim brought or made against such Indemnitee by a third party and arising out of or resulting from the execution, delivery, performance or enforcement of this Agreement. The rights accorded to Indemnified Parties under this Section 7.1 shall be in addition to any rights and remedies that any Indemnified Party may have at law or in equity, by separate agreement or otherwise.

7.2 Conduct of Indemnification Proceedings. Promptly after receipt by an Indemnified Party of notice of any Indemnified Claim or the commencement of any action or proceeding involving an Indemnified Claim under this Article VII, such Indemnified Party shall, if a claim in respect thereof is to be made against the Person from whom the indemnity is sought (the "**Indemnifying Party**") pursuant to Article VII, (i) notify the Indemnifying Party in writing of the Indemnified Claim or the commencement of such action or proceeding; provided, that the failure of any Indemnified Party to provide such notice shall not relieve the Indemnifying Party of its obligations under this Article VII, except to the extent the Indemnifying Party is materially and actually prejudiced thereby and shall not relieve the Indemnifying Party from any liability which it may have to any Indemnified Party otherwise than under this Article VII, and (ii) permit such Indemnifying Party to assume the defense of such claim with counsel reasonably satisfactory to the Indemnified Party; provided, however, that any Indemnified Party shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (A) the Indemnifying Party has agreed in writing to pay such fees and expenses, (B) the Indemnifying Party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to such Indemnified Party within 15 days after receiving notice from such Indemnified Party that the Indemnified Party believes it has failed to do so, (C) in the reasonable judgment of any such Indemnified Party, based upon advice of counsel, a conflict of interest may exist between such Indemnified Party and the Indemnifying Party with respect to such claims (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such claim on behalf of such Indemnified Party) or (D) such Indemnified Party is a defendant in an action or proceeding which is also brought against the Indemnifying Party and reasonably shall have concluded that there may be one or more legal defenses available to such Indemnified Party which are not available to the Indemnifying Party. No Indemnifying Party shall be liable for any settlement of any such claim or action effected without its written consent, which consent shall not be unreasonably withheld. In addition, without the consent of the Indemnified Party (which consent shall not be unreasonably withheld), no Indemnifying Party shall be permitted to consent to entry of any judgment with respect to, or to effect the settlement or compromise of any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the Indemnified Party is an actual or potential party to such action or claim), unless such settlement, compromise or judgment (1) includes an unconditional release of the Indemnified Party from all liability arising out of such action or claim, (2) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Indemnified Party,

and (3) does not provide for any action on the part of any party other than the payment of money damages which is to be paid in full by the Indemnifying Party.

7.3 Contribution. If the indemnification provided for in Section 7.1 from the Indemnifying Party for any reason is unavailable to (other than by reason of exceptions provided therein), or is insufficient to hold harmless, an Indemnified Party hereunder in respect of any Indemnified Claim, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Indemnified Claim in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and the Indemnified Party, on the other hand, in connection with the actions which resulted in such Indemnified Claim, as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. If, however, the foregoing allocation is not permitted by applicable law, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party in such proportion as is appropriate to reflect not only such relative faults but also the relative benefits of the Indemnifying Party and the Indemnified Party as well as any other relevant equitable considerations.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7.3 were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by a party as a result of any Indemnified Claim referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth in Section 7.3, any legal or other fees, costs or expenses reasonably incurred by such party in connection with any investigation or proceeding. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

7.4 Other Indemnification. The indemnity agreements contained herein shall be in addition to any other rights to indemnification or contribution which any Indemnified Party may have pursuant to law or contract.

7.5 Indemnification Payments. The indemnification and contribution required by this Article VII shall be made by periodic payments of the amount thereof during the course of any investigation or defense, as and when bills are received or any expense, loss, damage or liability is incurred; provided that if a final nonappealable determination is made that the party receiving such expense payments was not entitled to such payments pursuant to the provisions of this Article VII, then the party receiving such expense payments shall return such expense payments to the party that made such payments.

ARTICLE VIII.
MISCELLANEOUS

8.1 Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any

suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

8.2 Notices. Any notices, consents, waivers or other communications required or permitted to be given hereunder must be in writing and will be deemed to have been delivered (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile, (iii) three days after being sent by U.S. certified mail, return receipt requested, or (iv) one Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

(a) to Globalstar:

Globalstar, Inc.
461 South Milpitas Blvd.
Milpitas, CA 95035
Telephone: 408-933-4000
Facsimile: 408-933-4949
Attention: Chief Financial Officer

with a copy (for informational purposes only) to:

Taft, Stettinius & Hollister LLP
425 Walnut Street
Suite 1800
Cincinnati, OH 45202
Telephone: 513-381-2838
Facsimile: 513-381-0205
Attention: Gerald S. Greenberg, Esq.

(b) to Thermo:

Thermo Funding Company LLC
1735 Nineteenth Street
Denver CO 80202
Telephone: 303-294-0690
Facsimile: 303-294-0641
Attention: James F. Lynch

with a copy (for informational purposes only) to:

Thermo Capital Partners, L.L.C.
8076 Beechmont Avenue, Suite B
Cincinnati, OH 45255
Telephone: 513-474-7900
Facsimile: 513-474-7905
Attention: Richard S. Roberts, Esq.

(c) to the Administrative Agent:

Wachovia Investment Holdings, LLC
Charlotte Plaza, CP-8
201 South College Street
Charlotte, North Carolina 28288-0680
Attention: Syndication Agency Services
Telephone No.: (704) 374-2698
Telecopy No.: (704) 383-0288

Each party shall provide five (5) days' prior written notice to the other party of any change in address or facsimile number. If a notice provided for hereunder is delivered via facsimile, such notice shall be valid only if an original hard copy is delivered within 24 hours of the time such facsimile is delivered. Written confirmation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (iii) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

8.3 Replacement of Securities. If any certificate or instrument evidencing any Purchased Shares is mutilated, lost, stolen or destroyed, Globalstar shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to Globalstar of such loss, theft or destruction and customary and reasonable indemnity, if requested. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement Purchased Shares.

8.4 Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature.

8.5 Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

8.6 Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

8.7 Irrevocability; Entire Agreement; Amendments. Once executed and delivered, this Agreement shall be irrevocable by Thermo. This Agreement supersedes all other prior oral or written agreements between Thermo, Globalstar, their respective Affiliates and Persons acting on their behalf with respect to the matters discussed herein, and this Agreement contains the entire understanding of the parties with respect to the matters covered herein and, except as specifically set forth herein, neither Globalstar nor Thermo makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be amended, waived, terminated or otherwise modified other than by an instrument in writing signed by Globalstar and Thermo, and, so long as there are any outstanding loans or commitments under the Credit Agreement, the consent of the Administrative Agent. Any amendment to this Agreement made in conformity with the provisions of this Section 8.7 shall be binding on all parties. No provision hereof may be waived other than by an instrument in writing signed by the party against whom enforcement is sought. No consideration shall

be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement. Globalstar has not, directly or indirectly, made any agreements with Thermo relating to the terms or conditions of the transactions contemplated by this Agreement except as set forth in this Agreement.

8.8 Successors and Assigns. No party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party, except that (i) Thermo may assign, in its sole discretion, any or all of its rights and interests, but not its obligations, under this Agreement to any of its Affiliates or to any transferee of Common Stock, other than a transferee who shall acquire such Common Stock in a Public Sale and (ii) Globalstar may grant a security interest in this agreement and its rights hereunder to the Administrative Agent to secure the obligations of Globalstar under the Credit Agreement. Subject to the preceding, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

8.9 No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

8.10 Survival. The representations and warranties of Globalstar and Thermo contained in Article III and Article IV and the agreements and covenants set forth in Article V, Article VI, and Article VII shall survive this Agreement.

8.11 Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

8.12 No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

8.13 Remedies. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. Furthermore, Thermo recognizes that in the event that it fails to perform, observe, or discharge any or all of its obligations under this Agreement, any remedy at law may prove to be inadequate relief to Globalstar. Thermo therefore agrees that Globalstar shall be entitled to seek temporary and permanent injunctive relief in any such case without the necessity of proving actual damages and without posting a bond or other security.

8.14 Payment Set Aside. To the extent that Globalstar makes a payment or payments to Thermo pursuant to this Agreement or Thermo enforces or exercises its rights hereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to Globalstar, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have caused their respective signature page to this Second Amended and Restated Irrevocable Standby Stock Purchase Agreement to be duly executed as of the date first written above.

GLOBALSTAR, INC.

By: /s/ Fuad Ahmad

Name: Fuad Ahmad
Title: Vice President and CFO

THERMO FUNDING COMPANY LLC

By: /s/ James Monroe III

Name: James Monroe III
Title: Manager

WACHOVIA INVESTMENT HOLDINGS, LLC
As Administrative Agent

By: /s/ Franklin M. Wessinger

Name: Franklin M. Wessinger
Title: Managing Director

QuickLinks

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Exhibit 10.3

ESCROW AGREEMENT

This Escrow Agreement, dated as of April 24, 2006, is made and entered into by and among Thermo Funding Company LLC, a Colorado limited liability company ("**Thermo**"), Globalstar, Inc., a Delaware corporation ("**Globalstar**"), Wachovia Investment Holdings, LLC, as Administrative Agent (the "**Administrative Agent**") under the Credit Agreement dated as of April 24, 2006 by and among Globalstar, the Lenders referred to therein and the Administrative Agent, and UBS AG, New York Branch, a U.S. branch of a corporation limited by shares organized under the laws of Switzerland, as escrow agent ("**Escrow Agent**"). Thermo, Globalstar, the Administrative Agent and Escrow Agent are sometimes collectively referred to herein as the "**Parties**."

This is the Escrow Agreement referred to in the Irrevocable Standby Stock Purchase Agreement dated as of April 24, 2006 (as amended, restated, and/or supplemented, the "**Purchase Agreement**"), between Thermo, the Administrative Agent and Globalstar. No provision of this Agreement shall be deemed to require Escrow Agent to have read or have knowledge of the provisions of the Purchase Agreement.

The Parties, intending to be legally bound, hereby agree as follows:

1. ESTABLISHMENT OF ESCROW

(a) Thermo, Globalstar, and the Administrative Agent hereby appoint Escrow Agent as the escrow agent for the purposes set forth herein, and Escrow Agent hereby accepts such appointment under the terms and conditions set forth herein. Thermo has deposited with Escrow Agent Two Hundred Ten Million Dollars ($210,000,000) in immediately available funds and certain marketable securities listed on ***Exhibit A***, which amount is equal to 105% of the undrawn commitment of Thermo to purchase shares of Globalstar (the "**Commitment**") under the Purchase Agreement (the "**Required Balance**"). Such deposit (as increased by any earnings thereon or any additional contributions and as reduced by any disbursements, amounts withdrawn under *Section 1(e)*, or losses on investments) is referred to herein as the "**Escrow Fund**." Escrow Agent acknowledges receipt of the Escrow Fund and agrees to hold, safeguard, and disburse the Escrow Fund pursuant to the terms and conditions of this Agreement.

(b) No part of the Escrow Fund or any interest, dividends or other amounts accrued thereon may be withdrawn from the escrow established hereunder, except as expressly provided in this Agreement. Escrow Agent agrees to hold and distribute the Escrow Fund in accordance with the terms and conditions of this Agreement.

(c) On the last Business Day (as defined below) of each month (each, a "**Measurement Date**"), Escrow Agent shall determine the value of the Escrow Fund. The value of all securities contained in the Escrow Fund as of a Measurement Date shall be determined by the Escrow Agent using its customary methods and procedures for similar accounts as in effect from time to time. Upon each Measurement Date until the termination of this Agreement, Escrow Agent shall deliver to Thermo, Globalstar and the Administrative Agent a report (an "**Escrow Balance Report**") outlining (i) the amount of the Escrow Fund as of such date and (ii) a description of all payments from the Escrow Fund made since the last Measurement Date.

(d) Globalstar and Thermo shall jointly advise Escrow Agent at least monthly of the Required Balance and shall promptly notify the Escrow Agent at any time that they are aware that the balance of the Escrow Fund is equal to or less than ninety-five percent (95%) of the Required Balance. Escrow Agent may rely on any such notification until it receives a further joint notice from Globalstar and Thermo. Escrow Agent shall have no duty to calculate the Required Balance or to make any determination that the balance of the Escrow Fund is less than, equal to or more than the Required Balance.

(e) If on any Measurement Date the balance of the Escrow Fund as reported by Escrow Agent is below the Required Balance, Thermo shall deposit additional cash or marketable securities to increase the Escrow Fund to the Required Balance within five Business Days after delivery of the Escrow Balance Report. As used in this Agreement, **"Business Day"** shall mean any day on which commercial banks in New York City are open for regular banking business and on which trading occurs on the New York Stock Exchange. If the balance of the Escrow Fund on any Measurement Date as reported by Escrow Agent exceeds the Required Balance, Thermo may withdraw the amount which exceeds the Required Balance upon written notice (the "**Withdrawal Notice**") to Globalstar, Escrow Agent and the Administrative Agent. If Globalstar or the Administrative Agent gives written notice to Thermo and Escrow Agent disputing any Withdrawal Notice (a "**Counter Withdrawal Notice**") within five Business Days following delivery of the Withdrawal Notice regarding such excess funds, the matter shall be resolved as provided in *Section 1(f)*. If no Counter Withdrawal Notice is received by Escrow Agent within such five Business Day period, then Escrow Agent shall pay to Thermo the dollar amount set forth in the Withdrawal Notice from (and only to the extent of) the Escrow Fund. Escrow Agent shall not inquire into or consider whether a Withdrawal Notice complies with the requirements of the Purchase Agreement.

(f) If a Counter Withdrawal Notice is given, Escrow Agent shall make payment with respect thereto only in accordance with (i) joint written instructions of Thermo, Globalstar and the Administrative Agent or (ii) a final, nonappealable order of a court of competent jurisdiction. Escrow Agent shall act on such court order without further question, and shall have no liability to any party for so acting.

2. INVESTMENT OF FUNDS

(a) Thermo may from time to time instruct Escrow Agent in writing as to the investment of the Escrow Fund, so long as such investment is of a type permitted by ***Exhibit A***.

(b) All investment orders may be executed through broker dealers selected by Escrow Agent (which shall include affiliates of Escrow Agent). Periodic statements will be provided to Thermo and Globalstar reflecting transactions executed on behalf of the Escrow Fund. Thermo and Globalstar, upon written request, will receive a statement of transaction details upon completion of any securities transaction in the Escrow Fund without any additional cost. Escrow Agent may liquidate any investments held in the Escrow fund in order to provide funds necessary to make required payments under this Escrow Agreement. Requests (or instructions) received after 11:00 a.m. (Eastern Time) by Escrow Agent to liquidate the Escrow Fund will be treated as if received on the following Business Day. Escrow Agent shall have no liability for any loss sustained as a result of any investment in an investment indicated on Exhibit A or any investment made pursuant to the provisions of this Agreement or as a result of any liquidation of any investment prior to its maturity or for the failure of Thermo to give Escrow Agent instructions to invest or reinvest the Escrow Fund.

(c) Thermo may at any time, by notice to Escrow Agent and Globalstar, substitute assets of equal value and of the nature described in (a) above for assets held in the Escrow Fund by delivering the substitute assets to Escrow Agent. Upon receipt of such substitute assets, Escrow Agent shall release the assets for which they are substituted to Thermo.

3. CLAIMS

(a) If Escrow Agent receives, at any time prior to 11:00 a.m. (New York City time) on December 31, 2011, an Officer's Certificate (upon which certificate Escrow Agent shall conclusively and exclusively rely, without notice to, and notwithstanding any objection of, any Person, including, without limitation, Thermo) from Globalstar or the Administrative Agent certifying that Thermo is obligated to purchase Common Stock subject to the Irrevocable Standby Purchase Agreement and Thermo has not

paid the purchase price then due and payable for such Common Stock within five (5) Business Days of receiving notice from Globalstar or the Administrative Agent of its obligation to do so (a "**Claim**"), Escrow Agent, on the date specified in such certificate (which date shall be at least five Business Days after delivery of such certificate), shall disburse to Globalstar by payment to the Funding Account (as defined in ***Schedule 3(a)*** hereto) cash from the Escrow Fund in amount equal to the unpaid portion of the purchase price for such Common Stock, which amount shall be specified in such Claim. Thermo agrees and acknowledges that it shall have no right to dispute any Claim from Globalstar or the Administrative Agent. Any costs, expenses, charges or penalties incurred in connection with the liquidation of any of the assets in the Escrow Fund shall be set off against the amounts remaining in the Escrow Fund unless insufficient funds remain therein, in which case any deficiency shall be set off against the disbursement to Globalstar. As used in this Agreement, an "**Officer's Certificate**" shall mean a certificate purporting to be signed by a representative of Globalstar or the Administrative Agent.

4. TERMINATION OF ESCROW

(a) If Escrow Agent receives, at any time prior to 11:00 a.m. (New York City time) on December 31, 2011, a joint Officer's Certificate (upon which certificate Escrow Agent shall conclusively and exclusively rely, without notice to, and notwithstanding any objection of, any Person) from Globalstar and the Administrative Agent certifying that the Commitment has been satisfied in full or has expired, Escrow Agent shall, so long as Escrow Agent shall have been able to effect the transfer of all securities held in the Escrow Fund, on the date specified on such Certificate (which date shall be at least five (5) Business Days after delivery of such certificate), disburse to Thermo all of the cash and securities held in the Escrow Fund in accordance with the instructions set forth on ***Schedule 4(a)*** hereto. Thermo shall be entitled to any income on the investment of the Escrow Fund and Escrow Agent shall pay and distribute any income on the date specified in such Certificate. Any costs, expenses, charges or penalties incurred in connection with the transfer to Thermo of any of the securities in the Escrow Fund shall be set off against the disbursement to Thermo.

(b) If Escrow Agent has not received an Officer's Certificate pursuant to Section 4(a) above on or before 11:00 a.m. (New York City time) on December 31, 2011, then Escrow Agent may, at its option, deposit the balance of the Escrow Fund in the registry of any court having general jurisdiction in the Borough of Manhattan in the City of New York and shall notify the other parties hereto to claim such funds.

5. DUTIES OF ESCROW AGENT

(a) Escrow Agent shall not be under any duty to give the Escrow Fund held by it pursuant to this Agreement any greater degree of care than it gives its other escrow accounts and shall not be required to invest any funds held pursuant to this Agreement except as directed in this Agreement. Uninvested funds held pursuant to this Agreement shall not earn or accrue interest.

(b) Escrow Agent shall not be liable for actions or omissions in connection with this Agreement, except for its own gross negligence or willful misconduct. Except with respect to claims based upon such gross negligence or willful misconduct that are successfully asserted against Escrow Agent, the other parties to this Agreement shall jointly and severally indemnify and hold harmless Escrow Agent (and any successor Escrow Agent) from and against any and all losses, liabilities, claims, actions, damages and expenses, including reasonable attorneys' fees and disbursements, arising out of and in connection with this Agreement. Without limiting the foregoing, Escrow Agent shall in no event be liable in connection with its investment or reinvestment of any cash held by it pursuant to this Agreement in good faith and in accordance with the terms of this Agreement, including, without limitation, any liability for any delays (not resulting from its gross negligence or willful misconduct) in the investment or reinvestment of the Escrow Fund or any loss of interest incident to any such delays.

(c) Escrow Agent shall be entitled to rely upon any order, judgment, certification, demand, notice, instrument, or other writing delivered to it pursuant to this Agreement without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity of the service thereof. Escrow Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that the person purporting to give such instrument or signature has been duly authorized to do so. Escrow Agent may conclusively presume that the undersigned representative of any of the Parties which is an entity other than a natural person has full power and authority to instruct Escrow Agent on behalf of that party unless written notice to the contrary is delivered to Escrow Agent.

(d) Escrow Agent may act pursuant to the advice of counsel with respect to any matter relating to this Agreement and shall not be liable for any action taken or omitted by it in good faith in accordance with such advice.

(e) Except as otherwise provided herein, Escrow Agent does not have any interest in the Escrow Fund, but is serving as escrow holder only and only has possession of the Escrow Fund.

(f) Escrow Agent makes no representation as to the validity, value, genuineness, or collectability of any security or other document or instrument held by or delivered to it.

(g) Escrow Agent (and any successor Escrow Agent) may at any time resign as such by delivering the Escrow Fund to any successor Escrow Agent jointly designated in writing by the other parties to this Agreement, or to any court of competent jurisdiction, whereupon Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of Escrow Agent will take effect on the earlier of (i) the appointment of a successor (including a court of competent jurisdiction) or (ii) the day that is thirty (30) days after the date of delivery of its written notice of resignation to the other parties to this Agreement. If, at that time, Escrow Agent has not received a designation of a successor Escrow Agent, Escrow Agent's sole responsibility after that time shall be to retain and safeguard the Escrow Fund until receipt of a designation of successor Escrow Agent or a joint written disposition instruction by the other parties to this Agreement or a final, nonappealable order of a court of competent jurisdiction.

(h) In the event of any disagreement between the parties hereto (other than the Escrow Agent) resulting in adverse claims or demands being made in connection with the Escrow Fund (other than any such disagreement or adverse claim or demand with respect to a Claim, in which case the Escrow Agent shall comply with the instructions of the Claim; provided that in the event of any conflict between a Claim delivered by Globalstar and a Claim delivered by the Administrative Agent, the Claim delivered by the Administrative Agent shall control) or in the event that Escrow Agent is in doubt as to what action it should take pursuant to this Agreement, Escrow Agent shall be entitled to retain the Escrow Fund until Escrow Agent shall have received (i) a final, nonappealable order of a court of competent jurisdiction directing delivery of the Escrow Fund or (ii) a written agreement executed by Thermo, Globalstar and the Administrative Agent directing delivery of the Escrow Fund, in which event Escrow Agent shall disburse the Escrow Fund in accordance with such order or agreement. Escrow Agent shall act on any such court order without further question, and shall have no liability to any party for so acting.

(i) Globalstar shall pay Escrow Agent compensation (as payment in full) for the services to be rendered by Escrow Agent in connection with this Agreement in the amount set forth on Schedule *5(i)* of this Agreement and Globalstar further agrees to reimburse Escrow Agent for all reasonable expenses, disbursements, and advances incurred or made by Escrow Agent in performance of its duties pursuant to this Agreement (including reasonable fees, expenses, and disbursements of its counsel). Any fees or expenses of Escrow Agent or its counsel or indemnity payments that are not paid as provided for in this Agreement may be taken from the Escrow Fund or any other property held by Escrow Agent pursuant to this Agreement.

(j) Thermo and Globalstar authorize Escrow Agent, for any securities held pursuant to this Agreement, to use the services of any United States central securities depository it reasonably deems appropriate, including, without limitation, the Depository Trust Company and the Federal Reserve Book Entry System.

6. LIMITED RESPONSIBILITY

This Agreement expressly sets forth all the duties of Escrow Agent with respect to any and all matters pertinent to this Agreement. No implied duties or obligations shall be read into this Agreement against Escrow Agent. Escrow Agent shall not be bound by the provisions of any agreement between Thermo and Globalstar except this Agreement.

7. OWNERSHIP FOR TAX PURPOSES; WITHHOLDING

(a) Thermo and Globalstar each represents that its correct Taxpayer Identification Number ("TIN") assigned by the Internal Revenue Service or any other taxing authority is set forth in ***Schedule 7*** hereto. All interest or other income earned under the Escrow Agreement shall be allocated for tax purposes to Thermo and reported by Thermo to the Internal Revenue Service or any other taxing authority. Any payments of income from the Escrow Fund shall be subject to withholding regulations then in force with respect to United States taxes. The parties hereto will provide Escrow Agent with appropriate W-9 forms for tax identification number certification or non-resident alien certifications. Section 5(b) and this Section 7 shall survive notwithstanding any termination of this Agreement or the resignation of Escrow Agent.

(b) If Escrow Agent determines that any payment or transfer to be made by Escrow Agent hereunder would be subject to any tax, withholding or other charge under laws applicable to Escrow Agent, then Escrow Agent may withhold such tax or charge as shall be prescribed by law on such payment or transfer.

8. REPRESENTATIONS AND WARRANTIES

Each of Thermo, Globalstar, and the Escrow Agent individually (and only with respect to itself) represents and warrants that:

(a) Such party is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation and has all requisite corporate or limited liability company power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(b) The execution and delivery of this Agreement by such party and the performance of the transactions herein contemplated have been duly authorized by the Board of Directors or other governing body of such party and no further corporate or limited liability company action on the part of any party is necessary to authorize this Agreement and the performance of such transactions. This Agreement has been duly executed and delivered by such party and, assuming due authorization, execution and delivery by each other party hereto, constitutes the legal, valid and biding agreement of such party enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

(c) Neither execution and delivery of this Agreement nor the performance by such party of the transaction contemplated hereby will (i) violate or conflict with any of the provisions of the certificate of incorporation or by-laws of such party or, (ii) with or without the giving of notice or the lapse of time or both, violate or constitute a default under or result in the acceleration of or entitle any party to accelerate (whether after the giving of notice or lapse of time or both) any

obligation under any mortgage, indenture, deed of trust, lease contract, agreement, license or other instrument or any provision of any law, order, judgment, decree, restriction or ruling of any governmental authority to which such party is a party or by which any of its property is bound.

(d) The execution, delivery and performance of this Agreement by such party and the consummation by such party of the transactions contemplated by this Agreement will not require the consent, approval or authorization of any governmental or regulatory authority or any other person under any license, agreement, indenture or other instrument to which such party is a party or to which any of its properties is subject, and no declaration, filing or registration with any governmental or regulatory authority is required in connection with such transaction, except for any consents, approvals, authorizations, declarations, filings or registrations that have not been obtained or made and will not, either individually or in the aggregate, materially adversely affect the ability of such party to consummate the transaction contemplated hereby or otherwise perform its obligations hereunder.

9. NOTICES

All notices, consents, waivers, and other communications required or permitted under this Agreement shall be in writing and shall be deemed given to a party: (a) when delivered to the appropriate address by hand; (b) on the first Business Day after being sent by a nationally recognized overnight courier service (costs prepaid); (c) when sent by facsimile with telephonic confirmation with confirmation of transmission by the transmitting equipment; or (d) three (3) Business Days after deposit if sent by certified mail, return receipt requested, whether received or rejected by the addressee, in each case to the following addresses or facsimile numbers, and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number, or person as a party may designate by notice to the other parties):

to Globalstar:
Globalstar, Inc.
461 South Milpitas Blvd.
Milpitas, CA 95035
Telephone: 408-933-4000
Facsimile: 408-933-4949
Attention: Chief Financial Officer

with a mandatory copy to:
Taft, Stettinius & Hollister LLP
425 Walnut Street
Suite 1800
Cincinnati, OH 45202
Telephone: 513-381-2838
Facsimile: 513-381-0205
Attention: Gerald S. Greenberg, Esq.

to Thermo:
Thermo Funding Company LLC
1735 Nineteenth Street, Second Floor
Denver CO 80202
Telephone: 303-294-0690
Facsimile: 303-294-0691
Attention: James F. Lynch

with a mandatory copy to:
Thermo Capital Partners, L.L.C.
8076 Beechmont Avenue, Suite B
Cincinnati, OH 45255
Telephone: 513-474-7900
Facsimile: 513-474-7905
Attention: Richard S. Roberts, Esq.

Administrative Agent:
Wachovia Investment Holdings, LLC
Charlotte Plaza, CP-8
201 South College Street
Charlotte, North Carolina 28288
Attention: Syndication Agency Services
Telephone: 704-374-2698
Facsimile: 704-383-0288

Escrow Agent:
UBS AG, New York Branch
101 Park Avenue
New York, NY 100178
Attention: Patric Mesot
Telephone: 212-916-2541
Fax no.: 212-916-2550

with a mandatory copy to:
UBS AG, New York Branch
101 Park Avenue
New York, NY 10178
Attention: Legal Department
Fax no.:212-916-2135
Telephone: 212-916-2265

All notices and other communications by Thermo or Globalstar shall be signed by one of the authorized representatives listed on ***Exhibit B***, or another person designated in writing (which shall include a specimen signature of the person so designated) by an authorized representative.

10. TERMINATION OF THIS AGREEMENT

This Agreement shall terminate upon the distribution by Escrow Agent of the remaining amount of the Escrow Fund pursuant to Section 4(a) or 4(b) of this Agreement. In the event of any termination of this Agreement pursuant to this Section 10, this Agreement shall forthwith become void and of no further force and effect, and no party hereto shall have any liability to the other parties or their respective affiliates, directors, officers or employees; provided nothing in this Section 10 shall relieve any party from any liability for any breach of such party's covenants or agreements contained in this Agreement prior to such termination or for any breach of such party's representations and warranties under this Agreement prior to such termination.

11. SECURITY PROCEDURES

If funds transfer instructions are given in writing (other than in writing at the time of execution of this Escrow Agreement), Escrow Agent is authorized to seek confirmation of such instructions by telephone call back to the person or persons designated on Exhibit B hereto, and Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated. The

persons and telephone numbers for call backs may be changed only in a writing actually received and acknowledged by Escrow Agent. Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Thermo or Globalstar to identify (i) the beneficiary, (ii) the beneficiary's bank or (iii) an intermediary bank. Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The parties to this Escrow Agreement acknowledge that these security procedures are commercially reasonable.

12. GOVERNING LAW; JURISDICTION; JURY TRIAL.

All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY**.

13. EXECUTION OF AGREEMENT

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or electronic mail transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or electronic mail shall be deemed to be their original signatures for all purposes.

14. SECTION HEADINGS, CONSTRUCTION

The headings of sections in this Agreement are provided for convenience only and will not affect its construction or interpretation.

15. WAIVER

The rights and remedies of the Parties are cumulative and not alternative. No failure, delay, or single or partial exercise of any right, power, or privilege by any party under this Agreement or any of the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege or will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law: (a) no claim or

right arising out of this Agreement or any of the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

16. ENTIRE AGREEMENT AND MODIFICATION

This Agreement supersedes all prior agreements, whether written or oral, between or among the Parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement among the Parties with respect to its subject matter. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by the Parties.

17. ASSIGNABILITY

This Agreement shall not be assignable, in whole or in part, by any party hereto without prior written consent of the other parties hereto; provided that any assignment in contravention of this provision shall be null and void.

18. NO THIRD PARTY BENEFICIARIES

Nothing herein expressed or implied shall confer upon any of the employees of Globalstar, Thermo, the Escrow Agent, the Administrative Agent or any of their affiliates, any rights or remedies. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the parties hereto or their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

19. SEVERABILITY

If any provision of this Agreement shall be declared by any court of competent jurisdiction to be illegal, void or unenforceable, all other provisions of this Agreement shall not be affected and shall remain in full force and effect.

20. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

21. FURTHER ASSURANCES

Each of the parties hereto agrees that, from and after the execution of this Agreement by all parties hereto, upon the reasonable request of any other party hereto and without further consideration, such party will promptly execute, acknowledge and deliver to such other party such documents and further assurances and will take such other actions (without cost to such party) as such other party may reasonably request in order to carry out the purpose and intention of this Agreement.

22. TIME OF ESSENCE

Time shall be of the essence with respect to the transactions contemplated by this Agreement.

23. CREDITORS

Thermo and Globalstar will be entitled to receive payments out of the Escrow Fund solely in accordance with the terms hereof. The parties intend that no creditor of Thermo, Globalstar or Escrow Agent shall have any rights in or to the Escrow Fund so long as it remains subject to the terms of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

GLOBALSTAR, INC.

By: /s/ FUAD AHMAD

Name: Fuad Ahmad
Title: *VP and CFO*

THERMO FUNDING COMPANY LLC

By: /s/ JAMES MONROE III

Name: James Monroe III
Title: *Manager*

WACHOVIA INVESTMENT HOLDINGS, LLC
as Administrative Agent

By: /s/ MARC BIRENBAUM

Name: Marc Birenbaum
Title: *Director*

UBS AG, NEW YORK BRANCH

By: /s/ RAY SIMON

Name: Ray Simon
Title: *Managing Director, Wealth Management*

By: /s/ RUEDI GREINER

Name: Ruedi Greiner
Title: *Executive Director, Wealth Management*

By: /s/ RACHEL ARNOLD

Name: Rachel Arnold
Title: *Director*

QuickLinks

Exhibit 10.4

Globalstar, Inc.

2006 Equity Incentive Plan

Globalstar, Inc.
2006 Equity Incentive Plan

1. ***ESTABLISHMENT, PURPOSE AND TERM OF PLAN.***

1.1 **Establishment.** The Globalstar, Inc. 2006 Equity Incentive Plan (the ***"Plan"***) is hereby established effective as of July 12, 2006, the date of its approval by the stockholders of the Company (the ***"Effective Date"***).

1.2 **Purpose.** The purpose of the Plan is to advance the interests of the Participating Company Group and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. The Plan seeks to achieve this purpose by providing for Awards in the form of Options, Stock Appreciation Rights, Restricted Stock Purchase Rights, Restricted Stock Bonuses, Restricted Stock Units, Performance Shares and Performance Units.

1.3 **Term of Plan.** The Plan shall continue in effect until its termination by the Committee; provided, however, that all Awards shall be granted, if at all, within ten (10) years from the Effective Date.

2. ***DEFINITIONS AND CONSTRUCTION.***

2.1 **Definitions.** Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) ***"Affiliate"*** means (i) an entity, other than a Parent Corporation, that directly, or indirectly through one or more intermediary entities, controls the Company or (ii) an entity, other than a Subsidiary Corporation, that is controlled by the Company directly or indirectly through one or more intermediary entities. For this purpose, the term "control" (including the term "controlled by") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the relevant entity, whether through the ownership of voting securities, by contract or otherwise; or shall have such other meaning assigned such term for the purposes of registration on Form S-8 under the Securities Act.

(b) ***"Award"*** means any Option, Stock Appreciation Right, Restricted Stock Purchase Right, Restricted Stock Bonus, Restricted Stock Unit, Performance Share and Performance Unit granted under the Plan.

(c) ***"Award Agreement"*** means a written or electronic agreement between the Company and a Participant setting forth the terms, conditions and restrictions of the Award granted to the Participant.

(d) ***"Board"*** means the Board of Directors of the Company.

(e) ***"Cause"*** means, unless such term or an equivalent term is otherwise defined with respect to an Award by the Participant's Award Agreement or by a written contract of employment or service, any of the following: (i) the Participant's theft, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, or falsification of any Participating Company documents or records; (ii) the Participant's material failure to abide by a Participating Company's code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iii) the Participant's unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a Participating Company (including, without limitation, the Participant's improper use or disclosure of a Participating Company's confidential or proprietary information); (iv) any intentional act by the Participant which has a material

detrimental effect on a Participating Company's reputation or business; (v) the Participant's repeated failure or inability to perform any reasonable assigned duties after written notice from a Participating Company of, and a reasonable opportunity to cure, such failure or inability; (vi) any material breach by the Participant of any employment, service, non-disclosure, non-competition, non-solicitation or other similar agreement between the Participant and a Participating Company, which breach is not cured pursuant to the terms of such agreement; or (vii) the Participant's conviction (including any plea of guilty or nolo contendere) of any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs the Participant's ability to perform his or her duties with a Participating Company.

(f) *"**Change in Control**"* means, unless such term or an equivalent term is otherwise defined with respect to an Award by the Participant's Award Agreement or by a written contract of employment or service, the occurrence of any of the following:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total combined voting power of the Company's then-outstanding securities entitled to vote generally in the election of Directors; provided, however, that the following acquisitions shall not constitute a Change in Control: (1) an acquisition by any such person who on the Effective Date is the beneficial owner of more than fifty percent (50%) of such voting power, (2) any acquisition directly from the Company, including, without limitation, a public offering of securities, (3) any acquisition by the Company, (4) any acquisition by a trustee or other fiduciary under an employee benefit plan of a Participating Company or (5) any acquisition by an entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) an Ownership Change Event or series of related Ownership Change Events (collectively, a *"**Transaction**"*) in which the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding securities entitled to vote generally in the election of Directors or, in the case of an Ownership Change Event described in Section 2.1(z)(iii), the entity to which the assets of the Company were transferred (the *"**Transferee**"*), as the case may be; provided, however, that a Change in Control shall be deemed not to include a transaction described in subsections (i) or (ii) of this Section 2.1(f) in which a majority of the members of the board of directors of the continuing, surviving or successor entity, or parent thereof, immediately after such transaction is comprised of Incumbent Directors.

For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company or the Transferee, as the case may be, either directly or through one or more subsidiary corporations or other business entities. The Committee shall have the right to determine whether multiple sales or exchanges of the voting securities of the Company or multiple Ownership Change Events are related, and its determination shall be final, binding and conclusive.

Notwithstanding the foregoing, to the extent that any amount constituting Section 409A "deferred compensation" would become payable under this Plan by reason of a Change in Control, such amount shall become payable only if the event constituting a Change in Control would also constitute a change in ownership or effective control of the Company or a change

in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A.

(g) *"**Code**"* means the Internal Revenue Code of 1986, as amended, and any applicable regulations or administrative guidelines promulgated thereunder.

(h) *"**Committee**"* means the Compensation Committee and such other committee or subcommittee of the Board, if any, duly appointed to administer the Plan and having such powers in each instance as shall be specified by the Board. If, at any time, there is no committee of the Board then authorized or properly constituted to administer the Plan, the Board shall exercise all of the powers of the Committee granted herein, and, in any event, the Board may in its discretion exercise any or all of such powers.

(i) *"**Company**"* means Globalstar, Inc., a Delaware corporation, or any successor corporation thereto.

(j) *"**Consultant**"* means a person engaged to provide consulting or advisory services (other than as an Employee or a member of the Board) to a Participating Company, provided that the identity of such person, the nature of such services or the entity to which such services are provided would not preclude the Company from offering or selling securities to such person pursuant to the Plan in reliance on registration on a Form S-8 Registration Statement under the Securities Act.

(k) "***Covered Employee***" means, at any time the Plan is subject to 162(m), any Employee who is or may become a "covered employee" as defined in Section 162(m), or any successor statute, and who is designated, either as an individual Employee or a member of a class of Employees, by the Committee no later than (i) the date ninety (90) days after the beginning of the Performance Period, or (ii) the date on which twenty-five percent (25%) of the Performance Period has elapsed, as a "Covered Employee" under this Plan for such applicable Performance Period.

(l) *"**Director**"* means a member of the Board.

(m) *"**Disability**"* means the permanent and total disability of the Participant, within the meaning of Section 22(e)(3) of the Code.

(n) *"**Dividend Equivalent**"* means a credit, made at the discretion of the Committee or as otherwise provided by the Plan, to the account of a Participant in an amount equal to the cash dividends paid on one share of Stock for each share of Stock represented by an Award held by such Participant.

(o) *"**Employee**"* means any person treated as an employee (including an Officer or a member of the Board who is also treated as an employee) in the records of a Participating Company and, with respect to any Incentive Stock Option granted to such person, who is an employee for purposes of Section 422 of the Code; provided, however, that neither service as a member of the Board nor payment of a director's fee shall be sufficient to constitute employment for purposes of the Plan. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the terms of the Plan as of the time of the Company's determination of whether or not the individual is an Employee, all such determinations by the Company shall be final, binding and conclusive as to such rights, if any, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination as to such individual's status as an Employee.

(p) *"**Exchange Act**"* means the Securities Exchange Act of 1934, as amended.

(q) *"**Fair Market Value**"* means, as of any date, the value of a share of Stock or other property as determined by the Committee, in its discretion, or by the Company, in its discretion, if such determination is expressly allocated to the Company herein, subject to the following:

(i) Except as otherwise determined by the Committee, if, on such date, the Stock is listed on a national or regional securities exchange or market system, the Fair Market Value of a share of Stock shall be the closing price of a share of Stock (or the mean of the closing bid and asked prices of a share of Stock if the Stock is so quoted instead) as quoted on the Nasdaq National Market, The Nasdaq SmallCap Market or such other national or regional securities exchange or market system constituting the primary market for the Stock, as reported in *The Wall Street Journal* or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or market system, the date on which the Fair Market Value shall be established shall be the last day on which the Stock was so traded prior to the relevant date, or such other appropriate day as shall be determined by the Committee, in its discretion.

(ii) Notwithstanding the foregoing, the Committee may, in its discretion, determine the Fair Market Value on the basis of the opening, closing, or average of the high and low sale prices of a share of Stock on such date or the preceding trading day, the actual sale price of a share of Stock received by a Participant, any other reasonable basis using actual transactions in the Stock as reported on a national or regional securities exchange or market system and consistently applied, or on any other basis consistent with the requirements of Section 409A. The Committee may also determine the Fair Market Value upon the average selling price of the Stock during a specified period that is within thirty (30) days before or thirty (30) days after such date, provided that, with respect to the grant of an Option or SAR, the commitment to grant such Award based on such valuation method must be irrevocable before the beginning of the specified period and such valuation method must be used consistently for grants of Options and SARs under the same and substantially similar programs. The Committee may vary its method of determination of the Fair Market Value as provided in this Section for different purposes under the Plan to the extent consistent with the requirements of Section 409A.

(iii) If, on such date, the Stock is not listed on a national or regional securities exchange or market system, the Fair Market Value of a share of Stock shall be as determined by the Committee in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse, and in a manner consistent with the requirements of Section 409A.

(r) *"**Incentive Stock Option**"* means an Option intended to be (as set forth in the Award Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

(s) *"**Incumbent Director**"* means a director who either (i) is a member of the Board as of the Effective Date or (ii) is elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination, but who was not elected or nominated in connection with an actual or threatened proxy contest relating to the election of directors of the Company.

(t) *"**Insider**"* means an Officer, Director or any other person whose transactions in Stock are subject to Section 16 of the Exchange Act.

(u) *"**Insider Trading Policy**"* means the written policy of the Company pertaining to the purchase, sale, transfer or other disposition of the Company's equity securities by Directors, Officers, Employees or other service providers who may possess material, nonpublic information regarding the Company or its securities.

(v) *"**Net-Exercise**"* means a procedure by which the Participant will be issued a number of shares of Stock determined in accordance with the following formula:

N = X(A-B)/A, where
"N" = the number of shares of Stock to be issued to the Participant upon exercise of the Option;
"X" = the total number of shares with respect to which the Participant has elected to exercise the Option;
"A" = the Fair Market Value of one (1) share of Stock determined on the exercise date; and
"B" = the exercise price per share (as defined in the Participant's Award Agreement)

(w) *"**Nonstatutory Stock Option**"* means an Option not intended to be (as set forth in the Award Agreement) an incentive stock option within the meaning of Section 422(b) of the Code.

(x) *"**Officer**"* means any person designated by the Board as an officer of the Company.

(y) *"**Option**"* means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to Section 6.

(z) *"**Ownership Change Event**"* means the occurrence of any of the following with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of more than fifty percent (50%) of the voting stock of the Company; (ii) a merger or consolidation in which the Company is a party; or (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company).

(aa) *"**Parent Corporation**"* means any present or future "parent corporation" of the Company, as defined in Section 424(e) of the Code.

(bb) *"**Participant**"* means any eligible person who has been granted one or more Awards.

(cc) *"**Participating Company**"* means the Company or any Parent Corporation, Subsidiary Corporation or Affiliate.

(dd) *"**Participating Company Group**"* means, at any point in time, all entities collectively which are then Participating Companies.

(ee) *"**Performance Award**"* means an Award of Performance Shares or Performance Units.

(ff) *"**Performance Award Formula**"* means, for any Performance Award, a formula or table established by the Committee pursuant to Section 10.3 which provides the basis for computing the value of a Performance Award at one or more threshold levels of attainment of the applicable Performance Goal(s) measured as of the end of the applicable Performance Period.

(gg) "***Performance-Based Compensation***" means compensation under an Award that satisfies the requirements of Section 162(m) for certain performance-based compensation paid to Covered Employees.

(hh) *"**Performance Goal**"* means a performance goal established by the Committee pursuant to Section 10.3.

(ii) *"**Performance Period**"* means a period established by the Committee pursuant to Section 10.3 at the end of which one or more Performance Goals are to be measured.

(jj) *"**Performance Share**"* means a bookkeeping entry representing a right granted to a Participant pursuant to Section 10 to receive a payment equal to the value of a Performance Share, as determined by the Committee, based on performance.

(kk) *"**Performance Unit**"* means a bookkeeping entry representing a right granted to a Participant pursuant to Section 10 to receive a payment equal to the value of a Performance Unit, as determined by the Committee, based upon performance.

(ll) *"**Restricted Stock Award**"* means an Award of a Restricted Stock Bonus or a Restricted Stock Purchase Right.

(mm) *"**Restricted Stock Bonus**"* means Stock granted to a Participant pursuant to Section 8.

(nn) *"**Restricted Stock Purchase Right**"* means a right to purchase Stock granted to a Participant pursuant to Section 8.

(oo) *"**Restricted Stock Unit**"* or *"**Stock Unit**"* means a right granted to a Participant pursuant to Section 9 to receive a share of Stock on a date determined in accordance with the provisions of such Section and the Participant's Award Agreement.

(pp) *"**Rule 16b-3**"* means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

(qq) *"**SAR**"* or *"**Stock Appreciation Right**"* means a right granted to a Participant pursuant to Section 7 to receive payment, for each share of Stock subject to such SAR, of an amount equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the SAR over the exercise price.

(rr) *"**Section 162(m)**"* means Section 162(m) of the Code.

(ss) *"**Section 409A**"* means Section 409A of the Code (including regulations or administrative guidelines thereunder).

(tt) *"**Securities Act**"* means the Securities Act of 1933, as amended.

(uu) *"**Service**"* means a Participant's employment or service with the Participating Company Group, whether in the capacity of an Employee, a Director or a Consultant. Unless otherwise provided by the Committee, a Participant's Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders such Service or a change in the Participating Company for which the Participant renders such Service, provided that there is no interruption or termination of the Participant's Service. Furthermore, a Participant's Service shall not be deemed to have terminated if the Participant takes any military leave, sick leave, or other bona fide leave of absence approved by the Company. However, unless otherwise provided by the Committee, if any such leave taken by a Participant exceeds ninety (90) days, then on the ninety-first (91st) day following the commencement of such leave the Participant's Service shall be deemed to have terminated, unless the Participant's right to return to Service is guaranteed by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, a leave of absence shall not be treated as Service for purposes of determining vesting under the Participant's Award Agreement. A Participant's Service shall be deemed to have terminated either upon an actual termination of Service or upon the entity for which the

Participant performs Service ceasing to be a Participating Company. Subject to the foregoing, the Company, in its discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination.

(vv) *"**Stock**"* means the Class A common stock of the Company, as adjusted from time to time in accordance with Section 4.4.

(ww) *"**Subsidiary Corporation**"* means any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

(xx) *"**Ten Percent Owner**"* means a Participant who, at the time an Option is granted to the Participant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of a Participating Company (other than an Affiliate) within the meaning of Section 422(b)(6) of the Code.

(yy) *"**Vesting Conditions**"* mean those conditions established in accordance with the Plan prior to the satisfaction of which shares subject to an Award remain subject to forfeiture or a repurchase option in favor of the Company exercisable for the Participant's monetary purchase price, if any, for such shares upon the Participant's termination of Service.

2.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. ***ADMINISTRATION.***

3.1 **Administration by the Committee.** The Plan shall be administered by the Committee. All questions of interpretation of the Plan, of any Award Agreement or of any other form of agreement or other document employed by the Company in the administration of the Plan or of any Award shall be determined by the Committee, and such determinations shall be final, binding and conclusive upon all persons having an interest in the Plan or such Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or Award Agreement or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest therein.

3.2 **Authority of Officers.** Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, determination or election. The Board or Committee may, in its discretion, delegate to a committee comprised of one or more Officers the authority to grant one or more Awards, without further approval of the Board or the Committee, to any Employee, other than a person who, at the time of such grant, is an Insider or a Covered Person; provided, however, that (a) such Awards shall not be granted for shares in excess of the maximum aggregate number of shares of Stock authorized for issuance pursuant to Section 4.1, (b) the exercise price per share of each such Award which is an Option or Stock Appreciation Right shall be not less than the Fair Market Value per share of the Stock on the effective date of grant (or, if the Stock has not traded on such date, on the last day preceding the effective date of grant on which the Stock was traded), (c) each such Award shall be subject to the terms and conditions of the appropriate standard form of Award Agreement approved by the Board or the Committee and shall conform to the provisions of the Plan, and (d) each such Award shall

conform to such limits and guidelines as shall be established from time to time by resolution of the Board or the Committee.

3.3 **Administration with Respect to Insiders.** With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

3.4 **Committee Complying with Section 162(m).** If the Company is a "publicly held corporation" within the meaning of Section 162(m), the Board may establish a Committee of "outside directors" within the meaning of Section 162(m) to approve the grant of any Award intended to result in the payment of Performance-Based Compensation.

3.5 **Powers of the Committee.** In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Committee shall have the full and final power and authority, in its discretion:

(a) to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock, units or monetary value to be subject to each Award;

(b) to determine the type of Award granted;

(c) to determine the Fair Market Value of shares of Stock or other property;

(d) to determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares acquired pursuant thereto, including, without limitation, (i) the exercise or purchase price of shares pursuant to any Award, (ii) the method of payment for shares purchased pursuant to any Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with Award, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions of the exercisability or vesting of any Award or any shares acquired pursuant thereto, (v) the Performance Measures, Performance Period, Performance Award Formula and Performance Goals applicable to any Award and the extent to which such Performance Goals have been attained, (vi) the time of the expiration of any Award, (vii) the effect of the Participant's termination of Service on any of the foregoing, and (viii) all other terms, conditions and restrictions applicable to any Award or shares acquired pursuant thereto not inconsistent with the terms of the Plan;

(e) to determine whether an Award will be settled in shares of Stock, cash, or in any combination thereof;

(f) to approve one or more forms of Award Agreement;

(g) to amend, modify, extend, cancel or renew any Award or to waive any restrictions or conditions applicable to any Award or any shares acquired pursuant thereto;

(h) to accelerate, continue, extend or defer the exercisability or vesting of any Award or any shares acquired pursuant thereto, including with respect to the period following a Participant's termination of Service;

(i) to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt sub-plans or supplements to, or alternative versions of, the Plan, including, without limitation, as the Committee deems necessary or desirable to comply with the laws or regulations of or to accommodate the tax policy, accounting principles or custom of, foreign jurisdictions whose citizens may be granted Awards; and

(j) to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Committee may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law.

3.6 **Indemnification.** In addition to such other rights of indemnification as they may have as members of the Board or the Committee or as officers or employees of the Participating Company Group, members of the Board or the Committee and any officers or employees of the Participating Company Group to whom authority to act for the Board, the Committee or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

4. ***SHARES SUBJECT TO PLAN.***

4.1 **Maximum Number of Shares Issuable.** Subject to adjustment as provided in Sections 4.2, 4.3 and 4.4, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be equal to two hundred thousand (200,000) shares, and shall consist of authorized but unissued or reacquired shares of Stock or any combination thereof.

4.2 **Annual Increase in Maximum Number of Shares Issuable.** Subject to adjustment as provided in Section 4.4, the maximum aggregate number of shares of Stock that may be issued under the Plan as set forth in Section 4.1 shall be cumulatively increased on January 1, 2007 and on each subsequent January 1, through and including January 1, 2016, by a number of shares (the *"**Annual Increase**"*) equal to the smaller of (i) two percent (2%) of the number of shares of Stock issued and outstanding on the immediately preceding December 31 or (ii) an amount determined by the Board.

4.3 **Share Accounting.** If an outstanding Award for any reason expires or is terminated or canceled without having been exercised or settled in full, or if shares of Stock acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company for an amount not greater than the Participant's original purchase price, the shares of Stock allocable to the terminated portion of such Award or such forfeited or repurchased shares of Stock shall again be available for issuance under the Plan. Shares of Stock shall not be deemed to have been issued pursuant to the Plan (a) with respect to any portion of an Award that is settled in cash or (b) to the extent such shares are withheld or reacquired by the Company in satisfaction of tax withholding obligations pursuant to Section 14.2. Upon payment in shares of Stock pursuant to the exercise or settlement of an Award, including an SAR, the number of shares available for issuance under the Plan shall be reduced only by the number of shares actually issued in such payment. If the exercise price of an Option is paid by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant, or by means of a Net-Exercise, the number of shares available for issuance under the Plan shall be reduced by the net number of shares for which the Option is exercised.

4.4 **Adjustments for Changes in Capital Structure.** Subject to any required action by the stockholders of the Company, in the event of any change in the Stock effected without receipt of

consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting normal cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate adjustments shall be made in the number and kind of shares subject to the Plan and to any outstanding Awards, in the Annual Increase set forth in Section 4.2, in the ISO Share Issuance Limit set forth in Section 5.3(a) and in the exercise or purchase price per share under any outstanding Award in order to prevent dilution or enlargement of Participants' rights under the Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." If a majority of the shares which are of the same class as the shares that are subject to outstanding Awards are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the ***"New Shares"***), the Committee may unilaterally amend the outstanding Awards to provide that such Awards are for New Shares. In the event of any such amendment, the number of shares subject to, and the exercise or purchase price per share of, the outstanding Awards shall be adjusted in a fair and equitable manner as determined by the Committee, in its discretion. Any fractional share resulting from an adjustment pursuant to this Section 4.4 shall be rounded down to the nearest whole number, and in no event may the exercise or purchase price under any Award be decreased to an amount less than the par value, if any, of the stock subject to such Award. The Committee in its sole discretion, may also make such adjustments in the terms of any Award to reflect, or related to, such changes in the capital structure of the Company or distributions as it deems appropriate, including modification of Performance Goals, Performance Award Formulas and Performance Periods. The adjustments determined by the Committee pursuant to this Section shall be final, binding and conclusive.

The Committee may, without affecting the number of shares of Stock reserved or available hereunder, authorize the issuance or assumption of benefits under this Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate, subject to compliance with Sections 409A and 422 and any other applicable provisions of the Code and any related guidance issued by the U.S. Treasury Department.

5. ***ELIGIBILITY, PARTICIPATION AND AWARD LIMITATIONS.***

5.1 **Persons Eligible for Awards.** Awards may be granted only to Employees, Directors and Consultants.

5.2 **Participation in the Plan.** Awards are granted solely at the discretion of the Committee. Eligible persons may be granted more than one Award. However, eligibility in accordance with this Section shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

5.3 **Incentive Stock Option Limitations.**

(a) **Maximum Number of Shares Issuable Pursuant to Incentive Stock Options.** Subject to adjustment as provided in Section 4.4, the maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to the exercise of Incentive Stock Options shall not exceed two hundred thousand (200,000) shares, cumulatively increased on January 1, 2007 and on each subsequent January 1, through and including January 1, 2016 by a number of shares equal to the Annual Increase as determined under Section 4.2. The maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to all

Awards other than Incentive Stock Options shall be the number of shares determined in accordance with Section 4.1, subject to adjustment as provided in Sections 4.2, 4.3 and 4.4.

(b) **Persons Eligible.** An Incentive Stock Option may be granted only to a person who, on the effective date of grant, is an Employee of the Company, a Parent Corporation or a Subsidiary Corporation (each being an ***"ISO-Qualifying Corporation"***). Any person who is not an Employee of an ISO-Qualifying Corporation on the effective date of the grant of an Option to such person may be granted only a Nonstatutory Stock Option. An Incentive Stock Option granted to a prospective Employee upon the condition that such person become an Employee of an ISO-Qualifying Corporation shall be deemed granted effective on the date such person commences Service with an ISO-Qualifying Corporation, with an exercise price determined as of such date in accordance with Section 6.1.

(c) **Fair Market Value Limitation.** To the extent that Options designated as Incentive Stock Options (granted under all stock option plans of the Participating Company Group, including the Plan) become exercisable by a Participant for the first time during any calendar year for stock having a Fair Market Value greater than One Hundred Thousand Dollars ($100,000), the portion of such Options which exceeds such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section, Options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of stock shall be determined as of the time the Option with respect to such stock is granted. If the Code is amended to provide for a limitation different from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Upon exercise, shares issued pursuant to each such portion shall be separately identified.

6. ***STOCK OPTIONS.***

Options shall be evidenced by Award Agreements specifying the number of shares of Stock covered thereby, in such form as the Committee shall from time to time establish. No Option or purported Option shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Award Agreements evidencing Options may incorporate all or any of the terms of the Plan by reference, including the provisions of Section 16 with respect to Section 409A if applicable, and shall comply with and be subject to the following terms and conditions:

6.1 **Exercise Price.** The exercise price for each Option shall be established in the discretion of the Committee; provided, however, that (a) the exercise price per share shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the Option and (b) no Incentive Stock Option granted to a Ten Percent Owner shall have an exercise price per share less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of the Option. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonstatutory Stock Option) may be granted with an exercise price lower than the minimum exercise price set forth above if such Option is granted pursuant to an assumption or substitution for another option in a manner qualifying under the provisions of Section 424(a) of the Code.

6.2 **Exercisability and Term of Options.** Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement

evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option and (b) no Incentive Stock Option granted to a Ten Percent Owner shall be exercisable after the expiration of five (5) years after the effective date of grant of such Option. Subject to the foregoing, unless otherwise specified by the Committee in the grant of an Option, each Option shall terminate ten (10) years after the effective date of grant of the Option, unless earlier terminated in accordance with its provisions.

6.3 **Payment of Exercise Price.**

(a) ***Forms of Consideration Authorized.*** Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash or by check or cash equivalent, (ii) by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant having a Fair Market Value not less than the exercise price, (iii) by delivery of a properly executed notice of exercise together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System) (a *"**Cashless Exercise**"*), (iv) by delivery of a properly executed notice electing a Net-Exercise, (v) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (vi) by any combination thereof. The Committee may at any time or from time to time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

(b) ***Limitations on Forms of Consideration.***

(i) **Tender of Stock.** Notwithstanding the foregoing, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock to the extent such tender or attestation would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company's stock. Unless otherwise provided by the Committee, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock unless such shares either have been owned by the Participant for more than six (6) months (or such other period, if any, as the Committee may permit) and not used for another Option exercise by attestation during such period, or were not acquired, directly or indirectly, from the Company.

(ii) **Cashless Exercise.** The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Company notwithstanding that such program or procedures may be available to other Participants.

6.4 **Effect of Termination of Service.**

(a) ***Option Exercisability.*** Subject to earlier termination of the Option as otherwise provided herein and unless otherwise provided by the Committee in the grant of an Option and set forth in the Award Agreement, an Option shall terminate immediately upon the Participant's termination of Service to the extent that it is then unvested and shall be exercisable after the Participant's termination of Service to the extent it is then vested only

during the applicable time period determined in accordance with this Section and thereafter shall terminate:

(i) **Disability.** If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the date of expiration of the Option's term as set forth in the Award Agreement evidencing such Option (the *"**Option Expiration Date**"*).

(ii) **Death.** If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. The Participant's Service shall be deemed to have terminated on account of death if the Participant dies within three (3) months after the Participant's termination of Service for any reason other than Cause.

(iii) **Termination for Cause.** Notwithstanding any other provision of the Plan to the contrary, if the Participant's Service is terminated for Cause or if, following the Participant's termination of Service and during any period in which the Option otherwise would remain exercisable, the Participant engages in any act that would constitute Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service or act.

(iv) **Other Termination of Service.** If the Participant's Service terminates for any reason, except Disability, death or Cause the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of three (3) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(b) ***Extension if Exercise Prevented by Law.*** Notwithstanding the foregoing, other than termination of Service for Cause, if the exercise of an Option within the applicable time periods set forth in Section 6.4(a) is prevented by the provisions of Section 13 below, the Option shall remain exercisable until three (3) months (or such longer period of time as determined by the Committee, in its discretion) after the date the Participant is notified by the Company that the Option is exercisable, but in any event no later than the Option Expiration Date.

(c) ***Extension if Participant Subject to Section 16(b).*** Notwithstanding the foregoing, other than termination of Service for Cause, if a sale within the applicable time periods set forth in Section 6.4(a) of shares acquired upon the exercise of the Option would subject the Participant to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which a sale of such shares by the Participant would no longer be subject to such suit, (ii) the one hundred and ninetieth (190th) day after the Participant's termination of Service, or (iii) the Option Expiration Date.

6.5 **Transferability of Options.** During the lifetime of the Participant, an Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. An Option

shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Option, a Nonstatutory Stock Option shall be assignable or transferable subject to the applicable limitations, if any, described in the General Instructions to Form S-8 Registration Statement under the Securities Act.

7. ***STOCK APPRECIATION RIGHTS.***

Stock Appreciation Rights shall be evidenced by Award Agreements specifying the number of shares of Stock subject to the Award, in such form as the Committee shall from time to time establish. No SAR or purported SAR shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Award Agreements evidencing SARs may incorporate all or any of the terms of the Plan by reference, including provisions of Section 16 with respect to Section 409A if applicable, and shall comply with and be subject to the following terms and conditions:

7.1 **Types of SARs Authorized.** SARs may be granted in tandem with all or any portion of a related Option (a *"**Tandem SAR**"*) or may be granted independently of any Option (a *"**Freestanding SAR**"*). A Tandem SAR may only be granted concurrently with the grant of the related Option.

7.2 **Exercise Price.** The exercise price for each SAR shall be established in the discretion of the Committee; provided, however, that (a) the exercise price per share subject to a Tandem SAR shall be the exercise price per share under the related Option and (b) the exercise price per share subject to a Freestanding SAR shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the SAR.

7.3 **Exercisability and Term of SARs.**

(a) ***Tandem SARs.*** Tandem SARs shall be exercisable only at the time and to the extent, and only to the extent, that the related Option is exercisable, subject to such provisions as the Committee may specify where the Tandem SAR is granted with respect to less than the full number of shares of Stock subject to the related Option. The Committee may, in its discretion, provide in any Award Agreement evidencing a Tandem SAR that such SAR may not be exercised without the advance approval of the Company and, if such approval is not given, then the Option shall nevertheless remain exercisable in accordance with its terms. A Tandem SAR shall terminate and cease to be exercisable no later than the date on which the related Option expires or is terminated or canceled. Upon the exercise of a Tandem SAR with respect to some or all of the shares subject to such SAR, the related Option shall be canceled automatically as to the number of shares with respect to which the Tandem SAR was exercised. Upon the exercise of an Option related to a Tandem SAR as to some or all of the shares subject to such Option, the related Tandem SAR shall be canceled automatically as to the number of shares with respect to which the related Option was exercised.

(b) ***Freestanding SARs.*** Freestanding SARs shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such SAR; provided, however, that no Freestanding SAR shall be exercisable after the expiration of ten (10) years after the effective date of grant of such SAR.

7.4 **Exercise of SARs.** Upon the exercise (or deemed exercise pursuant to Section 7.5) of an SAR, the Participant (or the Participant's legal representative or other person who acquired the right to exercise the SAR by reason of the Participant's death) shall be entitled to receive payment of an amount for each share with respect to which the SAR is exercised equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the SAR over the exercise

price. Payment of such amount shall be made (a) in the case of a Tandem SAR, solely in shares of Stock in a lump sum as soon as practicable following the date of exercise of the SAR and (b) in the case of a Freestanding SAR, in cash, shares of Stock, or any combination thereof as determined by the Committee in compliance with Section 409A. Unless otherwise provided in the Award Agreement evidencing a Freestanding SAR, payment shall be made in a lump sum as soon as practicable following the date of exercise of the SAR. The Award Agreement evidencing any Freestanding SAR may provide for deferred payment in a lump sum or in installments in compliance with Section 409A. When payment is to be made in shares of Stock, the number of shares to be issued shall be determined on the basis of the Fair Market Value of a share of Stock on the date of exercise of the SAR. For purposes of Section 7, an SAR shall be deemed exercised on the date on which the Company receives notice of exercise from the Participant or as otherwise provided in Section 7.5.

7.5 **Deemed Exercise of SARs.** If, on the date on which an SAR would otherwise terminate or expire, the SAR by its terms remains exercisable immediately prior to such termination or expiration and, if so exercised, would result in a payment to the holder of such SAR, then any portion of such SAR which has not previously been exercised shall automatically be deemed to be exercised as of such date with respect to such portion.

7.6 **Effect of Termination of Service.** Subject to earlier termination of the SAR as otherwise provided herein and unless otherwise provided by the Committee in the grant of an SAR and set forth in the Award Agreement, an SAR shall be exercisable after a Participant's termination of Service only to the extent and during the applicable time period determined in accordance with Section 6.4 (treating the SAR as if it were an Option) and thereafter shall terminate.

7.7 **Transferability of SARs.** During the lifetime of the Participant, an SAR shall be exercisable only by the Participant or the Participant's guardian or legal representative. An SAR shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Award, a Tandem SAR related to a Nonstatutory Stock Option or a Freestanding SAR shall be assignable or transferable subject to the applicable limitations, if any, described in the General Instructions to Form S-8 Registration Statement under the Securities Act.

8. ***RESTRICTED STOCK AWARDS.***

Restricted Stock Awards shall be evidenced by Award Agreements specifying whether the Award is a Restricted Stock Bonus or a Restricted Stock Purchase Right and the number of shares of Stock subject to the Award, in such form as the Committee shall from time to time establish. No Restricted Stock Award or purported Restricted Stock Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Award Agreements evidencing Restricted Stock Awards may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

8.1 **Types of Restricted Stock Awards Authorized.** Restricted Stock Awards may be granted in the form of either a Restricted Stock Bonus or a Restricted Stock Purchase Right. Restricted Stock Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more Performance Goals described in Section 10.4. If either the grant of or satisfaction of Vesting Conditions applicable to a Restricted Stock Award is to be contingent upon the attainment of one or more Performance Goals, the Committee shall follow procedures substantially equivalent to those set forth in Sections 10.3 through 10.5(a).

8.2 **Purchase Price.** The purchase price for shares of Stock issuable under each Restricted Stock Purchase Right shall be established by the Committee in its discretion. No monetary payment (other than applicable tax withholding) shall be required as a condition of receiving shares of Stock pursuant to a Restricted Stock Bonus, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock subject to a Restricted Stock Award.

8.3 **Purchase Period.** A Restricted Stock Purchase Right shall be exercisable within a period established by the Committee, which shall in no event exceed thirty (30) days from the effective date of the grant of the Restricted Stock Purchase Right.

8.4 **Payment of Purchase Price.** Except as otherwise provided below, payment of the purchase price for the number of shares of Stock being purchased pursuant to any Restricted Stock Purchase Right shall be made (a) in cash or by check or cash equivalent, (b) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (c) by any combination thereof. The Committee may at any time or from time to time grant Restricted Stock Purchase Rights which do not permit all of the foregoing forms of consideration to be used in payment of the purchase price or which otherwise restrict one or more forms of consideration.

8.5 **Vesting and Restrictions on Transfer.** Shares issued pursuant to any Restricted Stock Award may (but need not) be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. During any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, such shares may not be sold, exchanged, transferred, pledged, assigned or otherwise disposed of other than pursuant to an Ownership Change Event or as provided in Section 8.8. The Committee, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Award that, if the satisfaction of Vesting Conditions with respect to any shares subject to such Restricted Stock Award would otherwise occur on a day on which the sale of such shares would violate the Company's Insider Trading Policy, then the satisfaction of the Vesting Conditions automatically shall be deemed to occur on the next day on which the sale of such shares would not violate the Insider Trading Policy. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

8.6 **Voting Rights; Dividends and Distributions.** Except as provided in this Section, Section 8.5 and any Award Agreement, during any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, the Participant shall have all of the rights of a stockholder of the Company holding shares of Stock, including the right to vote such shares and to receive all dividends and other distributions paid with respect to such shares. However, in the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.4, any and all new, substituted or additional securities or other property (other than normal cash dividends) to which the Participant is entitled by reason of the Participant's Restricted Stock Award shall be immediately subject to the same Vesting Conditions as the shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid or adjustments were made.

8.7 **Effect of Termination of Service.** Unless otherwise provided by the Committee in the Award Agreement evidencing a Restricted Stock Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or Disability), then (a) the Company shall have the option to repurchase for the purchase price paid by the Participant any shares acquired by the Participant pursuant to a Restricted Stock Purchase Right which remain subject to Vesting Conditions as of the date of the Participant's termination of Service and (b) the Participant shall forfeit to the Company any shares acquired by the Participant pursuant to a Restricted Stock Bonus which remain subject to Vesting Conditions as of the date of the Participant's termination of Service. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company.

8.8 **Nontransferability of Restricted Stock Award Rights.** Rights to acquire shares of Stock pursuant to a Restricted Stock Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or the laws of descent and distribution. All rights with respect to a Restricted Stock Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

9. ***RESTRICTED STOCK UNIT AWARDS.***

Restricted Stock Unit Awards shall be evidenced by Award Agreements specifying the number of Restricted Stock Units subject to the Award, in such form as the Committee shall from time to time establish. No Restricted Stock Unit Award or purported Restricted Stock Unit Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Award Agreements evidencing Restricted Stock Units may incorporate all or any of the terms of the Plan by reference, including the provisions of Section 16 with respect to Section 409A, if applicable, and shall comply with and be subject to the following terms and conditions:

9.1 **Grant of Restricted Stock Unit Awards.** Restricted Stock Unit Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more Performance Goals described in Section 10.4. If either the grant of a Restricted Stock Unit Award or the Vesting Conditions with respect to such Award is to be contingent upon the attainment of one or more Performance Goals, the Committee shall follow procedures substantially equivalent to those set forth in Sections 10.3 through 10.5(a).

9.2 **Purchase Price.** No monetary payment (other than applicable tax withholding, if any) shall be required as a condition of receiving a Restricted Stock Unit Award, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock issued upon settlement of the Restricted Stock Unit Award.

9.3 **Vesting.** Restricted Stock Unit Awards may (but need not) be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award.

9.4 **Voting Rights, Dividend Equivalent Rights and Distributions.** Participants shall have no voting rights with respect to shares of Stock represented by Restricted Stock Units until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Restricted Stock Unit Award that the Participant shall be entitled to receive Dividend Equivalents with respect to the payment of cash dividends on Stock during the period beginning on the date such Award is granted and ending, with respect to the particular shares subject to the Award, on the earlier of the date the Award is settled or the date on which it is terminated. Such Dividend Equivalents, if any, shall be paid by crediting the Participant with additional whole Restricted Stock Units as of the date of payment of such cash dividends on Stock. The number of additional Restricted Stock Units (rounded down to the nearest whole number) to be so credited shall be determined by dividing (a) the amount of cash dividends paid on such date with respect to the number of shares of Stock represented by the Restricted Stock Units previously credited to the Participant by (b) the Fair Market Value per share of Stock on such date. Such additional Restricted Stock Units shall be subject to the same terms and conditions and shall be settled in the same manner and at the same time (or as soon thereafter as practicable) as the Restricted Stock Units originally subject to the Restricted Stock Unit Award. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.4, appropriate adjustments shall be made in the Participant's Restricted Stock Unit Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than normal cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of the Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Vesting Conditions as are applicable to the Award.

9.5 **Effect of Termination of Service.** Unless otherwise provided by the Committee and set forth in the Award Agreement evidencing a Restricted Stock Unit Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or Disability), then the Participant shall forfeit to the Company any Restricted Stock Units pursuant to the Award which remain subject to Vesting Conditions as of the date of the Participant's termination of Service.

9.6 **Settlement of Restricted Stock Unit Awards.** The Company shall issue to a Participant on the date on which Restricted Stock Units subject to the Participant's Restricted Stock Unit Award vest or on such other date determined by the Committee, in its discretion, and set forth in the Award Agreement one (1) share of Stock (and/or any other new, substituted or additional securities or other property pursuant to an adjustment described in Section 9.4) for each Restricted Stock Unit then becoming vested or otherwise to be settled on such date, subject to the withholding of applicable taxes, if any. If permitted by the Committee, subject to the provisions of Section 16 with respect to Section 409A, the Participant may elect in accordance with terms specified in the Award Agreement to defer receipt of all or any portion of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section, and such deferred issuance date(s) and amount(s)elected by the Participant shall be set forth in the Award Agreement. Notwithstanding the foregoing, the Committee, in its discretion, may provide for settlement of any Restricted Stock Unit Award by payment to the Participant in cash of an amount equal to the Fair Market Value on the payment date of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section. The Committee, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Unit Award that, if the settlement of the Award with respect to any shares would otherwise occur on a day on which the sale of such shares would violate the Company's Insider Trading Policy, then the settlement with respect to such shares shall occur on the next day on which the sale of such shares would not

violate the Insider Trading Policy, but in any event on or before the later of the last day of the calendar year of, or the 15th day of the third calendar month following, the original settlement date.

9.7 **Nontransferability of Restricted Stock Unit Awards.** The right to receive shares pursuant to a Restricted Stock Unit Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to a Restricted Stock Unit Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

10. ***PERFORMANCE AWARDS.***

Performance Awards shall be evidenced by Award Agreements in such form as the Committee shall from time to time establish. No Performance Award or purported Performance Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Award Agreements evidencing Performance Awards may incorporate all or any of the terms of the Plan by reference, including the provisions of Section 16 with respect to Section 409A, if applicable, and shall comply with and be subject to the following terms and conditions:

10.1 **Types of Performance Awards Authorized.** Performance Awards may be granted in the form of either Performance Shares or Performance Units. Each Award Agreement evidencing a Performance Award shall specify the number of Performance Shares or Performance Units subject thereto, the Performance Award Formula, the Performance Goal(s) and Performance Period applicable to the Award, and the other terms, conditions and restrictions of the Award.

10.2 **Initial Value of Performance Shares and Performance Units.** Unless otherwise provided by the Committee in granting a Performance Award, each Performance Share shall have an initial monetary value equal to the Fair Market Value of one (1) share of Stock, subject to adjustment as provided in Section 4.4, on the effective date of grant of the Performance Share, and each Performance Unit shall have an initial monetary value established by the Committee at the time of grant. The final value payable to the Participant in settlement of a Performance Award determined on the basis of the applicable Performance Award Formula will depend on the extent to which Performance Goals established by the Committee are attained within the applicable Performance Period established by the Committee.

10.3 **Establishment of Performance Period, Performance Goals and Performance Award Formula.** In granting each Performance Award, the Committee shall establish in writing the applicable Performance Period, Performance Award Formula and one or more Performance Goals which, when measured at the end of the Performance Period, shall determine on the basis of the Performance Award Formula the final value of the Performance Award to be paid to the Participant. Unless otherwise permitted in compliance with the requirements under Section 162(m) with respect to each Performance Award intended to result in the payment of Performance-Based Compensation, the Committee shall establish the Performance Goal(s) and Performance Award Formula applicable to each Performance Award no later than the earlier of (a) the date ninety (90) days after the commencement of the applicable Performance Period or (b) the date on which 25% of the Performance Period has elapsed, and, in any event, at a time when the outcome of the Performance Goals remains substantially uncertain. Once established, the Performance Goals and Performance Award Formula applicable to a Covered Employee shall not be changed during the Performance Period. The Company shall notify each Participant granted a Performance Award of the terms of such Award, including the Performance Period, Performance Goal(s) and Performance Award Formula.

10.4 **Measurement of Performance Goals.** Performance Goals shall be established by the Committee on the basis of targets to be attained (*"**Performance Targets**"*) with respect to one or more measures of business or financial performance (each, a *"**Performance Measure**"*), subject to the following:

(a) ***Performance Measures.*** Performance Measures shall have the same meanings as used in the Company's financial statements, or, if such terms are not used in the Company's financial statements, they shall have the meaning applied pursuant to generally accepted accounting principles, or as used generally in the Company's industry. Performance Measures shall be calculated with respect to the Company and each Subsidiary Corporation consolidated therewith for financial reporting purposes or such division or other business unit as may be selected by the Committee. For purposes of the Plan, the Performance Measures applicable to a Performance Award shall be calculated in accordance with generally accepted accounting principles, but prior to the accrual or payment of any Performance Award for the same Performance Period and excluding the effect (whether positive or negative) of any change in accounting standards or any extraordinary, unusual or nonrecurring item, as determined by the Committee, occurring after the establishment of the Performance Goals applicable to the Performance Award. Each such adjustment, if any, shall be made solely for the purpose of providing a consistent basis from period to period for the calculation of Performance Measures in order to prevent the dilution or enlargement of the Participant's rights with respect to a Performance Award. Performance Measures may be one or more of the following, as determined by the Committee:

(i) revenue;

(ii) sales;

(iii) expenses;

(iv) operating income;

(v) gross margin;

(vi) operating margin;

(vii) earnings before any one or more of: stock-based compensation expense, interest, taxes, depreciation and amortization;

(viii) pre-tax profit;

(ix) net operating income;

(x) net income;

(xi) economic value added;

(xii) free cash flow;

(xiii) operating cash flow;

(xiv) stock price;

(xv) earnings per share;

(xvi) return on stockholder equity;

(xvii) return on capital;

(xviii) return on assets;

(xix) return on investment;

(xx) employee satisfaction;

(xxi) employee retention;

(xxii) balance of cash, cash equivalents and marketable securities;

(xxiii) market share;

(xxiv) customer satisfaction;

(xxv) product development;

(xxvi) research and development expenses;

(xxvii) completion of an identified special project; and

(xxviii) completion of a joint venture or other corporate transaction.

(b) ***Performance Targets.*** Performance Targets may include a minimum, maximum, target level and intermediate levels of performance, with the final value of a Performance Award determined under the applicable Performance Award Formula by the level attained during the applicable Performance Period. A Performance Target may be stated as an absolute value or as a value determined relative to an index, budget or other standard selected by the Committee.

10.5 **Settlement of Performance Awards.**

(a) ***Determination of Final Value.*** As soon as practicable following the completion of the Performance Period applicable to a Performance Award, the Committee shall certify in writing the extent to which the applicable Performance Goals have been attained and the resulting final value of the Award earned by the Participant and to be paid upon its settlement in accordance with the applicable Performance Award Formula.

(b) ***Discretionary Adjustment of Award Formula.*** In its discretion, the Committee may, either at the time it grants a Performance Award or at any time thereafter, provide for the positive or negative adjustment of the Performance Award Formula applicable to a Performance Award granted to any Participant who is not a Covered Employee to reflect such Participant's individual performance in his or her position with the Company or such other factors as the Committee may determine. If permitted under a Covered Employee's Award Agreement, the Committee shall have the discretion, on the basis of such criteria as may be established by the Committee, to reduce some or all of the value of the Performance Award that would otherwise be paid to the Covered Employee upon its settlement notwithstanding the attainment of any Performance Goal and the resulting value of the Performance Award determined in accordance with the Performance Award Formula. No such reduction may result in an increase in the amount payable upon settlement of another Participant's Performance Award that is intended to result in Performance-Based Compensation.

(c) ***Effect of Leaves of Absence.*** Unless otherwise required by law or a Participant's Award Agreement, payment of the final value, if any, of a Performance Award held by a Participant who has taken in excess of thirty (30) days in leaves of absence during a Performance Period shall be prorated on the basis of the number of days of the Participant's Service during the Performance Period during which the Participant was not on a leave of absence.

(d) ***Notice to Participants.*** As soon as practicable following the Committee's determination and certification in accordance with Sections 10.5(a) and (b), the Company shall notify each Participant of the determination of the Committee.

(e) ***Payment in Settlement of Performance Awards.*** Subject to the provisions of Section 16 with respect to Section 409A, as soon as practicable following the Committee's determination and certification in accordance with Sections 10.5(a) and (b), but in any event within the Short-Term Deferral Period described in Section 16.1 (except as otherwise provided below or consistent with the requirements of Section 409A) payment shall be made to each eligible Participant (or such Participant's legal representative or other person who acquired the right to receive such payment by reason of the Participant's death) of the final value of the Participant's Performance Award. Payment of such amount shall be made in cash, shares of Stock, or a combination thereof as determined by the Committee. Unless otherwise provided in the Award Agreement evidencing a Performance Award, payment shall be made in a lump sum. If permitted by the Committee, and consistent with the requirements of Section 409A, the Participant may elect to defer receipt of all or any portion of the payment to be made to the Participant pursuant to this Section, and such deferred payment date(s) elected by the Participant shall be set forth in the Award Agreement. If any payment is to be made on a deferred basis, the Committee may, but shall not be obligated to, provide for the payment during the deferral period of Dividend Equivalents or interest.

(f) ***Provisions Applicable to Payment in Shares.*** If payment is to be made in shares of Stock, the number of such shares shall be determined by dividing the final value of the Performance Award by the Fair Market Value of a share of Stock determined by the method specified in the Award Agreement. Shares of Stock issued in payment of any Performance Award may be fully vested and freely transferable shares or may be shares of Stock subject to Vesting Conditions as provided in Section 8.5. Any shares subject to Vesting Conditions shall be evidenced by an appropriate Award Agreement and shall be subject to the provisions of Sections 8.5 through 8.8 above.

10.6 **Voting Rights; Dividend Equivalent Rights and Distributions.** Participants shall have no voting rights with respect to shares of Stock represented by Performance Share Awards until the date of the issuance of such shares, if any (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Performance Share Award that the Participant shall be entitled to receive Dividend Equivalents with respect to the payment of cash dividends on Stock during the period beginning on the date the Award is granted and ending, with respect to the particular shares subject to the Award, on the earlier of the date on which the Performance Shares are settled or the date on which they are forfeited. Such Dividend Equivalents, if any, shall be credited to the Participant in the form of additional whole Performance Shares as of the date of payment of such cash dividends on Stock. The number of additional Performance Shares (rounded down to the nearest whole number) to be so credited shall be determined by dividing (a) the amount of cash dividends paid on the dividend payment date with respect to the number of shares of Stock represented by the Performance Shares previously credited to the Participant by (b) the Fair Market Value per share of Stock on such date. Dividend Equivalents may be paid currently or may be accumulated and paid to the extent that Performance Shares become nonforfeitable, as determined by the Committee. Settlement of Dividend Equivalents may be made in cash, shares of Stock, or a combination thereof as determined by the Committee, and may be paid on the same basis as settlement of the related Performance Share as provided in Section 10.5. Dividend Equivalents shall not be paid with respect to Performance Units. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.4, appropriate adjustments shall be made in the Participant's Performance Share Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than normal cash dividends) to which the Participant would entitled by reason of the shares of Stock issuable upon settlement of

the Performance Share Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Performance Goals as are applicable to the Award.

10.7 **Effect of Termination of Service.** Unless otherwise provided by the Committee and set forth in the Award Agreement evidencing a Performance Award, the effect of a Participant's termination of Service on the Performance Award shall be as follows:

(a) ***Death or Disability.*** If the Participant's Service terminates because of the death or Disability of the Participant before the completion of the Performance Period applicable to the Performance Award, the final value of the Participant's Performance Award shall be determined by the extent to which the applicable Performance Goals have been attained with respect to the entire Performance Period and shall be prorated based on the number of months of the Participant's Service during the Performance Period. Payment shall be made following the end of the Performance Period in any manner permitted by Section 10.5.

(b) ***Other Termination of Service.*** If the Participant's Service terminates for any reason except death or Disability before the completion of the Performance Period applicable to the Performance Award, such Award shall be forfeited in its entirety; provided, however, that in the event of an involuntary termination of the Participant's Service, the Committee, in its sole discretion, may waive the automatic forfeiture of all or any portion of any such Award and provide for payment of such Award.

10.8 **Nontransferability of Performance Awards.** Prior to settlement in accordance with the provisions of the Plan, no Performance Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to a Performance Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

11. ***STANDARD FORMS OF AWARD AGREEMENT.***

11.1 **Award Agreements.** Each Award shall comply with and be subject to the terms and conditions set forth in the appropriate form of Award Agreement approved by the Committee and as amended from time to time. Any Award Agreement may consist of an appropriate form of Notice of Grant and a form of Agreement incorporated therein by reference, or such other form or forms, including electronic media, as the Committee may approve from time to time.

11.2 **Authority to Vary Terms.** The Committee shall have the authority from time to time to vary the terms of any standard form of Award Agreement either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement are not inconsistent with the terms of the Plan.

12. ***EFFECT OF CHANGE IN CONTROL ON AWARDS.*** Subject to the requirements and limitations of Section 409A if applicable, the Committee may provide for any one or more of the following:

12.1 **Accelerated Vesting.** The Committee may, in its discretion, provide in any Award Agreement or, in the event of a Change in Control, may take such actions as it deems appropriate to provide for the acceleration of the exercisability, vesting and/or settlement in connection with such Change in Control of each or any outstanding Award or portion thereof and shares acquired pursuant thereto upon such conditions, including termination of the Participant's Service prior to, upon, or following such Change in Control, to such extent as the Committee shall determine.

12.2 **Assumption, Continuation or Substitution.** In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the *"**Acquiror**"*), may, without the consent of any Participant, either assume or continue the Company's rights and obligations under each or any Award or portion thereof outstanding immediately prior to the Change in Control or substitute for each or any such outstanding Award or portion thereof a substantially equivalent award with respect to the Acquiror's stock, as applicable. For purposes of this Section, if so determined by the Committee, in its discretion, an Award denominated in shares of Stock shall be deemed assumed if, following the Change in Control, the Award confers the right to receive, subject to the terms and conditions of the Plan and the applicable Award Agreement, for each share of Stock subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled; provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise or settlement of the Award, for each share of Stock subject to the Award, to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. Any Award or portion thereof which is neither assumed or continued by the Acquiror in connection with the Change in Control nor exercised or settled as of the time of consummation of the Change in Control shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control.

12.3 **Cash-Out of Outstanding Stock-Based Awards.** The Committee may, in its discretion and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Award denominated in shares of Stock or portion thereof outstanding immediately prior to the Change in Control and not previously exercised or settled shall be canceled in exchange for a payment with respect to each vested share (and each unvested share, if so determined by the Committee) of Stock subject to such canceled Award in (i) cash, (ii) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control, reduced by the exercise or purchase price per share, if any, under such Award. In the event such determination is made by the Committee, the amount of such payment (reduced by applicable withholding taxes, if any) shall be paid to Participants in respect of the vested portions of their canceled Awards as soon as practicable following the date of the Change in Control and in respect of the unvested portions of their canceled Awards in accordance with the vesting schedules applicable to such Awards.

13. ***COMPLIANCE WITH SECURITIES LAW.***

The grant of Awards and the issuance of shares of Stock pursuant to any Award shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities and the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, no Award may be exercised or shares issued pursuant to an Award unless (a) a registration statement under the Securities Act shall at the time of such exercise or issuance be in effect with respect to the shares issuable pursuant to the Award or (b) in the opinion of legal counsel to the Company, the shares issuable pursuant to the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to issuance of any Stock,

the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

14. ***TAX WITHHOLDING.***

14.1 **Tax Withholding in General.** The Company shall have the right to deduct from any and all payments made under the Plan, or to require the Participant, through payroll withholding, cash payment or otherwise, to make adequate provision for, the federal, state, local and foreign taxes, if any, required by law to be withheld by the Participating Company Group with respect to an Award or the shares acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock, to release shares of Stock from an escrow established pursuant to an Award Agreement, or to make any payment in cash under the Plan until the Participating Company Group's tax withholding obligations have been satisfied by the Participant.

14.2 **Withholding in Shares.** The Company shall have the right, but not the obligation, to deduct from the shares of Stock issuable to a Participant upon the exercise or settlement of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of the Participating Company Group. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable minimum statutory withholding rates.

15. ***AMENDMENT OR TERMINATION OF PLAN.***

The Committee may amend, suspend or terminate the Plan at any time. However, without the approval of the Company's stockholders, there shall be (a) no increase in the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Section 4.4), (b) no change in the class of persons eligible to receive Incentive Stock Options, and (c) no other amendment of the Plan that would require approval of the Company's stockholders under any applicable law, regulation or rule, including the rules of any stock exchange or market system upon which the Stock may then be listed. No amendment, suspension or termination of the Plan shall affect any then outstanding Award unless expressly provided by the Committee. Except as provided by the next sentence, no amendment, suspension or termination of the Plan may adversely affect any then outstanding Award without the consent of the Participant. Notwithstanding any other provision of the Plan to the contrary, the Committee may, in its sole and absolute discretion and without the consent of any Participant, amend the Plan or any Award Agreement, to take effect retroactively or otherwise, as it deems necessary or advisable for the purpose of conforming the Plan or such Award Agreement to any present or future law, regulation or rule applicable to the Plan, including, but not limited to, Section 409A.

16. ***COMPLIANCE WITH SECTION 409A.***

16.1 **Awards Subject to Section 409A.** The provisions of this Section 16 shall apply to any Award or portion thereof that is or becomes subject to Section 409A, notwithstanding any provision to the contrary contained in the Plan or the Award Agreement applicable to such Award. Awards subject to Section 409A include, without limitation:

(a) Any Nonstatutory Stock Option that permits the deferral of compensation other than the deferral of recognition of income until the exercise of the Award.

(b) Any Restricted Stock Unit Award or Performance Award that either (i) the Award provides by its terms for settlement of all or any portion of the Award on one or more dates following the Short-Term Deferral Period (as defined below) or (ii) the Committee permits or requires the Participant to elect one or more dates on which the Award will be settled.

Subject to any applicable U.S. Treasury Regulations promulgated pursuant to Section 409A or other applicable guidance, the term "***Short-Term Deferral Period***" means the period ending on the later of (i) the 15th day of the third month following the end of the Company's fiscal year in which the applicable portion of the Award is no longer subject to a substantial risk of forfeiture or (ii) the 15th day of the third month following the end of the Participant's taxable year in which the applicable portion of the Award is no longer subject to a substantial risk of forfeiture. For this purpose, the term "substantial risk of forfeiture" shall have the meaning set forth in any applicable U.S. Treasury Regulations promulgated pursuant to Section 409A or other applicable guidance.

16.2 **Deferral and/or Distribution Elections.** Except as otherwise permitted or required by Section 409A or any applicable U.S. Treasury Regulations promulgated pursuant to Section 409A or other applicable guidance, the following rules shall apply to any deferral and/or distribution elections (each, an "***Election***") that may be permitted or required by the Committee pursuant to an Award subject to Section 409A:

(a) All Elections must be in writing and specify the amount of the distribution in settlement of an Award being deferred, as well as the time and form of distribution as permitted by this Plan.

(b) All Elections shall be made by the end of the Participant's taxable year prior to the year in which services commence for which an Award may be granted to such Participant; provided, however, that if the Award qualifies as "performance-based compensation" for purposes of Section 409A and is based on services performed over a period of at least twelve (12) months, then the Election may be made no later than six (6) months prior to the end of such period.

(c) Elections shall continue in effect until a written election to revoke or change such Election is received by the Company, except that a written election to revoke or change such Election must be made prior to the last day for making an Election determined in accordance with paragraph (b) above or as permitted by Section 16.3.

16.3 **Subsequent Elections.** Except as otherwise permitted or required by Section 409A or any applicable U.S. Treasury Regulations promulgated pursuant to Section 409A or other applicable guidance, any Award subject to Section 409A which permits a subsequent Election to delay the distribution or change the form of distribution in settlement of such Award shall comply with the following requirements:

(a) No subsequent Election may take effect until at least twelve (12) months after the date on which the subsequent Election is made;

(b) Each subsequent Election related to a distribution in settlement of an Award not described in Section 16.3(b), 16.4(b), or 16.4(f) must result in a delay of the distribution for a period of not less than five (5) years from the date such distribution would otherwise have been made; and

(c) No subsequent Election related to a distribution pursuant to Section 16.4(d) shall be made less than twelve (12) months prior to the date of the first scheduled payment under such distribution.

16.4 **Distributions Pursuant to Deferral Elections.** Except as otherwise permitted or required by Section 409A or any applicable U.S. Treasury Regulations promulgated pursuant to Section 409A or other applicable guidance, no distribution in settlement of an Award subject to Section 409A may commence earlier than:

(a) Separation from service (as determined by the Secretary of the United States Treasury);

(b) The date the Participant becomes Disabled (as defined below);

(c) Death;

(d) A specified time (or pursuant to a fixed schedule) that is either (i) specified by the Committee upon the grant of an Award and set forth in the Award Agreement evidencing such Award or (ii) specified by the Participant in an Election complying with the requirements of Section 16.2 and/or 16.3, as applicable;

(e) To the extent provided by the Secretary of the U.S. Treasury, a change in the ownership or effective control or the Company or in the ownership of a substantial portion of the assets of the Company; or

(f) The occurrence of an Unforeseeable Emergency (as defined by applicable U. S. Treasury Regulations promulgated pursuant to Section 409A).

Notwithstanding anything else herein to the contrary, to the extent that a Participant is a "Specified Employee" (as defined in Section 409A(a)(2)(B)(i)) of the Code) of the Company, no distribution pursuant to Section 16.4(a) in settlement of an Award subject to Section 409A may be made before the date which is six (6) months after such Participant's date of separation from service, or, if earlier, the date of the Participant's death.

16.5 **Unforeseeable Emergency.** The Committee shall have the authority to provide in the Award Agreement evidencing any Award subject to Section 409A for distribution in settlement of all or a portion of such Award in the event that a Participant establishes, to the satisfaction of the Committee, the occurrence of an Unforeseeable Emergency. In such event, the amount(s) distributed with respect to such Unforeseeable Emergency cannot exceed the amounts necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of such distribution(s), after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship) or cessation of deferrals under the Award. All distributions with respect to an Unforeseeable Emergency shall be made in a lump sum as soon as practicable following the Committee's determination that an Unforeseeable Emergency has occurred.

The occurrence of an Unforeseeable Emergency shall be judged and determined by the Committee. The Committee's decision with respect to whether an Unforeseeable Emergency has occurred and the manner in which, if at all, the distribution in settlement of an Award shall be altered or modified, shall be final, conclusive, and not subject to approval or appeal.

16.6 **Disabled.** The Committee shall have the authority to provide in any Award subject to Section 409A for distribution in settlement of such Award in the event that the Participant becomes Disabled. A Participant shall be considered "Disabled" if either:

(a) the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or

(b) the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Participant's employer.

All distributions payable by reason of a Participant becoming Disabled shall be paid in a lump sum or in periodic installments as established by the Participant's Election, commencing as soon as practicable following the date the Participant becomes Disabled. If the Participant has made no Election with respect to distributions upon becoming Disabled, all such distributions shall be paid in a lump sum as soon as practicable following the date the Participant becomes Disabled.

16.7 **Death.** If a Participant dies before complete distribution of amounts payable upon settlement of an Award subject to Section 409A, such undistributed amounts shall be distributed to his or her beneficiary under the distribution method for death established by the Participant's Election as soon as administratively possible following receipt by the Committee of satisfactory notice and confirmation of the Participant's death. If the Participant has made no Election with respect to distributions upon death, all such distributions shall be paid in a lump sum as soon as practicable following the date of the Participant's death.

16.8 **No Acceleration of Distributions.** Notwithstanding anything to the contrary herein, this Plan does not permit the acceleration of the time or schedule of any distribution under an Award subject to Section 409A, except as provided by Section 409A and/or the Secretary of the U.S. Treasury.

17. ***MISCELLANEOUS PROVISIONS.***

17.1 **Repurchase Rights.** Shares issued under the Plan may be subject to one or more repurchase options, or other conditions and restrictions as determined by the Committee in its discretion at the time the Award is granted. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

17.2 **Forfeiture Events.** The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of Service for Cause or any act by a Participant, whether before or after termination of Service, that would constitute Cause for termination of Service.

17.3 **Provision of Information.** Each Participant shall be given access to information concerning the Company equivalent to that information generally made available to the Company's common stockholders.

17.4 **Rights as Employee, Consultant or Director.** No person, even though eligible pursuant to Section 5, shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant. Nothing in the Plan or any Award granted under the Plan shall confer on any Participant a right to remain an Employee, Consultant or Director or interfere with or limit in any way any right of a Participating Company to terminate the Participant's Service at any time. To the extent that an Employee of a Participating Company other than the Company receives an Award under the Plan, that Award shall in no event be understood or interpreted to

mean that the Company is the Employee's employer or that the Employee has an employment relationship with the Company.

17.5 **Rights as a Stockholder.** A Participant shall have no rights as a stockholder with respect to any shares of Stock covered by an Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 4.4 or another provision of the Plan.

17.6 **Delivery of Title to Shares.** Subject to any governing rules or regulations, the Company shall issue or cause to be issued the shares of Stock acquired pursuant to an Award and shall deliver such shares to or for the benefit of the Participant by means of one or more of the following: (a) by delivering to the Participant evidence of book entry shares of Stock credited to the account of the Participant, (b) by depositing such shares of Stock for the benefit of the Participant with any broker with which the Participant has an account relationship, or (c) by delivering such shares of Stock to the Participant in certificate form.

17.7 **Fractional Shares.** The Company shall not be required to issue fractional shares of Stock upon the exercise or settlement of any Award.

17.8 **Retirement and Welfare Plans.** Neither Awards made under this Plan nor shares of Stock or cash paid pursuant to such Awards may be included as "compensation" for purposes of computing the benefits payable to any Participant under any Participating Company's retirement plans (both qualified and non-qualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefit.

17.9 **Beneficiary Designation.** Subject to local laws and procedures, each Participant may file with the Company a written designation of a beneficiary who is to receive any benefit under the Plan to which the Participant is entitled in the event of such Participant's death before he or she receives any or all of such benefit. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. If a married Participant designates a beneficiary other than the Participant's spouse, the effectiveness of such designation may be subject to the consent of the Participant's spouse. If a Participant dies without an effective designation of a beneficiary who is living at the time of the Participant's death, the Company will pay any remaining unpaid benefits to the Participant's legal representative.

17.10 **Severability.** If any one or more of the provisions (or any part thereof) of this Plan shall be held invalid, illegal or unenforceable in any respect, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions (or any part thereof) of the Plan shall not in any way be affected or impaired thereby.

17.11 **No Constraint on Corporate Action.** Nothing in this Plan shall be construed to: (a) limit, impair, or otherwise affect the Company's or another Participating Company's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or (b) limit the right or power of the Company or another Participating Company to take any action which such entity deems to be necessary or appropriate.

17.12 **Unfunded Obligation.** Participants shall have the status of general unsecured creditors of the Company. Any amounts payable to Participants pursuant to the Plan shall be unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974. No Participating Company shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with

respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Participant account shall not create or constitute a trust or fiduciary relationship between the Committee or any Participating Company and a Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant's creditors in any assets of any Participating Company. The Participants shall have no claim against any Participating Company for any changes in the value of any assets which may be invested or reinvested by the Company with respect to the Plan.

17.13 **Choice of Law.** Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Plan and each Award Agreement shall be governed by the laws of the State of California, without regard to its conflict of law rules.

IN WITNESS WHEREOF, the undersigned Secretary of the Company certifies that the foregoing sets forth the Globalstar, Inc. 2006 Equity Incentive Plan as duly adopted by the Board on July 12, 2006.

/s/ RICHARD S. ROBERTS

Secretary

QuickLinks

Exhibit 10.5

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

STARSEM LAUNCH SERVICES

AGREEMENT FOR THE LAUNCH
OF THE
GLOBALSTAR LLC SPARE SATELLITES
BY THE
SOYUZ LAUNCH SYSTEM

ONE FIRM AND ONE OPTIONAL LAUNCH SERVICES

DISTRIBUTION LIST

COMPANY	Name	Direction—Department
STARSEM		DE
		DT
		DC
		DF
GLOBALSTAR		

CHANGES

Issue	Date	Changes description
01	09/01/05	Issue 1—Initial release of the document

SIGNATURES FOR APPROVAL

GLOBALSTAR Signature

Name: P. ROSATI
Position: Contracts Manager
Date: 21 September 2005
Signature: /s/ PAUL ROSATI

Name: M. FITZGERALD
Position: Senior Vice-President Strategic Initiatives and Space Operations
Date: 21 September 2005
Signature: /s/ MEGAN FITZGERALD

STARSEM

Written by:

Name: C. TRASSY
Position: Legal Counsel
Date: 15 September 2005
Signature: /s/ C. TRASSY

Verified by:

Name: M. GROSHEITSCH
Position: Vice President—Missions
Date: 15 September 2005
Signature: /s/ M. GROSHEITSCH

Quality:

Name: J-Y MOALIC
Position: Quality Manager
Date: 15 September 2005
Signature: /s/ J-Y MOALIC

Approved by:

Name: C. RISING
Position: Deputy Vice-President Sales and Marketing
Date: 15 September 2005
Signature: /s/ CARL D. RISING

LAUNCH SERVICES AGREEMENT

This Launch Services Agreement is entered into

BY AND BETWEEN

GLOBALSTAR LLC a Delaware limited liability company with principal offices located at 461 South Milpitas Blvd, Milpitas, CA 95035, U.S.A. hereinafter referred to as "GLLC",

ON THE ONE HAND,

AND

STARSEM, a company organized under the laws of France with principal offices located at 2, rue François Truffaut, 91042 Evry Cedex, France, hereinafter referred to as "STARSEM",

ON THE OTHER HAND,

CONTENTS

SECTION A
TERMS AND CONDITIONS

SECTION B
APPENDICES

ARTICLE 1 DEFINITIONS

In this Agreement the terms set forth hereafter shall have the meaning given in this ARTICLE:

Additional Service(s) means those supplementary services defined in Appendix 1 - §7.10 to this Agreement and presented in Appendix 6 to the SOW.

Agreement means this Agreement as defined in ARTICLE 3 of this document.

Ancillary Equipment means all equipment, devices and software to be provided by GLLC and/or its Associates on the Launch Site in order to make the Satellite(s) ready for Launch.

Associate(s) means all individuals or legal entities, organized under public or private law, who shall act, directly or indirectly, on behalf or at the direction of either Party to this Agreement to fulfill the obligations undertaken by such Party in this Agreement, including, without limitation, the employees, officer agent of each of the Parties, their respective suppliers, contractors and sub-contractors at any tier. In the case of STARSEM, Associates shall include, without limitation, EADS, RUSSIAN FEDERAL SPACE AGENCY, ARIANESPACE, SAMARA SPACE CENTER and in the case of GLLC, Associates shall include, without limitation, SPACE SYSTEMS LORAL and ALENIA SPAZIO.

For the purpose of the definition of Third Party and ARTICLE 14:

a) Any individual or legal entity governed by private or public law that has directed STARSEM to proceed with the Launch Services or has any interest in the Launch Services, including, without limitation, a legal interest in the Launch Vehicle(s), shall be deemed to be an Associate of STARSEM.

b) Any individual or legal entity governed by private or public law that has directed GLLC to proceed with the procurement of Launch Services or has any interest in the Satellite(s) to be launched, including, without limitation, insurers, any person or entity to whom GLLC has sold or leased, directly or indirectly, or otherwise agreed to provide any portion of the Satellite(s) or Satellite(s) services, shall be treated to be an Associate of GLLC.

Notwithstanding the above-mentioned definition, the Parties understand that individual users (or final users) of the GLLC services shall not be considered "Associates".

Base Rate means CHASE MANHATTAN prime rate plus THREE percent (3%).

Commercial Insurance Market means the providers of insurance or reinsurance for space related risks on a regular basis that are not affiliated with or controlled directly or indirectly by GLLC.

Customer property means any property GLLC and/or its Associates use for Launch including the Satellite(s) and its/their Ancillary Equipment.

Deviation means non-compliance with the Interface Control Document (ICD) specifications (including its reference documents, applicable documents and appendices) with respect to the performance of the Launcher(s), and/or the environmental conditions undergone by the Satellite(s) during the period from the instant when the Launch(es) occurred until Satellite(s) separation, as evaluated on the basis of telemetry data received from the Launcher(s) and data recorded by active position-plotting and tracking facilities during and after Launch Mission(s).

Effective Date of Contract (EDC) date of signature of this Agreement, duly executed as set forth in ARTICLE 23.

Events of Force Majeure means events such as but not limited to explosions, fires, earthquakes, floods, bad weather and other Acts of God, wars, whether or not declared, social uprisings, strikes,

lock-outs and other labor problems, governmental or administrative measures, and all other events beyond the reasonable control of the Parties or their Associates that impede the execution of the obligations of the Parties or their Associates and including, but without limitation, the accomplishment of the Launch(es) within the Launch Period, Slot, Day or at Launch Time, provided such difficulties may not be overcome using efforts which may reasonably be expected of the Parties and/or their Associates under the circumstances. For clarification purposes, it is hereby stated that in the absence of a general US Department of State decision concerning STARSEM, STARSEM Sub-contractors, France, Russia, Kazakhstan pr launches from Baikonur, neither the failure to obtain an ITAR License, or the temporary suspension of an ITAR license or the definitive annulment of an ITAR License by the U.S. Department of State shall be considered as an Event of Force Majeure.

Within [*] days of learning of the occurrence of an Event of Force Majeure, the affected Party shall promptly notify the other Party of such occurrence and within [*] days thereafter shall send the other Party another notice stating the date, nature, extent, and anticipated consequences of the occurrence. In addition the Party suffering the Force Majeure Event shall notify the other Party the end of the Force Majeure Event within [*] days after such occurrence.

Firm Launch Services means the single Launch Service corresponding to 1 (one) Launch ordered by GLLC at the date of execution of this Agreement.

L_0 means the first day of the Launch Period, initially agreed upon at T_0

L_1 means the first day of the Launch Period agreed upon at T_1

L means the actual Launch Day.

*L** means L_1 if no postponement has been requested by STARSEM or otherwise the date obtained by adding to $L_1$the aggregate duration of Launch Period or Launch Slot postponement(s) requested by STARSEM after T_1 for such Launch pursuant to Paragraph 11.3 of ARTICLE 11 of this Agreement, including the aggregate duration of postponements caused by Events of Force Majeure and / or a delay to obtain an ITAR license in due time.

Launch or Launching means the disconnection of the lift-off plug of the Launch Vehicle, if such event follows the intentional ignition of the first (strap-on boosters) and second (core stage) stage liquid engines of the Launch Vehicle.

Launch Attempt or Launch Abort means the launch operations of a Launch Vehicle that has been integrated with the Satellite(s) supplied by GLLC upon the ignition of at least one of the first stage (strap-on boosters) or second stage (core stage) liquid engines without the Launch occurring.

Launch Site means the Baikonur Space Center (BSC) in Baikonur, Republic of Kazakhstan, including all its facilities and equipment.

Launch Campaign means the period beginning at the arrival of the Satellite(s) to the Launch Site and ending at the moment of departure of GLLC's and/or its Associate's ground equipment.

Launch Day or Day means a calendar day (established for the Launch pursuant to this Agreement) within the Launch Slot during which the Launch is scheduled to occur.

Launch Opportunity means the availability to GLLC within a Launch Period or Launch Slot of a Launch on a Soyuz Launch Vehicle of the GLLC Satellite(s). Such availability is linked to the time required to complete the mission analysis studies and to select the Launch Vehicle/Satellite(s)configuration.

Launch Period or Period means a period of THREE (3) consecutive months.

Launch Services means the services to be provided by STARSEM as defined herein and in Appendix 1 and Appendix 2 to this Agreement.

Launch Slot or Slot means a period of 30 consecutive days within a Launch Period such that, where possible, each of its days is a Launch Day.

Launch Time means the time that Launch is scheduled to take place, defined in hours, minutes and seconds (GMT Universal Time).

Launch Vehicle or Launcher means a Soyuz vehicle to perform the Launch Mission including the Satellite(s) dispenser as defined in Appendix 1 to this Agreement.

Launch Vehicle Mission or Launch Mission means the mission assigned to the Launch Vehicle as defined in Appendix 1 and Appendix 2 to this Agreement.

Loss Quantum means the degradation factor of the Satellite(s) as defined by the LRG and by the Satellite(s) launch and in-orbit insurance policies taken by STARSEM. The provisional Loss Quantum to be defined in the insurance policy when subscribed would be [*]%.

OL_0 means the first day of the Optional Launch Period, initially agreed upon at T_0

OL_1 means the first day of the Optional Launch Period, agreed upon at T_{OL}

OL means the actual Launch Day of the Optional Launch

*OL** means OL_1 if no postponement has been requested by STARSEM or otherwise the date obtained by adding to OL_1 the aggregate duration of Launch Period or Launch Slot postponement(s) requested by STARSEM after T_{OL} for such Launch pursuant to Paragraph 11.3 of ARTICLE 11 of this Agreement, including the aggregate duration of postponements caused by Events of Force Majeure and / or a delay to obtain an ITAR license in due time.

Optional Launch Services means the right for GLLC to order from STARSEM supplementary Launch Services to be performed by STARSEM under the provisions of this Agreement.

Party or Parties means GLLC or STARSEM or both according to the context.

Post-Launch Services means the reports and range services as defined in Appendix 1 to this Agreement that are to be provided to GLLC by STARSEM after the Launch Mission.

Reflight means replacement Launch Services under ARTICLE 13 of this Agreement.

Replacement Satellite(s): means the satellites to be launched on the Reflight.

Satellite(s) means any particular spacecraft supplied by GLLC that is(are) compatible with the Launch Vehicle and the Launch Vehicle Mission, by meeting the specifications set forth in Appendix 2 to this Agreement.

Satellite(s) Mission means the mission assigned to any particular Satellite(s) by GLLC after separation from the Launch Vehicle.

Satellite(s) Separation means the moment of loss of physical contact between Satellite(s) and Launch Vehicle, as indicated by the Launch Vehicle.

STARSEM Payload Preparation and Launch Facilities (SPPLF) means the complex of installations and facilities at Baikonur needed to prepare the Satellite(s) for Launch.

STARSEM property means any property STARSEM uses to perform the Launch Mission(s) and interface tests, or any property placed at GLLC's and/or its Associate's disposal, including without limitation the Launch Vehicle(s) and any movable or immovable property at the Launch Site and at the STARSEM Payload Preparation and Launch Facilities (SPPLF).

T_0 means the Authority to Proceed with the Feasibility/Compatibility Study and Procurement of Long Lead Items. (Pending approval/activation of required U.S. ITAR licenses.)

T_1 means the Authority to Proceed with the Firm Launch Services or, with the Firm Launch Services and the Optional Launch Services.

T_{OL} means the Authority to Proceed with the Optional Launch Services.

Third Party(ies) means any individual or legal entity other than the Associates or the Parties.

Total Launch Mission Failure or Launch Failure means, for the application of ARTICLE 13:

a) that the Satellite(s) loaded into the Launch Vehicle (i) is(are) destroyed or lost during the period extending from the instant when the Launch occurred to the instant the Satellite(s) is(are) separated from the Launch Vehicle; or (ii) cannot be separated from the Launch Vehicle; or (iii) is(are) destroyed or lost due to a post-separation collision of such Satellite(s) with Launch Vehicle or any part of it; or

b) the occurrence, due to a Deviation, of a reduction of the operational capability (Loss Quantum) of the Satellite(s) for GLLC's intended purpose.

ARTICLE 2 SUBJECT OF THE AGREEMENT

The subject of this Agreement is the performance of ONE (1) Firm Launch Services and of ONE (1) Optional Launch Services to launch the Satellite(s) supplied by GLLC at the Launch Site for the purpose of accomplishing the Launch Mission(s) in accordance with the terms and conditions of this Agreement.

ARTICLE 3 CONTRACTUAL DOCUMENTS

3.1. This Agreement consists of the following documents which are contractually binding between the Parties:

- Terms and Conditions.
- Appendix 1 "Statement of Work" (SOW)—ST-GLS-SOW-01.
- Appendix 2 "Interface Control Document" (ICD)—ST-GLS-ICD-01.

3.2. All of the Agreement documents shall be read so as to be consistent to the extent practical. In the event of any inconsistency between the above documents, the Terms and Conditions shall prevail over the Appendix 1 (SOW), and Appendix 1 (SOW) shall prevail over Appendix 2 (ICD) and Appendix 2 shall prevail over Soyuz User's Manual (ST-GTD-SUM-01—Issue 3) as modified by the Technical Note ST-GTD-NTE-01.

ARTICLE 4 STARSEM SERVICES

4.1. STARSEM shall perform the following services under the terms and conditions defined herein:

4.1.1. ONE (1) Compatibility/Feasibility Study as defined in Appendix 1 and Appendix 2.

4.1.2. ONE (1) Procurement of Long Lead Items as defined in Appendix 1 and Appendix 2.

4.1.3. ONE (1) Firm Launch Service as defined in Appendix 1 and Appendix 2.

Firm Launch Services

Firm Launch	Launch Vehicle Configuration(*)			Satellites to be Launched
	Soyuz 3-Stage	Fairing	Dispenser	
1	Soyuz FG	S / SL	"IKAR-modified"	4

* As defined in Appendix 1 and Appendix 2.

4.1.4. ONE (1) Optional Launch Services as may be ordered by GLLC.

Optional Launch Services

Optional Launch	Launch Vehicle Configuration(*)			Satellites to be Launched
	Soyuz 3-Stage	Fairing	Dispenser	
2	Soyuz FG	S / SL	"IKAR-modified"	4

* As defined in Appendix 1 and Appendix 2.

4.2. Launch Services, with the exception of Post-Launch Services, shall be deemed to be accomplished by STARSEM at the point of Satellite(s) separation and STARSEM shall not assume any further liability for said Launch Services, except as expressly provided in this Agreement. In the event that, for any reason whatsoever, a Launch Attempt occurs, STARSEM shall postpone the Launch in accordance with the conditions set forth in ARTICLE 11 of this Agreement.

4.3. STARSEM warrants that all data deliverables shall conform with the requirements of this Agreement and, all services shall be performed in a skillful and workmanlike manner and shall conform with the requirements of this Agreement and the highest professional industrial standards.

ARTICLE 5 GLLC'S TECHNICAL COMMITMENTS

GLLC undertakes to fulfill the technical commitments set forth in this Agreement and Appendix 1 and Appendix 2, including, without any limitation, delivery of the technical information and delivery of the Satellite(s) to the Launch Site within time limits which are consistent with the Launch schedules set forth under this Agreement and in Appendix 1.

GLLC shall promptly notify STARSEM in writing of any event that reasonably may cause a delay in the Launch schedules.

ARTICLE 6 LAUNCH SCHEDULE

6.1. Launch schedule.

The anticipated Launch schedule for GLLC Firm and Optional Launches is the following:

Launch Number	Anticipated Launch Period	Preliminary Launch Period Determined at:	Launch Period Finalized at:
Firm Launch	Launch Period = 1 March - 31 May, 2007	T_0	T_1
Optional Launch	01 June - 31 August 2007 or 01 September - 30 November 2007	T_0	T_{OL}

STARSEM and GLLC recognize that the above Launch Periods are indicative only and shall be determined between the Parties in accordance with Paragraph 6.2 hereunder.

6.2. Determination of Launch Vehicle Configuration, Launch Period, Launch Slot, scheduled Launch Day and Launch Time.

6.2.1. STARSEM and GLLC agree that the Launch Period of the Firm Launch Services stated for in Sub Paragraph 0 above, shall be finalized no later than [*] months prior to the first day of the applicable Launch Period, by mutual agreement of the Parties taking into account the launch manifest of STARSEM at that date. L_1 shall be defined as the first day of the agreed upon Launch Period.

6.2.2. The Launch Period of the Optional Launch Services stated for in Sub Paragraph 6.1 above, shall be finalized no later than [*] months prior to the first day of the applicable Launch Period, by mutual agreement of the Parties taking into account the launch manifest of STARSEM at that date. OL_1 shall be defined as the first day of the agreed upon Launch Period.

6.2.3. The Launch Slot within a Launch Period of any Launch Services shall be determined by mutual agreement of the Parties no later than [*] months prior to the first day of the applicable Launch Period, taking into account the Launch Opportunities.

6.2.4. The Launch Day within a Launch Slot of any Launch Services and the Launch Time shall be determined by mutual agreement of the Parties no later than the applicable Final Mission Analysis Review, based on a proposal made by STARSEM.

6.2.5. In the event that, for any reason whatsoever, the Parties fail to agree upon the Launch Slot within the Launch Period, the Launch Day, or the Launch Time, STARSEM shall determine said Launch Slot, Launch Day, or Launch Time taking into account the available Launch Opportunities, and the requirements and interests of GLLC.

ARTICLE 7 COORDINATION BETWEEN STARSEM AND GLLC

7.1. GLLC and STARSEM shall each designate a project Mission Manager no later than ONE (1) month following EDC.

7.2. All communication between the Parties concerning the Agreement and its implementation shall be made exclusively through the Mission Managers at the addresses of the Parties set forth in the Agreement.

7.3. The task of the Mission Managers shall be to supervise and to co-ordinate the performance of the Launch Services and of the respective technical commitments of the Parties within the Launch schedules set forth in this Agreement.

7.4. The Mission Managers shall be endowed upon their appointment by each of the Parties with sufficient powers to enable them to resolve any technical issues that may arise during the performance of this Agreement, as well as any other questions arising from its day-to-day management. Should the Mission Managers have unresolved technical issues, such issues will be escalated to the respective signatories of the SOW.

7.5. Either Party may replace its Mission Manager by informing the other Party in writing of such action and indicating the effective date of designation. Such notification shall be signed by an official of the respective Party who is authorized to amend this Agreement, and shall become part of this Agreement when received by the other Party.

7.6. STARSEM shall invite GLLC to participate in the reviews concerning the Launch Services or the Launch Vehicle(s) as defined in Appendix 1. The associated documentation shall be made available at least TEN (10) calendar days prior to the date of such reviews.

ARTICLE 8 REMUNERATION

8.1. The remuneration of STARSEM for the provision of the Launch Services set forth herein is as follows:

The following table provides prices in Euro for Soyuz Firm Launch Services.

Firm Launch	Launch Vehicle Configuration(*)			Launch Services Price (Euro)
	Soyuz 3-Stage	Fairing	Dispenser	
1	Soyuz FG	S / SL	"IKAR-modified"	[*]

* As defined in Appendix 1 and Appendix 2.

The Launch Services prices indicated in the proceeding Table are inclusive of the following Preliminary Payments.

- [*] for the completion of Compatibility/Feasibility Studies described in Appendix 2 to the SOW,
- [*] for the procurement of Dispenser Long Lead Items described in Appendix 1 to the SOW.

The following table provides prices in Euro for Soyuz Optional Launch Services.

Optional Launch Alternative	Launch Vehicle Configuration(*)			Launch Services Price (Euro)
	Soyuz 3-Stage	Fairing	Dispenser	
1	Soyuz FG	S / SL	"IKAR-modified"	[*]

* As defined in Appendix 1 and Appendix 2.

8.2 Additional Services

The remuneration of STARSEM for the provision of any selected Additional Services shall be per the prices provided in Appendix 6 to the SOW.

8.3 STARSEM shall pay all taxes and other duties of any French tax authority or the authority of any country where work is performed by STARSEM and/or its suppliers.

ARTICLE 9 PRICE ESCALATION FORMULA

9.1. Firm Launch Services.

Should GLLC finalize a Launch Period with L_1 established more than [*] months later than L_0, the price identified in Article 8 "Remuneration" shall be subject to an adjustment of [*]% per month, calculated from L_0 to L_1.

9.2. Optional Launch Services.

Should GLLC exercise the option and finalize a Launch Period with OL_1 established more than [*] months later than OL_0, the price identified in Article 8 "Remuneration" shall be subject to an adjustment of [*]% per month, calculated from OL_0 to OL_1.

ARTICLE 10 PAYMENT FOR SERVICES

10.1. Payment Plan.

10.1.1. Payment Plan of Firm Launch Services.

Payment of the remuneration under Paragraph 8.1 of ARTICLE 8 of this Agreement for any Launch Services shall be made in accordance with the following payment schedule:

		Preliminary Payments (Euro)	
Due Date of Payment For Firm Launch Services	**Launch Services Payments* (Euro)**	**Compatibility / Feasibility Study**	**Long-Lead Items Dispenser [1(a)]**
EDC			
[*]		[*]	

(*) Launch Services Payments are calculated as a percentage of the applicable Launch Services price minus the Preliminary Payments billed to date (defined in ARTICLE 8).

Payment Example: At EDC, GLLC signs a Contract for Soyuz FG Launch Services, which allows for an Authority to Proceed at T_1, 12 months before the required launch date.

Case 1: [*]

T_0 = Authority to Proceed with the Feasibility/Compatibility Study and Procurement of Long Lead Items. (Pending approval/activation of required U.S. ITAR licenses.)

T_1 = Authority to Proceed with the Firm Launch Services or, with the Firm Launch Services and the Optional Launch Services.

L_0 = First day of the Launch Period, initially agreed upon at T_0

L_1 = First day of the Launch Period agreed upon at T_1

L = The actual Launch Day.

10.1.2. Payment Plan of Optional Launch Services.

Due Date of Payment For Optional Launch Services	Payments(*) Launch Services (Euro)
Option Exercised	
[*]	

(*) Launch Services Payments are calculated as a percentage of the applicable Launch Services price defined in ARTICLE 8).

T_{OL} = Authority to Proceed with the Optional Launch Services.

OL_0 = First day of the Optional Launch Period, initially agreed upon at T_0

OL_1 = First day of the Optional Launch Period, agreed upon at T_{OL}

OL = The actual Launch Day of the Optional Launch

10.2. Payment for Additional Services.

Payment for Additional Services ordered by GLLC and associated payment plans will be provided through specific agreements detailed in Contract Change Notices (CCN). Prices for usual Additional Services are detailed in Appendix 6 to the SOW..

10.3. Payments terms

10.3.1. In all cases where this Agreement establishes a precise due date of payment, payment shall be made on such date, or within [*] days of GLLC's receipt of STARSEM corresponding invoice, whichever is later.

Notwithstanding the above, it is agreed by the Parties that the first payment shall be paid within [*] business days following EDC.

10.3.2. Any and all STARSEM invoices shall be drawn in THREE (3) copies (ONE (1) original and TWO (2) copies) and sent to the following:

Globalstar LLC,
Post Office Box 640670
San Jose, California—95164-0670
Attention: Accounts Payable.

10.3.3. Payments shall be made in Euro, to the account(s) designated on the relevant invoice, by electronic bank transfer, free of charge for STARSEM. Copy of such electronic transfer order shall be sent by fax to STARSEM. This notice of payment shall clearly state the value date to be applied and the bank through which the funds will be made available to the receiving bank or its correspondent.

10.3.4. GLLC's payment(s) shall be in the amount(s) invoiced by STARSEM, and shall be made net, free and clear of any and all taxes, duties, bank charges or withholdings that may be imposed in the country from which they are paid so that STARSEM receives each such payment in its entirety as if no such tax, duty, or withholding had been made.

10.3.5. Payment(s) by GLLC shall be effective as of the date on which the amount of STARSEM's invoice is credited for value to the designated account(s).

10.4. Late Payment.

In the event of late payment, GLLC shall pay STARSEM interest on such late payment at the Base Rate per annum from the due date of payment up to and including the date of payment. The computation of interest for late payments shall be based on a year of 360 days.

During any period of non-payment in excess of [*] days, STARSEM shall be entitled to reschedule the considered Launch under Sub-paragraph 11.3.5 of ARTICLE 11 of this Agreement and to suspend any and all of its activities in preparation for the considered Launch, provided that STARSEM shall have notified GLLC of its failure to comply with its payment obligation at least [*] days prior to such suspension and rescheduling.

Any non-payment period in excess of [*] days shall constitute GLLC's material breach of this Agreement, and STARSEM shall be entitled to terminate the concerned Launch Services pursuant to the provisions of ARTICLE 19.

10.5. Waiver of Deferral, Withholding or Set-off.

Under this Article 10 and unless otherwise specified in this Agreement, GLLC irrevocably waives any right to defer, withhold or set-off by counterclaim or other legal or equitable claim or otherwise all or any part of any payment under this Agreement for any reason whatsoever. All payments due under this Agreement shall be made in their entirety and on the dates specified in this Agreement.

ARTICLE 11 LAUNCH SCHEDULE ADJUSTMENT

11.1. Each postponement of a Launch Period, a Launch Slot, a Launch Day or a Launch Time for whatever reason, shall be governed solely by the terms and conditions provided in this ARTICLE 11. The Parties hereto expressly waive, renounce, and exclude any and all rights and remedies that may arise at law or in equity with respect to postponements that are not stated in this ARTICLE 11 or elsewhere in this Agreement.

11.2. Postponements requested by GLLC.

11.2.1. GLLC shall have the right [*].

11.2.1.1. If GLLC's written request relates to a Launch Period or a Launch Slot postponement, within [*] of receipt of such request, STARSEM shall inform GLLC whether a Launch Opportunity exists within the Launch Period, or within the Launch Slot requested, or will propose a new Launch Period or Launch Slot. GLLC shall have [*] following receipt of STARSEM's proposal to consent thereto in writing. In the event STARSEM's counterproposal is not acceptable for GLLC, the Parties shall mutually agree within the [*] weeks upon an alternative Launch Opportunity as near as possible to GLLC's request.

11.2.1.2. If GLLC's written request relates to a Launch Day postponement, the choice of a new Launch Day shall be made by mutual agreement of the Parties, taking into account the technical needs and interests of GLLC, the time necessary for the revalidation of the Soyuz Launch Vehicle, the Soyuz Launch Complex (SLC), the Soyuz Payload Preparation and Launch Facilities (SPPLF), and the Baikonur Space Center (BSC) facilities and services used for launching the Launch Vehicle and the meteorological forecasts. Should postponement of the Launch Day lead to postponement beyond the Launch Slot, Sub-paragraph 11.2.1.1 of ARTICLE 11 of this Agreement shall apply.

11.2.1.3. GLLC can stop the final countdown sequence until Launch Time—20 seconds. In the event that GLLC has requested such postponement and that technical reasons, including, without limitation, those relating to meteorological reasons, prevent STARSEM

from performing the considered Launch on the Launch Day, the postponement shall be considered to be a postponement of the Launch Day, and Sub-paragraph 11.2.1.2 shall apply.

11.2.1.4. In the event that a singular or cumulative amount of postponement pursuant to this Paragraph 11.2. is less than [*] the considered payment schedule shall not be affected. In the event that a singular or cumulative amount of postponement pursuant to this Paragraph 11.2 is in excess of [*], then the considered payment schedule shall be modified accordingly, being agreed that the sums remaining due will be increased at a rate of [*].

11.2.1.5. In the event that a singular or cumulative amount of postponement pursuant to this Paragraph 11.2 is in excess of [*], then STARSEM may be entitled to terminate the considered Launch Services in accordance with ARTICLE 19 of this Agreement.

11.2.1.6. For the implementation of Sub-paragraph 11.2.1.4 and Sub-paragraph 11.2.1.5 above, the aggregate duration of any postponement(s) resulting from the occurrence of one or more of the events listed hereinafter shall not be accounted:

(i) Events of Force Majeure, and/or

(ii) Damages caused by STARSEM and/or its Associates to the Property of GLLC and/or the property of its Associates, and/or

(iii) Bodily harm caused by STARSEM and/or its Associates to GLLC and/or its Associates.

(iv) Delays due to either the failure to obtain an ITAR License, or the temporary suspension of an ITAR license or the definitive annulment of an ITAR License by the U.S. Department of State when this delay occurs before [*].

11.2.2. GLLC shall not be liable for postponement fees or liquidated damages for any Launch Period, Launch Slot or Launch Day postponement.

11.2.3. Notwithstanding Sub-paragraph 11.2.2 above, it is agreed by the Parties that GLLC shall indemnify STARSEM for the direct costs, directly incurred or billed by sub-contractors, to the exclusion of consequential damages (including but not limited to loss of revenue, loss of business), resulting of any postponement requested by GLLC during the Launch Campaign. The Parties hereby agree to control and limit as much as possible those costs.

11.3. Launch postponement by STARSEM.

11.3.1. STARSEM shall have the right to postpone a Launch Period, or if already determined, a Launch Slot, a Launch Day or a Launch Time up to a cumulative maximum of [*].

STARSEM's right to postpone Launch schedule under this Paragraph 11.3 shall be for whatever reasons.

The Parties shall determine by mutual agreement a new Launch Period and/or a new Launch Slot as near as possible to that postponed in accordance with a Launch Opportunity for the considered GLLC's Satellite(s). The new Launch Day and the new Launch Time shall be determined by mutual agreement of the Parties according to the technical constraints of STARSEM and/or of its Associates and the respective interests of the Parties.

11.3.2. In the event that a singular or cumulative amount of postponement pursuant to this Paragraph 11.3 is less than [*], the considered payment schedule shall not be affected. In the event that a singular or cumulative amount of postponement pursuant to this 11.3 is in excess of [*], then GLLC shall be entitled to defer the considered payment(s) remaining due under Paragraph 10.1 or Paragraph 10.2 of ARTICLE 10 of this Agreement at the date of the postponement by the number of days of postponement.

11.3.3. In the event of a singular or cumulative amount of postponement pursuant to this Paragraph 11.3 in excess of [*], then GLLC may be entitled to terminate the procurement of considered Launch Services in accordance with Paragraph 18.3 of ARTICLE 18 of this Agreement.

11.3.4. For the implementation of Sub-paragraph 11.3.2 and Sub-paragraph 11.3.3 above, the aggregate duration of any postponement(s) resulting from the occurrence of one or more of the events listed hereinafter shall not be accounted:

(i) Events of Force Majeure, and/or

(ii) Damages caused by GLLC and/or its Associates to the Property of STARSEM and/or the property of its Associates, and/or

(iii) Bodily harm caused by GLLC and/or its Associates to STARSEM and/or its Associates.

11.3.5. In the event of a GLLC's non-fulfillment of its obligations under this Agreement (subject to Paragraph 10.4 of ARTICLE 10 of this Agreement in case of late payment), STARSEM shall have as its sole remedy the right to postpone the considered Launch Period, Launch Slot, Launch Day or the Launch Time. In this event and subject to such GLLC's failure making the considered Launch impossible within the Launch Period, Launch Slot, Launch Day, or the Launch Time, the terms of Paragraph 11.2 of ARTICLE 11 of this Agreement shall apply.

Postponement under this Sub-paragraph 11.3.5 shall be considered to be requested by GLLC as of the date of STARSEM's decision to postpone the considered Launch.

11.3.6. STARSEM shall not be liable for postponement fees or liquidated damages for any Launch Period, Launch Slot, Launch Day or Launch Time postponement.

11.3.7. Notwithstanding the above Sub-paragraph 11.3.6, it is agreed by the Parties that STARSEM shall indemnify GLLC for the direct costs, directly incurred or billed by sub-contractors, to the exclusion of consequential damages (including but not limited to loss of revenue, loss of business), resulting of any postponement requested by STARSEM during the Launch Campaign. The Parties hereby agree to control and limit as much as possible those costs.

ARTICLE 12 RIGHT OF OWNERSHIP AND CUSTODY

12.1. The obligations of STARSEM under this Agreement are strictly limited to the Launch Services, and GLLC acknowledges and agrees that at no time shall it have any right of ownership of, any other right in, or title to, the property that STARSEM shall use in connection with the Launch Services, or shall place at GLLC's disposal for the purpose of this Agreement, including, without limitation, the Launch Vehicles and the Launch Site. Said property shall at all times be considered to be the sole property of STARSEM.

12.2. STARSEM acknowledges and agrees that at no time shall it have any right of ownership, or any other right in, or title to, the property that GLLC shall use for the procurement of Launch Services and the interface test(s), including, without limitation, the Satellites and all equipment, devices and software to be provided by GLLC at the Launch Site in order to prepare the Satellites for Launch. Said property shall at all times be considered to be the sole property of GLLC.

12.3. At all times during the performance by the Parties of this Agreement, each Party shall be deemed to have full custody and possession of its own property.

ARTICLE 13 LAUNCH RISK GUARANTEE

GLLC shall have the possibility to purchase a Soyuz Launch Risk Guarantee (LRG) Option, for any Launch Services performed under this Agreement. If this option is exercised, in the event of a Launch Failure, STARSEM shall provide a Reflight as described below. The option shall be exercised before L*-5 months and exact terms of the policy shall be settled at that time.

13.1. Reflight.

13.1.1. In the event of a Launch Failure, STARSEM shall perform a Reflight, in accordance with the provisions of this Agreement, with no further payment than those due and payable under this Agreement for such considered Launch Services by GLLC to STARSEM, to be due for the provision of (i) the Launch Services associated with the Launch of a Replacement Satellite(s) that complies with all specifications stated in the Interface Control Document, and (ii) such Additional Services as are retained by GLLC as of the date of execution of this Agreement.

13.1.2. STARSEM shall be capable to provide such Reflight within TBD (TBD) months following the written request received from GLLC provided that such request is made by GLLC no later than TBD (TBD) calendar days following the occurrence of the Total Launch Failure, and pending an authority to launch is given by the resultant failure investigation board.

13.1.3. GLLC is entitled to select a Launch Slot beyond such TBD (TBD) month period (see Paragraph 13.1.2) up to and including TBD (TBD) months following the day of such Total Launch Failure. The Parties according to provisions of Paragraph 6.2.3 and Paragraph 6.2.4 of ARTICLE 6 above shall determine the considered Launch Slot and Launch Day of such Reflight.

13.1.4. The implementation of this Paragraph 13.1 shall not imply any transfer of title of the Satellite(s) to STARSEM. In the case of Launch Failure, the rights of STARSEM shall be the same as those of any entity(ies) who could cover risks related to the Launch of the Satellite(s) (including, without limitation, insurers of GLLC). Specially and without limitation, in circumstances where salvage can be performed, STARSEM will be entitled to a share in any salvage value remaining in any portion of the Satellite(s) for which the Reflight has been due by STARSEM to GLLC and will negotiate the disposition of the Satellite(s) if transfer of title has been requested.

13.1.5. In the event that, after application of this Paragraph 13.1 due to a Launch Failure, the Satellite(s) is(are) placed into commercial operation and/or is(are) sold, leased or otherwise transferred, STARSEM shall be entitled to a share of any resulting revenues and/or payments, as shall be negotiated and agreed upon promptly, taking into account the conditions peculiar to such commercial operation, but in no case shall any shared amount exceed the Launch Services price remunerated in Article 8

13.1.6. There shall not be any coverage for Launch Failure and consequently the provisions of Paragraph 13.1 of ARTICLE 13 hereof shall not apply, in any of the following cases:

13.1.6.1. If GLLC does not notify in writing STARSEM of any event that would entitle GLLC to any right under Paragraph 13.1 of ARTICLE 13 of this Agreement before the first to occur of any of the THREE (3) following events:

(i) the day the Satellite(s) is(are) put into commercial operation,

(ii) the SIXTIETH (60^{th}) day following the date of station acquisition of the Satellite(s),

(iii) the NINETIETH (90^{th}) day at zero hour following the date of the related Launch.

Notwithstanding the foregoing, an extension of the periods hereabove shall be obtained upon request from GLLC if both of the following conditions occur:

(a) the Launch Mission is not in conformance with the specifications but the Satellite(s) reached its(their) final position such that it cannot be determined that a Launch Failure has occurred and;

(b) GLLC's request for extension is received before the first of the THREE (3) events specified above.

In no event, shall such extension extend beyond the ONE HUNDRED AND EIGHTIETH (180^{th}) day following the date of the related Launch.

And/or

13.1.6.2. If the Launch Failure is caused by, or results from one or more of the following events:

(a) War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by (a) any government or sovereign power (de jure or de facto), or (b) any authority maintaining or using a military, naval or air force, or (c) a military, naval or air force, or (d) any agent of any such government, power, authority or force;

(b) Any anti-satellite device, or device employing atomic or nuclear fission and/or fusion, or device employing laser or directed energy beams;

(c) Insurrection, strikes, riots, civil commotion, rebellion, revolution, civil war, usurpation or action taken by a government authority in hindering, combating, or defending against such an occurrence whether there be a declaration of war or not;

(d) Confiscation by order of any government or governmental authority or agent (whether secret or otherwise) or public authority;

(e) Nuclear reaction, nuclear radiation, or radioactive contamination of any nature, whether any such loss or damage be direct or indirect, except for radiation naturally occurring in the space environment;

(f) Willful or intentional acts of GLLC designed to cause loss or failure of the Satellite(s);

(g) Electromagnetic or radio frequency interference, except for physical damage to the Satellite(s) resulting from such interference and except for interference naturally occurring in the space environment.

13.2. Should GLLC exercise the Reflight (LRG Option) as defined in Paragraph 13.1 above on particular Launch Services, GLLC shall have the possibility to purchase a Launch Risk Guarantee for the subsequent Launch Services; any and all other rights and remedies of GLLC being excluded whatever their nature.

ARTICLE 14 ALLOCATION OF POTENTIAL LIABILITIES AND RISKS

14.1. Allocation of risks for damages caused by one Party and/or its Associates to the other Party and/or its Associates, except as provided in this Agreement and/or in the case of gross negligence or willful misconduct,:

14.1.1. Due to the particular nature of the Launch Services, the Parties agree that any liability of STARSEM or of GLLC arising from the defective, late or non-performance of

STARSEM's Services and GLLC's technical obligations under this Agreement is, in all circumstances, including termination of this Agreement in all or in part, strictly limited to the liability expressly provided for in this Agreement. Except as provided in this Agreement, the Parties hereto expressly waive, renounce, and exclude any and all rights and remedies that may arise at law or in equity with respect to the Launch Services.

14.1.2. Each Party shall bear any and all loss of or damage to property and any bodily injury (including death) and all consequences, whether direct or indirect, of such loss, damage or bodily injury (including death), and/or of a Launch Failure and/or of Satellite(s) Mission failure, which it or its Associates may sustain, directly or indirectly, arising out of or relating to this Agreement or the performance of this Agreement. Each Party irrevocably agrees to a no-fault, no-subrogation, inter-party waiver of liability, and waives the right to make any claims or to initiate any proceedings whether judicial, arbitral, or administrative on account of any such loss, damage or bodily injury (including death) and/or Launch Failure and/or Satellite(s) Mission failure against the other Party or that other Party's Associates arising out of or relating to this Agreement for any reason whatsoever.

Furthermore there shall be no liability of STARSEM or its Associates for any loss or damages to GLLC or its Associates, resulting from the intentional destruction of the Launch Vehicle and the Satellite(s) in furtherance of Launch Site safety measures. Notwithstanding the preceding sentence, such intentional destruction of the Launcher shall be deemed a Total Launch Mission failure, for which the provisions of ARTICLE 13 of this Agreement shall apply.

Each Party agrees to bear the financial and any other consequences of such loss, damage or bodily injury (including death) and/or of a Launch Mission(s) failure and/or Satellite(s) Mission failure which it or its Associates may sustain, without recourse to the other Party or the other Party's Associates.

14.1.3. In the event that one or more Associates of a Party shall proceed against the other Party and/or that Party's Associates as a result of such loss, damage or bodily injury (including death) and/or Launch Failure and/or Satellite(s) Mission failure, the first Party shall indemnify, hold harmless, dispose of any claim, and defend, when not contrary to the governing rules of procedure, the other Party and/or its Associates, as the case may be, from any liability, cost or expense, including attorneys' fees, on account of such loss, damage or bodily injury (including death) and/or Launch Failure and/or Satellite(s) Mission failure, and shall pay all costs and expenses and satisfy all judgments and awards which may be imposed on or rendered against that other Party and or its Associates.

14.2. Indemnification.

Each Party shall take all necessary and reasonable steps to foreclose claims for loss, damage or bodily injury (including death) by any participant involved in the Launch Services activities. Each Party shall require its Associate(s) to agree to a no-fault, no-subrogation, inter-party waiver of liability and indemnity for loss, damage or bodily injury (including death) that its Associates sustain, identical to the Parties' respective undertakings under ARTICLE 14 of this Agreement.

14.3. Liability for damages suffered by Third Parties.

14.3.1. Each Party shall be solely and entirely liable for loss, damage or bodily injury (including death) sustained, whether directly or indirectly by a Third Party, which is caused by such Party or its Associates arising out of or relating to the performance of this Agreement.

14.3.2. In the event of any proceeding, whether judicial, arbitral, administrative or otherwise, by a Third Party against one of the Parties, or its Associates on account of loss or damage or bodily injury (including death) caused whether directly or indirectly by the other Party, its Property

or its Associates or its (their) property, the latter Party shall indemnify and hold harmless the former Party and/or the former Party's Associates, as the case may be, and shall advance any funds necessary to defend their interests.

14.4. Infringement of Industrial property rights of Third Parties.

14.4.1. STARSEM shall indemnify and hold GLLC harmless with respect to any injury, cost, and expenditure resulting from an infringement or claim of infringement of patent rights or any other industrial or intellectual property rights of a Third Party which may arise from GLLC's use of STARSEM's Services, including without limitation the use of any and all products, processes, articles of manufacture, supporting equipment, facilities, and services by STARSEM in connection with said Services; provided however that this indemnification shall not apply to an infringement of rights as set forth above that have been mainly caused by an infringement of a right of a Third Party for which GLLC is liable pursuant to Sub-paragraph 14.4.2 of ARTICLE 14 of this Agreement.

14.4.2. GLLC shall indemnify and hold STARSEM harmless with respect to any injury, cost, and expenditure resulting from an infringement or claim of infringement of the patent rights or any other industrial or intellectual property rights of a Third Party arising out or relating to GLLC with respect to the design or manufacture of the Satellite(s), or STARSEM's compliance with specifications furnished by GLLC with respect to the Launch Mission(s) and the Satellite(s) Mission.

14.4.3. The rights to indemnification provided hereunder shall be subject to the observance of the following conditions:

14.4.3.1. The Party seeking indemnification shall promptly advise the other Party of the filing of any suit, or of any written or oral claim, alleging an infringement of the Third Party's rights, which it may receive in relation to this Agreement.

14.4.3.2. The Party sued or against whom the claim is otherwise made shall take no steps in the dispute with the Third Party, nor shall it reach a compromise or settlement, without the prior written approval of the other Party, which approval shall not be unreasonably withheld or delayed.

14.4.4. The Party indemnifying shall assist and assume, when not contrary to the governing rules of procedure, the defense of any claim or suit and/or settlement thereof, shall take all other steps which it may reasonably be expected to take, given the circumstances on the one hand, and on the other hand the obligations incurred by it under ARTICLE 14 of this Agreement, to avoid, settle, or otherwise terminate the dispute and shall pay all litigation and administrative costs and expenses incurred in connection with the defense of any such suit, including fees and expenses of legal counsel, shall satisfy any judgments rendered by a court of competent jurisdiction in such suits, and shall make all settlement payments.

14.4.5. In the event that STARSEM, with respect to the Launch Services and GLLC, with respect to the Satellite(s), shall be the subject of the same court action or the same proceedings based on alleged infringements of patent rights or any other industrial or intellectual property rights of a Third Party pursuant to both Sub-paragraphs 14.4.1 and 14.4.2 of ARTICLE 14 of this Agreement, STARSEM and GLLC shall jointly assume the defense and shall bear the damages, costs and expenditures pro rata according to their respective liability. In the event that the pro rata allocation is applicable but should cause a problem, the Parties undertake in good faith to resolve the problem by means of negotiation.

14.4.6. It is expressly understood that neither Party's execution or performance of this Agreement, grants any rights to or under any of either Party's respective patents, proprietary

information, and/or data, to the other Party or to any Third Party, unless such grant is expressly recited in a separate written document duly executed by or on behalf of the granting Party.

ARTICLE 15 INSURANCE

15.1. Third Parties Liability Insurance.

15.1.1. For the Launch Services provided under this Agreement, STARSEM shall take out an occurrence basis type insurance policy at no cost to GLLC, to protect itself, GLLC and any or all Associates against liability for property loss or damage and bodily injury (including death) that Third Parties may sustain and that is caused by activities of GLLC and its Associates, their respective contractor(s) and their respective sub-contractors and/or STARSEM, its contractor(s) and its sub-contractor(s) within the Launch Site.

Said insurance coverage shall come into effect as of the beginning of the Launch Campaign and until its end and up to an amount of [*].

15.1.2. STARSEM shall take out an occurrence basis type insurance policy at no cost to GLLC to protect itself, GLLC, any and all Associates against liability for property loss or damage and bodily injury (including death) that Third Parties may sustain and that is caused by the Launch Vehicle, and/or the Satellite, and/or their components or any part thereof.

The insurance referred to in Paragraph 15.1.2 shall be in the amount of [*] and shall come into effect as of ignition of at least one of the first stage (strap-on boosters) or second stage (core stage) liquid engines, and shall be maintained for a period of the lesser of [*] or so long as all or any part of the Launch Vehicle, and/or the Satellite(s), and/or their components remain in orbit.

15.2. Risk to the Satellite(s).

The Parties to this Agreement are aware that the use of Launch Vehicles involves a degree of risk to the Satellite(s). The Parties have made a deliberate, knowing allocation between them of that risk, it being their intent that GLLC, its Insurers, and Associates shall bear the risk of loss of the Satellite(s).

ARTICLE 16 OWNERSHIP OF DOCUMENTS AND WRITTEN INFORMATION/ CONFIDENTIALITY / PUBLIC STATEMENTS

16.1. Title to all documents, data and written information furnished to GLLC by STARSEM or its Associates during the implementation of this Agreement shall remain exclusively with STARSEM or said Associates.

16.2. Title to all documents, data and written information furnished to STARSEM by GLLC or its Associates during the implementation of this Agreement shall remain exclusively with GLLC or said Associates.

16.3. Each Party shall use the documents, data and written information supplied to it by the other Party or the other Party's Associates solely to implement and perform this Agreement and related activities.

16.4. To the extent necessary for the implementation of this Agreement, and in accordance with sub-paragraph 20.8, each Party shall be entitled to divulge to its own Associates the documents, data and written information received from the other Party or from the other Party's Associates in connection herewith, provided that such receiving Parties have first agreed to be bound by the nondisclosure and use restrictions of this Agreement.

16.5. Subject to the provisions of Paragraph 16.4 of ARTICLE 16 of this Agreement, neither Party shall divulge any document, data or written information which it receives from the other Party or the other Party's Associates, but shall protect all such documents, data and written information which is

marked with an appropriate and valid proprietary legend from unauthorized disclosure except as provided herein, in the same manner as the receiving Party protects its own confidential information, provided, however, that each Party shall have the right to use and duplicate such documents, data and written information subject to the nondisclosure requirements and use restrictions provided herein.

If the information disclosed by one Party to the other Party or by or to their respective Associates is deemed confidential by the disclosing Party or Associate and is verbal, not written, such verbal confidential information shall be identified prior to disclosure as confidential and, after acceptance by and disclosure to the receiving Party, shall be reduced to writing promptly, labeled confidential, but in no event later than [*] thereafter, and delivered to the receiving Party in accordance with this Paragraph.

16.6. The obligation of the Parties to keep secret and confidential the documents and written information shall not apply to those documents and written information that:

- are insufficiently or improperly designated;
- are in the public domain or use;
- shall become in public use, by publication or otherwise, and due to no fault of the receiving Party;
- the receiving Party can demonstrate were legally in its possession at the time of receipt;
- are rightfully acquired by the receiving Party from Third Parties;
- are commonly disclosed by the disclosing Party and/or its Associates;
- are inherently disclosed by any product or service marketed by the disclosing Party or its Associates;
- are independently developed by the receiving Party;
- are approved for release by the written authorization of the disclosing Party; or
- are required, but only to the extent necessary, to be disclosed pursuant to governmental or judicial order, in which event the Party concerned shall notify the other Party of any such requirement and the information required to be disclosed prior to such disclosure.

16.7. The provisions of this ARTICLE 16 shall survive the completion of performance of Launch Services under this Agreement and shall remain valid, in full force and effect for a period of 5 years after the term of this Agreement for whatever reason until said documents, data and written information become part of the public domain.

Each Party shall however be entitled to destroy documents, data and written information received from the other Party, or to return these documents, data or such written information to the other Party, at any time after Launch.

16.8. The Parties understand that all exchange of data and information involving GLLC, STARSEM and any and all Associates pursuant to this Agreement shall be in accordance with all national laws, rules and regulations, as applicable regarding exportation and re-exportation of technical data, including but not limited to the United States Department of State International Traffic in Arms Regulations (ITAR), the corresponding regulations of France and Russia, and the export control regulations of the United States, France and Russia. STARSEM shall inform GLLC of any specific regulations applicable to GLLC under French and / or Russian law.

16.9. The present Agreement and each part thereof shall be considered to be confidential by both Parties. Any disclosure of the same by one Party shall require the prior written approval of the other

Party, except when disclosed to Associates or Clients. Approval shall not be unreasonably withheld or delayed.

Each Party shall obtain the prior written approval of the other Party concerning the content and timing of news releases, articles, brochures, advertisements, speeches, and other information releases concerning the work performed or to be performed hereunder by either Party and/or its Associates.

ARTICLE 17 PERMITS AND AUTHORIZATIONS

17.1. The obligations of STARSEM are limited to the obligations set forth in this Agreement. GLLC shall be required to obtain all permits, authorizations, or notices of non-opposition from all national or international, public or private authorities having jurisdiction over the Satellite(s), its/their components and/or any part thereof and the Satellite(s) Mission.

17.2. GLLC and its Associates shall also be obliged to obtain all required government permits and authorizations regarding the transfer of the Satellite(s) and its/their Ancillary Equipment from the country of origin to the Launch Site, and the availability and use of Satellite(s)'s ground stations. STARSEM shall inform GLLC of any specifically required government permits and authorizations and shall assist GLLC in obtaining such documentation.

17.3. STARSEM agrees to assist and support GLLC and its Associates, free of charge, with any administrative matters with Russian and Kazakhstan governmental entities with respect to the importation into Russia and/or the Republic of Kazakhstan of the Satellite(s) and all equipment, devices and software to be provided by GLLC on the Launch Site in order to prepare the Satellite(s) for Launch, and related to their preservation and possible repatriation.

17.4. STARSEM shall assist and support GLLC and its Associates, free of charge, with any administrative matters with Russian and Kazakhstan governmental entities with respect to the entry, stay, and departure of GLLC and its Associates.

ARTICLE 18 TERMINATION BY GLLC

18.1. GLLC shall have the right to terminate the procurement of any particular Firm Launch Services or Optional Launch Services under this Agreement at any time prior to the Launch concerned, in accordance with the provisions of this ARTICLE. GLLC's right shall cover termination situations for reasons of convenience as well as those of delay or impossibility of performance in which one of the Parties may find themselves. Notice of termination shall be given by registered letter with acknowledgement of receipt.

18.2. Termination by GLLC for GLLC's convenience.

18.2.1. GLLC [*].

In such case of Termination by GLLC, STARSEM shall be entitled for the Launch Services terminated to the following termination fees:

Applicable Termination fees for the Firm Launch Services are indicated in the following table:

Effective Date of Termination of the Firm Launch Services	Percentage of the Terminated Firm Launch Services Payments [*]	Percentage of the Preliminary Payments [*]
[*]		

The termination fees shall be calculated as the percentage (as shown in the Table above) multiplied by the price of the terminated Launch Services (as referred in ARTICLE 8 and possibly revised under ARTICLE 9).

Applicable Termination fees for the Optional Launch Services are indicated in the following table:

Effective Date of Termination of the Optional Launch Services	Percentage of the Terminated Optional Launch Services [*]
[*]	

The termination fees shall be calculated as the percentage (as shown in the Table above) multiplied by the price of the terminated Launch Services (as referred in ARTICLE 8 and possibly revised under ARTICLE 9).

18.2.2. Plus STARSEM shall be entitled to any late payment interest applicable under the Agreement at the effective date of termination and payment of the price of those Additional Services as may have been ordered by GLLC and performed or committed by STARSEM at the effective date of termination.

18.2.3. Termination fees are due by GLLC to STARSEM as of the effective date of termination and payable within THIRTY (30) days of receipt by GLLC of the corresponding invoice from STARSEM. Any amounts paid by GLLC for the considered terminated Launch Services in excess of the termination fees under Sub-paragraph 18.2.1 and sums under Subparagraph 18.2.2 above shall be refunded promptly by STARSEM to GLLC.

18.3. Termination by GLLC for cause.

[*].

However, postponements resulting from (i) Events of Force Majeure; and/or (ii) any damage caused by GLLC and/or its Associates to the property of STARSEM and/or the property of its Associates; and/or (iii) any bodily injury (including death) caused by GLLC and/or its Associates to STARSEM and/or its Associates shall not be taken into account for the computation of the above [*] period.

The rights and remedies of GLLC provided in this Agreement shall be the exclusive remedies of GLLC in the event of default or breach by STARSEM of this Agreement.

ARTICLE 19 TERMINATION BY STARSEM

19.1. In the event that GLLC fails to comply with its payment obligations pursuant to the payment schedule and other payment dates set forth in this Agreement, and does not pay within [*] after the date of receipt of a written notice to that effect issued after expiry of the total [*] period referred to in Paragraph 10.4 of ARTICLE 10, or, without prejudice to the provisions in ARTICLE 11, if the aggregate of all postponements requested by GLLC under Paragraph 11.2. of this Agreement should result in GLLC delaying a considered Launch under this Agreement by more than [*], STARSEM shall be entitled to terminate the considered Launch Services by registered letter with acknowledgement of receipt.

19.2. In the event of such Termination, STARSEM shall be entitled to retain and to claim, as liquidated damages and not as penalty, the termination fees and amounts set out in Paragraph 18.2 of the Agreement.

19.3. In the event that GLLC does not proceed to T_1, assigning a L_1 date for the Firm Launch within 18 months following T_0, STARSEM shall be entitled to terminate this Agreement and to retain and to claim; as liquidated damages a termination fee of [*] of the Launch Services Price defined in Paragraph 8.

19.4. The rights and remedies of STARSEM provided in this Agreement shall be the exclusive remedies of STARSEM in the event of a default or breach by GLLC of this Agreement.

ARTICLE 20 MISCELLANEOUS

20.1. Working language.

Any communication by one Party to the other shall be made in English.

All communications on the Launch Site between STARSEM or its Associates and GLLC's personnel and/or that of its Associates, shall be made in English.

20.2. Notices.

Unless expressly provided otherwise under this Agreement, all communications and notices to be given by one Party to the other in connection with this Agreement shall be in writing and in the language of this Agreement and shall be sent by registered mail, and if transmitted by telecopier or telegram, shall be confirmed by registered letter to the following addresses (or to such address as a Party may designate by written notice to the other Party):

STARSEM	**GLLC**
STARSEM 2 rue François Truffaut 91042 Evry Cedex France	GLOBALSTAR LLC 461 South Milpitas Blvd Milpitas, CA 95035 U.S.A
Attention: Cécile TRASSY Telephone:+33 1 69 87 0122 Fax: +33 1 60 78 31 99	Attention: Paul ROSATI Telephone:+1 408 933 4156 Fax: +1408 933 4943

20.3. Waiver.

Waiver on the part of either STARSEM or GLLC of any term, provision, or condition of this Agreement shall only be valid if made in writing and accepted by the other Party. Said acceptance shall not obligate the Party in question to waive its rights in connection with any other previous or subsequent breaches of this Agreement.

20.4. Headings.

The headings and sub-headings used in this Agreement are provided solely for convenience of reference, and shall not prevail over the content of the ARTICLES of this Agreement.

20.5. Assignment.

Neither Party shall be entitled to assign all or part of its rights and obligations under this Agreement without the prior written consent of the other Party. Such consent may not be unreasonably withheld or withdrawn.

Notwithstanding the foregoing, both Parties shall have the right subject to prior written notice to be received by the other Party THIRTY (30) calendar days in advance, to assign all its rights, title and interest on and to this Agreement to a wholly-owned subsidiary, or to a qualified successor in case of merger, consolidation or reorganization or transfer of all of its assets without the other Party's prior consent, provided such successor shall not be a competitor to or comprise among its significant shareholders a competitor to the other Party.

20.6. Entire Agreement and Modifications.

The Agreement constitutes the entire understanding between the Parties with respect to its subject and supersedes all prior and contemporaneous discussions between them. Neither Party shall be bound by the conditions, warranties, definitions, statements, or documents previous to the execution of this Agreement, unless this Agreement makes express reference thereto. Any actions and/or undertakings subsequent to the execution of this Agreement shall be made in writing and signed by duly authorized representatives of each of the Parties and shall expressly state that it is such an amendment or modification.

20.7. Registration of GLLC's Satellite(s).

In accordance with the Convention on Registration of Objects Launched into Outer Space of U.N.O., GLLC shall be responsible to obtain registration of the Satellite(s).

20.8. Publicity / Communication.

Any publicity, news release (including communication of any sort with the press whether direct or indirect, written or oral), public announcement or advertisement to be released by GLLC in connection with the Satellite(s) Launch(es) activities shall quote STARSEM as the Launch Services provider.

ARTICLE 21 APPLICABLE LAW

This Agreement shall govern the relationship between the Parties as to the subject of this Agreement. To the extent the Parties have failed to address any question arising hereunder, or in the event of the need for any interpretation of any term of this Agreement, English law shall be applied to this Agreement.

ARTICLE 22 ARBITRATION

In the event of disputes arising in connection with this Agreement, the Parties undertake to use their best efforts to reach an amicable settlement. If an amicable settlement cannot be achieved, the dispute shall be referred to the respective Chief Executive Officer of STARSEM and of GLLC, who will use their best efforts to reach an agreement acceptable to both Parties. Should an amicable settlement fail, the dispute(s) shall be finally settled under the rules of Conciliation and Arbitration of the International Chamber of Commerce (I.C.C.) in Geneva by THREE (3) arbitrators appointed in accordance with the then existing rules of the I.C.C. The Arbitration shall be conducted in the English language. The award of the Arbitrators shall be final and binding, and the execution thereof may be entered in any court having jurisdiction.

ARTICLE 23 EFFECTIVE DATE

This Agreement shall take effect after signature by the two Parties.

Executed in Paris on the 19th of September, 2005, in TWO (2) originals.

STARSEM	**GLOBALSTAR LLC**
/s/ J-Y LE GALL	/s/ K. ROSE
J-Y LE GALL	K. ROSE
Chief Executive Officer	Director of Contracts

QuickLinks

Exhibit 10.6

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

QUALCOMM Incorporated
QUALCOMM Globalstar Satellite Products Supply Agreement
Agreement No. 04-QC/NOG-PRODSUP-001

This QUALCOMM Globalstar Satellite Products Supply Agreement ("Agreement") is entered into as of April 13, 2004 (the "Effective Date"), by and between **QUALCOMM Incorporated**, a Delaware corporation, ("QUALCOMM") with offices located at 5775 Morehouse Drive, San Diego, CA 92121, and **New Operating Globalstar LLC**, a Delaware limited liability company ("Buyer"), with offices located at 3110 Zanker Road, San Jose, CA 95134, with respect to the following facts:

Whereas Buyer desires to purchase from QUALCOMM, and QUALCOMM desires to sell to Buyer, Product(s) for resale to Buyer's customers from time to time under Purchase Orders in accordance with this Agreement.

AGREEMENT

NOW, THEREFORE, the parties, in consideration of the mutual promises set forth herein, agree as follows:

1. DEFINITIONS. Capitalized terms not defined herein shall have the meaning set forth in the QUALCOMM Supply Terms & Conditions (the "Supply Terms"), a copy of which is attached hereto as **Exhibit A** and incorporated herein as fully as if set forth in its entirety herein:

"**Accessories**" shall mean the accessories described on **Exhibit B**.

"**Diagnostic Monitor**" or "**UTDM**" shall mean QUALCOMM's proprietary software-based diagnostic tool that may be available for license to Buyer hereunder that operates on a Buyer-supplied, QUALCOMM-specified computer attached by data cable and dongle to a Phone. The Diagnostic Monitor is used as a diagnostic tool for the sole purpose of evaluating the functionality of the Phone in the Globalstar network.

"**Fixed Phone(s)**" shall mean the QUALCOMM Globalstar Fixed Phone, Model GSP-2800 (Base) or Model GSP-2900 (Enhanced), including battery.

"**Hands-Free Car Kit**" or "**Car Kit**" shall mean QUALCOMM's Model GCK-1410 equipment designed to allow use of the Tri-Mode Portable Phone in vehicles, including voltage modification for such equipment.

"**Integrator**" shall mean a third party which has expertise in the design, development, manufacture and certification of wireless telecommunication products, and which is approved by QUALCOMM to integrate Satellite Data Modems into, or interface Satellite Data Modems with, other components to produce products for use in the Globalstar System, pursuant to and in accordance with an Integration Agreement.

"**Integration Agreement**" shall mean the agreement to be signed by an Integrator as a requirement for developing, designing, manufacturing, modifying, marketing, selling, distributing or using any Satellite Data Modem for any application not permitted under the terms of this Agreement, a copy of which is attached hereto as **Exhibit E**.

"**Phone(s)**" shall mean the Tri-Mode Portable Phone and the Fixed Phone(s).

"**Product(s)**" shall mean Satellite Data Modems, Phones, Accessories, Car Kits, Spares and Tools available for purchase, or license, as applicable, from time to time from QUALCOMM.

"**Program Support Tool**" or "**PST**" shall mean QUALCOMM's proprietary software tool that may be available for license to Buyer hereunder to be loaded on a Buyer-supplied, QUALCOMM-specified computer that provides the capability for service programming and software downloads, and the associated cables.

"**Satellite Data Modem**" shall mean the QUALCOMM Globalstar Satellite Data Modem, GSP-1620.

"**Term**" shall commence on the Effective Date and continue for two (2) years, unless earlier terminated as provided herein. The Term may be renewed for one or more additional period(s) subject to the mutual written agreement of the parties.

"**Tools**" shall mean UTDM and PST.

"**Tri-Mode Portable Phone**" shall mean the QUALCOMM Globalstar Tri-Mode Portable Phone, Model GSP-1600, generically provisioned and tested by QUALCOMM, without a SIM Card, battery, spares or any accessories, delivered in standard bulk packaging, consisting of individual bag/box units in master pack containers, and applicable Documentation. Buyer will need to purchase and install batteries from a Globalstar-approved supplier to qualify for warranty coverage as set forth in the Supply Terms.

"**Warranty Period**" shall mean (a) as to Phones and Satellite Data Modems, twelve (12) months, and (b) as to Car Kits, ninety (90) days, in each case beginning on the date of delivery thereof to the FCA Point. No Warranty applies to Accessories or Tools.

2. AGREEMENT. This Agreement, including the Supply Terms, shall apply to each and every P.O. for Product(s) issued to QUALCOMM by Buyer during the Term. Buyer may resell Product(s) and sublicense Software pursuant to the terms of this Agreement, provided that Buyer and such Distributors shall include with each Product sold or distributed a copy of the Documentation provided by QUALCOMM for such Product(s).

3. PRICE. The price of Product(s) shall be as set forth on **Exhibits B** and **C** hereto.

4. LEVEL 1 SERVICE FOR TRI-MODE PORTABLE PHONES. Buyer shall, directly or pursuant to arrangements with one (1) or more dealers in the region(s) in which the Tri-Mode Portable Phones are to be distributed, undertake such steps as are necessary and appropriate to handle Level 1 Service for the Tri-Mode Portable Phones; such Level 1 Service to be at no cost to QUALCOMM. As applicable, Level 1 Service includes the following (and any other service that is authorized in writing by QUALCOMM): replace batteries, replace cellular antennas and replace SIM card, if any. All such Level 1 Service will be performed in accordance with QUALCOMM's written instructions.

5. TRAINING. Subject to the availability of QUALCOMM personnel and upon written request of Buyer to QUALCOMM, QUALCOMM may provide training support to Buyer at QUALCOMM's then current standard rates at QUALCOMM's San Diego, CA facilities. Such training may consist of information regarding Product features, Level 1 Service repair procedures, and other topics as agreed to between the parties.

6. ADDITIONAL TERMS APPLICABLE TO SATELLITE DATA MODEMS.

6.1. **Packet Data License Required; Airtime**. Satellite Data Modems may be distributed, sold and used for (a) asynchronous data applications, and (b) Packet Data Service only on Gateways which are covered by a valid packet data software license with QUALCOMM. Buyer and its Distributors shall be responsible for obtaining Globalstar airtime and rates for the use of Satellite Data Modems.

6.2. **Product Modification Restrictions**. Satellite Data Modems may be modified only as set forth in **Exhibit D** in the column marked "Supply Agreement," and consultation with QUALCOMM's engineering staff is required as noted thereon. Such consultation shall be provided at QUALCOMM's San Diego facility, subject to staff availability and payment at the Commercial Rates. Modifications set forth in **Exhibit D** in the column marked "Integration Agreement" may only be performed by an Integrator pursuant to the terms of an Integration Agreement, and any other modifications, including, without limitation, those listed in the column entitled "Not Approved" may not be performed by or on behalf of Buyer or any third party.

6.3. **Environmental Protection**. Buyer acknowledges that the Satellite Data Modem is a circuit board module requiring environmental protection. These environmental elements include, but are not limited to, temperature variation, humidity, condensation, lightning strikes, electromagnetic radiation, corrosive agents, ESD, particulates, direct impacts, mechanical shocks and vibrations, and as such, requires Buyer or its Distributors to provide environmental protection for the Satellite Data Modem. QUALCOMM shall have no liability for Buyer's (or any subsequent purchaser's) failure to sell, distribute or use any Satellite Data Modem in such a manner that provides it an adequate enclosure or other sufficient environmental protection capabilities therefor.

6.4. **Violation of Section is Basis for Termination**. Failure to abide by Sections 6.2 and 6.3 hereof will invalidate all of QUALCOMM's obligations under Section 10 (Warranty) and Section 15 (Indemnification) set forth in the Supply Terms, and shall be grounds for immediate termination by QUALCOMM of this Agreement and cancellation of any outstanding purchase orders, or quantities remaining thereunder, for Satellite Data Modems.

7. ENTIRE AGREEMENT. This Agreement, including the Supply Terms and other Exhibits attached hereto, constitutes the complete agreement between the parties relating to the subject matter hereof, and supersedes any prior or contemporaneous agreements or representations affecting such subject matter.

8. ORDER OF PRECEDENCE. In the event of conflict between the Supply Terms and the balance of this Agreement, including the other Exhibits hereto, the Agreement shall govern.

9. THIRD PARTY ARRANGEMENTS. At the written request of Buyer, QUALCOMM shall offer to any Gateway Affiliate(s) an agreement in the same form as this Agreement, provided that QUALCOMM shall have the right to include such payment terms, restrictions on the use of QUALCOMM confidential and proprietary information and restrictions on assignment as deemed appropriate by QUALCOMM in its sole discretion, which terms and restrictions may be less favorable to such Gateway Affiliate(s).

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

QUALCOMM Incorporated		**New Operating Globalstar, L.L.C.**	
By:	/s/ Scott J. Becker	By:	/s/ William F. Adler
Name:	Scott J. Becker	Name:	William F. Adler
Title:	Sr. Vice President & General Manager QUALCOMM Wireless Systems Division	Title:	VP Legal and Regulatory

EXHIBIT A

QUALCOMM Supply Terms & Conditions

December 2, 2003

The terms and conditions set forth herein (the "Supply Terms") shall apply to all arrangements for the order, purchase, sale and delivery of QUALCOMM products for use in the Globalstar System, except and to the extent the agreement covering the sale thereof ("Supply Agreement") provides otherwise, and a copy hereof shall be attached to each such Supply Agreement.

1. DEFINITIONS. The following capitalized terms shall have the meanings set forth below:

"**Affiliate(s)**" shall mean any person or entity (i) which directly or indirectly controls, or is controlled by, or is under common control with a party or (ii) which, if publicly traded, has twenty percent (20%) or more of the voting securities directly or indirectly beneficially owned by a party. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through ownership of voting securities, by contract or otherwise.

"**Aviation**" shall mean any vehicle/container that leaves direct contact with the earth or an associated ground structure, is propelled or carried through the air, and which may be subject to regulation by the in-country aviation authority(ies).

"**Buyer**" shall mean the party identified as "Buyer" or "Customer" in the applicable Supply Agreement.

"**Commercial Rates**" shall mean the rates charged by QUALCOMM for development, installation and other types of services, a current listing of which is attached hereto as **Attachment 5**, and shall be adjusted annually upon written notice to Buyer.

"**Distributor**" shall mean Buyer's agents and resellers of Buyer's services and/or Globalstar products, including Products.

"**Documentation**" shall mean the standard end-user and other non-proprietary documentation provided with Product(s) by QUALCOMM.

"**Effective Date**" shall be the effective date set forth in the applicable Supply Agreement.

"**Factory Refurbished Unit**" shall mean a Product which is the same as or equivalent to a Product that is returned for warranty service, which has been restored to good working order and refurbished in accordance with QUALCOMM's standard procedures, in a condition at least as good as the unit returned, which has been reprogrammed with the most current version of Software, shipped in non-retail packaging and covered by a warranty equal to the greater of (a) ninety (90) days from QUALCOMM's delivery thereof to the FCA Point or (b) the time remaining in the Warranty Period covering the original Product.

"**FCA Point**" shall mean QUALCOMM's San Diego manufacturing facility or such other QUALCOMM facility as QUALCOMM may notify Buyer from time to time.

"**Gateway**" shall mean the ground system hardware, owned by Buyer or the Gateway Affiliates, and the associated installed software owned by QUALCOMM and its licensors used on the Globalstar System.

"**Gateway Affiliate(s)**" shall mean an owner, operator or service provider of one or more Globalstar System Gateways.

"**Globalstar**" shall mean Globalstar LP, a Delaware limited partnership or its successor in bankruptcy, as applicable.

"**Globalstar System**" shall mean the low earth orbit satellite based system designed by Globalstar to provide wireless telecommunication services worldwide.

"**Information**" shall have the meaning set forth in the Non-Disclosure Agreement, a copy of which is attached to these Supply Terms as **Attachment 1**.

"**Marks**" shall mean the QUALCOMM trademarks which QUALCOMM places on Product(s).

"**NTF**" or ("**No Trouble Found**") shall mean a Product returned to QUALCOMM which QUALCOMM has, in good faith and after applicable testing, found not to be defective.

"**Packet Data Service**" shall mean a method for transferring data packets over the Globalstar System to a packet-switched network, such as the Internet or private networks.

"**Product(s)**" shall have the meaning set forth in the applicable Supply Agreement.

"**Purchase Order**" or "**P.O.**" shall mean Buyer's written authorization issued to QUALCOMM for the purchase of Product(s) pursuant to the applicable Supply Agreement, including these Supply Terms.

"**Repair Prices**" shall mean QUALCOMM's prices for repair of Products, a current listing of which is attached hereto as **Attachment 2**, and may be adjusted annually upon written notice to Buyer.

"**Reserved Service(s)**" shall mean (i) mobile data messaging and position location services utilizing data only terminals that are based on QUALCOMM technology for in-cab driver communications related to the maintenance and/or monitoring of commercial trucking fleets, trailers, rail cars and/or vessels used on inland waterways and (ii) mobile data messaging and position location services utilizing data only terminals that are based on QUALCOMM technology for the maintenance and/or monitoring of off-highway heavy construction vehicles and equipment. Each of the foregoing restrictions shall apply (i) only in the geographic regions of the United States, Canada, Mexico, Brazil, and Europe (including Russia) and (ii) only until the expiration of three years after April 13, 2004. Reserved Service shall not include any such services used by the United States Department of Defense or any other United States or foreign governmental agency or entity.

"**RMA Number**" shall mean a Return Material Authorization number obtained from QUALCOMM in accordance with the RMA Procedures.

"**RMA Procedures**" shall mean the set of procedures found on QUALCOMM's official website which describes the process and documentation required for the return by Buyer of any Product(s) to QUALCOMM. Copies of the RMA Procedures and the Out-of-Warranty Repair Agreement are attached hereto as **Attachments 3 and 4**, respectively.

"**Software**" shall mean the software in executable form which is contained in Product(s).

"**Term**" shall be the term set forth in the applicable Supply Agreement.

"**Termination Charges**" shall mean, as to Product(s) which are not delivered under a P.O. due to cancellation by Buyer or termination thereof by QUALCOMM due to Buyer's default, the greater of (a) the sum of (i) the price paid or incurred by QUALCOMM for any components or materials purchased for such Product(s) to the extent such components or materials cannot be returned for a refund, (ii) any termination charges invoiced to QUALCOMM by its suppliers for the return of such components or materials, (iii) QUALCOMM's cost in assembling or manufacturing efforts to produce such Product(s), and (iv) a fee of fifteen percent (15%) of the foregoing items; or (b) twenty percent (20%) of the purchase price of the undelivered Product(s) (without application of any discounts).

"**Warranty Period**" shall mean the duration of the warranty for Product(s) set forth in the applicable Supply Agreement.

2. PURCHASE OF PRODUCT(S). These Supply Terms are an integral part of the Supply Agreement to which they are attached and such Supply Agreement shall apply to each and every P.O. issued thereunder unless the parties expressly agree in writing that such Supply Agreement, these Supply Terms, or a particular provision thereof, does not apply, and each such P. O. shall be subject thereto. Subject to the following sentence, each P.O. accepted by QUALCOMM in writing and the applicable Supply Agreement, including these Supply Terms, shall constitute the entire agreement between Buyer and QUALCOMM with respect to the purchase, sale and delivery of the Product(s) described in such P.O. Any terms or conditions stated by QUALCOMM in any invoice or by Buyer in any P.O., acknowledgment, or otherwise, that are different from, or in addition to, such Supply Agreement, shall be of no force and effect, and no course of dealing, usage of trade, or course of performance shall be relevant to explain or modify any term expressed in the Supply Agreement.

3. ORDERS.

3.1 P.O. Placement by Buyer. From time to time during the Term, Buyer may purchase Product(s) in the quantities and at the prices set forth in the applicable Supply Agreement by submitting to QUALCOMM, Attn: Wireless Systems Division Contracts Department, a P.O. stating the quantities of Product(s) which Buyer desires to purchase, method of shipment, ship-to address, invoice address, name and contract number of the applicable Supply Agreement, and the requested delivery date(s).

3.2 P.O. Acceptance/Rejection by QUALCOMM. QUALCOMM is not obligated to accept any P.O. from Buyer and a P.O. becomes a part of the applicable Supply Agreement in accordance with Section 2 above only after such P.O. is accepted in writing by QUALCOMM. If any P.O. is rejected by QUALCOMM, QUALCOMM will advise Buyer in writing the reasons therefor.

Buyer acknowledges that if quantities of Product(s) or components therefor are limited, orders will be accepted and filled on a "first ordered" basis.

Buyer further understands and acknowledges that QUALCOMM may reject a P.O. if Buyer's account with QUALCOMM is in arrears or if Buyer is in default under the applicable Supply Agreement.

3.3 Cancellation of P.O. by Buyer. If approved by QUALCOMM, Buyer may cancel any portion of an accepted P.O. covering Product(s) in QUALCOMM's inventory at the time such P.O. was accepted by QUALCOMM, subject to payment of a restocking fee calculated as [*] of the Product price (without application of any discount) relating to the cancelled portion of the P.O. If cancellation is of Products manufactured to order, Termination Charges will apply unless QUALCOMM chooses to build and retain such Products, and associated components, for inventory, in which case the restocking fee of [*] applies.

4. RIGHT TO RESELL/OBLIGATIONS AS RESELLER.

4.1 Appointment as Reseller. This is a non-exclusive agreement. Buyer may resell Product(s) and sublicense Software to Distributors for further resale and sublicense pursuant to a written document containing terms and conditions equivalent to those set forth in the applicable Supply Agreement, including these Supply Terms. Buyer shall undertake all reasonable commercial efforts to enforce such terms and conditions, including termination of further sales to any Distributor which breaches such terms and conditions, and in the event such breach continues, Buyer shall, at QUALCOMM's request, assign to QUALCOMM the right to enforce any such terms and conditions.

4.2 Customer Support. Buyer shall bear full responsibility for providing customer support in a manner which, at a minimum, meets all legal requirements in the jurisdiction where it resells Product(s).

5. CONFIRMATION OF TESTING. QUALCOMM shall provide to Buyer with each delivery of Product written confirmation in QUALCOMM's standard format that the Product(s) have passed each

of the manufacturing and/or quality tests and been provisioned, in each case, as appropriate to such Product(s).

6. DELIVERY; RISK OF LOSS.

6.1 Delivery Terms. All deliveries of Product(s) shall be made FCA (INCOTERMS 2000) to the FCA Point, and Buyer shall pay all shipping charges directly to carrier. In the absence of written shipping instructions from Buyer, QUALCOMM will select the carrier and so notify Buyer.

6.2 Title and Risk of Loss. Title to Product(s) (except Software, which is licensed) sold to Buyer and risk of loss or damage to Product(s) shall pass to Buyer upon QUALCOMM's delivery of such Product to the FCA Point.

6.3 Rescheduling of Deliveries. Deliveries may be rescheduled upon thirty (30) days written notice to other party. Delays greater than sixty (60) days shall entitle QUALCOMM to invoice and be paid as if delivery had been made when scheduled, provided QUALCOMM was prepared to ship on such date. At the request of Buyer, QUALCOMM will use reasonable commercial efforts to expedite shipments.

7. RESTRICTED EXPORT. Buyer acknowledges that all Products and all proprietary data, knowhow, software or other data or information ("Information") obtained from QUALCOMM are subject to United States (US) Government export control laws and accordingly their use, export and re-export, may be restricted or prohibited. Buyer, therefore, agrees not to directly or indirectly export, re-export, or cause to be exported or re-exported, any such Products, Information, or any direct product thereof, to any destination or entity prohibited or restricted under US law, unless it shall have first obtained prior written consent of the US Department of Commerce (or other applicable agency of the US Government, either in writing or as provided by applicable regulation, as the same may be amended from time to time), a copy of such consent to be provided to QUALCOMM prior to export by Buyer. Buyer agrees that no Products or Information received from QUALCOMM will be directly employed in missile technology, sensitive nuclear, or chemical biological weapons end uses or in any manner transferred to any party for any such end use. This requirement shall survive any termination or expiration of the Supply Agreement.

8. INSPECTION; ACCEPTANCE. Buyer shall inspect and either accept or reject Product(s) within thirty (30) days after the date of delivery to the FCA Point. If Buyer fails to effectively reject any Product in a written document delivered to QUALCOMM stating the reasons therefor within such period, Buyer shall be deemed conclusively to have accepted such Product and thereafter, Buyer's remedy for Product defects shall be limited to the applicable warranty described in Section 10. Product(s) properly rejected by Buyer in accordance with this Section 8 shall be returned in accordance with the RMA Procedures, and all shipping charges for the return and replacement of rejected Product(s), exclusive of duties and taxes, shall be paid by QUALCOMM. Any Product(s) rejected by Buyer which are determined to be NTF shall be subject to the NTF procedures set forth below.

9. PRICE; PAYMENT TERMS.

9.1 Price. The price of Product(s) delivered, including any applicable discounts, shall be as set forth in the applicable Supply Agreement. All amounts stated are in U.S. Dollars. QUALCOMM's prices do not include any applicable sales, use, excise, value-added and/or withholding taxes, customs duties, fees, freight, insurance and delivery charges, or any other taxes, fees or charges. All taxes, fees, customs duties and other charges imposed in connection with the sale and delivery of Product(s) shall be timely paid directly by Buyer. In the event QUALCOMM is legally required to and actually pays any such taxes, fees, customs duties or charges, Buyer shall reimburse QUALCOMM therefor within thirty (30) days of QUALCOMM's invoice date.

Buyer shall have the right to request that QUALCOMM aggregate, for the purpose of qualifying for volume pricing and/or discounts, P.O.s placed by Buyer and P.O.s placed by Gateway Affiliates, Distributors, and other customers of Buyer.

9.2 Payment Terms. QUALCOMM's payment terms are twenty-five percent (25%) due following P.O. placement and prior to delivery, and seventy-five percent (75%) within thirty (30) days after FCA delivery, unless otherwise agreed to in writing by QUALCOMM. QUALCOMM will invoice Buyer 25% of the purchase price within one (1) business day of the P.O. acceptance date, and 75% of the purchase price within one (1) business day of the date QUALCOMM delivers to the FCA Point, on a NET 30 basis.

9.3 Change in Payment Terms. In the event that Buyer fails to make payments on a timely basis, QUALCOMM shall have the right to condition further deliveries under open P.O.s, and/or acceptance of additional P.O.s on Buyers payment of the full price for Product(s) covered thereby prior to delivery.

9.4 Late Payments and Charges. Buyer shall pay to QUALCOMM a late charge on any undisputed past due amounts at the rate of one percent (1.0%) per month or part thereof or the maximum amount permitted by law, whichever is less.

9.5 Disputed Charges. In the event that Buyer disputes an amount invoiced by QUALCOMM, Buyer shall promptly notify QUALCOMM in writing of the basis for such dispute, and shall pay the undisputed portion of such invoice as set forth herein.

9.6 Payment Method. Payment shall be made via wire transfer, unless otherwise agreed to in writing by QUALCOMM. Payment shall be in U.S. Dollars (USD) by Buyer in favor of QUALCOMM at the bank location set forth below, or such other bank location as QUALCOMM may from time to time designate in writing:

Bank of America
San Francisco, California
ABA# 121-000-358 Int: S.W.I.F.T. No. [*]
For credit to QUALCOMM Incorporated
Account [*]

10. WARRANTIES.

10.1 Hardware. QUALCOMM warrants only to Buyer that the Product(s) (excluding the Software contained therein) will (a) be free from defects in material and workmanship under normal use as permitted hereunder and (b) conform to QUALCOMM's specification for said Product(s) for the Warranty Period. QUALCOMM's entire liability and Buyer's sole remedy for breach of the above warranty shall be the return of the allegedly defective Product(s) to QUALCOMM or QUALCOMM's designated service center at Buyer's sole expense, all in accordance with the RMA Procedures, within thirty (30) days of the identification of the defect.

10.2 Software. QUALCOMM warrants that the Software contained in the Product(s) will be free from material programming errors that substantially impair the intended operation thereof for the Warranty Period. In the event of a breach of the above warranty that is reproducible by QUALCOMM, QUALCOMM shall use reasonable commercial efforts to provide a software work-around or correction.

10.3 Services. QUALCOMM warrants that any services performed pursuant to any Supply Agreement will be performed in a professional and workmanlike manner.

10.4 Exclusions. No warranty, express or implied, shall extend to any Software or any Product(s) which has been subjected to misuse, neglect, accident, or improper storage or installation or which has

been repaired, modified, or altered by anyone other than QUALCOMM or QUALCOMM's authorized representative. In addition, unless approved in writing by QUALCOMM as described in Section 11 hereof, the warranty does not extend to any Product(s) which are attached to or used with accessories, batteries, connectors, cabling or other items not provided by QUALCOMM. Product(s) are not specifically warranted to be appropriate for incorporation and use in any other product or for any use prohibited in the applicable Documentation or Supply Agreement. Buyer hereby acknowledges and agrees that it has not relied on any representations or warranties other than those expressly set forth herein. QUALCOMM MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO PRODUCT(S) OR SOFTWARE, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR AGAINST INFRINGEMENT, OR ANY EXPRESS OR IMPLIED WARRANTY ARISING OUT OF TRADE USAGE OR OUT OF A COURSE OF DEALING OR COURSE OF PERFORMANCE.

10.5 **Warranty Process**. In the event of an alleged defect of Product(s) covered by warranty, Buyer shall obtain an RMA Number and return the Product(s) in accordance with the RMA Procedures within thirty (30) days after the issuance of the RMA Number. If Product(s) returned by Buyer in accordance with the RMA Procedures are determined by QUALCOMM to be defective and covered by warranty, QUALCOMM shall use reasonable commercial efforts to, within thirty (30) days of receipt of Product(s), at its option, repair or replace such Product and ship such Product to Buyer at QUALCOMM's expense (excluding taxes and customs duties imposed in connection with the return of Product(s) if applicable) or, if QUALCOMM determines that it is unable to repair or replace such Product, QUALCOMM shall credit to Buyer's account the amount of the unit purchase price paid therefor. QUALCOMM shall have the right to ship as a replacement a Factory Refurbished Unit. QUALCOMM's obligation to effect the warranty remedy set forth herein shall be subject to Buyer's shipment of defective Product(s) in strict accordance with the RMA Procedures.

10.6 **"No Trouble Found" or "NTF"**. If Buyer's levels of NTF returns are reasonably determined by QUALCOMM to be excessive, Buyer shall be notified and thereafter billed the sum of [*] dollars (US$[*]) per occurrence for the NTF evaluation. Buyer shall pay for shipping to and from QUALCOMM for all NTF units.

10.7 **Returned Product(s) Not Covered by Warranty**. In the event Product(s) not covered by warranty can be economically repaired, QUALCOMM shall contact Buyer for authorization to repair and provide an estimate of the costs therefor, based on the Repair Prices plus an evaluation fee of [*] (US$[*]). If authorized by Buyer, QUALCOMM shall attempt to repair such Product(s) within the estimate and return same to Buyer at Buyer's cost. Buyer shall pay for such repair upon invoice from QUALCOMM. If QUALCOMM is unable to repair non-warranted Product(s), or Buyer does not authorize repair, QUALCOMM will return same to Buyer at Buyer's cost or scrap the same without liability to Buyer.

11. **PRODUCT USES AND RESTRICTIONS**. Buyer shall, and shall require its Distributors and other customers to market, distribute, sell and use the Product(s) and sublicense and use the Software solely in accordance with and for the purposes contemplated in the applicable Documentation and Supply Agreement. No data only Product(s) shall be marketed or sold for any Reserved Service, nor may any Product be incorporated into any other product developed, marketed, produced, sold or permitted to be used for or in any Reserved Service or, unless otherwise provided in an Integration Agreement executed by QUALCOMM and a product integrator approved by QUALCOMM, for Aviation applications **(other than QUALCOMM's Globalstar Aviation Communications Kit, MCN #65-C1748-X)**.

11.1 In the event that any third party item(s) not provided by QUALCOMM will be used in conjunction with the Products, prior to any such use or incorporation, Customer or third party must provide QUALCOMM all such items for analysis and testing by QUALCOMM at Buyer's expense.

Such analysis and/or testing shall be repeated by QUALCOMM at its sole option, at Buyer's expense, if problems occur and/or if changes are made once the item(s) have been analyzed and tested by QUALCOMM.

12. RESTRICTIONS ON USE OF TRADEMARKS AND LOGOS. In order that each party may protect its trademarks, trade names, corporate slogans, corporate logo, goodwill and product designations, no party, without the express written consent of the other, shall have the right to use any such marks, names, slogans or designations of the other party, in the sales, lease or advertising of any products or on any product container, component part, business forms, sales, advertising and promotional materials or other business supplies or material, whether in writing, orally or otherwise, except as expressly agreed by the parties. Nothing in this Section shall restrict Buyer from distributing Product(s) with the Marks.

13. NO TRANSFER OF INTELLECTUAL PROPERTY RIGHTS IMPLIED. The sale to Buyer of Product(s) does not convey to Buyer any intellectual property rights in such Product(s) or any Software, including but not limited to any rights under any patent, trademark, copyright, or trade secret other than as set forth in Section 14. Neither the sale of Product(s), the license of Software nor any provision in any Supply Agreement shall be construed to grant to Buyer, either expressly, by implication or by way of estoppel, any license under any patents or other intellectual property rights of QUALCOMM or its licensors covering or relating to any other product or invention or any combination of Products or software with any other product.

14. SOFTWARE LICENSE. Product(s) sold hereunder may contain or be accompanied by Software and, except as otherwise expressly provided herein, all references to "Product(s)" herein shall be deemed to include the accompanying Software, provided that nothing herein shall be construed as the sale of, or passage of title in, any Software or any other intellectual property embedded in the Product to Buyer. QUALCOMM hereby grants to Buyer a non-exclusive, worldwide license to sublicense the Software and to use the Software (in object form only) solely as included and intended to be used in the Products purchased by Buyer from QUALCOMM and for use only in the manner which QUALCOMM intends the Software to be used, for the duration of the useful life of such Product(s) and subject to the terms and conditions of the applicable Supply Agreement. Buyer shall not and shall not permit any third party to, without the prior written consent of QUALCOMM: (i) alter, modify, translate, or adapt any Software or create any derivative works based thereon; (ii) copy any Software; (iii) assign, sublicense or otherwise transfer the Software in whole or in part, except as permitted herein; (iv) use the Software except as specifically contemplated in the applicable Supply Agreement; or (v) disclose the Software to any third party. The entire right, title and interest in the Software shall remain with QUALCOMM, and Buyer shall not remove any copyright notices or other legends from the Software or any accompanying documentation. Buyer may reproduce and distribute any Documentation provided by QUALCOMM for distribution with the Product, in whole or in part, for purposes related to the operation, maintenance, marketing or sale thereof.

Buyer may sublicense to its Distributors the right to further sublicense to bona fide end user customers the right to use the Software only as incorporated in the Product, subject to terms at least as protective of QUALCOMM's rights therein as the provisions of the applicable Supply Agreement and such right shall survive termination or expiration of such Supply Agreement and last for the duration of the useful life of the Product. If Buyer, and Buyer's Distributors, do not take reasonable steps to enforce their rights under such software sublicense agreements, Buyer shall take all reasonable steps necessary to ensure that the right to enforce such software sublicense agreements is transferred and assigned to QUALCOMM.

Buyer shall use the Products and Software contained therein or furnished by QUALCOMM solely in accordance with and for the purposes specifically contemplated in the terms of the applicable Supply Agreement. Buyer shall not, and shall not permit any third party to, directly or indirectly, alter, modify,

translate, or adapt any Product or Software contained therein or create any derivative works based thereon, disassemble, decompose, reverse engineer, or analyze the physical construction of, any of the Products or Software or any component thereof for any purpose.

15. INDEMNIFICATION.

15.1 Misuse. Buyer shall indemnify, defend and hold harmless QUALCOMM, its Affiliates, and their directors, officers, agents and employees against any and all losses, claims, demands, damages and expenses (including reasonable attorneys' fees) arising out of (i) any misuse or modification of the Product(s) sold hereunder, (ii) any unauthorized or unlawful use or distribution of the Product(s) sold hereunder, (iii) any breach of the Non-Disclosure Agreement described in Section 18 hereof, or (iv) any unlawful acts or omissions by Buyer or its Service Providers, or military and aviation application customers, including any nonpayment of taxes, duties or other assessments relating to the transactions contemplated by the applicable Supply Agreement. If a military or aviation application customer is deemed by QUALCOMM to be a viable indemnifier based on various factors, including without limitation, its capitalization, financial status, and the nature of the product/application, and such customer is willing to indemnify QUALCOMM to the same extent as required in this Section 15.1, QUALCOMM will accept a written indemnification directly from such customer with respect to such customer for the product/application specified in lieu of the indemnification by Buyer for acts or omissions by such customer. For purposes of this Section 15.1, "misuse" shall mean any use of the Product(s) other than as prescribed in this Agreement.

15.2 Third-Party Claims. QUALCOMM shall indemnify, defend and hold harmless Buyer, its Affiliates, and their directors, officers, agents and employees against any losses, claims, demands, damages and expenses (including reasonable attorneys' fees) brought or raised in any jurisdiction in the United States or Canada, arising out of or related to any incident of personal injury or property damage which the Product, when used in accordance with the Documentation, has directly or indirectly caused or is alleged to have caused, in whole or in part. Buyer shall indemnify, defend and hold harmless QUALCOMM, its Affiliates, and their directors, officers, agents and employees against any losses, claims, demands, damages and expenses (including reasonable attorneys' fees) arising out of or related to any incident of personal injury or property damage which Buyer's products, for reasons other than the presence of the Product(s), has caused or is alleged to have caused, in whole or in part.

15.3 By Buyer—Infringement. Buyer shall indemnify, defend, and hold harmless QUALCOMM, its Affiliates, and their directors, officers, agents and employees, from and against all suits and claims for infringements or violations (or alleged infringements or violations) of any United States patent, trademark, copyright, trade secret or other intellectual property rights of any third party: (i) caused by Buyer's modification of any Product(s) or caused by the modification of any Product(s); or (ii) arising from any markings, logos or features other than the Marks. If a military or aviation application customer is deemed by QUALCOMM to be a viable indemnifier based on various factors, including without limitation, its capitalization, financial status, and the nature of the product/application, and such customer is willing to indemnify QUALCOMM to the same extent as required in this Section 15.3, QUALCOMM will accept a written indemnification directly from such customer with respect to such customer for the product/application specified in lieu of the indemnification by Buyer for acts or omissions by such customer.

15.4 Procedure for Indemnification. With respect to indemnification pursuant to Section 15.1, 15.2 or 15.3, (i) the indemnified party shall give the indemnifying party prompt written notice of any claim or action for which the indemnified party is claiming indemnification hereunder; (ii) the indemnifying party shall be given the opportunity to control the defense or settlement of each such claim or action; and (iii) the indemnified party shall cooperate with, and provide reasonable information and assistance to, the indemnifying party in the defense and/or settlement of each such claim or action at the indemnifying party's expense, provided that failure to comply with (i), (ii) and

(iii) shall not affect the indemnifying party's obligation hereunder unless and to the extent the indemnifying party is materially prejudiced thereby. The indemnifying party shall pay all sums, including without limitation reasonable attorneys' fees, damages, losses, liabilities, expenses, and other costs, that by final judgment or decree, or in settlement of any suit or claim to such indemnifying party agrees, may be assigned against the indemnified party, its Affiliates, directors, officers, managers, members, agents, and employees on account of the claim indemnified against.

15.5 By QUALCOMM—Infringement. QUALCOMM shall indemnify, defend, and hold harmless Buyer, its Affiliates, and their directors, officers, agents and employees, from and against all suits and claims that the Product(s) infringes or violates (or allegedly infringes or violates) any United States patent, trademark, copyright, trade secret or other intellectual property rights of any third party. QUALCOMM agrees that it will pay all sums, including, without limitation, reasonable attorneys' fees, damages, losses, liabilities, expenses and other costs, which, by final judgment or decree, or in settlement of any suit or claim to which QUALCOMM agrees, may be assessed against Buyer, its Affiliates, directors, officers, agents, employees, on account of the foregoing, provided that: (a) QUALCOMM is given prompt written notice of such claim or action; (b) QUALCOMM is given the opportunity to control the defense or settlement of such claim or action; and (c) Buyer will cooperate with QUALCOMM to provide reasonable information and assistance in the defense and/or settlement of any such claim.

16. TERMINATION FOR CAUSE. The occurrence of any of the following shall constitute a material default and breach of the applicable Supply Agreement and shall allow the non-defaulting party to terminate such Supply Agreement and any outstanding Purchase Orders or portions thereof after the expiration of the applicable period of cure, if any;

(a) Any unauthorized disclosure of either party's confidential information as set forth in Section 18 below shall allow the non-defaulting party to terminate immediately;

(b) Any unauthorized use, sale or distribution of the Product(s) other than as set forth herein, misuse of the Marks, or the performance by Buyer of unauthorized modifications to the Product(s) shall permit QUALCOMM to terminate immediately;

(c) The dissolution, liquidation or discontinuance of business operations of either party shall permit the other party to terminate immediately;

(d) Any material default by either party of an obligation, condition or covenant of the Supply Agreement which, if curable, is not cured within thirty (30) days of the date after the other party notifies the defaulting party of such default.

In the event of termination by Customer due to QUALCOMM breach that remains uncured, QUALCOMM shall stop work as directed in the termination notice and use best efforts to mitigate expenditures.

If termination is by QUALCOMM, Buyer shall pay QUALCOMM the Product price for the delivered units and the applicable cancellation fees set forth in Section 3.3 hereof. If termination is by Buyer, Buyer shall pay QUALCOMM the Product price for the delivered units, plus QUALCOMM's costs to supplier(s) for part(s) ordered by QUALCOMM that cannot be cancelled or returned for refund. In that event, those part(s) for which QUALCOMM receives full payment from Buyer shall be delivered to Buyer, subject to any licensing requirements.

17. LIMITATION OF LIABILITY. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER, NOR SHALL QUALCOMM BE LIABLE TO BUYER'S DISTRIBUTORS OR CUSTOMERS, FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO ANY LOST PROFITS, LOST SAVINGS, OR OTHER INCIDENTAL DAMAGES, ARISING OUT OF THE SUPPLY AGREEMENT

INCLUDING BUT NOT LIMITED TO, THE USE OR INABILITY TO USE, OR THE DELIVERY OR FAILURE TO DELIVER, ANY PRODUCT(S) OR ANY SOFTWARE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING LIMITATION OF LIABILITY SHALL REMAIN IN FULL FORCE AND EFFECT REGARDLESS OF WHETHER A PARTY'S REMEDIES HEREUNDER ARE DETERMINED TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE. FURTHER, THE ENTIRE LIABILITY OF EITHER PARTY, AND THE SOLE AND EXCLUSIVE REMEDY OF ANY PARTY, FOR ANY CLAIM OR CAUSE OF ACTION ARISING HEREUNDER (WHETHER IN CONTRACT, TORT, OR OTHERWISE) SHALL NOT EXCEED THE PURCHASE PRICE FOR THE PRODUCT WHICH IS THE SUBJECT OF SUCH CLAIM OR CAUSE OF ACTION.

18. RESTRICTIONS ON DISCLOSURE AND USE. The terms of the Mutual Non-Disclosure Agreement between Buyer and QUALCOMM, **Attachment 1**, shall govern the exchange of all confidential and/or proprietary information between the parties under the applicable Supply Agreement.

19. COMPLIANCE WITH LAWS; PERMITS.

19.1 Compliance with Laws. Each party shall comply with all applicable required U.S. laws, regulations and codes, in the performance of the applicable Supply Agreement. Nothing contained in any Supply Agreement shall require or permit Buyer or QUALCOMM to do any act inconsistent with the requirements of: (a) the regulations of the United States Department of Commerce; or (b) the foreign assets controls or foreign transactions controls regulations of the United States Treasury Department; or (c) of any similar United States law, regulation or executive order; or (d) any applicable law or regulation, as the same may be in effect from time to time. Buyer will comply with all laws and regulations of the United States of America applicable to its activities under the applicable Supply Agreement, including but not limited to U.S. Export Administration Regulations. Further, Buyer shall comply with the laws of all countries in which Buyer imports any Products in the importation, marketing, sale, distribution, warranty and use thereof. Each party shall indemnify the other party and its officers, directors, employees and permitted assigns and successors against any losses, damages, claims, demands, suits, liabilities, penalties and expenses, (including reasonable attorneys' fees) that may be sustained by reason of such party's failure to comply with this Section 19.

19.2 Licenses and Permits. QUALCOMM warrants that the Phone(s), Car Kit(s), and the Satellite Data Modems have been type-certified by the U.S. Federal Communications Commission. Buyer and its Distributors shall be solely responsible for obtaining all other permits, certifications and approvals required by law or regulation, including any such permits, certifications and approvals, or any other governmental approval that may be required to market, manufacture, sell or distribute the Product(s). At Buyer's request, QUALCOMM shall reasonably assist Buyer at Buyer's expense.

20. INSURANCE. Buyer and Buyer's Distributors shall at all times, at their own cost and expense, carry and maintain the insurance coverage required by law and commercially standard in the jurisdiction(s) and industry(ies) where any Product may be sold. Buyer shall provide a certificate of insurance to QUALCOMM upon request and shall require its insurer(s) to advise QUALCOMM in writing within sixty (60) days prior to any changes or cancellations being made to such policy(ies).

21. PARTY RELATIONSHIP. It is expressly understood that the parties intend and establish only the relationship of independent contractors. No party shall have any authority to create or assume in the name of or on behalf of the other party any obligation, express or implied, to act or to purport to act as the agent or legally empowered representative of the other party for any purpose whatsoever.

22. ASSIGNMENT. Neither the Supply Agreement nor any rights, duties or interest herein, shall be assigned, transferred, pledged or hypothecated or otherwise conveyed by either party without other party's prior written consent, which shall not be unreasonably delayed or withheld. Notwithstanding,

after December 31, 2006 and upon notice to Buyer, QUALCOMM may transfer the Supply Agreement in connection with any transfer or sale by QUALCOMM to a third party without consent (other than a direct competitor of Buyer) of its Globalstar-related business, so long as such third party acquires or arranges for sufficient resources to perform its obligations thereunder. For purposes of this Section 22, "assignment" shall be deemed to include any transaction or series of transactions which results in an aggregate change in ownership or control of fifty percent (50%) or more of the Buyer. Any assignment or delegation in contravention of this Section shall be void.

23. DISPUTE RESOLUTION.

23.1 Good Faith Negotiations. The parties shall attempt to resolve by good faith and diligent negotiation any dispute, controversy or claim between them arising out of or relating to the Supply Agreement, or the breach, termination or invalidity thereof. If such negotiations are not initiated within thirty (30) days of one party's request to the other for negotiations and/or concluded within sixty (60) days after initiation, either party may initiate legal proceedings in accordance with this Section.

23.2 Applicable Law: Jurisdiction. The Supply Agreement shall be construed and the rights of the parties shall be determined, in all respects, according to the laws of the State of California (USA), without giving effect to the principles of conflicts of law thereof. The Supply Agreement shall not be governed by the provisions of the 1980 United Nations Conventions on Contracts for the International Sale of Goods. The parties hereto expressly consent and submit to the exclusive jurisdiction of the courts of California for the adjudication or disposition of any claim, action or dispute arising out of the Supply Agreement. The prevailing party thereto will be entitled to recover its expenses including, without limitation, reasonable attorney's fees.

23.3 Admissibility. ALL DISCUSSIONS AND DOCUMENTS PREPARED PURSUANT TO ANY ATTEMPT TO RESOLVE A DISPUTE UNDER THIS PROVISION ARE CONFIDENTIAL AND FOR SETTLEMENT PURPOSES ONLY AND SHALL NOT BE ADMITTED IN ANY COURT OR OTHER FORUM AS AN ADMISSION OR OTHERWISE AGAINST A PARTY FOR ANY PURPOSE.

24. FORCE MAJEURE. Neither party shall be in default or liable for any loss or damage resulting from delays in performance or from failure to perform hereunder due to any causes beyond its reasonable control, which causes include but are not limited to acts of God or the public enemy; riots or insurrections; war; fire; strikes and other labor difficulties (whether or not the party is in a position to concede to such demands) embargoes; judicial action; lack of or inability to obtain necessary labor, materials, energy, components or machinery; and acts of civil or military authorities. Should an event of Force Majeure occur, the party so affected shall give prompt written notice to the other party of such cause and its effect on its ability to perform under the applicable Supply Agreement. If the event of Force Majeure is not resolved and performance reinstated within one hundred twenty (120) days after notice thereof, either party may terminate such Supply Agreement, without further obligation to the other with respect to the unperformed obligation and without the application of any Termination Charges.

25. NOTICES. All notices, requests, demands, consents, agreements and other communications required or permitted to be given under this Supply Agreement shall be in writing and shall be mailed to the Party to whom notice is to be given, by first class mail, postage prepaid or sent by, facsimile and electronically confirmed, or via delivery service, properly addressed as set forth below. Notice shall be

deemed received upon the earlier of actual receipt or (i) one (1) business day after confirmed facsimile or delivery or (ii) five (5) business days after deposit into the U.S. mail.

QUALCOMM Incorporated
5775 Morehouse Drive
San Diego, CA 92121-1714
Attn.: [*]

QUALCOMM Wireless Systems Division

Facsimile: [*]

with a copy to:

[*], Wireless Systems
Facsimile No.: [*]

New Operating Globalstar, L.L.C.
3110 Zanker Road
San Jose, California
Attn: /s/ [*]

Facsimile: [*]

Copy:

Facsimile:

Addresses and facsimile numbers can be changed by providing notice to the other party in accordance with this Section.

26. **ENGLISH LANGUAGE**. All negotiations, correspondence, and documents whatsoever shall be in the English language. In any case where text exists in more than one language, the English text shall govern.

27. **MISCELLANEOUS PROVISIONS**. The supply of Products by QUALCOMM is on a nonexclusive basis. No addition to or modification of any Supply Agreement shall be effective unless made in writing and signed by the respective representatives of QUALCOMM and Buyer. Any delay or failure to enforce at any time any provision of any Supply Agreement shall not constitute a waiver of the right thereafter to enforce each and every provision thereof. If any of the provisions of any Supply Agreement is determined to be invalid, illegal, or otherwise unenforceable, the remaining provisions shall remain in full force and effect. The parties' rights and obligations which by their sense and context are intended to survive any termination or expiration of any Supply Agreement, including these Supply Terms, shall so survive.

****

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth above.

New Operating Globalstar, L.L.C.,
a Delaware limited liability company

By: /s/ William F. Adler

Print Name: William F. Adler
Title: VP Legal and Regulatory

QUALCOMM Incorporated,
a Delaware corporation

By: /s/ Scott J. Becker

Print Name: Scott J. Becker
Title: Sr. Vice President & General Manager
QUALCOMM Wireless Systems Division

Attachment 1

MUTUAL NON-DISCLOSURE AGREEMENT

OMITTED

Attachment 2

QUALCOMM INCORPORATED

OUT-OF-WARRANTY HARDWARE REPAIR PRICING
GLOBALSTAR PRODUCTS
(Prices Effective Through December 31, 2004)

Product	Out-of-Warranty Repair Unit Pricing (U.S. $)
GSP-1600 Tri-Mode Portable Phone	
• Replace Digital Board (MCN 20-81705-1)	**[*]**
• Replace RF Board (MCN 20-81707)	
• Light Repair-Antenna Replacement	
• Light Repair-Filter Replacement	
GSP-2800 Fixed Phone (Base)	
GSP-2900 Fixed Phone (Enhanced)	
GSP-1620 Satellite Data Modem (CCA Only/Excludes Antenna)	
Phone Product Accessories (Includes Car Kit)	**Not Repaired**
No Trouble Found (NTF)/ Repair Evaluation Fee	**[*] Per Occurrence**

Attachment 3

RMA (Return Material Authorization) Procedures
for QUALCOMM Globalstar Products

Prior to Requesting an RMA

1. Buyer personnel must be registered with QUALCOMM Customer Service to submit a request for RMA. To obtain registration status, Buyer must email QUALCOMM Customer Service at gstechsupport@qualcomm.com. (A list of authorized personnel that can obtain RMAs from QUALCOMM should be provided in advance, if possible, by Buyer).

2. Buyer personnel will receive an email confirmation that they have been authorized to submit RMAs.

RMA Procedure

1. Buyer should **REQUEST** an RMA from QUALCOMM using one of the following methods:

- **EMAIL** QUALCOMM Customer Service at gstechsupport@qualcomm.com. Be sure to include "RMA Request" in the subject field.

Or

- Request a hardcopy RMA form comm-sa@qualcomm.com.

  COMPLETE the hardcopy RMA form and FAX the form to QUALCOMM Customer Service (US) +l 858-651-QFAX (7329) or send it as an attachment in an email to gstechsupport@qualcomm.com. Be sure to include the original Purchase Order Number or Contract Name/Number on this Form.

2. The QUALCOMM Customer Service Representative will log the information into QUALCOMM's call tracking software system, which automatically assigns a case number for the RMA request. Please note, this is not the RMA number. The RMA number will be assigned if all warranty criteria have been met. Please include a description of the problem and the RMA documentation with the part(s) to be repaired.

3. Buyer will **RECEIVE** a confirmation and case number for the RMA request from QUALCOMM Customer Service via email.

4. Buyer will **RECEIVE** an RMA number, shipping instructions, and RMA confirmation documents from QUALCOMM Customer Service via email or fax.

5. Buyer must package the RMA part(s) for shipment for safe arrival at QUALCOMM, including the following:

a) Package part(s) in accordance with professional packing standards. Part(s) must be packaged in original box or equivalent container. If applicable, external box should be suitable for international shipment or Freight Forwarder equivalent.

b) Enclose the RMA form, the description of the failure, and a copy of the RMA documentation received from QUALCOMM in each shipping container. If applicable, enclose any exportation documentation for customs purposes.

c) Write the RMA number(s) on the outside of each container. If reusing shipping containers, remove previous stickers and labeling.

d) Verify the "Ship TO" address is visible on the outside of each container.

6. Buyer must **SHIP** the RMA part(s) per QUALCOMM shipping instructions indicated on the RMA documentation.

Please refer to the applicable contract agreement with QUALCOMM to determine the responsible party and schedule for payment of associated shipping costs (i.e., customs clearance, freight costs, and associated duties and taxes) required for transport or parts(s) to and from QUALCOMM; and for Repair Evaluation Fees and Repair Fees.

7. For tracking purposes, Buyer must **OBTAIN** the Airway Bill (AWB) number from the freight forwarder and email both the AWB number and the associated RMA number to QUALCOMM Customer Service at status.rma@qualcomm.com shipment.

8. QUALCOMM will notify Buyer of estimated ship schedule for repaired part(s) via email.

9. Buyer should CONFIRM the receipt of the repaired product(s) and validate the functionality of the part(s) by sending email to status.rma@qualcomm.com.

10. Upon receipt of Buyer's confirmation, QUALCOMM will close the Case and the RMA. If confirmation has not been received in thirty (30) days from date of shipment, QUALCOMM will close the case and the RMA accordingly.

This Procedure may change from time to time in QUALCOMM's sole discretion. Buyer should contact QUALCOMM for questions.

Attachment 4

AGREEMENT FOR REPAIR OF OUT-OF-WARRANTY
GLOBALSTAR HARDWARE
(CDMA Gateway Equipment, Satellite Phone Products, Satellite Data Modems)
AGREEMENT No. _____

This Agreement for Repair of Out-of-Warranty Globalstar Hardware ("Agreement") is entered into as of April __, 2004 ("Effective Date") by and between QUALCOMM Incorporated ("QUALCOMM"), a Delaware U.S.A. corporation having offices at 5775 Morehouse Drive, CA 92121, and a _____, a _____ ("Customer"), with offices located at and each may be referred to as "party" and collectively as "parties" to this Agreement.

1.0 Term. The term of this Agreement shall be for one (1) year from the Effective Date. During the term, all QUALCOMM repairs for out-of-warranty hardware shall be governed by this Agreement.

2.0 Repairs. QUALCOMM will perform reasonable repairs based on the availability of QUALCOMM's personnel and component parts. Customer will be notified if QUALCOMM deems any part not repairable, and Customer may request to purchase a replacement part at that time (to be sold subject to availability and under a separate agreement).

3.0 Return Material Authorization (RMA). All returns shall be handled in accordance with QUALCOMM's RMA Procedures. For each repair requested during the term and for Customer's return of any part(s) for repair, Customer shall request an RMA Number.

Any unauthorized part received by QUALCOMM will be returned at the Customer's sole expense. If RMA number is issued by QUALCOMM and QUALCOMM fails to receive Customer's defective part within thirty (30) days of issuance of the RMA number, QUALCOMM reserves the right to cancel the RMA upon written notice to Customer, and retain any monies received by the Customer for said repair. Customer may cancel an RMA prior to Customer's shipment of part(s) upon written notice to QUALCOMM. Upon receipt of Customer's notice, QUALCOMM will cancel the associated RMA number. Information in the form of Exhibit A hereto will be required prior to each repair.

4.0 Price. QUALCOMM's repair prices do not include shipping, duties or taxes. For all out-of-warranty repairs, Customer agrees to pay all shipping, duties and taxes associated with the return of part(s) to QUALCOMM, and associated with the repaired part(s) being returned to Customer. To the extent reasonably possible, QUALCOMM will publish current repair prices on QUALCOMM's Customer Service website. In certain cases, QUALCOMM will provide an estimated repair price upon Customer's return of the part and QUALCOMM's evaluation of necessary repair.

5.0 Payment. All payments shall be made in U.S. Dollars. Unless otherwise agreed to by QUALCOMM, Repair Evaluation Fee(s) must be received prior to QUALCOMM's issuance of an RMA and evaluation of a part. Payment terms for out-of-warranty repairs are twenty five percent (25%) of the estimated repair price due prior to QUALCOMM's issuance of an RMA number and Customer's shipment of the part(s), and seventy five percent (75%) of the actual repair price due within thirty (30) days after QUALCOMM's delivery to the FCA Point (i.e., QUALCOMM's dock). QUALCOMM will invoice on a NET 30 basis. Payments shall reference this Agreement number and must be made by credit card based on Customer information below or via wire transfer to the bank location set forth below, or such other bank location as QUALCOMM may from time to time designate in writing:

Bank of America
San Francisco, California
ABA# 121-000-358
Int. S.W.I.F.T. No. [*]
Account [*].

Customer shall pay to QUALCOMM a late charge on any undisputed past due amounts at the rate of one percent (1%) per month or part thereof or the maximum amount permitted by law, whichever is less. In the event Customer disputes an amount invoiced by QUALCOMM, Customer shall promptly notify QUALCOMM in writing the basis for such dispute, and shall pay the undisputed portion of such invoice as set for therein.

6.0 Delivery. Estimated lead times for QUALCOMM repairs will be provided to Customer upon request. Delivery terms are FCA, QUALCOMM's dock, San Diego, California (the "FCA Point"). QUALCOMM will notify Customer in writing when the repaired part(s) is available for pick up (the "Notification Date"). If Customer fails to pick up the repaired part(s) following thirty (30) days after the Notification Date, QUALCOMM will invoice, and Customer will be responsible, for payment of daily storage fees at QUALCOMM's then-current rate until such time as the repaired part(s) is picked up by Customer.

7.0 Warranty. Customer has twenty (20) days from Customer's receipt of a repaired part to notify QUALCOMM that the part is non-working (and in no case can a notification be received later than forty five (45) days from the Notification Date). Otherwise, Customer shall be deemed to have accepted the part(s) "AS IS, and without warranty of any kind." If a returned part is non-working, Customer will provide QUALCOMM a detailed explanation of the problem, and photographs if available, when obtaining an RMA number from QUALCOMM. If upon QUALCOMM's reasonable evaluation it is determined that the part remains defective or otherwise non-working as a direct result of QUALCOMM's actions (or the actions of its suppliers), QUALCOMM will repair the part at QUALCOMM's expense and ship the part back to Customer at QUALCOMM's expense (except for duties and taxes which will be the responsibility of Customer). THE WARRANTY IN THIS SECTION 7.0 IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, WHETHER ARISING FROM LAW, CUSTOM, OR CONDUCT AND 1S CUSTOMER'S SOLE REMEDY RELATED TO QUALCOMM'S REPAIR OF A PRODUCT.

8.0 Termination for Cause. Either party may terminate this Agreement for material default by the other party of an obligation, condition or covenant of this Agreement, which, if curable, is not cured within thirty (30) days of the date after the other party notifies the defaulting party of such default.

9.0 Agreement/Governing Law. Customer's Purchase Order and/or terms and conditions do not apply. This Agreement, and the RMA Procedures, are the complete agreement between the parties regarding the subject matter and this Agreement shall be construed according to the laws of the State of California without giving effect to the principles of conflicts of law thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

New Operating Globalstar LLC		QUALCOMM Incorporated	
By:	/s/ William F. Adler	By:	/s/ Scott J. Becker
Name:	William F. Adler	Name:	Scott J. Becker
Title:	VP Legal and Regulatory	Title:	Sr. Vice President and General Manager

Exhibit A

MCN or Part #	Part Name	Quantity	Serial #	Repair Price (in US $)*
				$
				$
				$
			TOTAL REPAIR PRICE, EXCLUDING SHIPPING, TAXES & DUTIES	$

*** Repair price is per QUALCOMM's Website or as quoted in writing by QUALCOMM.**

Complete Description of Problem: _____

CUSTOMER CREDIT CARD INFORMATION AND AUTHORIZATION:

Credit Card Type: _____

Number: _____

Expiration Date: _____

Name on Credit Card: _____

Customer's Signature: _____

For credit card payments, Customer will include pertinent information above. Customer's signature is authorization for QUALCOMM to charge the prices stated on this Agreement to Customer's credit card.

SHIP TO ADDRESS FOR REPAIRED PART(S):

SHIPPING INFORMATION (if Customer requests QUALCOMM's shipment of repaired part(s) in lieu of Customer pickup):

Freight Forwarder:

Freight Account #

Ship Method:

Attachment 5

QUALCOMM Commercial Rates

QUALCOMM's Labor Rates are as follows:

Labor Category	Hourly Rate (in U.S. $)
Sr. Principal Engineer	
Principal Engineer	
Project Manager	
Systems/Sr. Engineer	
Hardware/Software Engineer	[*]
Administration	
Associate Engineer/Sr. Field Engineer	
Sr. Technician/Sr. Field Technician	
Field Engineer	
Field Technician/Technician	
Admin Support	

Travel costs and materials are not included in the above Labor Rates. As needed, they will be separately quoted by QUALCOMM.

QUALCOMM Labor Rates are established at a corporate level and adjusted annually. Current Labor Rates above are effective through December 31, 2004.

EXHIBIT B

ACCESSORIES

QUALCOMM's prices are current as of the Effective Date and subject to change upon notice to Buyer. Limited to quantities in Inventory; current estimates below. (Additional quantities of some items not in retail packaging may also be available for purchase).

Item	Product Line	Product Number	Price	Inv	Model Number	MCN Description
1.	Cigarette Lighter Adapter, Kit	CLA-1600		0	CXCLA0511	KIT, GS PORTABLE UT, CLA, PROD, RETAIL
2.	Data Cable, Kit	GDC-1100		0	XCDTA0512	KIT, TR-MODE DATA, GS, MDL CXDTA0512
3.	Data Cable, Tri Mode	GDC-1200		2042	CXDTA055	CABLE ASSY, DATA, PRODUCTION
4.	UT Diagnostic Monitor UTDM	GDM-2000	[*]	16	CXMST005	KIT, COMMERCIAL, UTDM
5.	Protective Case, Kit	GPC-1000		9	CXLCC0511	KIT,GS PORTABLE UT,PROTECTIVE CASE,PROD,RETAIL
6.	Leather Pouch, Kit	GPC-1100		0	CXLCC0521	LEATHER POUCH KIT
7.	Leather Case, Russia	GPC-1200		200	CXLCC051	CASE, LEATHER, PHONE, GLOBALSTAR PORTABLE (RUSSIA)
8.	Universal Travel Charger, Kit	GSP-1210		1786	CXTVL0511	KIT, GS PORTABLE UT, UNIVERSAL TRAVEL CHARGER,PROD
9.	Argentina Travel Charger, Kit	GSP-1211		36	CXTVL0521	KIT, UTC, ARGENTINE, GS PORT UT, CXTVL0521
10.	China Travel Charger, Kit	GSP-1212		0	CXTVL0531	KIT, UTC, CHINA, GS PORTABLE UT, CXTVL0531
11.	North American Wall Charger, Kit	GSP-1220		671	CXDTC0511	KIT,GS PORT UT,STD CHARGER, N. AMERICAN, PROD RETAIL
12.	EURO Wall Charger, Kit	GSP-1225		0	CXDTC0521	KIT, GS PORT UT, STD CHARGER, EURO VERSION, PROD
13.	Argentina Wall Charger, Kit	GSP-1230		0	CXDTC0531	KIT, STD CHARGER, ARGENTINE, CXDTC0531
14.	China AC Wall Charger	GSP-1231		10,000	CXDTC054	AC WALL CHARGER, PORTABLE UT,CHINA, GLOBALSTAR
15.	Antenna Replacement Kit	GSP-1650		333	CMANT0521	KIT, GS ANTENNA, FULL REPLACEMENT
16.	UT Program Support Tool	GST-1900		3	CSPST005	KIT,GS WWT,USER TERMINAL PROGRAM SUPPORT TOOL
17.	PST Cable Kit	GST-1910		7	CXHDW005	KIT, CABLE, PST, GS
			Car Kit Accessories			
18.	Carkit Handset, Kit	GCK-0008		233	CXCKT0521	KIT, HANDSET, CARKIT, GS
19.	Carkit ODU RF Cable	CV90-82105-C91		1535		CABLE ASSY, ODU TX RX
20.	Carkit Headset	GCK-0016	[*]	1,262	CXCKT064	HEATSET,SOAP ON ROPE STYLE EARPHONE-MIC
21.	Carkit Headset Adapter	GCK-0017		1,209	CXCKT056	ADAPTER, HEADSET, GS CARKIT
22.	Carkit Headset, Kit	GCK-0018		16	CXCKT0531	KIT, HEADSET, CARKIT, GS
			Fixed Accessories			
22.	Fixed Battery Kit	GBB-1000		147	CXBAT0541	KIT, BATTERY, FIXED UT, GS
23.	Fixed UT Power Supply Kit	GPO-1000	[*]	0	CXPRS0511	KIT, POWER SUPPLY, FIXED UT, GS

EXHIBIT C

PRODUCT PRICING

Price list and Quantities are valid for Product(s) ordered within twelve (12) months of the Effective Date for delivery within twenty-four (24) months of the Effective Date.

Price list and minimum/maximum quantities for orders placed in months thirteen (13) through twenty-four (24) is TBD.

PRODUCT	UNIT PRICE (in U.S. $)	Minimum Quantity	Maximum Quantity
Tri-Mode Portable Phone	[*]	10,000	40,000
Fixed Phone (Enhanced)		7000*	7000*
Fixed Phone (Base)		7000*	7000*
Car Kit		5000	20,000
Satellite Data Modems	[*] with DRA Antenna/ [*] without DRA Antenna	10,000	25,000

* Minimum/Maximum is Fixed Enhanced and Base Combined.

Unit price and maximum quantities are subject to component end of life issues.

Orders below the Minimum Quantity are subject to unit price adjustment.

EXHIBIT D

MODIFICATIONS

The following Categories of Modifications to the QUALCOMM Globalstar Satellite Data Modem, GSP-1620 require Buyer to sign QUALCOMM's Product Supply Agreement or Integration Agreement, as indicated below. Modifications indicating "Not Approved" are not authorized by QUALCOMM.

	Modification Category	Supply Agreement	Integration Agreement	Not Approved
1	Add Enclosure and Mounting		X	
2	Power Source Hook Up (DB-25)	X		
3	Surge Protection Implementation (e.g., fusing)	X		
4	Change Cable and Cable Lengths		X*	
5	RF Modification (excluding RF Module)		X*	
6	Use in Proximity of GPS Installation	X*		
7	Antenna Change (i.e., other than DRA)		X*	
8	Hook Up to Interface (user serial standard RS232)	X		
9	Software Change (including interface Operation System Source Code)			X
10	Hardware Modification			X
11	Develop Maritime Application		X*	
12	Develop Explosive Environment Application			X
13	Develop Aviation Application		X*	
14	Develop ATC Application		X*	
15	Grounding	X		
16	Tandem Connection (i.e., ganging)	X*		
17	Use of DB-9 UTDM SW to Access SDM's Port (e.g., use of commands)			X*
18	**Any other Modification, Category or Application not listed above to be reviewed by QUALCOMM on a case-by-case basis**			

* Requires QUALCOMM Engineering Consultation.

EXHIBIT E

Integration Agreement

Agreement No. _____

This QUALCOMM Integration Agreement ("Agreement") is entered into as of _____, 200__ ("Effective Date") by and between **QUALCOMM Incorporated**, a Delaware corporation, ("QUALCOMM") with offices located at 5775 Morehouse Drive, San Diego, CA 92121, and _____, a _____, ("Integrator"), with offices located at _____, with respect to the following facts:

RECITALS

A. Integrator has purchased Satellite Data Modems (the "Product(s)") from QUALCOMM pursuant to the terms of QUALCOMM's Supply Agreement and Supply Terms, or from Globalstar.

B. Integrator possesses expertise in the design, development, manufacture and certification of wireless telecommunications products.

C. Integrator wishes to incorporate the Product(s) into an Integrated Product for use in an Application (all as defined below) for resale to Customers and bona fide end users.

D. Integrator understands that, the Product(s) were not developed by QUALCOMM for incorporation into the Integrated Product and/or intended for use in the Application, and therefore, as a requirement for developing, designing, manufacturing, marketing, selling, distributing or using any Product(s) for any Application, Integrator is required to execute this Agreement.

E. The Product(s) may be modified only as set forth in this Agreement, including **Attachment 3,** subject to the restrictions set forth therein.

AGREEMENT

NOW, THEREFORE, the parties, in consideration of the mutual promises set forth herein, agree as follows:

1. DEFINITIONS. The following capitalized terms shall have the meanings set forth below:

"Application" shall mean Integrator's commercial application(s) using the Globalstar System, as specified in **Attachment 2** hereto.

"Aviation" shall mean any vehicle/container that leaves direct contact with the earth or an associated ground structure, is propelled or carried through the air, and which may be subject to regulation by the "in country" aviation authority(ies).

"Commercial Rates" shall mean the rates charged by QUALCOMM for development, installation and other types of services, a current listing of which is attached hereto as **Attachment 1**, and shall be adjusted annually upon written notice to Integrator.

"Integrator Documentation" shall mean the documentation provided by QUALCOMM for Integrator's use in the design and development of the Integrated Product. Documentation includes but is not limited to the following: Integrator's Manual (#80-99208-1), Satellite Data Modem Product Specification (#80-99240-1) and the Satellite Data Modem User's Manual.

"Globalstar" shall mean Globalstar L.P., a Delaware limited partnership.

"Globalstar System" shall mean the system developed by Globalstar LP to provide low earth orbit satellite based wireless telecommunication services worldwide.

"Integrated Product" means Integrator's product that incorporates Product(s) into various modes of data communications equipment utilizing the Product(s) as the core communications component for use in the Application ("Integrated Product"). The Integrated Product is described in **Attachment 2** hereto.

"Integrator" shall mean the third party identified above.

"Product(s)" shall mean the QUALCOMM Globalstar Satellite Data Modem, GSP-1620.

"Reserved Service(s)" shall mean (i) mobile-data messaging and position location services utilizing data only terminals that are based on QUALCOMM technology for in-cab driver communications related to the maintenance and/or monitoring of commercial trucking fleets, trailers, rail cars and /or vessels used on inland waterways and (ii) mobile data messaging and position location services utilizing data only terminals that are based on QUALCOMM technology for the maintenance and/or monitoring of off-highway heavy construction vehicles and equipment. Each of the foregoing restrictions shall apply for three (3) years from the Effective Date (i) only in the geographic regions of the United States, Canada, Mexico, Brazil, and Europe including Russia and (ii) only until the expiration of three years after April 13, 2004. Reserved Service shall not include any such services used by the United States Department of Defense or any other United States or foreign governmental agency or entity.

"RMA Procedures" shall mean the set of procedures found on QUALCOMM's official website which describes the process and documentation required for the return by Integrator of any Product(s) to QUALCOMM. Copies of the RMA Procedures and the Out-of-Warranty Repair Agreement are attached hereto as **Attachments 5 and 6**, respectively.

"Term" shall commence on the Effective Date and continue for one (1) year, unless earlier terminated as provided herein. The Term may be extended based on the mutual written agreement of the parties.

2. PRODUCT MODIFICATION RESTRICTIONS. Satellite Data Modems may be modified pursuant to this Agreement only as set forth in **Attachment 3**, columns marked "Supply Agreement" and/or "Integration Agreement." Other modifications, including without limitation those marked "Not Approved" in **Attachment 3** are prohibited. Consultation with QUALCOMM's engineering staff is required as noted thereon. Such consultation shall be provided at QUALCOMM's San Diego, CA facility, subject to staff availability and Commercial Rates.

3. PRODUCT USES AND RESTRICTIONS.

3.1 Restriction on Use of Products. The Product shall not be marketed or sold for any Reserved Service, nor may any Product be incorporated into any Integrated Product which is developed, marketed, produced, sold or permitted to be used for or in any Reserved Service. Integrator shall not directly or indirectly market, provide, sell or distribute the Product(s) for Reserved Services or for any application other than as stated herein.

3.2 Sale only as Incorporated in Integrated Product. It is acknowledged and agreed that Product(s) must be incorporated into the Integrated Product(s) and may not be resold or used for any other purpose by Integrator other than as a part of and included within the Integrated Product solely for use in the Application and in accordance with the provisions of this Agreement.

Integrator shall not directly or indirectly, (i) market, provide, sell or distribute, or cause to be marketed, provided, sold or distributed, any or all of the Integrated Products other than for the Application and/or (ii) market, resell or distribute the Product(s) except as incorporated in the

Integrated Products as permitted hereunder or as may be otherwise authorized in writing by QUALCOMM. Integrator shall be responsible to arrange for airtime and rates therefor on the appropriate Gateway.

3.3 Environmental Protection. Integrator acknowledges that the Product(s) require environmental protection. These environmental elements include, but are not limited to, temperature variation, humidity, condensation, lightning strikes, electromagnetic radiation, corrosive agents, ESD, particulates, direct impacts, mechanical shocks and vibrations, and as such, requires Integrator to be responsible for the environmental protection for the Product. QUALCOMM shall have no liability for Integrator's failure to design or to develop the Integrated Product in such a manner that fails to provide it an adequate enclosure or other sufficient environmental protection capabilities for the Product.

3.4 Conformance with Specifications. Integrator agrees to assure that its incorporation of the Product(s) into the Integrated Product will not cause the Product(s) to deviate from the Radio Frequency (RF) performance specifications thereof. This would include, but is not limited to, changing or modifying the antenna, antenna cable as specified in the product documentation, antenna connectors, or any hardware or software components of the Product as provided by QUALCOMM. QUALCOMM reserves the right to test the Integrated Product before operation, if deemed necessary, in QUALCOMM's laboratory or other designated laboratory, to ensure that the Integrated Product conforms to the performance specifications of the Product(s) and continues to meet Globalstar System certification.

3.5 Product Documentation. Integrator agrees that all Integrated Products sold by Integrator, or Integrator's resellers, distributors or agents (hereafter "Customers") to a bona fide end user will include adequate instructions for operation and use and safety information, including, without limitation such instructions and/or safety information as are required by law or regulation. For the purposes hereof, "bona fide end user" means any person who is purchasing the Integrated Product without the intent to resell such Integrated Product.

4. LICENSES AND PERMITS. The Product is certified by the FCC for its intended use. Integrator shall be solely responsible for obtaining all permits, certifications, and approvals required by law or regulation, including permits, certifications and approvals, or any other governmental approval that may be required to distribute, market, sell, operate and use the Integrated Product to include, without limitation, FCC and FAA certifications as applicable. QUALCOMM will reasonably assist Integrator, subject to availability of QUALCOMM's staff and at QUALCOMM's then-current Commercial Rates, in certification efforts.

5. RESTRICTED EXPORT. Integrator acknowledges that all Product(s) and all proprietary data, know-how, software or other data or information ("Information") obtained from QUALCOMM are subject to United States (US) Government export control laws and accordingly their use, export and reexport, may be restricted or prohibited. Integrator, therefore, agrees not to directly or indirectly export, re-export, or cause to be exported or re-exported, any such Product(s), Information, or any direct product thereof, to any destination or entity prohibited or restricted under US law, unless it shall have first obtained prior written consent of the US Department of Commerce (or other applicable agency of the US Government, either in writing or as provided by applicable regulation, as the same may be amended from time to time), a copy of such consent to be provided to QUALCOMM prior to export by Integrator. Integrator agrees that no Product(s) or Information received from QUALCOMM will be directly employed in missile technology, sensitive nuclear, or chemical biological weapons end uses or in any manner transferred to any party for any such end use. This requirement shall survive any termination or expiration of this Agreement.

6. WARRANTIES.

6.1 No Product Warranty. NO WARRANTY is provided with the Product(s) as they are being used by Integrator for purposes for which they are not intended. Subject to the availability of QUALCOMM staff, QUALCOMM will use reasonable commercial efforts to test and repair Products at QUALCOMM's then-current repair prices. Integrator will be responsible for all shipping costs associated with the return of the Products to QUALCOMM, and back to Integrator, to include without limitation, insurance, taxes and duties. Integrator must follow the RMA Procedures for all such returns.

6.2 Service Warranty. QUALCOMM hereby warrants that services performed hereunder will be performed in a workmanlike manner consistent with industry standards for such service.

Integrator hereby acknowledges and agrees that it has not relied on any representations or warranties other than those expressly set forth herein. QUALCOMM MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS, SOFTWARE, OR SERVICES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILTTY OR FITNESS FOR A PARTICULAR PURPOSE OR AGAINST INFRINGEMENT, OR ANY EXPRESS OR IMPLIED WARRANTY ARISING OUT OF TRADE USAGE OR OUT OF A COURSE OF DEALING OR COURSE OF PERFORMANCE.

7. NO TRANSFER OF INTELLECTUAL PROPERTY RIGHTS IMPLIED. There is no conveyance to Integrator of any intellectual property rights in such Products or any software contained therein, including but not limited to any rights under any patent, trademark, copyright, or trade secret other than as set forth in Section 8. No provision of this Agreement including, without limitation, the license of any software, shall be construed to grant to Integrator, either expressly, by implication or by way of estoppel, any license under any patents or other intellectual property rights of QUALCOMM or its licensors covering or relating to any other product or invention or any combination of Products or software with any other product.

8. SOFTWARE LICENSE. Products may contain or be accompanied by software in executable code form ("Software") and, except as otherwise expressly provided herein, all references to "Product(s)" herein shall be deemed to include the accompanying Software, provided that nothing herein shall be construed as the sale of, or passage of title in, any Software or any other intellectual property embedded in the Product to Integrator. QUALCOMM hereby grants to Integrator a non-exclusive license to use the Software (in object form only) solely as included and intended to be used in the Products and for use only in the manner which QUALCOMM intends the Software to be used, for the duration of the useful life of such Products and subject to the terms and conditions herein. Integrator shall not, and shall not authorize any third party to, without the prior written consent of QUALCOMM: (i) alter, modify, translate, or adapt any Software or create any derivative works based thereon; (ii) copy any Software; (iii) assign, sublicense or otherwise transfer the Software in whole or in part, except as permitted herein; (iv) use the Software except as specifically contemplated herein; or (v) disclose the Software to any third party. The entire right, title and interest in the Software shall remain with QUALCOMM, and Integrator shall not remove any copyright notices or other legends from the Software or any accompanying documentation. Integrator may reproduce and distribute any user documentation provided by QUALCOMM for the Product, in whole or in part, for purposes related to the operation, maintenance, marketing or sale of Integrated Products; provided that QUALCOMM shall have the right to review and approve such documentation in writing prior to Integrator's use.

Integrator may, and may allow Customers to, sublicense to bona fide end user customers the right to use the Software only as incorporated in the Integrated Product, subject to written terms at least as protective of QUALCOMM's rights therein as the provisions of this Agreement and such right shall survive termination of this Agreement and last for the duration of the useful life of the Integrated Product. If Integrator, and Customers, do not take reasonable steps to enforce its/their rights under

such software sublicense agreements, Integrator and Customers shall take all reasonable steps necessary to ensure that the right to enforce such software sublicense agreements is transferred and assigned to QUALCOMM.

Integrator shall use the Products and Software contained therein or furnished by QUALCOMM solely in accordance with and for the purposes specifically contemplated in the terms of this Agreement. Integrator shall not, directly or indirectly, alter, modify, translate, or adapt any Product or Software contained therein or create any derivative works based thereon, disassemble, decompose, reverse engineer, or analyze the physical construction of, any of the Products or Software or any component thereof for any purpose.

9. NO USE OF TRADEMARKS AND LOGOS. In order that each party may protect its trademarks, trade names, corporate slogans, corporate logo, goodwill and product designations, no party, without the express written consent of the other, shall have the right to use any such marks, names, slogans or designations of the other party, in the sales, lease or advertising of any products or on any product container, component part, business forms, sales, advertising and promotional materials or other business supplies or material, whether in writing, orally or otherwise, except as agreed to in writing by the parties.

10. INDEMNIFICATION AND INSURANCE.

10.1 Misuse. Integrator shall indemnify, defend and hold harmless QUALCOMM, its affiliates, and their directors, officers, agents and employees against any and all losses, claims, demands, damages and expenses (including attorneys' fees) arising out of or related to Integrator's (including its affiliates and their employees, agents, independent contractors or customers) misuse and/or modification of the Product, or use of any Product in combination with any other items, whether or not furnished by QUALCOMM, even if such use is the necessary, inherent and/or intended use of the Product.

10.2 Tort and/or Product Liability Claims. Integrator shall indemnify, defend and hold harmless QUALCOMM, its affiliates, and their directors, officers, agents and employees against any all losses, claims, demands, damages and expenses (including attorneys' fees) arising out of or related to any incident of personal injury or property damage in which the Product, or Integrated Product, or any combination thereof, is alleged to have caused, in whole or in part, such damage or injury.

10.3 Infringement. Integrator shall indemnify, defend, and hold harmless QUALCOMM, its affiliates, and their directors, officers, agents and employees, from and against all suits and claims for infringements or violations of any patent, trademark, copyright, trade secret or other intellectual property rights of any third party (i) caused directly by Integrator's (or by an affiliate's or agent's if done on behalf of or at the direction of Integrator) modification, use or maintenance of any Product, (ii) arising from the incorporation of the Product(s) into the Integrated Product, or (iii) arising from any markings, logos or features used or specifically requested by Integrator in writing. Integrator agrees that it will pay all sums, including, without limitation, attorneys' fees, damages, losses, liabilities, expenses and other costs, which, by final judgment or decree, or in settlement of any suit or claim to which Integrator agrees, may be assessed against QUALCOMM, its affiliates, directors, officers, agents, employees, on account of the foregoing, provided that:

(a) Integrator will be given written notification, promptly after QUALCOMM becomes aware of such claim, of any such infringement or violation and of any suits or claims brought or threatened against QUALCOMM or Integrator of which QUALCOMM has actual knowledge;

(b) Integrator is given full authority to assume control of the defense (including appeals) thereof through its own counsel at its sole expense and will have the right to settle any suits or claims without the consent of QUALCOMM; provided that Integrator shall have no right to agree to injunctive relief against QUALCOMM or to any relief involving QUALCOMM's rights to sell Products and provided

further, that Integrator will notify QUALCOMM of any proposed settlement prior to Integrator's acceptance of such settlement; and

(c) QUALCOMM will cooperate with Integrator in the defense of such suit or claims and provide Integrator, at Integrator's expense, such assistance as Integrator may reasonably require in connection therewith.

10.4 Insurance. Integrator and Integrator's Customers shall at all times, at their own cost and expense, carry and maintain the insurance coverage required by law and commercially standard in the jurisdiction(s) and industry(ies) where the Integrated Product may be sold, and shall provide certificates of insurance to QUALCOMM upon request and shall require its insurers to advise QUALCOMM in writing within sixty (60) days prior to any changes or cancellation being made to such policies.

11. LIMITATION OF LIABILITY. IN NO EVENT SHALL QUALCOMM BE LIABLE TO INTEGRATOR, OR INTEGRATOR'S CUSTOMERS, FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO ANY LOST PROFITS, LOST SAVINGS, OR OTHER INCIDENTAL DAMAGES, ARISING OUT OF THE USE OR INABILITY TO USE, OR THE DELIVERY OR FAILURE TO DELIVER, ANY OF THE PRODUCTS OR ANY SOFTWARE, EVEN IF QUALCOMM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING LIMITATION OF LIABILITY SHALL REMAIN IN FULL FORCE AND EFFECT REGARDLESS OF WHETHER BUYER'S REMEDIES HEREUNDER ARE DETERMINED TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE. FURTHER, THE ENTIRE LIABILITY OF QUALCOMM, AND THE SOLE AND EXCLUSIVE REMEDY OF INTEGRATOR OR ANY THIRD PARTY, FOR ANY CLAIM OR CAUSE OF ACTION ARISING HEREUNDER (WHETHER IN CONTRACT, TORT, OR OTHERWISE) SHALL NOT EXCEED FIVE THOUSAND DOLLARS U.S. ($5000.00).

12. RESTRICTIONS ON DISCLOSURE AND USE. The terms of the Mutual Non-Disclosure Agreement, the form of which is attached hereto as Attachment 4 and which shall be executed by Integrator and QUALCOMM, shall govern the exchange of all confidential and/or proprietary information between the parties under this Agreement.

13. COMPLIANCE WITH LAWS. Each party shall comply with all applicable required U.S. laws, regulations and codes, including the procurement of permits and licenses when needed, in the performance of this Agreement. Nothing contained in this Addendum shall require or permit Integrator or QUALCOMM to do any act inconsistent with the requirements of: (a) the regulations of the United States Department of Commerce; or (b) the foreign assets controls or foreign transactions controls regulations of the United States Treasury Department; or (c) of any similar United States law, regulation or executive order; or (d) any applicable law or regulation, as the same may be in effect from time to time. Integrator will comply with all laws and regulations of the United States of America applicable to its activities under this Addendum, including but not limited to U.S. Export Administration Regulations. Further, Integrator shall comply with the laws of all countries in which Buyer imports any Products in the importation, marketing, sale, distribution, warranty and use thereof. Each party shall indemnify the other party and its officers, directors, employees and permitted assigns and successors against any losses, damages, claims, demands, suits, liabilities, penalties and expenses, (including reasonable attorneys' fees) that may be sustained by reason of such party's failure to comply with such laws, regulations and codes.

14. TERMINATION FOR CAUSE. In addition to the other termination rights set forth herein, the occurrence of any of the following shall constitute a material default and breach of this Agreement and shall allow the non-defaulting party-to terminate this Agreement after the expiration of the applicable period of cure, if any;

(a) Any unauthorized disclosure of either party's confidential information as set forth in Section 12 shall allow the non-defaulting party to terminate immediately;

(b) Any unauthorized use, sale or distribution of the Product(s) other than as set forth herein, misuse of QUALCOMM's marks, or the performance by Integrator of unauthorized modifications to the Product(s) shall permit QUALCOMM to terminate immediately;

(c) The dissolution, liquidation or discontinuance of business operations of either party or the attempted assignment of this Agreement other than as provided herein, shall permit the other party to terminate immediately;

(d) Any material default by either party of an obligation, condition or covenant of this Agreement which, if curable, is not cured within thirty (30) days of the date after the other party notifies the defaulting party of such default.

QUALCOMM shall also have the right to terminate this Agreement if any other agreement between QUALCOMM and Integrator is terminated by QUALCOMM due to Integrator's breach thereof.

If termination is by QUALCOMM, Integrator shall pay QUALCOMM all amounts due up to the termination date; QUALCOMM will invoice on a NET 30 basis. Use of all Confidential Information of the other party shall immediately cease and shall, within twenty (20) days of the termination date, be returned to the owning party. As of the date of termination, Integrator shall have no right to develop, manufacture, market and/or distribute the Product(s) as part of the Integrated Product.

15. ASSIGNMENT. Except as specified in this Section 15, neither this Agreement nor any rights, duties or interest herein, shall be assigned, transferred, pledged or hypothecated or otherwise conveyed by Integrator without QUALCOMM's prior written consent which shall not be unreasonably delayed or withheld. For purposes of this Section, "assignment" shall be deemed to include any transaction or series of transactions which results in an aggregate change in ownership or control of more than fifty percent (50%) of Integrator. Any attempted assignment or delegation in contravention hereof shall be void.

16. APPLICABLE LAW; JURISDICTION. This Agreement shall be construed and the rights of the parties shall be determined, in all respects, according to the laws of the State of California (USA), without giving effect to the principles of conflicts of law thereof. This Agreement shall not be governed by the provisions of the 1980 United Nations Conventions on Contracts for the International Sale of Goods. The parties hereto expressly consent and submit to the exclusive jurisdiction of the courts of California for the adjudication or disposition of any claim, action or dispute arising out of this Agreement. The prevailing party will be entitled to recover its expenses including, without limitation, reasonable attorney's fees.

17. DISPUTE RESOLUTION.

17.1 **Good Faith Negotiations**. The parties shall attempt to resolve by good faith and diligent negotiation any dispute, controversy or claim between them arising out of or relating to this Agreement, or the breach, termination or invalidity thereof. If such negotiations are not initiated within thirty (30) days of one party's request to the other for negotiations and/or concluded within forty-five (45) days after initiation, either party may seek legal remedies.

17.2 **Admissibility**. ALL DISCUSSIONS AND DOCUMENTS PREPARED PURSUANT TO ANY ATTEMPT TO RESOLVE A DISPUTE UNDER THIS PROVISION ARE CONFIDENTIAL AND FOR SETTLEMENT PURPOSES ONLY AND SHALL NOT BE ADMITTED IN ANY COURT OR OTHER FORUM AS AN ADMISSION OR OTHERWISE AGAINST A PARTY FOR ANY PURPOSE.

18. NOTICES. All notices, requests, demands, consents, agreements and other communications required or permitted to be given under this Agreement shall be in writing and shall be mailed to the party to whom notice is to be given, by first class mail, postage prepaid or sent by facsimile and electronically confirmed, or via delivery service, properly addressed as set forth below. Notice shall be deemed received upon the earlier of actual receipt or: (i) one (1) business day after facsimile or delivery; or (ii) five (5) business days after deposit into the mail.

For QUALCOMM:	For Integrator:
QUALCOMM Incorporated Wireless Systems Division 5775 Morehouse Drive San Diego, CA 92121-1714 Facsimile No.: [*] Attn.: [*]	_____ _____ _____ _____ _____ _____
Copy: [*] Facsimile No.: [*]	

Addresses, facsimile numbers and telephone numbers can be changed by providing notice to the other party in accordance with this Section.

19. PARTY RELATIONSHIP. It is expressly understood that the parties intend by this Agreement to establish the relationship of independent contractors. No party shall have any authority to create or assume in the name of or on behalf of the other party any obligation, express or implied, to act or to purport to act as the agent or legally empowered representative of the other party hereto for any purpose whatsoever.

20. ENTIRE AGREEMENT. This Agreement, including Exhibits attached hereto, constitutes the complete agreement between the parties relating to the subject matter hereof, and supersedes any prior or contemporaneous agreements or representations affecting such subject matter.

21. MISCELLANEOUS PROVISIONS. This Agreement is a nonexclusive agreement. No addition to or modification of this Agreement shall be effective unless made in writing and signed by the respective representatives of QUALCOMM and Integrator. Any delay or failure to enforce at any time any provision of this Agreement shall not constitute a waiver of the right thereafter to enforce each and every provision thereof. If any of the provisions of this Agreement is determined to be invalid, illegal, or otherwise unenforceable, the remaining provisions shall remain in full force and effect. The parties' rights and obligations which by their sense and context are intended to survive any termination or expiration of this Agreement shall so survive.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

QUALCOMM Incorporated	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Attachment 1

QUALCOMM COMMERCIAL RATES

QUALCOMM's Labor Rates are as follows:

Labor Category	Hourly Rate (in U.S. $)
Sr. Principal Engineer	[*]
Principal Engineer	
Project Manager	
Systems/Sr. Engineer	
Hardware/Software Engineer	
Administration	
Associate Engineer/Sr. Field Engineer	
Sr. Technician/Sr. Field Technician	
Field Engineer	
Field Technician/Technician	
Admin Support	

Travel costs and materials are not included in the above Labor Rates. As needed, they will be separately quoted by QUALCOMM.

QUALCOMM Labor Rates are established at a corporate level and adjusted annually. Current Labor Rates above are effective through December 31, 2004.

Attachment 2

INTEGRATOR'S APPLICATION AND INTEGRATED PRODUCT

1. Integrator's Application is:

(to be completed by Integrator prior to Agreement signing).

2. Integrator's Integrated Product is:

(to be completed by Integrator prior to Agreement signing).

3. Modifications that will be made to the Product for the Integrated Product are:

(to be completed by Integrator prior to Agreement signing).

This Attachment may only be amended by written agreement of QUALCOMM.

Attachment 3

MODIFICATIONS

The following Categories of Modifications to the QUALCOMM Globalstar Satellite Data Modem, GSP1620 require Buyer to sign QUALCOMM's Product Supply and/or Integration Agreement, as indicated below. Modifications indicating "Not Approved" are not authorized by QUALCOMM. No other modifications are permitted.

	Modification Category	Supply Agreement	Integration Agreement	Not Approved
1	Add Enclosure and Mounting		X	
2	Power Source Hook Up (DB-15)	X		
3	Surge Protection Implementation (e.g., fusing)	X		
4	Change Cable and Cable Lengths		X*	
5	RF Modification (excluding RF Module)		X*	
6	Use in Proximity of GPS Installation	X*		
7	Antenna Change (i.e., other than DRA)		X*	
8	Hook Up to Interface (user serial standard RS232)	X		
9	Software Change (including interface Operation System Source Code)			X
10	Hardware Modification			X
11	Develop Maritime Application		X*	
12	Develop Explosive Environment Application			X
13	Develop Aviation Application		X*	
14	Develop ATC Application		X*	
15	Grounding	X		
16	Tandem Connection (i.e., ganging)	X*		
17	Use of DB-9 UTDM SW to Access SDM's Port (e.g., use of commands)		X*	
18	Any other Modification, Category or Application not listed above to be reviewed by QUALCOMM on a case-by-case basis			

* Requires QUALCOMM Engineering Consultation.

Attachment 4

MUTUAL NON-DISCLOSURE AGREEMENT

OMITTED

Attachment 5

RMA (Return Material Authorization) Procedures
for QUALCOMM Globalstar Products

Prior to Requesting an RMA

1. Buyer personnel must be registered with QUALCOMM Customer Service to submit a request for RMA. To obtain registration status, Buyer must email QUALCOMM Customer Service at gstechsupport@qualcomm.com. (A list of authorized personnel that can obtain RMAs from QUALCOMM should be provided in advance, if possible, by Buyer).

2. Buyer personnel will receive an email confirmation that they have been authorized to submit RMAs.

RMA Procedure

1. Buyer should REQUEST an RMA from QUALCOMM using one of the following methods:

- EMAIL QUALCOMM Customer Service at gstechsupport@qualcomm.com. Be sure to include "RMA Request" in the subject field.

Or

- Request a hardcopy RMA form comm-sa@qualcomm.com.

  COMPLETE the hardcopy RMA form and FAX the form to QUALCOMM Customer Service (US) +1 858-651-QFAX (7329) or send it as an attachment in an email to gstechsupport@qualcomm.com. Be sure to include the original Purchase Order Number or Contract Name/Number on this Form.

2. The QUALCOMM Customer Service Representative will log the information into QUALCOMM's call tracking software system, which automatically assigns a case number for the RMA request. Please note, this is not the RMA number. The RMA number will be assigned if all warranty criteria have been met. Please include a description of the problem and the RMA documentation with the part(s) to be repaired.

3. Buyer will RECEIVE a confirmation and case number for the RMA request from QUALCOMM Customer Service via email.

4. Buyer will RECEIVE an RMA number, shipping instructions, and RMA confirmation documents from QUALCOMM Customer Service via email or fax.

5. Buyer must package the RMA part(s) for shipment for safe arrival at QUALCOMM, including the following:

a) Package part(s) in accordance with professional packing standards. Part(s) must be packaged in original box or equivalent container. If applicable, external box should be suitable for international shipment or Freight Forwarder equivalent.

b) Enclose the RMA form, the description of the failure, and a copy of the RMA documentation received from QUALCOMM in each shipping container. If applicable, enclose any exportation documentation for customs purposes.

c) Write the RMA number(s) on the outside of each container. If reusing shipping containers, remove previous stickers and labeling.

d) Verify the "Ship TO" address is visible on the outside of each container.

6. Buyer must SHIP the RMA part(s) per QUALCOMM shipping instructions indicated on the RMA documentation.

Please refer to the applicable contract agreement with QUALCOMM to determine the responsible party and schedule for payment of associated shipping costs (i.e., customs clearance, freight costs, and associated duties and taxes) required for transport or parts(s) to and from QUALCOMM; and for Repair Evaluation Fees and Repair Fees.

7. For tracking purposes, Buyer must OBTAIN the Airway Bill (AWB) number from the freight forwarder and email both the AWB number and the associated RMA number to QUALCOMM Customer Service at status.rma@qualcomm.com shipment.

8. QUALCOMM will notify Buyer of estimated ship schedule for repaired part(s) via email.

9. Buyer should CONFIRM the receipt of the repaired product(s) and validate the functionality of the part (i) by sending email to status.rma@qualcomm.com.

10. Upon receipt of Buyer's confirmation, QUALCOMM will close the Case and the RMA. If confirmation has not been received in thirty (30) days from date of shipment, QUALCOMM will close the case and the RMA accordingly.

This Procedure may change from time to time in QUALCOMM's sole discretion. Buyer should contact QUALCOMM for questions.

Attachment 6

AGREEMENT FOR REPAIR OF OUT-OF-WARRANTY
GLOBALSTAR HARDWARE
(CDMA Gateway Equipment, Satellite Phone Products, Satellite Data Modems)
AGREEMENT No. _____

This Agreement for Repair of Out-of-Warranty Globalstar Hardware ("Agreement") is entered into as of _____, 2004 ("Effective Date") by and between QUALCOMM Incorporated ("QUALCOMM"), a Delaware U.S.A. corporation having offices at 5775 Morehouse Drive, CA 92121, and _____, a _____ ("Customer"), with offices located at _____, and each may be referred to as "party" and collectively as "parties" to this Agreement.

1.0 Term. The term of this Agreement shall be for one (1) year from the Effective Date. During the term, all QUALCOMM repairs for out-of-warranty hardware shall be governed by this Agreement.

2.0 Repairs. QUALCOMM will perform reasonable repairs based on the availability of QUALCOMM's personnel and component parts. Customer will be notified if QUALCOMM deems any part not repairable, and Customer may request to purchase a replacement part at that time (to be sold subject to availability and under a separate agreement).

3.0 Return Material Authorization (RMA). All returns shall be handled in accordance with QUALCOMM's RMA Procedures. For each repair requested during the term and for Customer's return of any part(s) for repair, Customer shall request an RMA Number.

Any unauthorized part received by QUALCOMM will be returned at the Customer's sole expense. If RMA number is issued by QUALCOMM and QUALCOMM fails to receive Customer's defective part within thirty (30) days of issuance of the RMA number, QUALCOMM reserves the right to cancel the RMA upon written notice to Customer, and retain any monies received by the Customer for said repair. Customer may cancel an RMA prior to Customer's shipment of part(s) upon written notice to QUALCOMM. Upon receipt of Customer's notice, QUALCOMM will cancel the associated RMA number. Information in the form of Exhibit A hereto will be required prior to each repair.

4.0 Price. QUALCOMM's repair prices do not include shipping, duties or taxes. For all out-of-warranty repairs, Customer agrees to pay all shipping, duties and taxes associated with the return of part(s) to QUALCOMM, and associated with the repaired part(s) being returned to Customer. To the extent reasonably possible, QUALCOMM will publish current repair prices on QUALCOMM's Customer Service website. In certain cases, QUALCOMM will provide an estimated repair price upon Customer's return of the part and QUALCOMM's evaluation of necessary repair.

5.0 Payment. All payments shall be made in U.S. Dollars. Unless otherwise agreed to by QUALCOMM, Repair Evaluation Fee(s) must be received prior to QUALCOMM's issuance of an RMA and evaluation of a part. Payment terms for out-of-warranty repairs are twenty five percent (25%) of the estimated repair price due prior to QUALCOMM's issuance of an RMA number and Customer's shipment of the part(s), and seventy five percent (75%) of the actual repair price due within thirty (30) days after QUALCOMM's delivery to the FCA Point (i.e., QUALCOMM's dock). QUALCOMM will invoice on a NET 30 basis. Payments shall reference this Agreement number and must be made by credit card based on Customer information below or via wire transfer to the bank location set forth below, or such other bank location as QUALCOMM may from time to time designate in writing:

Bank of America
San Francisco, California
ABA# 121-000-358
Int: S.W.I.F.T. No. [*]
Account [*]

Customer shall pay to QUALCOMM a late charge on any undisputed past due amounts at the rate of one percent (1%) per month or part thereof or the maximum amount permitted by law, whichever is less. In the event Customer disputes an amount invoiced by QUALCOMM, Customer shall promptly notify QUALCOMM in writing the basis for such dispute, and shall pay the undisputed portion of such invoice as set for therein.

6.0 Delivery. Estimated lead times for QUALCOMM repairs will be provided to Customer upon request. Delivery terms are FCA, QUALCOMM's dock, San Diego, California (the "FCA Point"). QUALCOMM will notify Customer in writing when the repaired part(s) is available for pick up (the "Notification Date"). If Customer fails to pick up the repaired part(s) following thirty (30) days after the Notification Date, QUALCOMM will invoice, and Customer will be responsible, for payment of daily storage fees at QUALCOMM's then-current rate until such time as the repaired part(s) is picked up by Customer.

7.0 Warranty. Customer has twenty (20) days from Customer's receipt of a repaired part to notify QUALCOMM that the part is non-working (and in no case can a notification be received later than forty five (45) days from the Notification Date. Otherwise, Customer shall be deemed to have accepted the part(s) "AS IS, and without warranty of any kind." If a returned part is non-working, Customer will provide QUALCOMM a detailed explanation of the problem, and photographs if available, when obtaining an RMA number from QUALCOMM. If upon QUALCOMM's reasonable evaluation it is determined that the part remains defective or otherwise non-working as a direct result of QUALCOMM's actions (or the actions of its suppliers), QUALCOMM will repair the part at QUALCOMM's expense and ship the part back to Customer at QUALCOMM's expense (except for duties and taxes which will be the responsibility of Customer). THE WARRANTY IN THIS SECTION 6.0 IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, WHETHER ARISING FROM LAW, CUSTOM, OR CONDUCT AND IS CUSTOMER'S SOLE REMEDY RELATED TO QUALCOMM'S REPAIR OF A PRODUCT.

8.0 Termination for Cause. Either party may terminate this Agreement for material default by the other party of an obligation, condition or covenant of this Agreement, which, if curable, is not cured within thirty (30) days of the date after the other party notifies the defaulting party of such default.

9.0 Agreement/Governing Law. Customer's Purchase Order and/or terms and conditions do not apply. This Agreement, and the RMA Procedures, are the complete agreement between the parties regarding the subject matter and this Agreement shall be construed according to the laws of the State of California without giving effect to the principles of conflicts of law thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

	QUALCOMM Incorporated
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Exhibit A

MCN or Part #	Part Name	Quantity	Serial #	Repair Price (in US $)*
				$
				$
				$
			TOTAL REPAIR PRICE, EXCLUDING SHIPPING, TAXES & DUTIES	$

* Repair price is per QUALCOMM's Website or as quoted in writing by QUALCOMM.

Complete Description of Problem:

CUSTOMER CREDIT CARD INFORMATION AND AUTHORIZATION:

Credit Card Type:

Number:

Expiration Date:

Name on Credit Card:

Customer's Signature:

For credit card payments, Customer will include pertinent information above. Customer's signature is authorization for QUALCOMM to charge the prices stated on this Agreement to Customer's credit card.

SHIP TO ADDRESS FOR REPAIRED PART(S):

SHIPPING INFORMATION (if Customer requests QUALCOMM's shipment of repaired part(s) in lieu of Customer pickup):

Freight Forwarder:

Freight Account #

Ship Method:

QuickLinks

Exhibit 10.7

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

Amendment No. 1
To
QUALCOMM Globalstar Satellite Products Supply Agreement
Agreement No. 04-QC/NOG-PRODSUP-001
(NOG-C-04-0137)

This Amendment No. 1 ("Amendment") is effective as of 25 May, 2005 ("Amendment Effective Date") by and between **QUALCOMM Incorporated**, a Delaware corporation ("QUALCOMM") and **Globalstar LLC**, a limited liability company ("Buyer"), with respect to the following facts:

RECITALS

A. QUALCOMM and Buyer executed the QUALCOMM Globalstar Satellite Products Supply Agreement No. 04-QC/NOG-PRODSUP-001 dated April 13, 2004 (the "Agreement"), pursuant to which QUALCOMM agreed to sell to Buyer, and Buyer agreed to purchase Globalstar products from time to time for resale to customers under such Supply Terms and Conditions.

B. Buyer has previously notified QUALCOMM of a name change from New Operating Globalstar LLC to Globalstar LLC.

C. QUALCOMM will modify the Globalstar GSP-1600 Tri-Mode Satellite Phone ("GSP-1600") to replace the LCD and will make available a limited quantity thereof to Globalstar for resale to its customers for use on the Globalstar System as further described in this Amendment, provided that Buyer submits a Purchase Order for products in the quantities, pricing and delivery schedule set forth on Attachment 1(a) to this Amendment, concurrent with the execution of this Amendment, and makes payments as required on Attachment 2 to this Amendment.

D. By this Amendment, QUALCOMM and Buyer agree to amend the Agreement to add additional products and modify certain terms and conditions, as of the Amendment Effective Date, as further described herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereby modify the Agreement as set forth herein.

1. ***Definitions Section.*** The Definitions Section is hereby amended as follows:

a) **"GSP-1600"** definition is hereby added as follows:

"GSP-1600" shall include the original QUALCOMM Globalstar Tri-Mode Satellite Phone GSP-1600 modified with a new LCD meeting the technical requirements and specifications for GSP-1600 in accordance with QUALCOMM Document 80-25042-1, CDMA/AMPS Tri Mode Portable UT Performance Specification, generically provisioned and tested by QUALCOMM, delivered with a wall charger, but without SIM Card, battery, spares or any Accessories, except as specified herein. The GSP-1600 shall be delivered in standard bulk packaging, consisting of individual bag/box units in master pack containers, and applicable Documentation. Buyer will

need to purchase and install batteries from a Globalstar-approved supplier to qualify for warranty coverage as set forth in the Supply Terms and herein.

b) "**GSP-1600 Purchase Order**" definition is hereby added as follows:

"GSP-1600 Purchase Order" shall mean the non-cancelable Purchase Order submitted concurrent with the execution of this Amendment for the quantity of products and pricing as set forth on Attachment 1 and 1(a). The GSP-1600 Purchase Order represent the total quantity of each product that is available for purchase by Globalstar except as provided for in Section 12."

c) **"Warranty Period"** definition is hereby amended to add the following:

"No warranty applies to Accessories that are packaged with Products."

2. Section 10, *Delivery Schedule* is hereby added as follows:

"**10.** ***Delivery Schedule.*** The delivery schedule for products ordered under the GSP-1600 Purchase Order shall be as specified on Attachment 1(a) to this Amendment.

3. Section 11, *Special Warranty Terms for GSP-1600* is hereby added as follows:

"11. ***Special Warranty Terms for GSP-1600.*** The Warranty terms set forth in the Agreement shall apply, provided that, in the event a GSP-1600 and/or GCK-1410 Car Kit ordered under the GSP-1600 Purchase Order is returned by Buyer to QUALCOMM in accordance with the RMA Procedures, and is determined by QUALCOMM to be defective and covered by warranty, if QUALCOMM determines it is unable to repair or replace such GSP-1600 and/or GCK-1410 Car Kit, QUALCOMM shall credit to Buyer's account the amount received therefor as based on the purchase price.

4. Section 12, *Limited Quantities* is hereby added as follows:

"**12.** ***Limited Quantities.*** Buyer understands that the quantity of GSP-1600s available for purchase by Buyer is limited to the quantities set forth on Attachment 1 to this Amendment and, with the exception of GSP-1600s retained for warranty and test purposes will no longer be available for purchase by Buyer or another customer. Provided Buyer has made all payments as required on Attachment 2 to this Amendment and is not in breach of the Agreement, [*] months after the last delivery of GSP-1600s to the FCA Point, QUALCOMM will offer Buyer first right to purchase any GSP-1600s held by QUALCOMM for warranty and/or testing, if available, at a unit price of [*] for units subject to the warranty described in the Agreement, as modified hereby, or at a price of [*] if sold as-is and without warranty. No warranty shall apply to units retained for test purposes. If Buyer wishes to purchase all or a portion of such offered GSP-1600s, Buyer shall provide QUALCOMM with a non-cancelable Purchase Order and [*] down payment for such units within thirty (30) days of the date of notice. In the event Buyer does not purchase such units within the [*] day period, during the [*] day period thereafter, QUALCOMM may offer these units to its other customers at a price of $[*] for units subject to warranty described in the Agreement as modified, or [*] if sold as-is and without warranty. After such day period has expired, QUALCOMM will offer Buyer the right to purchase remaining units, if any, at a price to be determined [*]. If Buyer wishes to purchase all or a portion of such offered GSP-1600s, Buyer shall provide QUALCOMM with a non-cancelable Purchase Order and [*] down payment for such remaining units within [*] days of notice. Thereafter, QUALCOMM may offer units to its other customers at the same price offered to Buyer, such orders to be filled on a first received basis.

5. Section 13, *Payment Terms* is hereby added as follows:

"13. ***Payment Terms for GSP-1600 Purchase Order.*** The payment terms for the GSP-1600 Purchase Order are as set forth on Attachment 2."

6. **Section 14, *Term Extension*** is hereby added as follows:

"14. ***Term Extension.*** The Term of the Agreement is hereby extended through December 31, 2006, unless earlier terminated as provided herein."

EFFECTIVENESS. Except as modified by this Amendment No. 1 as of the date set forth above, the Agreement shall remain in full force and effect. No modification, amendment or other change may be made to this Amendment No. 1 or any part thereof unless reduced to writing and executed by authorized representatives of both parties.

IN WITNESS THEREOF, the parties have executed this Amendment No.1 as of the date set forth above.

QUALCOMM Incorporated		**Globalstar LLC**	
By:	/s/ SCOTT J. BECKER	By:	/s/ JAMES MONROE III
Name:	Scott J. Becker	Name:	James Monroe III
Title:	*Sr. Vice President and General Manager,* *QUALCOMM Wireless Systems Division*	Title:	*CEO*

Attachment 1
To Amendment No. 1
Pricing and Quantities for GSP-1600 Purchase Order

Product	Pricing	Quantity	Extended Price
GSP-1600 Portable Phone		[*]	
GCK-1410 Car Kit			
GSP-2900 Fixed Phone			
Wall Charger			
Travel Charger			
Cigarette Lighter Adapter			
Data Kit			

Attachment No. 1(a)
to Amendment No. 1
Delivery Schedule For Current Product

Description	GCK-1410 Car Kit	Enhanced Fixed Phone	Wall Chargers	Travel Chargers	CLA	Data Kit	GSP-1600
Quantity							
Month				[*]			
[*]							

Attachment 2
To Amendment No. 1
Payment Terms Applicable to GSP-1600 Purchase Order

[*] of GSP-1600 Purchase Order value invoiced at Amendment No. 1 signing and due NET 5 business days from QUALCOMM's invoice date.

[*] of GSP-1600 Purchase Order value invoiced [*] months after the Effective Date; payment NET 30 days from date of QUALCOMM invoice.

[*] of product price invoiced upon delivery of each unit to the FCA Point; payment NET 30 days from date of QUALCOMM invoice.

If any product ordered under this Amendment is delivered within [*] after the Effective Date, [*] of the price of such product price shall be invoiced upon delivery to the FCA Point; payment NET 30 days from date of QUALCOMM's invoice.

QuickLinks

Exhibit 10.8

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

Amendment No. 2
To
QUALCOMM Globalstar Satellite Products Supply Agreement
Agreement No. 04-QC/NOG-PRODSUP-001
(NOG-C-04-0137)

This Amendment No. 2 ("Amendment") is effective as of 25 May, 2005 ("Amendment Effective Date") by and between **QUALCOMM Incorporated**, a Delaware corporation ("QUALCOMM") and **Globalstar LLC**, a limited liability company ("Buyer"), with respect to the following facts:

RECITALS

A. QUALCOMM and Buyer executed the QUALCOMM Globalstar Satellite Products Supply Agreement No. 04-QC/NOG-PRODSUP-001 (NOG-C-04-0147) dated April 13, 2004, as amended by Amendment No. 1 dated May 25, 2005 (the "Agreement"), pursuant to which QUALCOMM agreed to sell to Buyer, and Buyer agreed to purchase Globalstar products from time to time for resale to customers under the terms thereof.

B. QUALCOMM will manufacture and deliver next generation Globalstar products including the GSP-1700 Globalstar Single-Mode Portable Phone, GSP-1720 Globalstar Satellite Data and Voice Module, GCK-1700 Car Kit and various accessories ("New Products") provided that Buyer submits the Purchase Order For New Products concurrently with the execution of this Amendment.

C. By this Amendment, QUALCOMM and Buyer agree to amend and modify the Agreement to add the New Products and modify certain terms and conditions as further described herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereby modify the Agreement as set forth herein.

1. ***Definitions Section.*** The Definitions Section is amended as follows:

a) The definition for **"GCK-1700 Car Kit"** is added as follows:

"GCK-1700 Car Kit" shall mean QUALCOMM's Car Kit/Docking Kit for the GSP-1700 for use in vehicles or in fixed indoor applications, including voltage modification for such equipment in accordance with the GCK-1700 Specification, delivered in retail packaging with applicable Documentation and warranty information in English only. The GCK-1700 Car Kit will be delivered with an antenna as described in Section 26."

b) The definition for "**Purchase Order For New Product(s)**" is added as follows:

"Purchase Order For New Product(s)" shall mean the Purchase Orders submitted concurrent with the execution of this Amendment for the quantity of products, pricing and delivery schedule as set forth on Attachments 1 and 1(a) to this Amendment."

c) The Satellite Data and Voice Module or SDVM is added to the definition of **"Integrator"** and the definition of **"Integration Agreement"** in the Agreement and attachments as applicable. Attachment 7, Exhibit D-1 hereto is added to the Integration Agreement and is specific to SDVM.

d) The definition for **"Phones"** is amended as follows:

"Phones" shall mean the Tri-Mode Portable Phone, Fixed Phone, and the Single Mode Portable Phone."

e) The definition for **"Upgraded Program Tools"** is added as follows:

"Upgraded Program and Test Tools" shall mean QUALCOMM's PST and UTDM upgraded for use with the GSP-1700 and SDVM to be made available to Buyer as set forth in Section 23 below."

f) The definition for **"New Products"** is added as follows:

"New Products" shall mean the GSP-1700, SDVM, GCK-1700 Car Kit and Accessories."

g) The definition for **"SDVM" or "Satellite Data and Voice Module"** is added as follows:

"SDVM" or "Satellite Data and Voice Module" shall mean the QUALCOMM Globalstar Satellite Data and Voice Module, Model GSP-1720 meeting the requirements set forth in GSP-1720 Specification, delivered in retail packaging with applicable Documentation and warranty information in English only. The SDVM will be delivered with an antenna as further described in Section 26. As of the Amendment Effective Date, except as provided for in Section 17.3, the SDVM is not DO-160 or FCC certified for use in Aviation applications."

h) The definition for **"GSP-1700"** is added as follows:

The "GSP-1700" shall mean the QUALCOMM Globalstar Single Mode Portable Phone, Model GSP-1700, meeting the requirements set forth in GSP-1700 Specification, provisioned and tested by QUALCOMM, including battery and delivered with a wall charger, but without SIM card, spares or any Accessories, except as specified herein, delivered in individual retail packages, with applicable Documentation and warranty information in English only."

i) The definition for **"GSP-1700 Specification"** is added as follows:

"GSP-1700 Specification" shall mean the Globalstar Single-Mode Portable User Terminal GSP-1700 Product Specification No. 80-R6153-1 attached hereto as Attachment 4, which may be updated by QUALCOMM from time to time upon written agreement of both parties."

j) The definition for **"GCK-1700 Specification"** is added as follows:

"GCK-1700 Specification" shall mean the Globalstar Car Kit Product Specification 80-R6152-1 attached hereto as Attachment 5, which may be updated by QUALCOMM from time to time upon written agreement of both parties."

k) The definition for **"GSP-1720 Specification"** is added as follows:

"GSP-1720 Specification" shall mean the Satellite Data and Voice Module Specification 80-R6154-1 attached hereto as Attachment 6, which may be updated by QUALCOMM from time to time upon agreement of both parties."

l) The definition for **"Accessory Specifications"** is hereby added as follows:

"Accessory Specifications" shall mean separate specifications for the Wall Charger, Battery, Cigarette Lighter Adapter, Data Cable and Travel Charger to be delivered to Buyer no later than nine (9) months after the Amendment Effective Date, and finalized in accordance with Section 15 hereunder."

m) The definition for **"Warranty Period"** is amended by adding Satellite Data and Voice Modules, as follows:

"Warranty Period" shall mean (a) as to Phones, Satellite Data Modems and Satellite Data and Voice Modules, [*], and (b) as to Car Kits and the GCK-1700 Car Kit, [*], in each case beginning on the date of delivery thereof to the FCA Point. No warranty applies to any antenna delivered as part of the SDVM or the GCK-1700 Car Kit not manufactured by QUALCOMM. No Warranty applies to Accessories, Tools or Upgraded Program and Test Tools, including any Accessory packaged with a Phone, Car Kit or SDVM."

n) The definition for **"Costs"** is hereby added as follows:

"Costs" shall mean all amounts paid or incurred by QUALCOMM applicable to the non-delivered portion of the New Products Purchase Order for parts, tools or test equipment that cannot be canceled or returned for refund and/or any restocking fees or back billing for reduction in quantities purchased."

2. Section 4. ***Level 1 Service for Tri-Mode Portable Phones.*** Section 4 is deleted in its entirety and replaced with the following.

"**4.** ***Level 1 Service for Tri-Mode Portable Phones and Single Mode Portable Phones.*** Buyer shall, directly or pursuant to arrangements with one (1) or more dealers in the region(s) in which the Tri-Mode Portable Phones and GSP-1700s are to be distributed, undertake such steps as are necessary and appropriate to handle Level 1 Service for such phones; such Level 1 Service to be at no cost to QUALCOMM. As applicable, Level 1 Service includes the following (and any other service that is authorized in writing by QUALCOMM): replace batteries, replace cellular antennas and replace SIM card, if any. All such Level 1 Service will be performed in accordance with QUALCOMM's written instructions."

3. Section 15, ***Accessory Specification Changes***, is hereby added as follows:

"15. ***Accessory Specification Changes.*** Buyer shall, within [*] days after receipt of each Accessory Specification, review and provide written comments, if any, to QUALCOMM. Such comments shall be limited to clarification and format, and shall not include changes to or the addition of features or functionality of such Accessories unless mutually agreed by the parties. Both parties shall then have an additional [*] days to agree upon any permitted changes to such Specification proposed by Buyer. Any delay thereafter may result in a day-for-day delay in the delivery of such Accessories. In the event the parties cannot agree on changes within [*] days thereafter, QUALCOMM may terminate the portion of the Purchase Order For New Products covering the Accessory as to which agreement cannot be reached and increase the price for the GSP-1700s covered by the Purchase Order For New Products. If Buyer does not provide comments within [*] days after receipt of the Accessory Specification, the Accessory Specification will be deemed final by QUALCOMM and no other changes thereto shall be made without mutual written agreement of the parties."

4. Section 16, ***Documentation***, is hereby added as follows:

"16. ***Documentation.***

16.1 ***Additional Languages.*** QUALCOMM shall provide on QUALCOMM's website New Products user manuals for download by Buyer. Buyer may post the information on its website(s) for excerpt, copying and distribution by Buyer's customers in English and the following other languages: Spanish, Portuguese, Chinese, and Russian.

16.2 ***Test Documentation.*** QUALCOMM shall deliver to Buyer one full set of test data for one sample of a GSP-1700, SDVM and GCK-1700 Car Kit representative of the

production run. The test data shall be collected in agreement with the test plan provided to Buyer as part of the Production Readiness Review described in Section 25.3. QUALCOMM will make available for review by Buyer at QUALCOMM's offices, test results and data for all other GSP-1700s, SDVMs and GCK-1700 Car Kits. This information is confidential information subject to Section 18 of the Supply Terms and Conditions."

16.3 ***"As Built" Documentation.*** Upon the commencement of production activities, QUALCOMM shall deliver to Buyer top-level design documents outlining the "As Built" information for the New Products. The "As Built" documentation shall include, as a minimum (a) functional block diagrams for the New Products, (b) approved exceptions to the specifications and documented performance/functional characteristics and (c) operating instructions for New Products for the purpose of Buyer undertaking Level 1 repairs as required under the Agreement.

16.4 ***Interface Control Documentation.*** At the Production Readiness Reviews defined in Section 25.3, QUALCOMM shall deliver to Buyer information that describes the input and output specific to the USB external connector(s) interfaces for the GSP-1700 and the GCK-1700 and the external connector(s) interfaces for the SDVM, as specified in Specifications Attachments 4-6 hereto, covering hardware and software interface definitions for control and communications for the purpose of Buyer and Buyer's integrators to develop applications around the New Products.

16.5 ***Antenna Interface Specification.*** QUALCOMM shall deliver to Buyer no later than [*] months after the Amendment Effective Date an "Antenna Interface Specification" for the GCK-1700 Car Kit and the SDVM that include interface requirements and minimum performance parameters for the antennas that Buyer will be responsible to procure and provide in accordance with Section 26.

5. Section 17, ***Additional Terms Applicable to the Satellite Data and Voice Module*** is hereby added as follows:

"**17.** ***Additional Terms Applicable to Satellite Data and Voice Module.***

17.1 ***Inclusion of SDVM in Additional Terms Applicable to Satellite Data Modems.*** Sections 6.1 through 6.4, inclusive, are amended by adding, in each instance where the term "Satellite Data Modem" appears, the words "and Satellite Data and Voice Module." Section 6.2 is hereby amended to add Exhibit D-1, attached hereto as Attachment 8, as product modification restrictions applicable to Satellite Data and Voice Modules.

17.2 ***SDVM Fee.*** QUALCOMM agrees that during the Term, so long as Buyer is not in breach under this Agreement, in the event that QUALCOMM sells SDVMs to a third party other than Buyer or its Affiliates, QUALCOMM shall pay Buyer a fee in the amount of [*] on the sale of each SDVM to any such third party. QUALCOMM shall remit to Buyer such fees on a quarterly basis together with the total number of such units sold for the previous calendar quarter within [*] days after the end of such quarter.

17.3 ***FAA DO-160 Certification and FCC Compliance Review for SDVM Aviation Application.*** QUALCOMM shall review the effort associated with obtaining FAA DO-160 Certification and compliance with FCC requirements for the SDVM for Aviation use. QUALCOMM shall conclude this review with a proposal to Buyer no sooner than [*] days and no later than [*] days following the Amendment Effective Date. QUALCOMM will provide Buyer a proposal based on this review, including the unit purchase price increase and any delay in the SDVM delivery schedule. If Buyer wishes to proceed with this effort and QUALCOMM obtains FAA DO-160 Certification and achieves compliance with FCC requirements, the Aviation restriction shall not apply to any certified/complying SDVM units.

17.4 ***Reserved Services.*** The SDVM is a voice and data product and, accordingly is not subject to the Reserve Services language set forth in the Agreement and Integration Agreement."

6. Section 18, ***Right of Purchase*** is added as follows:

"18. ***Right of Purchase.*** Other than as required by law, QUALCOMM agrees that from the Amendment Effective Date through the end of the Term, Buyer and its Affiliates shall have a right to purchase all of the GSP-1700s produced by QUALCOMM, at the prices set forth on Attachment 1 to this Amendment and GSP-1700s retained for warranty or test purposes at a price of [*]. This right is subject to (i) Buyer taking timely delivery of, and making timely payments in full for, the quantities of GSP-1700s as set forth on Attachments 1 and 1(a) and (ii) Buyer not being in breach hereunder.

18.1 ***Right of Purchase Termination.*** In the event of (i) termination of the Agreement by QUALCOMM due to Buyer's breach, (ii) Buyer's cancellation of any portion of the Purchase Order For New Products, except as provided for in Section 15 with respect to Accessories or (iii) Buyer's refusal of delivery of or non-payment for such New Products, or (iv) Buyer's failure to purchase the quantities of GSP-1700s in accordance with Attachment 1 to qualify for the Right of Purchase in accordance with Section 18 above, unless such failure to purchase is caused by Buyer's termination for breach by QUALCOMM, QUALCOMM shall have the right to offer and sell any or all GSP-1700s to other customers at its sole discretion without further obligation to Buyer with respect thereto."

7. Section 19, ***Additional Terms Applicable to New Product Order*** is hereby added as follows:

"**19.** ***Additional Terms Applicable to New Product Order.*** Concurrently with execution of this Amendment, Buyer shall submit the Purchase Order(s) for New Products, which shall be subject to prices set forth on Attachment 1, delivery schedule set forth on Attachment 1(a) and the payment terms set forth on Attachment 2 of this Amendment. All other payment terms are as set forth in the Supply Terms and Conditions."

8. Section 20, ***Additional Terms for Termination for Cause*** shall be added as follows:

"20. ***Additional Terms for Termination For Cause.*** In addition to the termination rights set forth in the Agreement, the following shall apply to the Purchase Order For New Products.

20.1 ***Termination for Cause due to Breach by Buyer.*** Buyer's cancellation, refusal of delivery or failure to make timely payments of any portion of the Purchase Order For New Products shall constitute a material default under this Agreement. In such event, QUALCOMM shall deliver written notice of its intent to terminate. If such material default is not cured within [*] days after the date of notice, QUALCOMM may terminate the Agreement and cancel any undelivered portions of the Purchase Order For New Products, subject to the termination fees set forth in Section 20.2 below.

20.2 ***Termination/Cancellation Fees.*** In the event of termination of the Agreement due to default by Buyer, including default described in Section 20.1, QUALCOMM shall be entitled to the amounts set forth set forth below.

20.2.2 ***Prior To Delivery of New Products.*** If the termination occurs prior to QUALCOMM's delivery of any New Products, QUALCOMM will be entitled to [*].

20.2.3 ***After Delivery of New Products.*** If the termination occurs after the first delivery of any New Products, QUALCOMM shall be entitled to, [*].

Any New Products not delivered and/or accepted and paid for by Buyer in such event may be sold by QUALCOMM to any third party without obligation to Buyer, including the [*] fee to Buyer as set forth in Section 17.2 above.

20.3 ***Special Provision in the Event of QUALCOMM Breach.*** The termination provision set forth in the Agreement shall apply to QUALCOMM breach except in the circumstances set forth in this Section 20.3.

20.3.1 ***Prior to Delivery of New Products.*** In the event that QUALCOMM becomes aware that the first scheduled delivery of the GSP-1700, SDVM or GCK-1700 Car Kit will be delayed more [*] days, QUALCOMM will promptly notify Buyer in writing of such delay. Such notice shall include the cause and length of delay and/or any inability to deliver New Products which conform to the applicable Specifications. Provided that Buyer has made all of its payments required hereunder, Buyer may **EITHER**, as its sole remedy [*] **OR** [*].

20.3.2 ***After Delivery of New Products.*** After the first delivery of any New Products, in the event QUALCOMM becomes aware that a subsequent delivery of GSP-1700s, SDVMs or GCK-1700 Car Kits will be delayed more than [*] days or that QUALCOMM will be unable to deliver GSP-1700s, GCK-1700 Car Kits or SDVMs meeting the Specifications, provided that Buyer has made all of its payments required hereunder, QUALCOMM shall promptly notify Buyer in writing and Buyer may, as its sole remedy, terminate this Agreement by providing written notice to QUALCOMM within [*] days of the notice of delay, in which case QUALCOMM shall

(i) deliver work completed as of the date of the notice of termination, except for the SDVM in which case such work completed shall not be delivered until QUALCOMM has received a separate fee from Buyer in the amount of [*] ("SDVM Development Works Fee"), (ii) deliver all New Products that have been paid for by Buyer, (iii) deliver any parts, tools or test equipment procured by QUALCOMM for completion of the New Product Purchase Order which are requested by Buyer, provided that QUALCOMM has received the SDVM Development Works Fee, (iv) deliver any other test equipment used in the production of New Products that are fully paid for by Buyer for which Buyer would otherwise be entitled to under this Agreement or any other agreement with QUALCOMM, if no longer needed by QUALCOMM to fulfill its obligations on the Globalstar Program, and (v) upon written request by Buyer, provide a license (with right of sublicense) to Buyer for the manufacture of New Products including design documentation, software, manufacturing drawings, specifications and test process without license fees or other costs, except for royalties not to exceed [*] on GSP-1700s, SDVMs, and GCK-1700 Car Kits.

In any event of QUALCOMM breach, QUALCOMM shall be entitled to all payments earned through the date of termination including, without limitation, milestones associated with Attachment 3 hereto.

In any event of QUALCOMM breach, QUALCOMM shall sell to Buyer, if available, under QUALCOMM's standard terms, the GUM ASIC (Application Specific Integrated Circuit), Product Number CD90-24436-1 at [*]. This discount is applicable only to a quantity equal to the undelivered units of the GSP-1700 and GSP-1720. The GUM ASIC is solely for Buyer's use in the manufacture of the GSP-1700 and GSP-1720.

10. Section 21, ***Delivery Schedule For New Products*** is hereby added as follows:

"21. ***Delivery Schedule for New Products.*** The delivery schedule applicable to the Purchase Order For New Products shall be in accordance with Attachment 1(a) to this Amendment.

Non-material quantities of New Products may be canceled by Buyer upon written agreement by QUALCOMM and QUALCOMM shall have the right to sell such canceled New Products to its other customers at a price to be determined at QUALCOMM's sole discretion and without payment of any fees described in Section 17.2.

21.1 ***Late Delivery Charge for First Deliveries.*** In the event QUALCOMM does not deliver each of the first, second or third scheduled deliveries for the GSP-1700 and/or GCK-1700 Car Kit to the FCA Point on the scheduled date as set forth on Attachment 1(a) hereto, Buyer shall be entitled to receive the following late delivery payment(s) from QUALCOMM in the form of a credit to Buyer's account.

Number of Calendar Days Delay for delivery of the GSP-1700 or GCK-1700 Car Kit	**Late Delivery Charge**
[*]	

In the event QUALCOMM makes partial deliveries of the GSP-1700 and GCK-1700 Car Kit to the FCA Point in accordance with Attachment 1(a), Delivery Schedule For New Products in a quantity of [*] or greater of the total number of units to be delivered for each such New Products, the above Late Delivery Charges will not apply.

The aggregate total late delivery payments to Buyer for all late deliveries for both the GCK-1700 Car Kit and the GSP-1700 shall not exceed [*]."

11. Section 22, ***Special Warranty Terms for GSP-1700 and GCK-1700 Car Kit*** are hereby added as follows:

22. ***Special Warranty Terms for GSP-1700 and GCK-1700 Car Kit.*** The Warranty terms set forth in the Supply Terms and in the Agreement shall apply, with the exception that in the event a GSP-1700 and/or a GCK-1700 Car Kit is returned by Buyer to QUALCOMM in accordance with the RMA Procedures and is determined by QUALCOMM to be defective and covered by warranty, if QUALCOMM determines it is unable to repair or replace such GSP-1700 and/or GCK-1700 Car Kit, QUALCOMM shall credit to Buyer's account the amount of [*] for each GSP-1700 and [*] for each GCK-1700 Car Kit as full warranty remedy for such New Products."

12. Section 23, ***Program and Test Tools***, is hereby added as follows:

"23.1. ***Program Tools.*** QUALCOMM shall provide to Buyer at no charge fifty (50) copies of the Upgraded PST for the GSP-1700 and make available for copying Upgraded PST end user documentation to Buyer upon the first delivery of GSP-1700s for distribution to its customers. Additional Upgraded PST copies may be licensed from QUALCOMM by Buyer at QUALCOMM's then standard pricing which shall not exceed [*].

23.2. ***Test Tools.*** QUALCOMM shall provide to Buyer at no charge fifty (50) copies of the Upgraded UTDM to Buyer, and make available for copying Upgraded UTDM end user documentation, no later than the fourth scheduled GSP-1700 delivery date for distribution to its customers. Additional Upgraded UTDM copies may be licensed from QUALCOMM at QUALCOMM's then standard pricing which shall not exceed [*].

23.3 ***License Terms.*** Sections 13 and 14 of the Supply Terms and Conditions shall apply to any Program and Test Tools delivered under this Amendment."

13. Section 24, *Certification* is hereby added as follows:

"24. *Certification.*

"24.1 *SP-1700, GCK-1700 Car Kit, and SDVM Qualification and Certification.* QUALCOMM will obtain FCC Certification and European Union, ITU, UL and Canada Type Approvals for the GSP-1700, GCK-1700 Car Kit, including one (1) antenna, and the SDVM, including one (1) antenna, in time for the first production run of such New Products. The SDVM and GCK-1700 Car Kit certification are subject to the provisions of Section 26 hereof.

For all other Type Certifications, QUALCOMM shall provide the required documentation and reasonable support to Buyer, as needed, to obtain in-country Type Approvals for each country as required at QUALCOMM's then-current Time and Materials rates, with the exception that QUALCOMM agrees to waive Time and Materials charges for San Diego-based labor support (no travel included) for certification efforts undertaken by Buyer or its Service Providers for Australia and Russia."

14. Section 25, *Status Meetings and Production Readiness Reviews* is hereby added as follows:

"**25.1 *Monthly Status Meeting.*** Within [*] days of the Amendment Effective Date, QUALCOMM shall deliver a high level Major Milestone Production Schedule to be reviewed at each Monthly Status Meeting. Such Monthly Status Meetings shall be held prior to the first delivery of any New Product, and shall be held by QUALCOMM with Buyer via teleconference, unless otherwise agreed to by the parties. The Monthly Status Meeting shall provide an overview of the production status, including any update to the Major Milestone Production Schedule, critical problem areas and a general assessment of production progress.

25.2 *Quarterly Status Meeting.* Prior to the first delivery of any New Product, QUALCOMM shall conduct quarterly status meetings with Buyer at QUALCOMM's San Diego offices, unless otherwise agreed to by the parties.

25.3 *Production Readiness Reviews.* Prior to starting production of the New Products, QUALCOMM shall conduct two (2) separate Production Readiness Reviews in San Diego, one (1) for the GSP-1700 and GCK-1700 and one (1) for the SDVM, to demonstrate specification compliance for each product. [*] days in advance of each review, QUALCOMM shall deliver to Buyer the presentation material prepared by QUALCOMM. The Production Readiness Reviews shall cover, as a minimum, the following topics: (a) Anticipated performance for the Product, as compared to the original specification (compliance data and matrix), (b) Test readiness information, including high level test plan and verification cross reference matrix, (c) Production planning information, and (d) Major Milestone Production Schedule update(s)."

25.4 *Configuration Management.* QUALCOMM's corporate Configuration Management ("CM") System shall be utilized for configuration identification, traceability and control of deliverable products and documentation.

25.5 *Program Management.* QUALCOMM shall designate a Program Manager for managing all aspects of the production process for successful delivery of New Products. Such Program Manager shall have the appropriate level of experience, qualification and ability, as determined by QUALCOMM. QUALCOMM's Program Manager shall interface with Buyer's Program Manager for compliance with specifications and milestone activities. From time to time and on a non-interference basis, Buyer's Program Manager and designated personnel shall be granted access to relevant working areas where QUALCOMM will conduct the manufacturing process.

15. Section 26. ***GCK-1700 Car Kit and SDVM Antenna*** is hereby added as follows:

"26. ***GCK-1700 Car Kit and SDVM Antenna.*** No later than [*] days after QUALCOMM's delivery of the Antenna Interface Specification**,** Buyer shall designate either one (1) active or two (2) passive GCK-1700 Car Kit Antennas, and either one (1) active or two (2) passive SDVM Antennas and provide five (5) samples of each antenna to QUALCOMM along with all required documentation as reasonably necessary for QUALCOMM to qualify and certify each antenna in a passive and active mode. The parties agree that in the event of any delay in such qualification and certification due to (i) Buyer's delay in providing such documentation and samples, or (ii) any inability by QUALCOMM to obtain qualification and/or obtain certification due to performance and/or antenna hardware issues, QUALCOMM may deliver the GCK-1700 Car Kit and/or SDVMs without an antenna. QUALCOMM's delivery of GCK-1700 Car Kits and/or SDVMs without an antenna does not constitute delivery of a non-conforming Product as delineated in Section 20.3. In no event may Buyer sell a GCK-1700 Car Kit and/or SDVM with an antenna that is not qualified and certified by QUALCOMM.

QUALCOMM shall have the right to purchase SDVM antennas directly from the vendor for any SDVMs sold by QUALCOMM to customers other than Buyer or its Affiliates. QUALCOMM reserves the right to sell the SDVM with any other antenna which has been certified and approved by Buyer on the Globalstar System."

16. Section 27, ***Antenna Delivery*** is hereby added as follows:

"27. ***Antenna Delivery.*** In order for QUALCOMM to meet the delivery schedule, Buyer shall order, pay for, and deliver sufficient quantities of antennas to QUALCOMM's designated manufacturing facility no later than [*] days prior to each scheduled delivery date for the SDVM and/or GCK-1700 Car Kit in order to accommodate final assembly, testing and packaging of New Products for such delivery. In the event of a delay in receipt of such antennas from Buyer, or failure of an antenna during final product testing, the schedule for delivery of the affected New Product will be on a day for day basis, without penalty to QUALCOMM. QUALCOMM will advise Buyer of the quantities of antennas to be delivered to QUALCOMM in excess of the quantities of New Products to be delivered in order to address any hardware failures, breakage or any other issues experienced by QUALCOMM during the assembly and testing process. Buyer shall also provide documentation applicable to the antenna to be included in the packaging with each delivery of antennas."

17. Section 28, ***Buyer Logo*** is hereby added as follows:

"28. ***Buyer Logo.*** Buyer shall provide a copy of Buyer's logo to be used on the packaging of the GSP-1700s, SDVM, and GCK-1700 Car Kit, in a format to be determined, within [*] days after the Amendment Effective Date.

18. Section 29, ***Indemnification by Buyer- Antennas*** is hereby added as follows:

"29. ***Indemnification by Buyer—Antennas.*** Claims arising with respect to the antennas provided by Buyer shall be added to Buyer's indemnification obligations under Section 15.1 (Misuse), Section 15.2 (Third Party Claims) and Section 15.3 (Infringement) of the Supply Terms and Conditions."

19. Section 30, ***Term Extension*** is hereby added as follows:

"30. ***Term Extension.*** The Term of the Agreement extended by Amendment No. 1 through December 31, 2006 is hereby further extended through December 31, 2009, unless earlier terminated as provided herein."

20. Exhibits.

a. Exhibit A, QUALCOMM Supply Terms and Conditions shall be amended as follows:

i. Attachment 2, Out-Of-Warranty Hardware Repair Pricing, Globalstar Products shall be amended to include New Products and associated pricing

ii. Attachment 5, QUALCOMM Commercial Rates shall be deleted and replaced with Attachment 8 attached hereto.

b. Exhibit B, Accessories shall be amended to add New Product accessories.

c. Exhibit C, Product Pricing shall be amended to add New Product pricing.

d. Exhibit D, Modifications shall be amended to add new Exhibit D-1 applicable to SDVMs.

e. Exhibit E, Integration Agreement shall be amended to add the definition for SDVM, and a stand-alone Integration Agreement shall be provided for Buyer's customers, as required.

EFFECTIVENESS. Except as modified by this Amendment No. 2, the Agreement shall remain in full force and effect. No modification, amendment or other change may be made to this Amendment No. 2 or any part thereof unless reduced to writing and executed by authorized representatives of both parties.

IN WITNESS THEREOF, the parties have executed this Amendment No. 2 as of the Amendment Effective Date.

QUALCOMM Incorporated		**Globalstar LLC**	
By:	/s/ SCOTT J. BECKER	By:	/s/ JAMES MONROE III
Name:	Scott J. Becker	Name:	James Monroe III
Title:	*Sr. Vice President and General Manager*	Title:	*CEO*

Attachment 1
To Amendment No. 2
Pricing and Quantities for Purchase Order For New Products

Product/Accessory	Unit Price	Quantity	Extended Price
GSP-1700 Phone			
GCK-1700 Car Kit/Docking Kit		[*]	
GSP-1720 Satellite Data and Voice Module			
Wall Charger			
Travel Charger			
Cigarette Lighter Adapter			

Attachment 1(a)
To Amendment No. 2
Delivery Schedule For New Products

Attached

ATTACHMENT NO. 1(a) TO AMENDMENT NO. 2
DELIVERY SCHEDULE FOR NEW PRODUCTS

Description	New Mobile Phone	New Car Kit	SDVM	New Wall Chargers	New Travel Chargers	New CLA
Quantity						
Unit Shipments						
	[*]			[*]		

Attachment 2
To Amendment No. 2
Payment Terms Applicable to Purchase Order For New Products

[*] of Purchase Order For New Products invoiced at Amendment No. 2 signing and due NET 5 business days from QUALCOMM's invoice date.

[*] of Purchase Order For New Products value invoiced [*] after Amendment No. 2 signing; payment NET 30 days from date of QUALCOMM invoice.

[*] of product price invoiced upon delivery of each unit; payment NET 30 days from date of QUALCOMM invoice.

Attachment 3
To Amendment No. 2
Termination Charges Applicable to Purchase Order For New Products

Termination Date	Amount Due QUALCOMM
1	
2	[*]
3	
4	
5	

Attachment 7
To Amendment No. 2
Exhibit D-1
Modifications

The following Categories of Modifications to the QUALCOMM Globalstar Satellite Data and Voice Module, GSP-1720 require Buyer or its Integrator to sign QUALCOMM's Product Supply and/or Integration Agreement, as indicated below. Modifications indicating "Not Approved" are not authorized by QUALCOMM. No other modifications are permitted.

Modification Category	Supply Agreement	Integration Agreement	Not Approved
1	[*]		

Attachment 8
To Amendment No. 2
QUALCOMM's Commercial Rates

QUALCOMM's Labor Rates are as follows:

Labor Category	Hourly Rate (in U.S. $)
[*]	

Travel costs and materials are not included in the above Labor Rates. As needed, they will be separately quoted by QUALCOMM.

QUALCOMM Labor Rates are established at a corporate level and adjusted annually. Current Labor Rates above are effective from February 1, 2005 through January 31, 2006.

QuickLinks

Exhibit 10.9

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

Amendment No. 3
To
QUALCOMM Globalstar Satellite Products Supply Agreement
Agreement No. 04-QC/NOG-PRODSUP-001
(NOG-C-04-0137)

This Amendment No. 3 ("Amendment") is effective as of 30 September, 2005 ("Amendment Effective Date") by and between QUALCOMM Incorporated, a Delaware corporation ("QUALCOMM") and Globalstar LLC, a limited liability company ("Buyer"), with respect to the following facts:

RECITALS

A. QUALCOMM and Buyer executed the QUALCOMM Globalstar Satellite Products Supply Agreement No. 04-QC/NOG-PRODSUP-001 dated April 13, 2004, as amended (the "Agreement"), pursuant to which QUALCOMM agreed to sell to Buyer, and Buyer agreed to purchase Globalstar products from time to time for resale to customers under such Supply Terms and Conditions.

B. QUALCOMM and Buyer executed Amendment No. 1 dated May 25, 2005 to the QUALCOMM Globalstar Satellite Products Supply Agreement No. 04-QC/NOG-PRODSUP-001 dated April 13, 2004, pursuant to which QUALCOMM agreed to modify the Globalstar GSP-1600 Tri-Mode Satellite Phone to replace the LCD ("GSP-1600") and make available a limited quantity of GSP-1600s and other Globalstar products to Globalstar for resale to its customers.

C. QUALCOMM and Buyer executed Amendment No. 2 dated May 25, 2005 to the QUALCOMM Globalstar Satellite Products Supply Agreement No. 04-QC/NOD-PRODSUP-001 dated April 15, 2004, pursuant to which QUALCOMM agreed to manufacture and deliver New Products to make available for sale to Globalstar for resale to its customers.

D. Buyer desires to purchase and QUALCOMM agrees to sell to Buyer additional GSP-1600s and other Globalstar products, provided that Buyer submits noncanceleable Purchase Orders for such products in the quantities, pricing and delivery schedule set forth on Attachments 1 and 2 of this Amendment and Buyer makes payments as required on Attachment 3 to this Amendment.

E. By this Amendment, QUALCOMM and Buyer agree to amend the Agreement to add additional products and modify certain terms and conditions, as of the Amendment Effective Date, as further described herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereby modify the Agreement as set forth herein.

1. ***Definitions Section.*** The Definitions Section is hereby amended to add the following definition:

a) "Additional GAP Products Purchase Order(s)" definition is hereby added as follows:

"Additional GAP Products Purchase Orders" shall mean the non-cancelable Purchase Orders submitted concurrent with the execution of this Amendment for the quantity of products and pricing as set forth on Attachments 1 and 2. The Additional GAP Products Purchase Order for GSP-1600s represents the total quantity of this Product that is available for purchase by Globalstar except as provided for in Section 12."

2. **Section 10(a), Delivery Schedule for Additional GAP Products** is hereby added as follows:

"10(a) ***Delivery Schedule.*** The delivery schedule for products order under the Additional GAP Products Purchase Orders shall be as specified on Amendment 2 to this Amendment.

3. **Section 13(a). Payment Terms for Additional GAP Product Purchase Orders** is hereby added as follows:

"13(a) ***Payment Terms for Additional GAP Product Purchase Orders.*** The payment terms for Additional GAP Product Purchase Orders are set forth on Attachment 3."

EFFECTIVENESS. Except as modified by this Amendment No. 3 as of the date set forth above, the Agreement shall remain in full force and effect. No modification, amendment or other change may be made to this Amendment No. 3 or any part thereof unless reduced to writing and executed by authorized representatives of both parties.

IN WITNESS THEREOF, the parties have executed this Amendment No. 3 as of the date set forth above.

QUALCOMM Incorporated		Globalstar LLC	
By:	/s/ MEG COMITO	By:	/s/ KELLY L. ROSE
Name:	Meg Comito	Name:	Kelly L. Rose
Title:	*Sr. Manager, Contracts*	Title:	*Director, Contracts*

Attachment 1
To Amendment No. 3
Pricing and Quantities for Additional GAP Products Purchase Orders

Product	Pricing	Quantity	Extended Price
		[*]	

Attachment No. 2
to Amendment No. 3
Delivery Schedule For Products Ordered under Additional GAP Products Purchase Orders

Description	GCK-1410 Car Kit	Enhanced Fixed Phone— GSP-2900	Wall Chargers GSP-1220	CLA (1600)	GSP-1600 Portable Phone	Privacy Handset GCK-0008
[*]						
Total Quantity				[*]		

Attachment 3
To Amendment No. 3
Payment Terms Applicable to Additional GAP Products Purchase Orders

[*] of total Additional GAP Products Purchase Orders value invoiced at Amendment No. 3 signing and due NET 5 business days from QUALCOMM's invoice date.

[*] of total Additional GAP Products Purchase Order value invoiced [*] months after the Effective Date; payment NET 30 days from date of QUALCOMM invoice.

[*] of product price invoiced upon delivery of each unit to the FCA Point; payment NET 30 days from date of QUALCOMM invoice.

If any product ordered under this Amendment is delivered within [*] months after the Effective Date, [*] of the price of such product price shall be invoiced upon delivery to the FCA Point; payment NET 30 days from date of QUALCOMM's invoice.

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 10.10

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

GLOBALSTAR COMPANIES

DESIGNATED EXECUTIVE INCENTIVE COMPENSATION MEMORANDUM

This is a Memorandum of Agreement ("**Memorandum**") entered into by **GLOBALSTAR LLC** (together with its post-Conversion [defined below] successor, hereinafter individually and collectively "**Globalstar**"), with the following employee: **FUAD AHMAD** ("Participant" and collectively with **ANTHONY J. NAVARRA, MEGAN FITZGERALD, ROBERT MILLER, DENNIS ALLEN**, and **STEVEN BELL**, one of the "**Participants**").

This Memorandum sets forth the terms and conditions of a supplemental executive incentive compensation program (the "**Plan**") that Globalstar has made available severally to each of the Participants. The Memorandum is an integration and complete restatement of all prior documents and discussions between and among Globalstar and any or all of the Participants concerning the Plan, and completely supersedes and replaces any such prior documents and discussions. The undersigned Participant acknowledges that his opportunity to become a Participant in the Plan has arisen because of his succession to responsibilities formerly discharged on behalf of Globalstar by [*], whose status as a Participant terminated on May 31, 2004, and that the undersigned Participant's entitlement under the Plan varies from the entitlement of other Participants as expressly set forth in Sections 11 (iii) and 11 (v), below. This Plan does not otherwise modify or affect any Participant's terms and conditions of employment by Globalstar. Anything in this Memorandum to the contrary notwithstanding, the Plan does not, expressly or by implication, create a contract for, or any assurance of, a fixed or minimum duration of employment by any of the Participants with Globalstar. Each Participant acknowledges and agrees that all agreements and understandings in this Memorandum are expressly made subject to Globalstar's at-will employment policy, as well as all other applicable terms and conditions of the Globalstar Personnel Policies and Procedures Manual.

The understandings and agreements in this Memorandum are personal to the named Participants and do not attach to, nor will they become an incident of, any Participant's office.

I. PRINCIPLES

The Plan is predicated on the following principles and should be understood and interpreted to be consistent with them:

A. The financial interests of all equity holders of Globalstar LCC and its successor corporation (such equity holders being hereinafter referred to for convenience, both before and after Conversion as "**Stockholders**") will be enhanced by a financial compensation arrangement that rewards key members of management (the undersigned Participants) financially in a manner that is linked to increases in the value of Stockholder equity.

B. Incentive compensation based on equity-like participation in Globalstar LLC (and its successor corporation) by the Participants should and will result in an alignment of the financial interests of management of Globalstar LLC and its successor with the financial interests of Stockholders.

C. Incentive compensation should be payable based on increase in the value of Stockholder equity, but only after the value of Stockholder equity has increased by a specified minimum amount. The Participants acknowledge that the minimum return increase in equity value to all

Stockholders specified in this Memorandum, to be measured for all Stockholders by a tripling of the value of the "**Thermo Investment**" (defined below) within the period beginning April 14, 2004 and ending on the final "**Valuation Date**" (defined below), is a reasonable standard for measuring the minimum increase in value of Stockholder equity during this period.

D. Awarding incentive compensation to the Participants based on interim increases in **Compensatable Value** (defined below) should and will provide an incentive for management to achieve near term objectives, while maintaining focus on long-term growth of Stockholder equity value as the primary objective.

E. Paying Incentive Compensation over multiple years in accordance with the **Annual Payment Limitations** (defined below) specified in this Memorandum should and will promote management's commitment to Globalstar and will be in the best interests of Globalstar.

II. DEFINITIONS

Capitalized terms used in this Memorandum but not defined elsewhere, either in this Memorandum or in the Operating Agreement (defined below), have the meanings ascribed to them below; provided, however, that in the event of conflict the definition in this Memorandum shall prevail:

(i) **ACA**: The Asset Contribution Agreement between and among Globalstar, L.P. and others, including Thermo, dated as of December 5, 2003 and amended April 13, 2004.

(ii) **Affiliate(s)** (of **Thermo**): Persons, natural or otherwise, who, directly or indirectly, control, are controlled by, or are under common control with Thermo.

(iii) **Aggregate Limitation**: Five Million Dollars ($5,000,000) per Participant, *less*, with respect to the undersigned Participant, any amount by which the Annual Payment Limitation for 2007 may have been reduced in accordance with item (v), below.

(iv) **Annual Payment Dates**: With respect to the October 2006 Annual Valuation Date, the final business day of the first full week in January 2007. With respect to the October 2007 and 2008 Annual Valuation Dates, the corresponding days in January 2008 and 2009.

(v) **Annual Payment Limitations**: The greater of (a) these stipulated amounts: $500,000 in 2007, $750,000 in 2008, and $3,750,000 in 2009 or (b) in the case of 2008 and 2009, the stipulated amount for the year in question plus the excess of (1) the sum of stipulated amounts for the year in question and prior year(s) over (2) the actual amount(s) paid for prior year(s); *provided*, *however*, that the Annual Payment Limitation applicable to 2007 for the undersigned Participant shall be reduced by any sum, not in excess of 7/24 × 5500,000 (*i.e*. by up to $145,833) or by such lesser sum (if any) as shall be payable under the Plan in 2007 to a former Participant, [*], pursuant to a certain Memorandum of Agreement dated January 31, 2005 with respect to termination of [*] 's employment with Globalstar.

(vi) **Annual Valuation Date(s)**: The final Trading Day in October of 2006, 2007, and 2008; *provided*, *however*, that after registration of the Shares under the Securities Exchange Act of 1934 in October 2006 it reasonably appears that an additional stock trading stabilization period is required, the first Annual Valuation Date shall be the final Trading Day of November 2006. This shall not postpone the January 2007 Annual Payment Date.

(vii) **Compensatable Value**: The calculated value of the Thermo Equity in excess of the Floor Valuation on the applicable Valuation Date, determined by (a) adding (1) the cumulative consideration, if any, actually received by Thermo from transfers, prior to such Valuation Date, of Shares (or Units) to persons other than Affiliates, plus (2) the fair market value of all Shares owned, directly or indirectly, by Thermo on the Valuation Date and (b) subtracting

the Floor Valuation from such sum; *provided*, *however*, that if this calculation would yield Compensatable Value in excess of $250,000,000 then Compensatable Value shall be deemed to be $250,000,000. For purposes of the preceding sentence, consideration received by Thermo in the form of securities issued by third parties shall be valued at zero (0) unless such securities are, or until they become, freely tradable and marketable. Third-party securities received that are not freely tradable and marketable when received by Thermo, but that later become freely tradable and marketable, shall be valued at their closing arms length sale price on the day that they become freely tradable and marketable, or if no trades occur on that day, at their closing sale price on the first day that an arms length transaction in such securities occurs. Such securities shall be deemed for purposes of all future Valuation Dates to have the value determined in accordance with the preceding sentence, and any proceeds received by Thermo from a disposition of such securities shall likewise be deemed for purposes of this definition of Compensatable Value to be equal to the value so determined. For purposes of this definition, shares transferred by Thermo to non-Affiliates shall be conclusively presumed to have been. sold at full and fair value consideration as established by the relevant transaction documentation.

(viii) **Conversion**: The conversion of Globalstar LLC into a corporation in accordance with the laws of the State of Delaware and the Operating Agreement.

(ix) **Floor Valuation**: On any Valuation Date, three (3) times the maximum amount of the Thermo Investment in Globalstar.

(x) **Incentive Compensation**: Sums becoming payable to Participants in accordance with the Plan.

(xi) **Operating Agreement**: The Amended and Restated Limited Liability Company Agreement of Globalstar LLC dated December 5, 2003, as amended effective October 1, 2004 and thereafter from time to time in accordance with its terms, including any document intended to succeed or replace the Operating Agreement at the time of Conversion.

(xii) **Participants**: The individuals whose names are set forth on the first page of this Memorandum and who have signed it.

(xiii) **Payment Date**: Any date, including an Annual Payment Date, on which Incentive Compensation shall be payable in accordance with this Memorandum.

(xiv) **Plan**: The Incentive Compensation program described by this Memorandum. Upon approval in accordance with this Memorandum, the Plan shall be deemed effective as of November 1, 2004 and shall expire when final payment has been made to eligible Participants as provided in this Memorandum.

(xv) **Shares**: The representation of an investor's interest in Globalstar LLC, including, while Globalstar LLC remains a limited liability company, units of membership interest of Globalstar LLC ("**Units**") and thereafter shares of common stock of Globalstar LLC's successor corporation. After Conversion, the Shares will be registered under the Securities Exchange Act of 1934, but may or may not be listed on any Stock Exchange. An investor is any person, natural or otherwise, listed as a record owner of Shares (or Units) in the official Globalstar Stockholder (or membership) Record maintained by the Secretary of Globalstar or a duly designated transfer agent for Globalstar.

(xvi) **Stock Exchange**: Any stock exchange registered under the Securities Exchange Act of 1934 or any alternative quotation system established by the National Association of Securities Dealers, including NASDAQ.

(xvii) **Thermo**: Globalstar Holdings LLC and Globalstar Satellite, LP, both organized under the laws of the State of Delaware, and their respective Affiliates.

(xviii) **Thermo Equity**: Subject to the requirements of the definition of Transfer Valuation Event (below), on any given Valuation Date, Thermo's share of ownership in Globalstar LLC (and its successor corporation), as represented by (a) Shares, *i.e*. Units, issued to Thermo on April 14, 2004, plus (b) any additional Shares (or Units) issued to Thermo thereafter, including Shares issued to Thermo in substitution for or in addition to Units at and after Conversion, less (c) Shares (or Units) that have been as of such Valuation Date transferred by Thermo to non-Affiliated third parties or redeemed by Globalstar LLC from Thermo. At the close of business on January 1, 2005, Thermo Equity was represented by 6,543,218 Units out of a total of 10,309,278 Units issued and outstanding, 1,966,000 of which were held by Globalstar Holdings LLC, and 4,577,218 of which were held by Globalstar Satellite LP.

(xix) **Thermo Investment**: On any given Valuation Date, the sum of (a) money actually advanced directly or indirectly to Globalstar by Thermo pursuant to the ACA (such amount being $17,017,645.46 as of January l, 2005, net of funds received by Thermo on December 3, 2004 as proceeds of redemptions); plus (b) any additional sum of money that Thermo shall advance, or be or become legally obligated to advance, directly or indirectly to Globalstar on or prior to the effective date of Conversion.

(xx) **Trading Day**: Any day following Conversion on which Globalstar Shares shall be traded in an arm's length private transaction or, if listed on a Stock Exchange, on the applicable Stock Exchange.

(xxi) **Transfer Valuation Date**: The date of final closing, as determined in good faith by Globalstar of any transaction (but only if such closing shall occur on or before November 1, 2008) that shall result in Thermo having transferred (when cumulated with all such prior transfers) to one or more non-Affiliates, an aggregate of more than fifty percent (50%) of the Thermo Equity for cash, freely tradable and marketable securities, or a combination thereof (a "**Transfer Valuation Event**"). For purposes of determining whether more than fifty percent (50%) of the Thermo Equity shall have been transferred, Thermo Equity shall be deemed to be represented by the number of Shares held by Thermo at the close of business as of January 1, 2005 adjusted as required for stock dividends, stock splits (if any), stock consolidations, or similar events occurring after January 1, 2005.

III. THE PLAN

1. Conversion to Corporation; Registration of Stock. The parties contemplate that Globalstar LLC Units will be converted into common stock and registered in the form of Shares not later than in October 2006 in accordance with the Operating Agreement. If registration occurs earlier, the Valuation Dates and Payment Dates specified in the Plan shall remain unchanged.

2. Impact on Value of Stockholder's Equity. The parties also contemplate that the per-Share value of Thermo Equity on any applicable Valuation Date should approximate the per Share value of the equity of non-Thermo Stockholders on that Valuation Date. Stated differently, as the value of Thermo's Shares increases, the value of other Stockholders' Shares should also increase in proportion to the value of Thermo's Shares.

3. Annual Equity Valuation Procedures. Not less than once each year beginning in 2006, on each Annual Valuation Date Globalstar LLC shall calculate the then-value of Thermo Equity in the following manner. The value of Thermo Equity on Annual Valuation Dates will be deemed to be (a) the closing price per share of Globalstar Shares on the applicable Annual Valuation Date multiplied by the number of Shares then owned directly or indirectly by Thermo plus (b) the aggregate consideration received by Thermo either in cash or the value on date of delivery of freely tradable and marketable securities, plus, for securities that were not freely tradable and marketable on the date received but have subsequently become so, the

value established prior to the applicable Annual Valuation Date, in accordance with the definition of Compensatable Value.

4. Payment of Incentive Compensation. Subject to the limitation and provisions of this Memorandum, on the Annual Valuation Date in 2006, 2007, and 2008, Globalstar shall determine Compensatable Value, and, on the corresponding Annual Payment Date in 2007, 2008, and 2009, shall pay Incentive Compensation to each eligible Participant. Incentive Compensation payable to each eligible Participant shall equal two percent (2%) of Compensatable Value on the latest applicable Annual Valuation Date; provided, however, that total Incentive Compensation paid to any Participant shall never exceed the Aggregate Limitation, nor, except as provided in Subsection 7(b), shall any payment of incentive Compensation to any Participant on any Payment Date exceed the applicable Annual Payment Limitations.

5. Eligibility Requirement. Subject to the exceptions provided in this Section 5, in order to be eligible to receive Incentive Compensation a Participant must be employed by Globalstar on the applicable Payment Date. A Participant will forfeit all rights to future payments of Incentive Compensation if, prior to a future Payment Date, the Participant resigns from employment by Globalstar for any reason or is terminated by Globalstar for cause. Incentive Compensation paid to eligible Participants will not be subject to recoupment by Globalstar because of resignation subsequent to the date of payments.

Exceptions:

(a) Termination on/after Valuation Date but before Corresponding Payment Date. If Participant's employment is terminated by Globalstar involuntarily (except for cause) on or after a Valuation Date but prior to the corresponding Payment Date, the affected Participant shall receive on the applicable Payment Date, in the same manner as if he or she had remained employed on the applicable Payment Date, the Incentive Compensation that he or she would have received based on the latest Valuation Date occurring prior to termination.

(b) Termination on/after Payment Date but before Next Succeeding Valuation Date.

(I) *First Valuation Date*. If a Participant is terminated by Globalstar involuntarily (except for cause), on or prior to the first Valuation Date (*i.e*. October 31, 2006, subject to extension in accordance with definition (vi), above), the affected Participant shall receive on the 2007 Annual Payment Date the Incentive Compensation that he or she would have received if he or she had remained employed on that Payment Date multiplied by a fraction, the numerator of which shall be the number of full calendar months, beginning with November 2004, that shall have elapsed at time of termination and the denominator of which shall be 24.

(II) *Subsequent Valuation Date*. If a Participant is terminated by Globalstar involuntarily (except for cause) after the first Annual Valuation Date but prior to the then-next succeeding Annual Payment Date, the affected Participant shall receive on the applicable Annual Payment Date the Incentive Compensation that he or she would have received if he or she had remained employed on that Payment Date, prorated in the same manner as is provided in clause I, above, except that the numerator of the fraction shall be the number of full calendar months that shall have elapsed after the most recent Valuation Date prior to termination and the denominator shall be 12.

(c) Termination within Six Months prior to Transfer Valuation Event. If a Participant's employment is terminated by Globalstar involuntarily (except for cause), and a Transfer

Valuation Event occurs within six (6) months after the date of termination, then, in addition to the rights granted under exception (a), or (b), above, the Participant shall receive the Incentive Compensation payable as a consequence of the Transfer Valuation Event that he or she would have received if he or she had remained employed at the time of the Transfer Valuation Event, except that no portion of such Incentive Compensation shall be payable until the Annual Payment Date in January 2009. The payment provided for under this exception (c) shall be based on a one-time additional payment arising out of the Transfer Valuation Event and shall be subject to the Aggregate Limitation after deducting all prior payments of Incentive Compensation.

(d) Termination Because of Death or Disability. If a Participant's employment terminates prior to any applicable Payment Date because of the Participant's death or total disability, the Participant (or if applicable his or her estate, personal representative, or designated beneficiary), shall receive on the applicable Payment Date the Incentive Compensation that the Participant would have received on such Payment Date if termination had occurred pursuant to (as applicable) exception (a) or (b), above, and no subsequent payments. For purposes of this exception, total disability is any circumstance or condition that results in the Participant being unable to discharge his or her duties of employment by Globalstar.

The exceptions provided in this Section 5 are the only exceptions to the requirement that a Participant must be employed on the applicable Payment Date to be eligible to receive Incentive Compensation. After receipt of the payments provided for under these sections, Participants that are no longer employed by Globalstar shall have no further entitlement under the Plan.

6. Annual Payment Limitations. Payments of Incentive Compensation on any Annual Payment Date shall not exceed stipulated Annual Payment Limitations, increased if applicable in accordance with clause (b) of the definition of Annual Payment Limitations. This Section 6 shall not be construed to limit larger or earlier payments that may become due pursuant to Section 7, below, upon the occurrence of a Transfer Valuation Event. After the full amount permitted by an Annual Payment Limitation has been paid in full, it shall not be duplicated on a subsequent Payment Date. Entitlement to payments on subsequent Payment Dates will be determined based on Compensatable Value on an applicable subsequent Valuation Date, subject to the Annual Payment Limitation applicable to the year of the Payment Date.

7. Transfer Valuation Event. The value of Thermo Equity on any Transfer Valuation Date shall be the sum of (i) the value of the consideration received by Thermo in cash and/or freely tradable and marketable securities from dispositions of Shares to non-Affiliates prior to the Transfer Valuation Event, (ii) the value of the consideration received by Thermo in cash and/or freely tradable and marketable securities as a result of the Transfer Valuation Event, and (iii) the value of the Shares retained by Thermo after the Transfer Valuation Event. The value of Thermo's retained Shares shall be determined by multiplying the number of such retained Shares by the per-Share value of the Shares transferred in the Transfer Valuation Event, as provided in the Transfer Valuation Event documentation, *provided, however*, that any consideration received by Thermo in securities that are not freely tradable and marketable when received shall be valued in accordance with the definition of Compensatable Value.

The following procedures shall apply to a Transfer Valuation Event:

(a) Acceleration of Final Payment Date. If a Transfer Valuation Event occurs and Compensatable Value as of the resultant Transfer Valuation Date equals or exceeds $250,000,000, then the third Annual Valuation Date shall be deemed to have occurred on the Transaction Valuation Date and, except as provided in Subsection 7(b) below, Globalstar shall pay all Incentive Compensation that becomes due because of the Transfer Valuation Event on the earliest of (i) January 2009, (ii) termination of Participant's employment by or at the request of the purchaser in the Transfer Valuation Event transaction, or (iii) twelve (12) months after the Transfer Valuation Date, during which period each Participant hereby agrees, if requested by the purchaser to do so, to continue employment with Globalstar on terms and conditions that, exclusive of the Plan, are substantially equal to or better than the Participant's pre-Transfer Valuation Event terms and conditions of employment.

(b) Postponement of Final Payment Date. Subsection 7(a) to the contrary notwithstanding, if the Transfer Valuation Event transaction includes a requirement that one or more of the Participant(s) remain employed by Globalstar for more than twelve (12) months after the Transfer Valuation Date the affected Participants hereby agree to accept employment in accordance with this requirement; *provided, however*, that the terms and conditions of continued employment offered to the Participant, exclusive of the Plan, are substantially equal to or better than the terms and conditions enjoyed by the Participant at the time of the offer; *provided, further*, that nothing in this Memorandum shall be construed either to require the Participant to remain employed after the Transfer Valuation Date for more than twenty-four (24) months or to preclude voluntary employment by the Participant for longer than twenty-four (24) months after the Transfer Valuation Date. If employment for more than twelve (12) months is required, Globalstar shall pay one-half (1/2) of all Incentive Compensation that becomes due because of the Transfer Valuation Event on the Transfer Valuation Date and one-half (1/2) upon the conclusion of the extended employment period, but not longer than twenty-four (24) months after the Transfer Valuation Date. At the request of any affected Participant, payments that are postponed in accordance with the preceding sentence beyond the date that they could be payable in accordance with Subsection 7(a) shall be secured by escrow or by other means reasonably satisfactory to the affected Participants. This Subsection 7(b) shall not apply to Participants who are not required by the terms of the Transfer Valuation Event to remain employed by Globalstar or the purchaser for a term in excess of twelve (12) months after the Transfer Valuation Date.

(c) 2007 and 2008 Annual Payments not Affected. Notwithstanding Subsections 7(a) and 7(b), payments of up to the January 2007 and January 2008 Annual Payment Limitations shall not be postponed beyond January 2007 and January 2008, respectively, to the extent that Incentive Compensation that becomes payable because of the Transfer Valuation Event equals or exceeds these maximum payments on a cumulative basis.

8. Transfer Valuation Event Yielding Compensatable Value of Less than $250,000,000. Notwithstanding anything in Section 7, if as a consequence of a Transfer Valuation Event the sum of (i) Incentive Compensation previously paid on Annual Valuation Dates plus (ii) Incentive Compensation becoming due because of the Transfer Valuation Event shall be less than the Aggregate Limitation, the Plan shall remain in effect through one or more succeeding Annual Payment Date(s) until a valuation of Thermo Equity conducted on future Annual Valuation Date shall have yielded Compensatable Value of not less than $250,000,000 and Incentive Compensation shall have been paid with respect thereto, but under no circumstances beyond the 2008 Annual Valuation Date and the corresponding

January 2009 Annual Payment Date. Under these circumstances, Globalstar shall continue to compute Compensatable Value as of the Annual Valuation Date(s) through October 2008 as if the Transfer Valuation Event had not occurred, and shall pay Incentive Compensation based on such post-Transfer Valuation Event calculation(s). For purposes of this Section 8, if a post-Transfer Valuation Event annual computation of Compensatable Value shall result in a determination that Compensatable Value has decreased in comparison to Compensatable Value as of a previous Valuation Date, Compensatable Value shall be deemed to be the highest value determined as of any previous Annual Valuation Date or as of the Transfer Valuation Event. The purpose of the immediately preceding sentence is to provide that under the circumstances described in the first sentence of this Section 8 the highest amount of Incentive Compensation that becomes payable because of any determination of Compensatable Value that occurs on or after a Transfer Valuation Event shall be a vested entitlement and not be subject to a reduction as a result of a subsequent decline in Compensatable Value. Both the Annual Payment Limitations and the Aggregate Limitation shall continue to apply. Nothing in this Section 8 shall be construed to add to, limit, override, or otherwise conflict with, the final sentence of exception (c) in Section 5 conferring certain additional rights on persons who are no longer Participants in the Plan because of termination of their employment, it being agreed that this Section 8 is inapplicable to such persons.

9. Failure to Achieve Minimum Compensatable Value. Notwithstanding the provisions of Section 8, if a Transfer Valuation Event occurs as a result of which Thermo shall have received aggregate consideration for the Thermo Equity equal to or in excess of the amount of the Thermo investment but not in excess of the Floor Valuation, the Plan shall terminate on the date the final such transaction closes and no Incentive Compensation shall become payable hereunder. If the Plan terminates under these circumstances, and if Globalstar involuntarily terminates the employment of any Participant, other than for cause, within one (1) year after the Plan terminates for this reason, Globalstar shall pay the terminated Participant a termination benefit equal to one (1) year of the Participant's then gross salary without allowance for benefits. For avoidance of doubt, this Section 9 does not apply to any person whose status as Participant had terminated for any reason prior to Plan termination pursuant to this Section 9.

10. No Recapture. Incentive Compensation actually paid to Participants based on Compensatable Value as of any Valuation Date shall not be subject to recapture by or repayment to Globalstar if Compensatable Value shall have declined on a subsequent Valuation Date.

GENERAL PROVISIONS

11. Consultation Regarding Thermo Investment. Recognizing that accepting Thermo Investment prior to Conversion in excess of the sum required to be advanced by Thermo to Globalstar pursuant to the ACA (the "**Required Thermo Investment**") will have the impact on the Floor Valuation illustrated by the schedule of examples attached to this Memorandum, Globalstar agrees that prior to accepting from Thermo more than the Required Thermo Investment, it will notify the Participants that additional Thermo Investment is under consideration, and that Globalstar's officers and directors will consult with the Participants on the impact of such additional Thermo Investment on the company, its members, and the Participants. After this consultation, all decisions with respect to the source and terms of any such additional funding for the Company's activities shall be made in the manner required by law, including without limitation in accordance with Globalstar's Amended and Restated Limited Liability Agreement as the same shall exist at the time. This Section 11 shall not apply to Participants, if any, who are no longer employed by Globalstar at the time the additional Thermo Investment is being considered.

12. Confidentiality. This Memorandum and its contents shall be treated by the Participants, Globalstar, and Thermo as confidential, and shall not be disclosed by any of such persons to third parties, except as may be required by law or to persons with a bona fide need to know, and then only after prior notice to and consent of the other Participants and the Board of Directors of Globalstar, which consent shall not be delayed or withheld unreasonably.

13. Dispute Resolution. Any controversy or claim between the Parties arising out of or relating to this Memorandum, or the breach thereof, shall be governed by Colorado law and settled by arbitration in Denver, Colorado by three (3) arbitrators under the Commercial Arbitration Rules of the American Arbitration Association ("AAA") and administered by the AAA. Each party shall appoint one (1) neutral and impartial arbitrator. The two (2) arbitrators thus appointed shall choose the third arbitrator, who shall act as chairman. Any award issued under this Section shall be entitled to enforcement in any court having jurisdiction. In the event of a dispute over interpretation of this Memorandum, neither Thermo, Globalstar, nor any of the Participants shall be deemed to be the drafter hereof.

14. Full and Final Termination. Nothing in the Plan shall be construed to create any right for any Participant to receive Incentive Compensation greater than the Aggregate Limitation. Upon receipt by a Participant of the Aggregate Limitation, and without prejudice to or limitation of any term or condition of the Plan under which it shall terminate upon payment of a lesser sum (or no sum) as to such Participant, the Plan shall fully and finally terminate as to such Participant upon payment to that Participant of the full sum that shall become due to the Participant. No claim on any other basis, legal or equitable, shall be recognized that would yield entitlement to compensation or other damages greater than the Incentive Compensation otherwise payable in strict accordance with the Plan.

15. Illustrations. The attached schedule sets forth certain hypothetical fact patterns that are intended to serve as a guide to interpretation and understanding of this Memorandum but do not constitute a part of the agreements set forth herein. Therefore, in the event of an irreconcilable inconsistency between an illustration in the attached schedule and the text of this Memorandum, the illustration shall be deemed to be erroneous and shall be conformed to make it consistent with the text.

16. Effective Date, Obligation: Amendments. The Plan with respect to the undersigned Participant shall become effective as of June 1, 2005. The Plan became effective with respect to the remaining participants on November l, 2004. All obligations hereunder with respect to calculation and payment of Incentive Compensation shall be solely the obligations of Globalstar. No subsequent supplement, modification, understanding, or interpretation of this Memorandum shall be effective or binding unless and until set forth in writing, signed by Globalstar and the affected Participant(s), and approved by the Board of Directors.

17. Impact of IRC Section 409A. It is the intention of the parties that the Plan comply with, and/or be exempt from, the requirements of Section 409A of the Internal Revenue Code of 1986, as amended. The parties shall therefore review this Memorandum in a timely way and adopt changes hereto that are necessary (if any) to achieve this objective and to preserve to the maximum extent possible the business and economic purposes of the Plan. This shall be done at the request of any party promptly after the issuance of relevant guidance by the Internal Revenue Service ("IRS") but under no circumstances later than the latest date (if any) that the IRS may authorize for adoption of conforming changes. The Plan is not intended to be a qualified plan under the Federal Employee Retirement Income Security Act.

18. Attachments. See Attachments 1 and 2, which constitute integral parts of this memorandum.

Illustrative Schedule to Incentive Compensation Memorandum

Effective as of November 1, 2004

ASSUMES $50,000,000 THERMO INVESTMENT

Valuation Date	Thermo Equity Value*	Floor Valuation	Compensatable Value	Indicated Payment	Annual Payment Limitation	Actual Cumulative Payments
Oct. 06	$ 175,000,000	$ 150,000,000	$ 25,000,000	$ 500,000	$ 500,000	$ 500,000
Oct. 07	175,000,000	150,000,000	25,000,000	0	750,000	500,000
Oct. 07	212,500,000	150,000,000	65,500,000	750,000	750,000	1,250,000
Oct. 08	400,000,000	150,000,000	250,000,000	4,500,000	4,500,000	5,000,000
Oct. 08	400,000,000	150,000,000	250,000,000	3,750,000	3,750,000	5,000,000

ASSUMES $44,000,000 THERMO INVESTMENT

Valuation Date	Thermo Equity Value*	Floor Valuation	Compensatable Value	Indicated Payment	Annual Payment Limitation	Actual Cumulative Payments
Oct. 06	$ 157,000,000	$ 132,000,000	$ 25,000,000	$ 500,000	$ 500,000	$ 500,000
Oct. 07	194,500,000	132,000,000	62,500,000	750,000	750,000	1,250,000
Oct. 08	194,500,000	132,000,000	62,500,000	0	3,750,000	1,250,000
Oct. 08	382,000,000	132,000,000	250,000,000	3,750,000	3,750,000	5,000,000

ASSUMES $31,000,000 THERMO INVESTMENT

Valuation Date	Thermo Equity Value*	Floor Valuation	Compensatable Value	Indicated Payment	Annual Payment Limitation	Actual Cumulative Payments
Oct. 06	$ 118,000,000	$ 93,000,000	$ 25,000,000	$ 500,000	$ 500,000	$ 500,000
Oct. 07	155,000,000	93,000,000	$ 62,500,000	750,000	750,000	1,250,000
Oct. 08	218,000,000	93,000,000	125,000,000	1,250,000	3,750,000	2,500,000
Oct. 08	343,000,000	93,000,000	250,000,000	3,750,000	3,750,000	5,000,000

General Note: The hypothetical fact patterns illustrated in this schedule are for illustrative purposes only and furnish no basis for any express or implied promise to pay Incentive Compensation, or of employment for any minimum duration for any Participant.

* Includes value of consideration received from previous arms length transfers.

ATTACHMENT 1

Vesting Schedule

For additional clarification, amounts due under this Designated Executive Incentive Compensation Memorandum are limited to the following:

(1) up to 10% of the Aggregate Limitation, as calculated on 10/31/06 and payable 1/07;

(2) up to 25% of the Aggregate Limitation less any amount previously paid under (1), above, as calculated on 10/31/07 and payable 1/08; and

(3) up to the Aggregate Limitation less any amounts previously paid under (1) and (2), above, as calculated on 10/31/08 and payable 1/09.

ATTACHMENT 2

Participant Responsibilities

As part of each year's budget cycle, the CEO of Globalstar shall establish employment performance criteria for each Participant which that Participant must attain as of the next succeeding Valuation Date in order to retain eligibility. Each Participant shall receive periodic written statements of that Participant's criteria.

QuickLinks

Exhibit 10.11

ASSET CONTRIBUTION AGREEMENT

BY AND AMONG

GLOBALSTAR, L.P.

NEW OPERATING GLOBALSTAR LLC

THERMO CAPITAL PARTNERS, L.L.C.

AND CERTAIN OF THEIR AFFILIATES

December 5, 2003

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LIST OF EXHIBITS

ASSET CONTRIBUTION AGREEMENT

This ASSET CONTRIBUTION AGREEMENT, dated as of December 5, 2003 (this "*Agreement*"), by and among Thermo Capital Partners, L.L.C., a Colorado limited liability company ("*Thermo*"), Globalstar Holdings LLC, a Delaware limited liability company ("*GS Holdings*"), New Operating Globalstar LLC, a Delaware limited liability company ("*New Globalstar*"), and Globalstar Leasing LLC, a Delaware limited liability company ("*Globalstar Leasing*") (collectively, the "*Acquirors*" and each individually, an "*Acquiror*"); Globalstar, L.P., a Delaware limited partnership ("*Globalstar*"), Globalstar Capital Corporation, a Delaware corporation, Globalstar Services Company, Inc., a Delaware corporation, Globalstar, L.L.C., a Delaware limited liability company, Globalstar Corporation, a Delaware corporation, and Globalstar Satellite Services, Inc., a Delaware corporation (collectively, the "*Globalstar Entities*" and, individually, each a "*Globalstar Entity*"); Globalstar USA, LLC, a Delaware limited liability company, and Globalstar Caribbean Ltd., an organization organized under the laws of the Cayman Islands (collectively, the "*Licensees*"); and, solely for purposes of Section 5.8, the Official Committee of Unsecured Creditors of Globalstar (the "*Committee*"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in Article XII.

WHEREAS, the Globalstar Entities and their Subsidiaries are engaged in the business of operating a low earth orbit satellite communications system providing voice, data and ancillary telecommunications services;

WHEREAS, Globalstar, Globalstar Capital Corporation, Globalstar Services Company, Inc., and Globalstar, L.L.C. (collectively, the "*Debtors*") have filed voluntary petitions (collectively, the "*Petitions*") for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. Sections 101 *et seq.* (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the District of Delaware (the "*Bankruptcy Court*"), commencing Chapter 11 cases that are being jointly administered under the case styled *In re Globalstar Capital Corporation, et al.* (Case No. 02-10499 (PJW)) (collectively, the "*Chapter 11 Case*");

WHEREAS, New Globalstar desires to obtain ownership, in the manner described in this Agreement, of substantially all of the assets of the Globalstar Entities, and thereafter to transfer certain of these assets to Globalstar Leasing;

WHEREAS, the Globalstar Entities desire to contribute to New Globalstar (through GS Holdings) on or after the Contribution Date substantially all of the assets and properties of the Globalstar Entities (except for the assets and properties of Globalstar Corporation and Globalstar Satellite Services, Inc., certain of which shall be contributed to newly-formed limited liability companies, the equity of which shall be contributed to New Globalstar through GS Holdings), all on the terms and subject to the conditions set forth herein and in accordance with (a) in the case of the Debtors, Sections 105, 363, and 365 of the Bankruptcy Code and (b) the rules and policies of the FCC, in exchange for a 93.4% membership interest in GS Holdings and the assumption by New Globalstar of specified obligations and liabilities of the Globalstar Entities;

WHEREAS, Thermo desires to contribute to New Globalstar on the Contribution Date $1,000,000 in exchange for an 8.77% membership interest in New Globalstar; and

WHEREAS, New Globalstar desires to contribute certain of its assets to Globalstar Leasing on and after the Contribution Date in exchange for a 98% membership interest in Globalstar Leasing.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, and agreements set forth herein, the Parties hereto agree as follows:

ARTICLE I
CONTRIBUTION OF ASSETS

Section 1.1 *Contributions by Thermo.* On the terms and subject to the conditions set forth in this Agreement, on the Contribution Date, Thermo shall contribute (a) to GS Holdings, $700,000 in immediately available funds (the "*Initial GS Holdings Contribution*") in exchange for a 6.6%

membership interest in GS Holdings, as provided in the GS Holdings LLC Agreement; and (b) to New Globalstar, $1,000,000 in immediately available funds (the "*Initial New Globalstar Contribution*") in exchange for an 8.77% membership interest in New Globalstar, as provided in the New Globalstar LLC Agreement. Prior to the Contribution Date, Thermo shall have caused two of its Affiliates to contribute to Globalstar Leasing a total of $100,000 in immediately available funds (the "*Initial Globalstar Leasing Contribution*") in exchange for an aggregate 100% membership interest in Globalstar Leasing, which membership interest shall be reduced to an aggregate 2% membership interest following the transactions described in Section 2.1 hereof.

Section 1.2 *Contribution of Assets by the Globalstar Entities.* On the terms and subject to the conditions and limitations set forth in this Agreement (including, without limitation, Sections 1.6, 6.4 and 6.5), on the Contribution Date, after the transactions described in Section 2.1(h) are completed, each Globalstar Entity shall contribute, assign, transfer, convey, and deliver to GS Holdings, and GS Holdings shall acquire and accept from each Globalstar Entity, all of such Globalstar Entity's rights, title, and interests in and to its Assets, which rights, title and interests shall be (with respect to the Debtors only) free and clear of all Liens as provided by the Sale Order. The term "*Assets*" means, with respect to each Globalstar Entity, all assets and properties of such Globalstar Entity, wherever located (including in the possession of vendors or other third parties or elsewhere), whether tangible, intangible, absolute or contingent, of whatever nature, whether real, personal or mixed, whether now existing or hereafter acquired, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Globalstar Entity, and all contractual rights and claims of such Globalstar Entity relating to the foregoing, including, without limitation, those assets that are described below (but specifically excluding the Excluded Assets):

(a) all Gateway Assets, Handset Inventory and Satellites, and all other assets listed in the Globalstar Disclosure Schedule as contemplated by Section 3.15;

(b) all accounts receivable and claims or rights and causes of actions related thereto and the proceeds thereof;

(c) all copies of network or systems design specification materials and other printed or written materials in any form or medium relating to the Globalstar Entities' ownership or operation of the assets described in this Section 1.2 to the extent that the Globalstar Entities are not required by Law to retain them, and duplicates of any such materials that the Globalstar Entities are required by Law to retain;

(d) the exclusive right to the benefits of all contracts (including all customer contracts, whether or not executory), leases (including unexpired real property and equipment leases), subleases, licenses, permits, registrations, authorizations and agreements used in connection with the operation of the businesses of the Seller Entities, and any and all claims, rights of setoff or recoupment or causes of action arising under or in connection therewith (collectively, the "*Contracts*"), whether or not such Contracts arose prior to or after the commencement of the Chapter 11 Case;

(e) all rights under all warranties, representations, and guarantees made by suppliers, manufacturers, and contractors in connection with the assets described in this Section 1.2;

(f) all rights under any noncompetition, confidentiality, nondisclosure and similar agreements related to the assets described in this Section 1.2 or the Business Employees;

(g) all books and records of the Globalstar Entities that relate to the assets described in this Section 1.2 or the Transferred Employees or that are used in connection with the operation of the businesses of the Seller Entities, including, without limitation, data processing records, employment and personnel records, records relating to suppliers, supplier lists, cost information, vendor data, specifications and drawings, correspondence and lists, product literature, legal files related to the

ordinary course operations of the business, artwork, design, development and manufacturing files, quality records, anomaly records, and other data; *provided, however*, the Globalstar Entities may retain copies of (x) all books and records included in the assets described in this Section 1.2 to the extent necessary or useful for the administration of the Chapter 11 Case or any other Action to which they are parties, the filing of any Tax Return or compliance with any applicable Laws and (y) all personnel files;

(h) to the extent not part of the Intellectual Property, all work telephone numbers and electronic mail addresses relating to the Transferred Employees and domain names related to the operating system software;

(i) to the extent not part of the Intellectual Property, all technical information, data, specifications, research and development information, engineering drawings, operating and maintenance manuals related primarily to, or used or useful in connection with, the assets described in this Section 1.2, the satellite network or any operations support systems;

(j) all of the Globalstar Entities' rights under all Globalstar Governmental Licenses and Regulatory Approvals (provided, that such rights shall not be transferred unless and until all applicable Regulatory Approvals have been obtained);

(k) all rights to all Intellectual Property owned or used by the Globalstar Entities, including, without limitation, all right, title and interest in and to the name "Globalstar" and any variations thereof used in the Globalstar Entities business;

(l) all goodwill relating to the Globalstar Entities and the operation of the business of the Globalstar Entities; and

(m) all equity interests in Persons owned by the Globalstar Entities (including without limitation the Single Member LLCs), but excluding those equity interests referenced in Section 1.3(c) (and provided that the equity interests in the Licensees shall be transferred only if and when all applicable Regulatory Approvals have been obtained).

The Assets will be contributed to GS Holdings by the Globalstar Entities in exchange for a 93.4% membership interest in GS Holdings, which membership interest shall be allocated among the Globalstar Entities as designated in writing by the Globalstar Entities, subject to the approval of the Acquirors (which approval will not be unreasonably withheld or delayed). On the Contribution Date, following the contribution of the Assets to GS Holdings described above, GS Holdings shall contribute, assign, transfer, convey, and deliver to New Globalstar, and New Globalstar shall acquire and accept from GS Holdings, all of GS Holdings' rights, title, and interests in and to the Assets.

Section 1.3 *Excluded Assets*. The following assets and properties are not included in the Assets and shall be retained by the Globalstar Entities (collectively, the "*Excluded Assets*"):

(a) all of the Globalstar Entities' contracts and agreements with QUALCOMM and its Affiliates, and all other executory contracts and unexpired leases listed on *Exhibit 1.3(a)*;

(b) subject to Section 6.8, all causes of action arising under Chapter 5 of the Bankruptcy Code ("*Avoidance Actions*");

(c) all shares of capital stock or direct or indirect equity listed on *Exhibit 1.3(c)*;

(d) all claims, rights of setoff or recoupment or causes of action arising under or in connection with any asset described in this Section 1.3 or Rejected Contract (but not including any such claims, rights or causes of action arising under a Rejected Contract after the Contribution Date but prior to the date on which rejection of such Rejected Contract is approved by the Bankruptcy Court);

(e) subject to Sections 2.2 and 6.8, all cash and cash equivalents (including all marketable securities, certificates of deposits and other investments), including retainers held by Bankruptcy Professionals (collectively, "*Cash*"); and

(f) Globalstar's rights to accounts receivable owed by Globalstar Canada Co. in an amount not to exceed $3 million.

Section 1.4 *Assumed Liabilities.* On the terms and subject to the conditions set forth in this Agreement, on the Contribution Date (except as described in Section 1.4(g)), GS Holdings shall assume and thereafter pay, perform, and discharge in accordance with their terms, the following obligations and liabilities of the Debtors (collectively, the "*Assumed Liabilities*"):

(a) all obligations under the DIP Loan (provided the Debtors shall remain jointly and severally liable for all obligations under the DIP Loan, as described in Section 5.10);

(b) except to the extent arising under Assumed Contracts or as covered by subsection (e) below, all trade accounts payable existing as of the Contribution Date which arose in the ordinary course of the Debtors' business post-petition and would be entitled to allowance as administrative expenses under Section 503(b)(1)(A) of the Bankruptcy Code (collectively, the "*Assumed Trade Accounts*");

(c) all accrued and unpaid employee severance obligations arising under the Globalstar Entities' employment policies currently in force for employees terminated by a Globalstar Entity with Thermo's prior written consent after November 17, 2003 (the *"Employee Severance Plan*");

(d) all accrued and unpaid amounts required to be paid under the existing employee retention plan approved by the Bankruptcy Court on May 21, 2002 (the "*Employee Retention Plan*");

(e) all accrued and unpaid fees and expenses of Bankruptcy Professionals, but only to the extent such fees and expenses are actually allowed by, or that are permitted to be paid pursuant to, an order of the Bankruptcy Court, including the order dated March 22, 2002 establishing procedures for interim compensation and reimbursement of expenses for the Bankruptcy Professionals;

(f) all accrued and unpaid obligations arising solely with respect to the Debtors' current and former employees who are participants under the Loral Pension Plan, but only if and to the extent that such obligations can be severed from the Loral Pension Plan and assumed by New Globalstar;

(g) (i) the obligations of the Globalstar Entities under Assumed Contracts that, by the terms of such Assumed Contracts, arise after the Interest Acquisition Date and relate to periods following the Interest Acquisition Date and are to be observed, paid, discharged, or performed, as the case may be, in each case, at any time after the Interest Acquisition Date; and (ii) all Allowed Cure Claims (subject to Section 6.5); *provided, however*, that the obligations described in this Section 1.4(g) shall not be assumed until the Interest Acquisition Date (if and when such date occurs). Following the Contribution Date, New Globalstar shall be responsible for and pay all obligations of the Globalstar Entities under the Assumed Contracts, and to the extent provided in Section 1.6, Rejected Contracts, that arise in the ordinary course of the Debtors' business after the Petition Date and relate to periods following the Petition Date and are to be observed, paid, discharged, or performed, as the case may be, in each case, at any time after the Petition Date, but only to the extent that such obligations would be entitled to allowance as administrative expenses under Section 503(b)(1)(A) of the Bankruptcy Code;

(h) any other liabilities, commitments or obligations that arose with respect to the Assets or the use thereof following the Petition Date in the ordinary course of business of the Globalstar Entities or pursuant to any order of the Bankruptcy Court; and

(i) the liabilities or obligations under the Jefferies Agreement with respect to the monthly retainer (not to exceed $5,000/month) and out-of-pocket expenses and accrued and unpaid professional fees for prior periods approved by the Bankruptcy Court.

On the Contribution Date, following the assumption of Assumed Liabilities by GS Holdings described above, New Globalstar shall assume from GS Holdings and thereafter pay, perform, and discharge in accordance with their terms, the Assumed Liabilities.

Section 1.5 *Excluded Liabilities.* Notwithstanding anything to the contrary contained herein, except for the Assumed Liabilities, none of the Acquirors or their Affiliates shall assume, or in any way be liable or responsible for, any liabilities, commitments, or obligations, whether known or unknown, disclosed or undisclosed, absolute, contingent, inchoate, fixed or otherwise, of any of the Debtors (the "*Excluded Liabilities*"). Without limiting the generality of the foregoing, none of the Acquirors or their Affiliates shall assume, and the Debtors shall remain fully responsible for, the following liabilities, commitments, or obligations, whether known or unknown, disclosed or undisclosed, absolute, contingent, fixed or otherwise (all of which shall be Excluded Liabilities):

(a) any liabilities, commitments or obligations that arose with respect to the Debtors' business or Assets or the use thereof prior to the Petition Date including without limitation (i) any liabilities that result from, relate to or arise out of tort or other product liability claims, and (ii) any liability, commitment or obligation of, or required to be paid by, any of the Debtors for any Taxes of any kind arising prior to the Petition Date;

(b) except as provided in Section 1.6, any liability or obligation of any kind under any contract or agreement, written or oral, that is not an Assumed Contract, including the obligations arising under any Contract added to *Exhibit 1.3(a)*;

(c) any liabilities, commitments or obligations that arose with respect to the Assets or the use thereof following the Petition Date other than in the ordinary course of business (or pursuant to an order of the Bankruptcy Court); and

(d) any liabilities or obligations under the Jefferies Agreement other than as specifically set forth in Section 1.4(i).

Except for the Assumed Liabilities, none of the Acquirors or their Affiliates shall assume, and the Globalstar Entities shall retain and discharge when due, all other obligations and liabilities of the Globalstar Entities.

Section 1.6 *Assumption and Rejection of Contracts.* Between the date of this Agreement and the Interest Acquisition Date, Thermo, by written notice to Globalstar (a "*Rejection Notice*"), may add to *Exhibit 1.3(a)*, and thereby request the Debtors to reject, any pre-Petition Date Contract to which any Debtor is a party (a "*Rejected Contract*"); provided that (a) there shall be no adjustment to the consideration received by the Debtors as a result thereof, and (b) New Globalstar shall remain responsible for any liability for goods and services provided under such Rejected Contract during the period commencing on the Petition Date and ending on the day an order is approved by the Bankruptcy Court rejecting the Rejected Contract, whether before or after the Interest Acquisition Date, but only to the extent that such liability arose in the ordinary course of the Debtors' business post-petition and would be entitled to allowance as an administrative expense under Section 503(b)(1)(A) of the Bankruptcy Code. If the Debtors consent to the rejection of a Rejected Contract identified in a Rejection Notice (which consent shall be deemed granted on the Interest Acquisition Date for all Rejected Contracts not previously consented to), the Debtors will use commercially reasonable efforts to seek an order of the Bankruptcy Court rejecting the Rejected Contract as soon as practicable after receipt of the related Rejection Notice; provided, however, that (x) the Debtors need not seek rejection prior to the next regularly scheduled omnibus hearing date in the Bankruptcy Case that is at least 23 calendar days after receipt of such Rejection Notice; (y) if the

scheduling of a hearing to reject a Rejected Contract on the next regularly scheduled omnibus hearing date at least 23 calendar days from the Rejection Notice will result in a material liability to the Debtors, the Debtors will use commercially reasonable efforts to have the hearing to reject such Rejected Contract heard at the next regularly scheduled omnibus hearing date that is less than 23 calendar days from the receipt of the Rejection Notice or to have the order approving the rejection of such Rejected Contract provide that the rejection is to be effective prior to the hearing related thereto; and (z) if the Debtors do not consent to the rejection of a Rejected Contract, the Debtors will use commercially reasonable efforts to obtain an order rejecting such Rejected Contract conditioned upon the Interest Acquisition Date. Any Contract listed on *Exhibit 1.3(a)* (originally or by addition) shall cease to constitute an Assumed Contract for all purposes of this Agreement and any pre-Petition Date liability arising under such Contract shall be an Excluded Liability. On the Interest Acquisition Date, the Debtors will assign to New Globalstar, and New Globalstar will assume, any pre-Petition Date Contract, and subject to Section 6.4(b) any post-Petition Date Contract, that is not listed on *Exhibit 1.3(a)* as of the Interest Acquisition Date, and the liabilities arising under such contract shall constitute Assumed Liabilities. Upon request of Thermo and at Thermo's expense, the Debtors shall cooperate with and provide reasonable assistance to the Acquirors in their efforts to negotiate acceptable terms and conditions of adequate assurance of future payment or performance, and assumption or modification of any of the Assumed Contracts with the parties to such Contracts.

Section 1.7 *Assignment of Revenue and Expense of Licensees.* From and after the Contribution Date, each Licensee shall assign to New Globalstar all of its revenue arising on and after the Contribution Date and prior to the Interest Acquisition Date, and promptly pay to New Globalstar all funds received with respect thereto, and New Globalstar shall assume and pay when due all expenses of each Licensee arising on and after the Contribution Date and prior to the Interest Acquisition Date, all as provided in the Management Agreement.

ARTICLE II
STRUCTURE OF THE TRANSACTIONS

Section 2.1 *Contribution Date Transactions.* The following transactions (the "*Contribution Date Transactions*") shall take place at the offices of Jones Day, 222 E. 41st Street, New York, New York at 10:00 a.m. local time on the Business Day after all of the conditions set forth in Article VII (other than the conditions to be satisfied concurrently therewith) shall have been satisfied or waived (or such other time, date and place to which the Parties may agree in writing) (the date of the Contribution Date Transactions being referred to as the "*Contribution Date*"):

(a) Following the transactions described in subparagraph (h) below, the Globalstar Entities shall transfer (pursuant to Section 1.2) their respective Assets to GS Holdings in exchange for a 93.4% membership interest in GS Holdings and the assumption by GS Holdings of the Assumed Liabilities, and Thermo shall make the Initial GS Holdings Contribution to GS Holdings in exchange for a 6.6% membership interest in GS Holdings.

(b) Thermo and the Globalstar Entities which are members of GS Holdings shall enter into a Limited Liability Company Agreement for GS Holdings (the "*GS Holdings LLC Agreement*") in the form of *Exhibit 2.1(b)*.

(c) GS Holdings shall contribute all of the Assets to New Globalstar and $500,000 in cash in exchange for a 91.23% membership interest in New Globalstar and the assumption by New Globalstar of the Assumed Liabilities, and Thermo shall make the Initial New Globalstar Contribution to New Globalstar in exchange for an 8.77% membership interest in New Globalstar.

(d) GS Holdings and Thermo shall enter into a Limited Liability Company Agreement (the "*New Globalstar LLC Agreement*") for New Globalstar in the form of *Exhibit 2.1(d)*.

(e) New Globalstar and two Affiliates of Thermo shall enter into an Amended and Restated Limited Liability Company Agreement for Globalstar Leasing (the "*Globalstar Leasing LLC Agreement*") in the form of *Exhibit 2.1(e)*, and, in connection therewith, New Globalstar shall contribute all of the Leased Assets to Globalstar Leasing in exchange for a 98% membership interest in Globalstar Leasing (such two Affiliates of Thermo having previously contributed the Initial Globalstar Leasing Contribution to Globalstar Leasing).

(f) The Acquirors, the Globalstar Entities and the Licensees shall enter into a Management Agreement (the "*Management Agreement*") in the form of *Exhibit 2.1(f)*, providing for New Globalstar's management of the business and Assets of the Globalstar Entities and the Licensees following the Contribution Date.

(g) New Globalstar and Globalstar Leasing shall enter into a Lease Agreement (the "*Globalstar Lease Agreement*") in the form of *Exhibit 2.1(g)*, providing for the lease of the Leased Assets by Globalstar Leasing to New Globalstar.

(h) Prior to the other transactions described above, Globalstar Corporation shall contribute all of its assets (other than its cash and cash equivalents and its shares of capital stock and other equity interests in Globalstar Satellite Services, Inc., Globalstar Caribbean Ltd. and Globalstar USA, LLC) to Globalstar C LLC, a Delaware limited liability company, in exchange for a 100% membership interest in Globalstar C LLC and the assumption by Globalstar C LLC of all of the liabilities of Globalstar Corporation arising on or prior to the Contribution Date (other than liabilities arising under this Agreement), and Globalstar Satellite Services, Inc. shall contribute all of its assets (other than its cash and cash equivalents and its partnership interests in Globalstar) to GSSI LLC, a Delaware limited liability company, in exchange for a 100% membership interest in GSSI LLC and the assumption by GSSI LLC of all of the liabilities of Globalstar Satellite Services, Inc. arising on or prior to the Contribution Date (other than liabilities arising under this Agreement). Globalstar C LLC and GSSI LLC are collectively referred to herein as the "*Single Member LLCs*."

(i) Thermo shall purchase from the DIP Lender all of the DIP Lenders' rights under the DIP Loan as described in Section 5.10.

(j) Thermo, the Debtors, GS Holdings, New Globalstar and Globalstar Leasing shall enter into an Amended and Restated DIP Loan Agreement in the form of *Exhibit 2.1(j)*, and Thermo shall make the advance under the DIP Loan to the New Globalstar described in Section 5.11.

Section 2.2 *Interest Acquisition.* If and when the conditions set forth in Article VIII (other than the conditions to be satisfied concurrently therewith) have been satisfied or waived, the following transactions (the "*Interest Acquisition*") shall take place at the offices of Jones Day, 222 E. 41st Street, New York, New York at 10:00 a.m. local time on the Business Day immediately after all of such conditions have been satisfied, or such other time, date and place to which the Parties may agree in writing (the date of the Interest Acquisition being herein referred to as the "*Interest Acquisition Date*"):

(a) Thermo shall convert a portion of the amount outstanding under the DIP Loan into equity of New Globalstar as described in Section 5.13, and shall contribute or agree to contribute (within the time periods set forth in Section 5.14) to New Globalstar an additional amount of cash equal to $43 million less the sum of (i) the previous capital contributions made by Thermo to New Globalstar, (ii) $500,000 of the $700,000 contributed by Thermo to GS Holdings that was subsequently contributed by GS Holdings to New Globalstar, (iii) the $10 million paid to the DIP Lender as provided in Section 5.10 (a), and (iv) the principal amount of all advances made by Thermo under the DIP Loan on and after the Contribution Date. Following the transactions described in this Section 2.2(a) (and prior to the transactions described in Section 2.2(b)), Thermo shall own directly an 80.34% membership interest in New Globalstar;

(b) Thermo shall purchase from the Globalstar Entities a 92.4% membership interest in GS Holdings (with a 1% membership interest in GS Holdings to remain with the Globalstar Entities pursuant to Section 5.16), in exchange for the transfer to the Debtors of an 18.75% membership interest in New Globalstar and the release by Thermo of all obligations of the Globalstar Entities under the DIP Loan, pursuant to the terms of an Agreement of Transfer (the "*Agreement of Transfer*") in the form of *Exhibit 2.2(b)*;

(c) New Globalstar and Globalstar Leasing shall assume the Assumed Contracts pursuant to one or more duly executed Assignment Agreements;

(d) GS Holdings, Thermo and the Globalstar Entities who are parties thereto will amend and restate the New Globalstar LLC Agreement in the form attached as *Exhibit 2.2(d)*.

(e) Thermo and the Globalstar Entities who are parties thereto will amend and restate the GS Holdings LLC Agreement in the form attached as *Exhibit 2.2(e)*.

(f) New Globalstar and Thermo will amend and restate the Globalstar Leasing LLC Agreement in the form attached as *Exhibit 2.2(f)*.

(g) Prior to or contemporaneously with the transactions described in Section 2.2(b), the Globalstar Entities shall contribute all Cash then held by the Globalstar Entities (except for the Wind Up Funds) to GS Holdings, which shall immediately thereafter contribute all such Cash to New Globalstar. The contributions contemplated by this Section 2.2(g) shall not increase either the Globalstar Entities' equity ownership in GS Holdings or GS Holdings' equity ownership in New Globalstar.

(h) Prior to or contemporaneously with the transactions described in Section 2.2(b), the Globalstar Entities shall contribute 100% of the outstanding capital stock or other equity interests of the Licensees to GS Holdings, which shall immediately thereafter contribute all such capital stock or other equity interests to New Globalstar. The contributions contemplated by this Section 2.2(h) shall not increase either the Globalstar Entities' equity ownership in GS Holdings or GS Holdings' equity ownership in New Globalstar.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE GLOBALSTAR ENTITIES

Except as otherwise disclosed to Thermo in the schedule delivered by the Globalstar Entities to Thermo by separate letter dated as of the date hereof and made a part hereof (which schedule contains appropriate references to identify the representations and warranties herein to which the information in such schedule relates) (the "*Globalstar Disclosure Schedule*"), each of the Globalstar Entities, jointly and severally, represents and warrants to Thermo as follows:

Section 3.1 *Existence; Authorization, Validity and Effect of Agreement.* Globalstar is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware. Each Subsidiary of Globalstar that is a corporation is duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation; each Subsidiary of Globalstar that is a limited liability company is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; and each Subsidiary of Globalstar that is a limited partnership is duly organized and validly existing under the laws of the jurisdiction of its formation. Each of Globalstar and its Subsidiaries (a) is duly qualified or licensed as a foreign corporation, limited liability company or limited partnership, as applicable, in each jurisdiction in which its ownership of properties or the conduct of its business requires such qualification or licensing, except for failures to be so qualified or licensed that, individually or in the aggregate, would not have a Globalstar Material Adverse Effect, (b) has all requisite corporate, limited liability company or limited partnership, as applicable, power and authority and the legal right to own, pledge, mortgage and operate its properties,

to lease the property it operates under lease and conduct its business as now or currently proposed to be conducted, (c) is in compliance with its certificate of incorporation, bylaws, certificate of formation of limited liability company, limited liability company agreement, certificate of limited partnership, partnership agreement or equivalent organizational documents, as applicable, (d) is in compliance with all Laws applicable to it or to which any of its properties are subject, except for such noncompliance as, individually or in the aggregate, would not have a Globalstar Material Adverse Effect, and (e) has made all necessary filings with, and has given all necessary notices to, the FCC to the extent required for ownership and use of the Globalstar FCC Licenses and to other Governmental Authorities to the extent required for ownership and use of other Globalstar Governmental Licenses, except for any failures to file or give such notice that, individually or in the aggregate, would not have a Globalstar Material Adverse Effect. Each Globalstar Entity has the requisite limited partnership, limited liability company or corporate power and authority to execute and deliver this Agreement and all agreements, instruments and documents contemplated hereby to be executed and delivered by it; this Agreement and the consummation by the Globalstar Entities of the Contemplated Transactions have been duly authorized by all requisite partnership, limited liability company or corporate action; and this Agreement has been duly and validly executed and delivered by each Globalstar Entity and (assuming this Agreement constitutes a valid and binding obligation of each of the Parties hereto) constitutes the valid and binding obligation of each Globalstar Entity, enforceable against each Globalstar Entity in accordance with its terms, except that (i) such enforceability may be subject to applicable bankruptcy, insolvency or other similar Laws now or hereafter in effect affecting creditors' rights generally and (ii) the availability of the remedy of specific performance or injunctive or other forms of equitable relief may be subject to equitable defenses and would be subject to the discretion of the court before which any proceeding therefor may be brought.

Section 3.2 *Ownership of Subsidiaries.*

(a) Globalstar does not own, directly or indirectly, any capital stock or other equity securities of any corporation or have any direct or indirect equity or ownership interest in any other Person, other than the Subsidiaries of Globalstar. The Globalstar Disclosure Schedule lists the exact legal name of each Subsidiary of Globalstar, the jurisdiction of incorporation or formation of each Subsidiary of Globalstar, and the authorized (in the case of capital stock) and outstanding capital stock or other equity interests of each Subsidiary of Globalstar.

(b) All outstanding capital stock or other equity interests of each Subsidiary of Globalstar are owned directly or indirectly by Globalstar, free and clear of all Liens. All outstanding shares of capital stock owned by Globalstar of each Subsidiary of Globalstar that is a corporation have been validly issued and are fully paid and nonassessable. All limited liability company interests owned by Globalstar of each Subsidiary of Globalstar that is a limited liability company and all partnership interests owned by Globalstar of each Subsidiary of Globalstar that is a limited partnership have been validly issued and are fully paid (to the extent required as of the date of this Agreement). No shares of capital stock or other equity interests of any Subsidiary of Globalstar are subject to, nor have any been issued in violation of, preemptive or similar rights.

(c) There are not (and as of the Contribution Date there will not be) outstanding (i) any shares of capital stock or other equity securities of any Subsidiary of Globalstar, (ii) any securities of any Subsidiary of Globalstar convertible into or exchangeable for shares of capital stock or other equity securities of any Subsidiary of Globalstar, or (iii) any options or other rights to acquire from Globalstar or any of its Subsidiaries, or any obligation of Globalstar or any of its Subsidiaries to issue or sell, any shares of capital stock or other equity securities of any Subsidiary of Globalstar or any securities convertible into or exchangeable for such capital stock or equity securities.

(d) Neither Globalstar nor any of its Subsidiaries is a party to, and to the Knowledge of the Globalstar Entities, there is not, any agreement restricting the transfer or hypothecation of any capital stock or equity interests of any Subsidiary of Globalstar.

Section 3.3 *No Conflict; Required Filings and Consents.*

(a) The execution and delivery of this Agreement by the Globalstar Entities do not, and the performance of this Agreement and the consummation of the Contemplated Transactions by the Globalstar Entities will not, in each case, (i) conflict with or violate the certificate of limited partnership, partnership agreement, certificate of formation of limited liability company, limited liability company agreement, certificate of incorporation, bylaws or equivalent organizational documents of the Globalstar Entities or any of their respective Subsidiaries, as applicable (as they may be amended or adopted with the prior consent of Thermo pursuant to the Sale Order, as applicable), (ii) subject to the approval by the Federal Communications Commission *(*the "*FCC*"), conflict with or violate any Law or order, judgment, injunction or decree applicable to the Globalstar Entities or any of their respective Subsidiaries, or by which any property or asset of any Globalstar Entity or any of its respective Subsidiaries is bound or affected, or (iii) conflict with or violate or result in a breach or default under any contract, agreement or instrument binding upon the Globalstar Entities or any of their respective Subsidiaries (excluding contracts, agreements and instruments that have been or will be rejected in connection with the Chapter 11 Case), except, in the case of clauses (ii) and (iii), for any such conflicts, violations, breaches or defaults that, individually or in the aggregate, would not have a Globalstar Material Adverse Effect.

(b) The execution and delivery of this Agreement by the Globalstar Entities do not, and the performance of this Agreement and the consummation of the Contemplated Transactions by the Globalstar Entities will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity, except (i) for (A) the applicable requirements, if any, of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the "*Exchange Act*"), (B) the applicable notification requirements, if any, of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "*HSR Act*"), and (C) the applicable notification or approval requirements, if any, of the FCC, the United States Department of Defense (the "*DoD*"), the Department of Homeland Security (the "*DHS*"), the Federal Bureau of Investigation (the "*FBI*"), and the United States Department of Justice (the "*DoJ*") and (ii) where the failure to obtain any such consent, approval, authorization or permit, or to make any such filing or notification, would not, individually or in the aggregate, have a Globalstar Material Adverse Effect.

Section 3.4 *SEC Documents.* Globalstar has timely filed, and on the Interest Acquisition Date will have timely filed, all forms, reports and documents required to be filed by it with the Securities and Exchange Commission (the "*SEC*") since January 1, 2002. All SEC Filings, as of their respective dates, (a) complied, or will comply, in all material respects with the applicable requirements of the Exchange Act and (b) did not, and will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The representation and warranty in the preceding sentence does not apply to (a) any misstatement or omission in (i) any SEC Filing filed prior to the date of this Agreement that was superseded by a subsequent SEC Filing filed prior to the date of this Agreement or (ii) any SEC Filing filed after the date of this Agreement that is superseded by a subsequent SEC Filing filed prior to the Contribution Date or (b) any financial forecasts or projections included in the SEC Filings. The consolidated financial statements of Globalstar included in the SEC Filings were prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present the consolidated financial position of Globalstar and its Subsidiaries, as of the dates thereof (subject, in the case of any unaudited statements, to the

absence of footnotes and to normal year-end audit adjustments). As of the time of the filing of any relevant SEC Filing, to the Knowledge of Globalstar and its Subsidiaries, the financial forecasts or projections included in such SEC Filing (as qualified and limited in the SEC Filing) were made by management of Globalstar in good faith and on a reasonable basis, except for any failure to make the financial forecasts or projections in good faith and on a reasonable basis that would not have a Globalstar Material Adverse Effect. No Subsidiary of Globalstar is currently required to file any periodic reports with the SEC under the Exchange Act.

Section 3.5 *No Changes.* Since the date of the last SEC Filing, through the date of this Agreement, except as otherwise provided in this Agreement or in connection with the Contemplated Transactions, (a) neither Globalstar nor any of its Subsidiaries has taken any action described in any of clauses (a) through (i) of the last sentence of Section 5.1, and (b) no Globalstar Material Adverse Effect has occurred.

Section 3.6 *Title to Assets.* At the Contribution Date, the Globalstar Entities will convey to GS Holdings title to the Assets (except as otherwise provided herein), free and clear of any Liens, other than Permitted Liens and Assumed Liabilities. Immediately after the Contribution Date, the Assets so conveyed and the assets of any Subsidiaries of Globalstar that become Subsidiaries of New Globalstar as a result of the transactions to be effectuated on the Contribution Date shall be free and clear of any Liens, other than Permitted Liens and Assumed Liabilities.

Section 3.7 *Globalstar FCC Licenses.* The Globalstar Disclosure Schedule lists all of the Globalstar FCC Licenses together with the owner of each Globalstar FCC License. No party other than the party designated on the Globalstar Disclosure Schedule (each a "*Globalstar License Entity*") has any right, claim or interest in or to any Globalstar FCC License. Each Globalstar FCC License has been validly issued and is validly held in the name of the applicable Globalstar License Entity, is in full force and effect and has been granted by final order of the FCC. Except for proceedings affecting the satellite services industry generally, there is not pending, nor to the knowledge of Globalstar, threatened against Globalstar or against any Globalstar FCC License, nor is Globalstar aware of any basis for, any application, action, petition, objection or other pleading, or any proceeding with the FCC or any other Governmental Entity which questions or contests the validity of, or seeks the revocation, forfeiture, non-renewal or suspension of, any Globalstar FCC License, which seeks the imposition of any modification or amendment with respect thereto, or which would adversely affect the ability of New Globalstar to employ any Globalstar FCC License in its business after the Interest Acquisition Date or seeks the payment of a fine, sanction, penalty, damages or contribution in connection with the use of any Globalstar FCC License. Each Globalstar FCC License is unimpaired by any acts or omissions of the license holders. All material documents required to be filed at any time by each Globalstar License Entity with the FCC or other Governmental Entity pursuant to applicable Law with respect to each Globalstar FCC License has been filed or the time period for such filing has not lapsed. All such documents filed since the date that such Globalstar FCC License was issued or transferred to the Globalstar License Entity are correct in all material respects. No Globalstar FCC License is subject to any conditions other than those appearing on the face of such Globalstar FCC License and those imposed by applicable Law upon licenses or the industry generally. Each Globalstar License Entity complies and, since the filing of its initial application to acquire each Globalstar FCC License has complied, in all material respects with all applicable Laws, including (a) the rules, regulations and policies pertaining to eligibility to hold Licenses in general, and (b) the rules, regulations and policies governing p and restricting foreign ownership of radio licenses. Each Globalstar License Entity is in compliance with all terms and conditions of, and all its obligations under, each Globalstar FCC License.

Section 3.8 *Intellectual Property.*

(a) To the Knowledge of each Globalstar Entity, each of the Globalstar Entities and their respective Subsidiaries owns or licenses or otherwise has the right to use all Intellectual Property that is necessary for the operation of their respective businesses and that the Globalstar Entities reasonably anticipate is likely to be used in their respective businesses or otherwise held by the Globalstar Entities and their respective Subsidiaries, without infringement upon or conflict with the rights of any other Person with respect thereto, including all trade names associated with any private label brands of the Globalstar Entities or any of their Subsidiaries, except where the failure to so own or license or otherwise obtain the right to use, individually or in the aggregate, would not have a Globalstar Material Adverse Effect or where any such infringement or conflict, individually or in the aggregate, would not have a Globalstar Material Adverse Effect. To the Knowledge of any Globalstar Entity, (i) no slogan or other advertising device, product, process, method, substance, part or component, or other material now employed, or now contemplated to be employed, in the ordinary course of business by the Globalstar Entities or any of their Subsidiaries infringes upon or conflicts with any rights owned by any other Person, except where any such infringement or conflict, individually or in the aggregate, would not have a Globalstar Material Adverse Effect, and (ii) as of the date of this Agreement, no material claim or litigation regarding any of the foregoing is pending or threatened.

(b) No Globalstar Entity owns any material Trademarks, Patents or Copyrights or has any material Trademarks, Patents or Copyrights registered in, or the subject of pending applications in, the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof. The registrations for the Intellectual Property are valid and subsisting and in full force and effect to the extent they are necessary for the operation of the business of such Globalstar Entity and material to the assets, properties, condition (financial or otherwise), operations or prospects to the Globalstar Entities taken as a whole, except where the failure to maintain a valid and subsisting registration with respect to such collateral, individually or in the aggregate, would not reasonably be expected to have a Globalstar Material Adverse Effect. None of the material Patents or Copyrights necessary for the operation of the business of such Globalstar Entity in the reasonable business judgment of such Globalstar Entity have been abandoned or dedicated, except where such abandonment or dedication, individually or in the aggregate, would not reasonably be expected to have a Globalstar Material Adverse Effect.

Section 3.9 *No Brokers.* None of the Globalstar Entities or any of their Subsidiaries has entered into any contract, arrangement or understanding with any Person that may result in the obligation of the Globalstar Entities or any of their Subsidiaries, Acquirors or New Globalstar to pay any investment banker's or finder's fees, brokerage or agent's commissions or other like payments in connection with the negotiations incident to this Agreement or the consummation of the Contemplated Transactions, except that Globalstar has retained Jefferies & Company, Inc. ("*Jefferies*") as its financial advisor. The arrangements regarding such relationship have been described in the Globalstar Disclosure Schedule and a copy of the engagement letter relating thereto has been provided to Thermo prior to the date of this Agreement. None of the Acquirors shall have any liability to Jefferies arising from or relating to such retention.

Section 3.10 *Liabilities and Obligations of Certain Subsidiaries.* Except for such liabilities or obligations arising after the date of this Agreement that are not violative of Section 5.1 no Subsidiary of Globalstar that is not a Globalstar Entity has any liabilities or obligations (whether accrued or unaccrued, absolute or contingent, or due or to become due), individually or in the aggregate, in excess of $10,000 other than those incurred in the ordinary course of business consistent with past practices and, to the knowledge of the Globalstar Entities, there is no basis for any claim, suit or action against any Subsidiary of Globalstar that is not a Globalstar Entity for any such liability or obligation. Except for such contracts entered into after the date of this Agreement that are not violative of Section 5.1, no

Subsidiary of Globalstar that is not a Globalstar Entity is party to any contract other than contracts entered into the ordinary course of business consistent with past practices.

Section 3.11 *Scope of Globalstar Representations.* Except as and to the extent expressly set forth in this Agreement (together with the Globalstar Disclosure Schedule and the agreements and certificates contemplated hereby), no Globalstar Entity makes any representations or warranties whatsoever, and each Globalstar Entity disclaims all liability and responsibility for any representation, warranty or statement made or information communicated (whether such representation, warranty, statement or communication was made orally or in writing) to Investor.

Section 3.12 *Legal Proceedings.* There is no pending or, to the Knowledge of the Globalstar Entities, threatened Legal Proceeding:

(a) By or against Globalstar or any of its Subsidiaries that relates to or may affect the business of, or any of the assets owned or used by, Globalstar or any of its Subsidiaries (except where such pending or threatened Legal Proceeding would not have a Globalstar Material Adverse Effect); or

(b) That seeks to prevent, prohibit or make illegal or materially and adversely alter the Contemplated Transactions.

Section 3.13 *Labor Matters.* Neither Globalstar nor any of its Subsidiaries is a party to a collective bargaining agreement, and, to the Knowledge of the Globalstar Entities no labor unions or other organizations represent, purport to represent, or have attempted to represent, any employee of Globalstar or any of its Subsidiaries with respect to the employee's employment therewith.

Section 3.14 *Contracts.* Each Contract, the loss of which reasonably could be expected to have a Globalstar Material Adverse Effect (collectively, the "*Material Contracts*"), is in full force and effect, and no rights of Globalstar or any of its Subsidiaries under the Material Contracts have been assigned or otherwise transferred as security for any obligation of Globalstar or any of its Subsidiaries. The consummation of the Contemplated Transactions pursuant to the Sale Order will not create or constitute a default or an event of default under any of the Material Contracts which are Assumed Contracts.

Section 3.15 *Bring-Down of Bankruptcy Disclosure Schedules.* The Globalstar Disclosure Schedule sets forth information with respect to the Debtors that would have been required to be set forth on schedules B and G pursuant to section 521 of the Bankruptcy Code and the Official Bankruptcy Forms if the Debtors were to have commenced the Chapter 11 Case on the date specified in the Globalstar Disclosure Schedule rather than the date on which they were actually commenced, and, to the Knowledge of the Globalstar Entities, such information is true, correct and complete in all material respects. None of the Globalstar Entities owns any real property.

Section 3.16 *Restrictive Agreements.* Neither Globalstar nor any of its Subsidiaries is a party to any agreement that purports to restrict or prohibit such Person, directly or indirectly, from engaging in any business currently engaged in by Globalstar or any of its Subsidiaries.

Section 3.17 *Tangible Property.* Except for such matters that, individually or in the aggregate, would not be reasonably likely to have a Globalstar Material Adverse Effect, the equipment included in the Assets or owned by the Subsidiaries of Globalstar that will become Subsidiaries of GS Holdings as a result of the Contemplated Transactions is in good operating condition and repair (normal wear and tear excepted) and suitable for its use as used by Globalstar and its Subsidiaries in the operation of the business of Globalstar and its Subsidiaries as of the date hereof.

Section 3.18 *Globalstar Foreign Licenses.* Globalstar has made available to Thermo copies of the Globalstar Governmental Licenses (other than the Globalstar FCC Licenses) issued by Canada and France (the "*Globalstar Foreign Licenses*"). The Globalstar Foreign Licenses are valid and in full force

and effect. There is not pending, nor to the Knowledge of any Globalstar Entity, threatened, against the holder of a Globalstar Foreign License, or against the Globalstar Foreign Licenses, any application, action, petition, objection or other pleading, or any proceeding with any Governmental Entity which questions or contests the validity of, or seeks the revocation, non-renewal or suspension of, any of the Globalstar Foreign Licenses, which seeks the imposition of any modification or amendment with respect thereto, or which adversely affects the ability of the holder of such Globalstar Foreign License to employ the Globalstar Foreign Licenses in its business or seeks the payment of a fine, sanction, penalty, damages or contribution in connection with the use of any Globalstar Foreign License.

Section 3.19 *Employee Plans.* The Globalstar Entities have delivered to Thermo true and correct copies of the Employee Severance Plan, the Employee Retention Plan and the Loral Pension Plan as each is in effect as of the date hereof (together with, in the case of the Employee Severance Plan and the Employee Retention Plan only, a list of the obligations under each such Plan as of a recent date). As of the Contribution Date, the Globalstar Entities shall have no liabilities under the Employee Severance Plan, the Employee Retention Plan or the Loral Pension Plan that are due and unpaid.

Section 3.20 *Certain Liabilities.* The Debtors' pre-petition liabilities and obligations which are secured by Liens on Assets that are not discharged or released by the Sale Order do not exceed $100,000 in the aggregate.

Section 3.21 *Additional Intellectual Property Representations.* Following the consummation of the Contemplated Transactions, New Globalstar and/or Globalstar Leasing will own or license or otherwise have the right to use all Intellectual Property that is necessary for the operation of the business of Globalstar and its Subsidiaries as presently conducted, without infringement upon or conflict with the rights of any other Person with respect thereto, except where the failure to so own or license or otherwise obtain the right to use, individually or in the aggregate, would not have a Globalstar Material Adverse Effect or where any such infringement or conflict, individually or in the aggregate, would not have a Globalstar Material Adverse Effect.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE ACQUIRORS

Except as otherwise disclosed to the Globalstar Entities by separate letter dated as of the date hereof and made a part hereof (which schedule contains appropriate references to identify the representations and warranties herein to which the information in such schedule relates) (the "*Acquiror Disclosure Schedule*"), the Acquirors, jointly and severally, represent and warrant to each of the Globalstar Entities as follows:

Section 4.1 *Organization.* Each Acquiror is duly organized, validly existing and in good standing under the Laws of the state of its organization.

Section 4.2 *Authority Relative to this Agreement.* Each Acquiror has the limited liability company power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution, delivery, and performance of this Agreement by each Acquiror and the consummation by it of the Contemplated Transactions have been duly authorized by all requisite limited liability company actions. This Agreement has been duly and validly executed and delivered by each Acquiror, and (assuming this Agreement constitutes a valid and binding obligation of each of the other Parties hereto) constitutes a valid and binding agreement of each Acquiror, enforceable against each Acquiror in accordance with its terms.

Section 4.3 *No Violations.* Assuming approval of the Bankruptcy Court and receipt of the other Governmental Requirements, the execution, delivery and performance of this Agreement will not (a) violate any provision of the organizational instruments of any Acquiror, (b) violate any Contract of any Acquiror except where such violation would not result in a Acquiror Material Adverse Effect, or

(c) violate or conflict with any statute, rule, regulation, ordinance, judgment, decree or decision applicable to any Acquiror, or any of its properties or assets or any other material restriction of any kind or character to which any Acquiror or (solely in the case of Thermo) any of its Affiliates is subject that would prohibit or make unlawful the Contemplated Transactions.

Section 4.4 *Consents and Approvals.* No consent, approval, or authorization of, or declaration, filing, notice to, or registration with, any Governmental Entity is required to be made or obtained by any Acquiror in connection with the execution, delivery, and performance of this Agreement and the consummation of the Contemplated Transactions, except for (a) the Governmental Requirements, (b) those that become applicable solely as a result of the specific regulatory status of Globalstar or any of its Subsidiaries, or (c) where the failure to make, file, give or obtain any of them would not prohibit or make unlawful the consummation of the Contemplated Transactions.

Section 4.5 *Brokers.* No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission from any Globalstar Entity in connection with the Contemplated Transactions based upon arrangements made by or on behalf any Acquiror.

Section 4.6 *Financing.* As of the date hereof Thermo has, and on the Contribution Date and the Interest Acquisition Date it will have, access to sufficient funds to deliver the Initial Thermo Contributions to GS Holdings and New Globalstar on the Contribution Date, to make the initial contribution to Globalstar Leasing on the Contribution Date, to purchase the DIP Loan pursuant to Section 5.10, to purchase the membership interests in GS Holdings from the Globalstar Entities on the Interest Acquisition Date and to consummate the Contemplated Transactions, including without limitation to fund GS Holdings and New Globalstar with at least $43 million (including amounts paid in cash to purchase the DIP Loan and amounts advanced under the DIP Loan by Thermo on or after the Contribution Date). THERMO REPRESENTS AND WARRANTS TO EACH GLOBALSTAR ENTITY THAT THERE IS NO FINANCING CONTINGENCY OR CONDITION WITH RESPECT TO ITS OBLIGATIONS TO PROCEED WITH SUCH CONTRIBUTIONS, THE INTEREST ACQUISITION, AND THE CONTEMPLATED TRANSACTIONS.

Section 4.7 *Investor Sophistication; Etc.* Thermo is a sophisticated investor and has such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the Contemplated Transactions. Thermo was not organized for the specific purpose of engaging in the Contemplated Transactions.

Section 4.8 *Forecasts and Projections.* Thermo acknowledges that any forecasts or projections included in any SEC Filing are not to be viewed as facts and that actual results achieved by the Globalstar Entities or New Globalstar during the period or periods covered by any such forecasts or projections may vary materially from those contained in such forecasts or projections. Without limiting the generality of Section 3.11 or the immediately preceding sentence, Thermo acknowledges that none of the Globalstar Entities or any of their respective directors, officers, stockholders, managers, members, partners, employees, agents or representatives has made any representation or warranty concerning any future revenues, costs, expenditures, cash flows, results of operations, financial condition or prospects of the Globalstar Entities or New Globalstar.

Section 4.9 *Interim Operations of GS Holdings, New Globalstar and Globalstar Leasing.* Each of GS Holdings, New Globalstar and Globalstar Leasing has been formed solely for the purpose of engaging in the Contemplated Transactions and, until the Interest Acquisition Date, will not engage in any business activity or operations other than the business and operations of the Globalstar Entities as currently conducted and currently proposed to be conducted, or incur any liability or obligation other than in connection with such business and operations or the Contemplated Transactions.

Section 4.10 *Scope of the Acquirors' Representations.* Except as and to the extent expressly set forth in this Agreement (together with the exhibits, schedules, agreements and certificates contemplated hereby), the Acquirors make no representations or warranties whatsoever, and disclaim all liability and responsibility for any representation, warranty or statement made or information communicated (whether such representation, warranty, statement or communication was made orally or in writing) to the Globalstar Entities.

ARTICLE V
COVENANTS

Section 5.1 *Conduct by the Globalstar Entities Pending the Interest Acquisition Date.* To the extent provided by the Management Agreement, from the Contribution Date to the Interest Acquisition Date, New Globalstar shall have full power and authority to manage the operation of the business of the Globalstar Entities and the Assets on behalf of the Globalstar Entities, subject to the ultimate control of the Globalstar Entities as set forth in the Management Agreement. Furthermore, in addition to the obligations and restrictions of the Management Agreement, during such period, other than as directed by Thermo, none of the Globalstar Entities shall (i) reject any executory contract or unexpired lease except those listed on *Exhibit 1.3(a)* on or after the date hereof; (ii) alter or terminate relationships with third parties that would be reasonably likely to have a Globalstar Material Adverse Effect; or (iii) except as otherwise expressly contemplated under this Agreement or the Management Agreement, take any action reasonably likely to have a Globalstar Material Adverse Effect. In furtherance and not in limitation of the foregoing, from the date hereof until the Interest Acquisition Date, except as specifically provided in this Agreement, none of the Globalstar Entities shall:

(a) adopt or propose any change in its certificate of incorporation or bylaws or similar organizational instrument, except a change that would not have any adverse effect on the Contemplated Transactions or terminate its corporate, partnership or limited liability company existence;

(b) sell, lease, license, surrender, relinquish, encumber, or dispose of any Assets or compromise any account receivable other than in the ordinary course of business;

(c) terminate, amend, modify, waive any rights with respect to, or supplement the terms of any Assumed Liability or any Contract not listed on *Exhibit 1.3(a)* other than in the ordinary course of business;

(d) cease their operations or turn off all or any part of their satellite telecommunications systems except in connection with normal operating procedures to maintain or repair such systems;

(e) communicate with any of its customers, vendors or suppliers except in the ordinary course of business or as required by Law or, if such communication is outside the ordinary course of business or not required by Law, after giving New Globalstar an opportunity to review and comment on such communication;

(f) take any action (other than entering into this Agreement and effectuating the Contemplated Transactions) that would cause an Event of Default under the DIP Loan;

(g) amend or change any term or provision of the Employee Severance Plan, the Employee Pension Plan, or the Loral Pension Plan (except, with respect to the Loral Pension Plan only, amendments between the Contribution Date and the Interest Acquisition Date that relate solely to the severing of obligations relating to employees of the Globalstar Entities);

(h) incur any liability outside the ordinary course of business; or

(i) agree or commit to do any of the foregoing.

Provided, however, that the foregoing prohibitions shall not apply to any action taken by a Globalstar Entity at the direction of Thermo or New Globalstar pursuant to this Agreement or the Management Agreement. The Globalstar Entities shall take all commercially reasonable, necessary and appropriate actions (other than the payment of cure amounts) to maintain in full force and effect all Contracts not listed on *Exhibit 1.3(a)* in accordance with their terms. Thermo and its employees, agents, and contractors shall have no liability for any action or inaction taken pursuant to this Section 5.1, except for willful misconduct, fraud or breach of this Agreement. The Parties acknowledge their intent that, on and after the Contribution Date, the Assets and the operation of the business currently conducted by the Globalstar Entities be operated by and within GS Holdings, New Globalstar and Globalstar Leasing.

Section 5.2 *Access and Information.* Each Globalstar Entity shall afford to Thermo and its financial advisors, legal counsel, accountants, consultants, funding sources, and other authorized representatives reasonable access during normal business hours and without material disruption to the business or operations of the Globalstar Entities throughout the period prior to the Interest Acquisition Date, to all books, documents, records, properties, plants, and personnel of the Globalstar Entities, and all other information as Thermo reasonably may request in furtherance of the Contemplated Transactions. Except to the extent caused by the negligence, willful misconduct, fraud or breach of this Agreement by the Globalstar Entities or any of their respective employees, agents, or contractors, Thermo shall indemnify, defend, and hold harmless the Globalstar Entities from and against any and all claims asserted against or incurred by the Globalstar Entities arising out of any act or failure to act of Thermo or its employees, agents, or contractors in connection with any inspection by Thermo or access to the offices, assets (including the Assets) and properties of the Globalstar Entities. Without limiting the generality of the foregoing, Thermo shall comply with the terms and conditions of the Confidentiality Agreement with Globalstar dated February 10, 2003 in its handling of such information.

Section 5.3 *Filings; Other Action.* (a) The Parties shall comply with the Laws that are applicable to any of the Contemplated Transactions and pursuant to which government notification or approval of the Contemplated Transactions is necessary. The Parties shall cooperate with each other and use all commercially reasonable efforts to provide information required for this purpose and to promptly file with the appropriate Governmental Authorities all notifications, and applications seeking all approvals, required to consummate the Contemplated Transactions. The Parties shall use all commercially reasonable efforts to resolve any objections, if any, as may be asserted by any Governmental Entity with respect to the Contemplated Transactions. In connection with the foregoing, each Party shall promptly provide the other Parties with copies of all correspondence, filings, or communications (or memoranda setting forth the substance thereof) between such Party or any of its representatives, on the one hand, and any Governmental Entity or members of their respective staffs, on the other hand, with respect to all filings and submissions required hereunder.

(b) Without limiting the generality or effect of Section 5.3(a), (i) the Parties shall, as soon as practicable, file any required notifications or applications, if any, with the FCC, DoD, DHS, FBI and DoJ and (ii) the Parties shall use all commercially reasonable efforts to respond as promptly as practicable to all inquiries received from any such Governmental Entity for additional information or documentation. Each of the Parties hereto agrees that, except as otherwise expressly contemplated by this Agreement, it shall not take any action that would reasonably be expected to materially adversely affect or materially delay the Interest Acquisition or the ability of any of the Parties hereto to satisfy any of the conditions to the Interest Acquisition or to consummate the Contemplated Transactions.

Section 5.4 *Bankruptcy Actions.* The Parties shall use their commercially reasonable efforts to obtain entry of any additional orders or approvals by the Bankruptcy Court that any of Parties reasonably deems necessary and appropriate to effectuate the Contemplated Transactions and preserve the benefit of the bargain of those transactions for each Party.

Section 5.5 *Tax Returns and Filings; Payment of Taxes.* The Parties shall cooperate with respect to Tax matters. The Globalstar Entities shall provide the Acquirors with such Tax information and copies of such Tax Returns (in each case, relating to the Assets or the operation of the business of the Globalstar Entities and including, without limitation, the consolidated federal income tax return for 2001 and 2002) as either of them may reasonably request, reasonably promptly after such request.

Section 5.6 *Certain Prohibitions.* Except to the extent necessary to comply with the requirements of applicable Laws or Bankruptcy Court orders, from the Contribution Date to the Interest Acquisition Date, no Party will take, or agree or commit to take any action that would result in, or is reasonably likely to result in, any of the conditions set forth in Article VII or Article VIII not being satisfied.

Section 5.7 *Employment Matters.*

(a) From time to time from the Contribution Date to the Interest Acquisition Date, New Globalstar (as directed by Thermo) may notify the Globalstar Entities of the names of any employees engaged in the operation of the business of the Globalstar Entities (the "*Business Employees*") that New Globalstar wishes to hire (a "*Retainee Notice*"). From and after the receipt of a Retainee Notice, each Globalstar Entity shall use its commercially reasonable efforts to retain each employee that is listed on the Retainee Notice through the earlier of the Interest Acquisition Date and the date such Person is hired by New Globalstar. Each of New Globalstar and Thermo acknowledges and agrees that the Globalstar Entities retain the right to terminate or otherwise alter the terms of employment of all Business Employees other than those whose names are contained in a Retainee Notice; provided that the Globalstar Entities shall not terminate (other than for cause) any employee covered by the Employee Severance Plan without Thermo's prior written consent. The Globalstar Entities have heretofore delivered to New Globalstar and Thermo a written list (the "*Employee List*") which sets forth (x) the names of each Business Employee employed by the respective Seller Entity and describes the relevant details of each Business Employee's employment with such Seller Entity, including the Business Employee's position, brief job description, work location, annual base salary or wage rate, any unused paid vacation, personal or sick leave, most recent annual bonus, and commencement date of employment, as well as each such Business Employee's current employment status (*e.g.*, active, leave of absence, short term disability), and (y) the amount each Business Employee shall receive (i) under the Employee Severance Plan or such Seller Entity's other employment policies currently in force in the event such Business Employee's employment with such Seller Entity is terminated other than for cause, and (ii) under the Employee Retention Plan and any other "stay bonus" or similar program, if any.

The Employee List shall be updated during regular intervals between the date hereof and the Interest Acquisition Date, and the Globalstar Entities shall provide a final Employee List to New Globalstar and Thermo on the Interest Acquisition Date.

(b) From and after the Contribution Date, the Globalstar Entities shall permit New Globalstar and Thermo to communicate orally or in writing with the Business Employees who are on a Retainee Notice regarding its plans, operations, business, customer relations, and general personnel matters. New Globalstar may offer employment to, and hire, Business Employees whose names appear on a Retainee Notice, all such hires to be effective as of the Interest Acquisition Date. For purposes of this Agreement, a Business Employee who is hired by New Globalstar shall be referred to as a "*Transferred Employee*."

(c) Except as specifically provided in this Agreement and the Management Agreement, the Globalstar Entities shall retain the responsibility for all liabilities relating to compensation earned by a Business Employee for the provision of services to the Globalstar Entities on or before the date such Employee becomes a Transferred Employee, excluding amounts due under the Employee Severance Plan, the Employee Retention Plan, and the Loral Pension Plan.

(d) New Globalstar shall recognize all accrued, but unused, paid vacation leave earned by a Transferred Employee under a vacation policy of a Globalstar Entity for purposes of New Globalstar's vacation policy to the extent that such earned or paid vacation leave is described in the Employee List. New Globalstar shall make commercially reasonable efforts to ensure that the deductibles, co-payments, and out-of-pocket costs paid during the plan year in which the Interest Acquisition occurs by a Transferred Employee under a compensation or benefit plan which provides accident or healthcare coverage shall be credited against any deductibles, co-payments, and out-of-pocket costs required to be paid under an accident or healthcare plan made available to the Transferred Employee by New Globalstar.

(e) No provision of this Section 5.7 shall create any rights in any individual who is not a Party, including any employee, former employee or Business Employee (including any beneficiary or dependent thereof) of any Globalstar Entity or of any of their Affiliates. Further, this Section 5.7 shall not create any right to continued employment or service (or resumed employment or service) with the Globalstar Entities or their Affiliates, New Globalstar or Thermo, or their Affiliates with respect to any employee, independent contractor or consultant, and no provision of this Section 5.7 shall create any rights in any Person with respect to any benefits that may be provided, directly or indirectly, under any compensation or benefit plan or any plan or arrangement that may be established by New Globalstar or any of its Affiliates. No provision of this Agreement shall constitute a limitation on New Globalstar's or any of its Affiliates' rights to amend, modify or terminate after the Interest Acquisition Date any plans or arrangements sponsored or maintained by New Globalstar or any of its Affiliates.

Section 5.8 *Non-Solicitation/Non-Disclosure.* From the Contribution Date until the termination of this Agreement in accordance with *Article IX* (the "*Non-Solicitation Period*"), the Globalstar Entities and the Committee shall not solicit, enter into or agree to enter into any transaction involving the purchase or sale of any equity in or material assets of the Seller Entities, GS Holdings, New Globalstar or Globalstar Leasing; *provided*, *however*, that the Debtors may file this Agreement and any document contemplated hereby (the "*Transaction Documents*") with the SEC, as an exhibit to a current report on Form 8-K. During the Non-Solicitation Period, neither the Debtors nor the Committee shall provide any party with any confidential information relating to any Seller Entity or any business operated by any Seller Entity other than in the ordinary course of business without the prior written consent of Thermo. If any Person contacts the Debtors or the Committee with a written indication of interest or offer to purchase any equity in or assets of the Seller Entities, GS Holdings, New Globalstar or Globalstar Leasing, then the Debtors or the Committee, as the case may be, shall promptly give to Thermo written notice of the terms and conditions of any proposal made by such Person.

Section 5.9 *Additional Matters.* Subject to the terms and conditions herein provided, each of the Parties hereto shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper, or advisable under applicable Laws to consummate and make effective the Contemplated Transactions, including using commercially reasonable efforts to cooperate with each other in good faith to obtain all necessary waivers, consents, authorizations and approvals in connection with the Governmental Requirements and to effect all necessary registrations and filings.

Section 5.10 *Purchase of DIP Loan by Thermo; Amendment to DIP Loan.*

(a) On the Contribution Date, Thermo shall purchase from the DIP Lender all of the DIP Lender's rights and obligations under the DIP Loan, on terms acceptable to Thermo and the DIP Lender. The terms of such purchase shall include a cash payment by Thermo of $10 million (subject to adjustment as provided in the Sale Order) plus accrued interest at the non-default rate, and the issuance by Thermo or an Affiliate of a promissory note for $10 million (subject to adjustment as provided in the Sale Order) (the "*Thermo Note*"). The Thermo Note shall bear interest at a rate of 12% per annum, with interest payable monthly in arrears and principal and accrued and unpaid interest due and payable on the first anniversary of the Contribution Date.

(b) The Thermo Note shall be secured by an irrevocable letter of credit obtained by Thermo and issued by a financial institution acceptable to the DIP Lender. When Thermo is required to pay the principal of the Thermo Note, New Globalstar shall pay in full to Thermo all then outstanding principal and interest under the DIP Loan, in accordance with terms of the DIP Loan. If at such time, New Globalstar requires additional funds to pay such principal and interest, Thermo shall make an additional equity investment in New Globalstar in an amount necessary to provide such funds (not to exceed the principal amount of the Thermo Note plus interest accrued thereon). Any such investment shall be subject to the preemptive rights described in the New Globalstar LLC Agreement (as amended and restated on the Interest Acquisition Date), and such investment shall not be credited towards Thermo's obligations set forth in Section 5.14.

(c) On the Contribution Date, following the purchase of the DIP Loan by Thermo, Thermo, GS Holdings, New Globalstar, Globalstar Leasing, and the Debtors and certain of their Subsidiaries shall amend and restate the DIP Loan in the form of *Exhibit 2.1(j)*, which amendment and restatement shall provide for, among other things, (i) the ability for Thermo to make advances as contemplated by Section 5.11, and (ii) the joint and several liability of the Debtors and New Globalstar for all obligations under the DIP Loan.

Section 5.11 *Funding of the Operations Pending the Interest Acquisition Date.* Between the Contribution Date and the Interest Acquisition Date, Thermo shall provide the necessary funding to New Globalstar to continue its operations and to perform its obligations under the Management Agreement, and to the Debtors to administer the Chapter 11 Case, in each case pursuant to a budget to be agreed upon among Thermo, the Debtors and the Committee prior to the Contribution Date (the "*Interim Budget*") and subject to the limitations set forth in this Agreement, the Management Agreement and the DIP Loan. The Interim Budget shall provide for, among other things, the payment of all Assumed Liabilities when due. All funding under this Section 5.11 shall be provided through advances to the New Globalstar pursuant to the terms of the DIP Loan and payments by New Globalstar to the Debtors pursuant to the terms of the Management Agreement. On the Contribution Date, Thermo shall advance not less than $1.5 million under the DIP Loan. The aggregate amount of cash contributed to New Globalstar by Thermo and GS Holdings and funds advanced by Thermo to New Globalstar under the DIP Loan on the Contribution Date shall be not less than $3 million.

Section 5.12 *Preservation of Cash by Debtors.* Between the Contribution Date and the Interest Acquisition Date, the Debtors shall preserve all and not disburse any of their Cash on hand as of the Contribution Date or any Cash received after the Contribution Date other than in the ordinary course of business or as authorized by order of the Bankruptcy Court. New Globalstar and the Debtors shall cooperate to arrange for the payment or settlement of the accounts receivable described in Section 1.3(f), with the first $3 million in collections on such accounts receivable to be paid to Globalstar pursuant to Section 1.3(f), in such manner as not to adversely affect the operations of Globalstar Canada Co.

Section 5.13 *Conversion of DIP Loan into Equity.* On the Interest Acquisition Date, Thermo shall convert all amounts outstanding under the DIP Loan into equity of New Globalstar, except for

the lesser of (i) the principal amount of the Thermo Note and (ii) the balance owed under the DIP Loan by New Globalstar. At such time, Thermo shall release the Debtors from all obligations under the DIP Loan, and all liens on the Debtors' and New Globalstar's assets associated with the DIP Loan shall be released.

Section 5.14 *Obligation of Thermo to Fund New Globalstar.* During the period commencing with the Contribution Date and ending on the second anniversary of the Interest Acquisition Date, Thermo shall fund New Globalstar, directly or indirectly, with not less than $43 million in cash in the aggregate (with not less than $25 million of such cash to be provided on or before the 160th day following the Interest Acquisition Date, not less than $30 million of such cash to be provided on or before the first anniversary of the Interest Acquisition Date, and not less than $35 million of such cash to be provided on or before the date which is 18 months following the Interest Acquisition Date). Cash provided by Thermo and its Affiliates from all sources shall be credited towards this $43 million obligation, including amounts paid in cash to purchase the DIP Loan as described in Section 5.10(a), amounts advanced by Thermo pursuant to the DIP Loan, and except as provided in the next sentence, amounts contributed by Thermo to GS Holdings and New Globalstar. Cash invested by Thermo or its Affiliates in (a) Globalstar Leasing, (b) GS Holdings to the extent required for the business and operations of GS Holdings and therefore not subsequently contributed to New Globalstar during the two-year period described above or (c) New Globalstar as contemplated by Section 5.10(b) shall not be credited towards this $43 million obligation (or the $25 million obligation). Except for the equity interests expressly provided for in this Agreement or in the New Globalstar LLC Agreement (as amended and restated on the Interest Acquisition Date), Thermo will not receive, directly or indirectly, any equity in the exchange for funding credited towards this $43 million obligation.

Section 5.15 *Change of Corporate Names.* Each of the Globalstar Entities shall take all necessary action and provide all necessary consents and approvals to New Globalstar, and shall cause all of their Subsidiaries to do the same, for New Globalstar to change its legal name to a name acceptable to Thermo on the Interest Acquisition Date. The Globalstar Entities shall cease using the name "Globalstar" or any derivation thereof on the Interest Acquisition Date or as promptly as practical thereafter consistent with the approval of the Plan and the administration of the Chapter 11 Case.

Section 5.16 *Treatment of Debtors' Membership Interest in GS Holdings.* After the Interest Acquisition Date, the 1% membership interest in GS Holdings retained by the Debtors shall be held by New Globalstar, as the Debtors' disbursing agent, for the benefit of the Debtors, and shall not be distributed to the Debtors' creditors in connection with the Plan except as provided in the following sentence. If a sale of such 1% membership interest occurs, the disbursing agent shall pay the proceeds of such sale as provided in the Plan.

ARTICLE VI
ADDITIONAL POST-INTEREST ACQUISITION DATE COVENANTS

Section 6.1 *Further Assurances.* In addition to the provisions of this Agreement, prior to the Interest Acquisition Date and from time to time thereafter, the Parties hereto shall use all commercially reasonable efforts to execute and deliver such other instruments of conveyance, transfer, or assumption, as the case may be, and take such other action as may be reasonably requested to implement more effectively the conveyance and transfer of the Assets to New Globalstar, the assumption of the Assumed Liabilities by New Globalstar, and the other Contemplated Transactions.

Section 6.2 *Books and Records; Personnel.* For a period ending upon the later of (x) the seventh (7th) anniversary of the Interest Acquisition Date (or such later date as may be required by any Governmental Entity, Law, or ongoing Legal Proceeding) and (y) the closure of the Chapter 11 Case:

(a) Unless New Globalstar shall have first given sixty (60) days' prior written notice to the Globalstar Entities, New Globalstar shall not dispose of or destroy any of the business records and

files contained in the Assets other than in connection with a sale or other disposition of the Assets or any portion thereof. If New Globalstar wishes to dispose of or destroy such records and files prior to that time, it shall first give sixty (60) days' prior written notice to the Globalstar Entities and the Globalstar Entities shall have the right, at their option and expense, upon prior written notice to New Globalstar within such sixty (60)-day period, to take possession of the records and files within ninety (90) days after the date of the notice from the Globalstar Entities. After that time, New Globalstar may dispose of or destroy any such records at its discretion.

(b) New Globalstar shall allow the Globalstar Entities and any of their directors, officers, employees, legal counsel, financial advisors, representatives, accountants, professionals, auditors and other agents and any successors thereto (collectively, the "*Globalstar Representatives*") access to all business records and files of any of the Globalstar Entities that are transferred by the Globalstar Entities to New Globalstar in connection herewith that are reasonably required by such Person in the administration of the Chapter 11 Case or in anticipation of, or preparation for, any existing or future Legal Proceeding involving a Globalstar Entity, Tax Return preparation, litigation, or any liability that is not an Assumed Liability, during regular business hours and upon reasonable notice at New Globalstar's principal place of business or at any location where such records are stored, and the Globalstar Representatives shall have the right, at their expense, to make copies of any such records and files; *provided*, *however*, that any such access or copying shall be had or done in such a manner so as not to interfere with the normal conduct of New Globalstar's business or operations.

Section 6.3 *Employee Withholding.* The Globalstar Entities agree that, pursuant to the "Alternate Procedure" (provided in Section 5 of Revenue Procedure 96-60, 1996-2 C.B. 399), with respect to filing and furnishing IRS Forms W-2, W-3, W-4, W-5, and 941, (a) the Globalstar Entities shall report on a "predecessor-successor" basis (as set forth therein), (b) the Globalstar Entities shall be relieved from furnishing Forms W-2 to any of the Transferred Employees, and (c) New Globalstar shall assume the obligations of the Globalstar Entities to furnish such Forms W-2 to any such Transferred Employees for the year in which the Interest Acquisition occurs; *provided that*, in each case, the Globalstar Entities shall cooperate with New Globalstar in such transition procedures by supplying New Globalstar with all relevant wage and withholding information in respect of periods prior to the Interest Acquisition on a timely basis.

Section 6.4 *Deferred Assets; Regulatory Approvals; Assumed Contracts.*

(a) Subject to the Management Agreement, from the Contribution Date until all Regulatory Approvals have been obtained, (i) the Globalstar Entities shall retain, and shall cause the Licensees to retain, on New Globalstar's behalf and for the exclusive benefit of New Globalstar such of the Governmental Licenses and other Assets, the transfer of which requires Regulatory Approvals that have not been obtained (including without limitation the equity securities of the Licensees) (the "*Deferred Assets*") until transferred to New Globalstar; (ii) New Globalstar shall pay to, or for the benefit of, the Globalstar Entities all reasonable costs and expenses incurred by the Globalstar Entities to maintain such Deferred Assets until the date such Regulatory Approvals are obtained and such Deferred Assets are transferred to New Globalstar; (iii) New Globalstar shall indemnify and hold the Globalstar Entities harmless from and against all liabilities, claims and damages incurred or asserted as a result of the Globalstar Entities' direct or indirect ownership, management or operation of the Deferred Assets pursuant to this Section 6.4, including the amount of any Taxes or filing fees imposed upon or incurred by the Globalstar Entities as a result thereof but excluding any liabilities, claims or damages caused by negligence or malfeasance of any of the Globalstar Entities or any of the Globalstar Representatives, and (iv) the Globalstar Entities shall provide New Globalstar with copies of any notice from or correspondence with any Governmental Entity with respect the Deferred Assets. The Globalstar Entities shall use their commercially reasonable efforts to continue to cooperate with New Globalstar in its efforts to

obtain all Regulatory Approvals; *provided, however*, that nothing herein shall require the Globalstar Entities to maintain such Deferred Assets upon any termination of corporate or limited liability existence of such Globalstar Entity occurring after December 31, 2004. Following the receipt of all necessary Regulatory Approvals, but not earlier than the Interest Acquisition Date, the Globalstar Entities promptly shall transfer the Deferred Assets to GS Holdings, which shall immediately thereafter transfer them to New Globalstar. The Globalstar Entities shall not receive any additional equity in GS Holdings or New Globalstar in exchange for such transfers.

(b) To the extent that any Assumed Contract cannot be assigned to and assumed by New Globalstar on the Interest Acquisition Date because, notwithstanding the Sale Order, an approval, consent or waiver of a third party is required for such assignment and assumption (a "*Required Consent*") and has not been obtained, then (i) such Assumed Contract shall not be assigned and assumed pursuant to Section 1.6 until the receipt of such Required Consent, (ii) the Globalstar Entities shall, at New Globalstar's expense, enter into such agreements and arrangements as reasonably requested by New Globalstar to provide to it the economic benefit (taking into account tax costs and benefits) and operational equivalent of the assignment and assumption of such Assumed Contract until such Required Consent is received, and (iii) the Parties shall use commercially reasonable efforts to obtain all Required Consents as soon as practicable (provided the Globalstar Entities shall not be required to incur any costs or expenses in connection therewith which are not reimbursed by Thermo or New Globalstar).

Section 6.5 *Cure Claims.* On or prior to the later of (i) the Interest Acquisition Date, or (ii) five (5) Business Days after entry of an order of the Bankruptcy Court authorizing the assumption of any Assumed Contract (the "*Assumption Order Date*") and allowing a cure claim for such Assumed Contract pursuant to Section 365(b) of the Bankruptcy Code, whether by an agreement among the Parties or following litigation (the "*Allowed Cure Claim*"), New Globalstar shall pay to, or for the benefit of, the Globalstar Entities the Allowed Cure Claim in immediately available funds.

Section 6.6 *RESERVED.*

Section 6.7 *Debtors' Plan.* The Debtors shall use commercially reasonable efforts to file and seek confirmation as soon as practicable of a chapter 11 plan (the "*Plan*") satisfactory to Thermo, pursuant to which the membership interests in New Globalstar and GS Holdings held by the Debtors shall be distributed to the Debtors' creditors eligible for recovery under such Plan. The Plan will provide that such distribution is made in accordance with Section 1145 of the Bankruptcy Code and that the Debtors shall be liquidated and dissolved promptly after the Plan Effective Date. The Plan shall also provide for the Equity Purchase Option described in the Amended and Restated New Globalstar LLC Agreement attached as *Exhibit 2.2(d)* and such Equity Purchase Option shall be effected under the Plan in accordance with Section 1145 of the Bankruptcy Code. Thermo's approval of the Plan shall not be unreasonably withheld or delayed.

Section 6.8 *Contribution of Avoidance Actions and Wind Up Funds.* On the effective date of the Debtors' Plan (the "*Plan Effective Date*"), the Debtors shall contribute to GS Holdings, which shall immediately thereafter contribute to New Globalstar, (a) all Cash then held by the Debtors, except for any Cash necessary to consummate the Plan (including payment of administrative and other claims) and to perform the ministerial functions of closing the Chapter 11 Case; and (b) all Avoidance Actions held by the Debtors on such date. These contributions shall not result in the issuance of any additional equity to the Debtors. From and after the Plan Effective Date, New Globalstar will provide reasonable assistance to the Debtors in connection with the administration of the Chapter 11 Case or any liquidation or other winding up of the Debtors at no charge; without limiting the generality of the foregoing, New Globalstar will permit its employees to spend such portion of their time as may be reasonably necessary to direct and oversee the administration of the Chapter 11 Case or any liquidation

or other winding up of the Debtors, and New Globalstar shall serve as disbursing agent for such liquidation and winding up of the Debtors.

Section 6.9 *Right to Participate in First Public Offering.* Thermo will use commercially reasonable efforts to provide that all shareholders of record of Globalstar Telecommunications Limited, a Bermuda corporation, as of the Plan Effective Date have the opportunity to acquire securities in the first underwritten public offering of equity securities, if any, made by New Globalstar (or any successor corporation) on or before the third anniversary of the Interest Acquisition Date at the price such securities are offered to the public and in such amounts as New Globalstar determines to be appropriate after consultation with the managing underwriter or underwriters for such offering, *provided* that so doing will not result in any additional material expense to New Globalstar, have an adverse effect on the success of such offering or result in any material delay of the completion of such offering. This Section 6.9 shall automatically terminate if Globalstar Telecommunications Limited dissolves or take any other action adverse to the Debtors (as determined by the Debtors in their sole discretion) prior to the Plan Effective Date without the prior written consent of the Debtors and Thermo.

ARTICLE VII
CONDITIONS PRECEDENT TO CONTRIBUTION

Section 7.1 *Conditions Precedent to Obligations of All Parties.* The respective obligations of each Party hereto to effect the Contribution Date Transactions shall be subject to the satisfaction at or prior to the Contribution Date of the following conditions:

(a) no statute, rule, regulation, executive order, decree, decision, ruling, or preliminary or permanent injunction shall have been enacted, entered, promulgated, or enforced by any United States federal or state court or Governmental Entity that prohibits, restrains, enjoins, or restricts the consummation of the Contemplated Transactions that has not been withdrawn or terminated;

(b) no Action shall have been commenced by or before any Governmental Entity or arbitral body against any Acquiror or any Globalstar Entity, seeking to prevent, prohibit or make illegal or materially and adversely alter the Contemplated Transactions or which would reasonably be expected to have a Globalstar Material Adverse Effect; *provided*, *however*, that the provisions of this Section 7.1(b) may not be asserted by any Party that has, directly or indirectly, solicited or encouraged any such Action; *provided*, *however*, that as long as the Sale Order contains a finding pursuant to Section 363(m) of the Bankruptcy Code that Thermo has acted in good faith in connection with the Contemplated Transactions, the provisions of this Section 7.1(b) may not be asserted in connection with any appeal of the Sale Order in which no stay has been granted by the Bankruptcy Court; and

(c) the Sale Order shall be in full force and effect.

Section 7.2 *Conditions Precedent to Obligations of the Globalstar Entities.* The obligations of the Globalstar Entities to effect the Contribution Date Transactions shall be subject to the satisfaction at or prior to the Contribution Date of the following additional conditions (compliance with which or the occurrence of which may be waived in whole or in part in a writing executed by the Globalstar Entities, unless such a waiver is prohibited by Law):

(a) (i) each Acquiror shall have performed in all material respects all covenants required to be performed by it under this Agreement at or prior to the Contribution Date, (ii) the representations and warranties of the Acquirors contained in this Agreement (taken as a whole) shall be true and correct in all material respects as of the date of this Agreement and as of the Contribution Date as if made at and as of such dates, or, in the case of representations and warranties made as of a specific date, as if made at and as of such date, and (iii) the Globalstar

Entities shall have received a certificate signed by an officer of each of Acquiror as to the satisfaction of the conditions set forth in clauses (i) and (ii);

(b) Thermo shall have purchased the DIP Lender's rights under the DIP Loan as contemplated by Section 5.10, and shall have made the initial advance under the DIP Loan as contemplated by Section 5.11; and

(c) there shall not have occurred an Acquiror Material Adverse Effect from the date of this Agreement to the Contribution Date.

Section 7.3 *Conditions Precedent to Obligations of the Acquirors*. The obligations of Acquirors to effect the Contribution Date Transactions shall be subject to the satisfaction at or prior to the Contribution Date of the following additional conditions (compliance with which or the occurrence of which may be waived in whole or in part in a writing executed by Thermo, unless such a waiver is prohibited by Law):

(a) (i) each Globalstar Entity shall have performed in all material respects all covenants required to be performed by it under this Agreement at or prior to the Contribution Date, (ii) the representations and warranties of the Globalstar Entities contained in this Agreement (taken as a whole) shall be true and correct in all material respects as of the date of this Agreement and as of the Contribution Date as if made at and as of such dates, or, in the case of representations and warranties made as of a specific date, as if made at and as of such date, and (iii) and Thermo shall have received a certificate signed by an officer of each of the Globalstar Entities as to the satisfaction of the conditions set forth in clauses (i) and (ii);

(b) there shall not have occurred any Globalstar Material Adverse Effect since the date of this Agreement; and

(c) Thermo shall have received from the Debtors satisfactory evidence that immediately following the distribution of membership interests in New Globalstar to the Debtors' creditors pursuant to the Plan, New Globalstar will have less than 500 "holders of record" of its equity securities as such term is defined under the Exchange Act (assuming that the membership interests purchased by Thermo pursuant to this Agreement are held by one holder of record, and no other equity securities of New Globalstar have been issued other than as contemplated herein and to QUALCOMM (which is also assumed to be one holder of record)).

ARTICLE VIII
CONDITIONS PRECEDENT TO INTEREST ACQUISITION

Section 8.1 *Conditions Precedent to Obligations of All Parties.* The respective obligations of each Party hereto to effect the Interest Acquisition shall be subject to the satisfaction at or prior to the Interest Acquisition Date of the following conditions:

(a) any waiting period applicable to the consummation of the Contemplated Transactions under the HSR Act shall have expired or been terminated, and no Action shall have been instituted by the United States Department of Justice or the United States Federal Trade Commission challenging or seeking to enjoin the consummation of Contemplated Transactions, which Action shall not have been withdrawn or terminated;

(b) no statute, rule, regulation, executive order, decree, decision, ruling, or preliminary or permanent injunction shall have been enacted, entered, promulgated, or enforced by any United States federal or state court or Governmental Entity that prohibits, restrains, enjoins, or restricts the consummation of the Contemplated Transactions that has not been withdrawn or terminated;

(c) no Action shall have been commenced by or before any Governmental Entity or arbitral body against any Acquiror or any Globalstar Entity, seeking to prevent, prohibit or make illegal or materially and adversely alter the Contemplated Transactions; *provided*, *however*, that the provisions of this Section 8.1(c) may not be asserted by any Party hereto that has, directly or indirectly, solicited or encouraged any such Action; *provided*, *however*, that as long as the Sale Order contains a finding pursuant to Section 363(m) of the Bankruptcy Code that Thermo have acted in good faith in connection with the Contemplated Transactions, the provisions of this Section 8.1(c) may not be asserted in connection with any appeal of the Sale Order in which no stay has been granted by the Bankruptcy Court;

(d) the Sale Order shall be in full force and effect; and

(e) each of GS Holdings, New Globalstar and Globalstar Leasing shall have received all Regulatory Approvals set forth on Section 3.3 of the Globalstar Disclosure Schedule, and the FCC shall have consented to the transfer to New Globalstar of (i) the Big Leo License or (ii) all of the equity securities of L/Q Licensee, Inc.

Section 8.2 *Conditions Precedent to Obligations of the Globalstar Entities.* The obligations of the Globalstar Entities to effect the Interest Acquisition shall be subject to the satisfaction at or prior to the Interest Acquisition Date of the following additional conditions (compliance with which or the occurrence of which may be waived in whole or in part in a writing executed by the Globalstar Entities, unless such a waiver is prohibited by Law):

(a) (i) each Acquiror shall have performed in all material respects all covenants required to be performed by it under this Agreement or the Management Agreement at or prior to the Interest Acquisition Date, (ii) the representations and warranties of the Acquirors contained in this Agreement (taken as a whole) shall be true and correct in all material respects as of the date of this Agreement and as of the Interest Acquisition Date as if made at and as of such dates, or, in the case of representations and warranties made as of a specific date, as if made at and as of such date, and (iii) the Globalstar Entities shall have received a certificate signed by an officer of each Acquiror as to the satisfaction of the conditions set forth in clauses (i) and (ii);

(b) there shall not have occurred an Acquiror Material Adverse Effect from the date of this Agreement to the Interest Acquisition Date; and

(c) QUALCOMM on the one hand, and the Debtors and the Committee on the other hand, shall have entered into a mutual release in form and substance satisfactory to the Debtors and the Committee.

Section 8.3 *Conditions Precedent to Obligations of the Acquirors.* The obligations of the Acquirors to effect the Interest Acquisition shall be subject to the satisfaction at or prior to the Interest Acquisition Date of the following additional conditions (compliance with which or the occurrence of which may be waived in whole or in part in a writing executed by Thermo, unless such a waiver is prohibited by Law):

(a) (i) each Globalstar Entity shall have performed in all material respects all covenants required to be performed by it under this Agreement or the Management Agreement at or prior to the Interest Acquisition Date, (ii) the representations and warranties of the Globalstar Entities contained in this Agreement (taken as a whole) shall be true and correct in all material respects as of the date of this Agreement and as of the Interest Acquisition Date as if made at and as of such dates, or, in the case of representations and warranties made as of a specific date, as if made at and as of such date, and (iii) and Thermo shall have received a certificate signed by an officer of each of the Globalstar Entities as to the satisfaction of the conditions set forth in clauses (i) and (ii);

(b) there shall not have been any Globalstar Material Adverse Effect from the date of this Agreement to the Interest Acquisition Date; and

(c) Thermo shall have received satisfactory evidence that immediately following the distribution of membership interests in New Globalstar to the Debtors' creditors pursuant to the Plan, New Globalstar will have less than 500 "holders of record" of its equity securities as such term is defined under the Exchange Act (assuming that the membership interests purchased by Thermo pursuant to this Agreement are held by one holder of record, and no other equity securities of New Globalstar have been issued other than as contemplated herein and to QUALCOMM (which is also assumed to be one holder of record)).

ARTICLE IX
TERMINATION, AMENDMENT AND WAIVER

Section 9.1 *Termination by Mutual Consent.* This Agreement may be terminated at any time prior to the Interest Acquisition Date by mutual written agreement of the Parties hereto.

Section 9.2 *Termination by Any Party.* This Agreement may be terminated at any time prior to the Interest Acquisition Date by any Party hereto if (a) a United States federal or state court of competent jurisdiction or United States federal or state Governmental Entity shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining, or otherwise prohibiting the consummation of the Contemplated Transactions and either (i) thirty (30) days shall have elapsed from the issuance of such order, decree or ruling or other action and such order, decree or ruling or other action has not been removed or (ii) such order, decree, ruling or other action shall have become final and non-appealable; *provided* that the Party seeking to terminate this Agreement pursuant to this Section 9.2(a) shall have used commercially reasonable efforts to remove such injunction, order or decree; or (b) the Interest Acquisition Date shall not have occurred on or before June 30, 2004; *provided*, however, that the right to terminate this Agreement pursuant to this Section 9.2(b) shall not be available to any Party hereto whose failure to fulfill any obligation under this Agreement shall have been the cause of the failure of the Interest Acquisition Date to have occurred on or prior to such date.

Section 9.3 *Termination by the Globalstar Entities or the Committee.* (a) This Agreement may be terminated at any time prior to the Interest Acquisition Date by the Globalstar Entities if (i) there has been a breach by any Acquiror of any representation or warranty contained in this Agreement, which breach would result in the failure to satisfy one or more of the conditions set forth in Section 8.2 and which breach is not curable, or if curable, is not cured within thirty (30) days after written notice of such breach is given by the Globalstar Entities to Thermo; (ii) there has been a breach of any of the covenants or agreements set forth in this Agreement on the part of any Acquiror, which breach would result in the failure to satisfy one or more of the conditions set forth in Section 8.2 and which breach is not curable or, if curable, is not cured within thirty (30) days after written notice of such breach is given by the Globalstar Entities to Thermo; or (iii) there shall have been an Acquiror Material Adverse Effect since the date of this Agreement.

(b) This Agreement may be terminated at any time prior to the Interest Acquisition Date by either the Globalstar Entities or the Committee if all of the following shall not have occurred by December 30, 2003: (i) the Contribution Date; and (ii) the initial funding by Thermo under the DIP Loan as described in Section 5.11.

Section 9.4 *Termination by Thermo.* This Agreement may be terminated at any time prior to the Interest Acquisition Date by Thermo if (a) there has been a breach by any Globalstar Entity of any representation or warranty contained in this Agreement, which breach would result in the failure to satisfy one or more of the conditions set forth in Section 8.3 and which breach is not curable, or if

curable, is not cured within thirty (30) days after notice of such breach is given by Thermo to the Globalstar Entities; (b) there has been a breach of any of the covenants or agreements set forth in this Agreement or the Management Agreement on the part of any Globalstar Entity, which breach would result in the failure to satisfy one or more of the conditions set forth in Section 8.3 and which breach is not curable or, if curable, is not cured within thirty (30) days after written notice of such breach is given by Thermo to the Globalstar Entities; (c) either GS Holdings, New Globalstar or Globalstar Leasing shall have received (despite the exercise of commercially reasonable efforts by the Acquirors) a final determination from an applicable Governmental Entity denying one or more of the Regulatory Approvals contemplated by Section 8.3(b); (d) there shall have been a Globalstar Material Adverse Effect since the date of this Agreement; or (e) an Event of Default under the DIP Loan shall have occurred after the Contribution Date.

Section 9.5 *Effect of Termination and Abandonment.*

(a) Termination of this Agreement pursuant to any of Sections 9.2, 9.4 or 9.4 shall be effected by written notice by the terminating Party to the other Parties hereto. In the event of termination of this Agreement pursuant to this Article IX, this Agreement, except for the provisions of this Section 9.5 and Sections 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.9, 11.10 and 11.13, will become null and void and have no further force or effect, without any liability on the part of any Party; provided, however, that nothing in this Article IX will relieve any Party of liability for any breach of this Agreement occurring prior to that termination.

(b) Upon any termination of this Agreement prior to the Interest Acquisition Date (other than pursuant to Section 9.3(a)), the Globalstar Entities shall reimburse Thermo for all legal, accounting and other documented out-of-pocket or third-party expenses (excluding financial advisory fees, if any) incurred in connection with this Agreement or the Contemplated Transactions (the "*Expense Reimbursement*"); provided, however, that the Globalstar Entities shall not be obligated to pay any portion of the Expense Reimbursement out of the Wind Down Funds (as defined in the DIP Loan).

(c) In addition, if this Agreement is terminated for any reason (other than pursuant to Section 9.3(a)) and the Globalstar Entities later seek Bankruptcy Court approval of any transaction involving a sale of the Globalstar Entities' business as a going concern in a transaction that the Bankruptcy Court determines is a higher and better offer than the Contemplated Transactions, promptly after such determination the Globalstar Entities shall pay to Thermo a break-up fee of $1,900,000 (the "*Break-Up Fee*").

(d) Promptly following any termination of this Agreement, all filings, applications, and other submissions made pursuant to the Contemplated Transactions shall, to the extent practicable, be withdrawn from the Governmental Entity or other Person to which made.

ARTICLE X
DELIVERIES

Section 10.1 *The Globalstar Entities' Contribution Date Deliveries.* In addition to the other things required to be done hereby, on the Contribution Date, the Globalstar Entities shall deliver, or cause to be delivered, to Thermo the following:

(a) duly executed bills of sale, assignment and assumptions agreements and other transfer documents, in customary form mutually agreeable to the Parties hereto, to effectuate the transfer of the Assets and the assumption of the Assumed Liabilities pursuant to Section 2.1;

(b) a duly executed GS Holdings LLC Agreement signed by each Globalstar Entity;

(c) a duly executed Management Agreement signed by the Globalstar Entities and the Licensees;

(d) an affidavit, in form and substance reasonably acceptable to Thermo, of an officer of each of the Globalstar Entities, sworn to under penalty of perjury, setting forth each such Globalstar's Entity name, address and federal tax identification number and stating that none of such Globalstar Entities is a "foreign" person (within the meaning of Section 1445 of the Code and the Treasury Regulations thereunder);

(e) a copy of any resolutions of the Management Committee or Board of Directors of each Globalstar Entity, or similar enabling document, authorizing the execution, delivery, and performance hereof by the Globalstar Entities, and a certificate of its secretary or assistant secretary, dated as of the Contribution Date, that such resolutions were duly adopted and are in full force and effect; and

(f) a duly executed Amended and Restated DIP Loan Agreement signed by the Debtors and their Subsidiaries which are parties thereto.

Section 10.2 *The Globalstar Entities Deliveries at Interest Acquisition.* In addition to the other things required to be done hereby at the Interest Acquisition, the Globalstar Entities shall deliver, or cause to be delivered, to Thermo the following:

(a) a certificate dated the Interest Acquisition Date and validly executed on behalf of the Globalstar Entities to the effect that the conditions set forth in Section 8.3(a) have been satisfied;

(b) assignments of lease (the "*Lease Assignments*"), dated as of the Interest Acquisition Date, with respect to each Assumed Contract that is a lease, in form reasonably acceptable to Thermo (and in recordable form if required by Thermo);

(c) duly executed Assignment Agreements, in customary form mutually agreeable to the Parties hereto, to effectuate the assignment and assumption of the Assumed Contracts;

(d) transfer and assignment documents, in customary form mutually agreeable to the Parties hereto, to effectuate the transfer of all of the outstanding equity of the Licensees to GS Holdings (and from GS Holdings to New Globalstar);

(e) a duly executed Agreement of Transfer signed by the Globalstar Entities;

(f) a duly executed Amended and Restated New Globalstar LLC Agreement in the form of *Exhibit 2.2(d)* signed by each Debtor; and

(g) a duly executed Amended and Restated GS Holdings LLC Agreement in the form of *Exhibit 2.2(e)* signed by each Debtor.

Section 10.3 *Thermo's Contribution Date Deliveries.* In addition to the other things required to be done hereby, on the Contribution Date, Thermo shall deliver, or cause to be delivered, the following:

(a) copies of authorizing resolutions of each Acquiror, or similar enabling document, authorizing the execution, delivery, and performance hereof by each Acquiror, and certificates of each entity's secretary or assistant secretary, dated as of the Contribution Date, that such resolutions were duly adopted and are in full force and effect;

(b) a duly executed GS Holdings LLC Agreement, executed by Thermo;

(c) a duly executed New Globalstar LLC Agreement, executed by Thermo and GS Holdings;

(d) a duly executed Globalstar Leasing LLC Agreement, executed by New Globalstar and Thermo;

(e) a duly executed Management Agreement, executed by Thermo and New Globalstar;

(f) a duly executed Globalstar Lease Agreement executed by New Globalstar and Globalstar Leasing; and

(g) a duly executed Amended and Restated DIP Loan Agreement executed by Thermo, New Globalstar, GS Holdings and Globalstar Leasing.

Section 10.4 *Thermo's Deliveries at Interest Acquisition.* In addition to the other things required to be done hereby, at the Interest Acquisition, Thermo shall deliver, or cause to be delivered, the following:

(a) certificates each dated the Interest Acquisition Date and validly executed on behalf of each Acquiror to the effect that the conditions set forth in Section 8.2(a) have been satisfied;

(b) a duly executed Agreement of Transfer signed by Thermo;

(c) Thermo's additional contribution to New Globalstar described in Section 2.2;

(d) a duly executed Amended and Restated New Globalstar LLC Agreement in the form of *Exhibit 2.2(d)* signed by Thermo and GS Holdings;

(e) a duly executed Amended and Restated GS Holdings LLC Agreement in the form of *Exhibit 2.2(e)* signed by Thermo; and

(f) a duly executed Amended and Restated Globalstar Leasing LLC Agreement in the form of *Exhibit 2.2(f)* signed by Thermo and New Globalstar

Section 10.5 *Required Documents.* All documents to be delivered by the Globalstar Entities, or to be entered into by the Parties necessary to carry out the Contemplated Transactions or contemplated by the terms of this Agreement shall be reasonably satisfactory in form and substance to Thermo, and all documents to be delivered by the Acquirors necessary to carry out the Contemplated Transactions or to be entered into by the Parties necessary to carry out the Contemplated Transactions shall be reasonably satisfactory in form and substance to the Globalstar Entities.

ARTICLE XI
GENERAL PROVISIONS

Section 11.1 *Notices.* All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed given upon (a) confirmation of receipt of a facsimile transmission, (b) confirmed delivery by a standard overnight carrier or when delivered by hand, or (c) the expiration of three (3) Business Days after the day when mailed by registered or certified mail (postage prepaid, return receipt requested), addressed to the respective Parties at the following addresses (or such other address for a party hereto as shall be specified by like notice):

(a) If to any Acquiror, to:

644 Governor Nicholls Street
New Orleans, Louisiana 70116
Attention: James Monroe III
Facsimile: 504-585-1393

with a copy, which shall not constitute notice, to:

Taft, Stettinius & Hollister LLP
425 Walnut Street, Suite 1800
Cincinnati, Ohio 45202
Attention: Gerald S. Greenberg, Esq.
Facsimile: 513-381-0205

(b) If to any Globalstar Entity, to:

Globalstar, L.P.
3200 Zanker Road
San Jose, California 95134
Attention: William Adler, Esq.
Facsimile: 408-933-4950

with copies, which shall not constitute notice, to:

Jones Day
222 East 41st Street
New York, New York 10017
Attention: Paul D. Leake, Esq.
Facsimile: 212-755-7306

and

Akin Gump Strauss Hauer & Feld LLP
590 Madison Avenue
New York, New York 10022
Attention: Stephen B. Kuhn, Esq. and Daniel H. Golden, Esq.
Facsimile: 212-872-1002

Section 11.2 *Descriptive Headings; Interpretation.* The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The phrase "including" shall be deemed to mean "including, without limitation," whether or not expressly stated herein. References to any business "as presently conducted" shall refer to the conduct of such business over the twelve (12) months prior to the date hereof.

Section 11.3 *Entire Agreement; Assignment.* This Agreement (including the Schedules and Exhibits, the Globalstar Disclosure Schedule, the Acquiror Disclosure Schedule, the Confidentiality Agreement, the GS Holdings LLC Agreement, the New Globalstar LLC Agreement (as amended and restated as contemplated herein), the Globalstar Leasing LLC Agreement, the Globalstar Lease Agreement, the Management Agreement, and the other documents and instruments referred to herein) (a) constitute the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between or among the Parties hereto, with respect to the subject matter hereof, including any transaction between or among the Parties hereto (but not including the Sale Order), and (b) shall not be assigned by operation of law or otherwise; *provided*, *however*, that Thermo may assign its rights and obligations hereunder to one or more Affiliates of Thermo, but Thermo shall not be relieved of its obligations hereunder as a result of such assignment.

Section 11.4 *Governing Law.* This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware applicable to contracts made and to be performed entirely within such State by residents of such State.

Section 11.5 *Venue and Retention of Jurisdiction.* The Parties hereto agree that the Bankruptcy Court shall have exclusive jurisdiction over all disputes and other matters relating to (a) the

interpretation and enforcement of this Agreement or any ancillary document executed pursuant hereto; and (b) the Assets and Assumed Liabilities, and the Parties expressly consent to and agree not to contest such exclusive jurisdiction. All Actions brought, arising out of, or related to the Contemplated Transactions shall be brought in the Bankruptcy Court, and the Bankruptcy Court shall retain jurisdiction to determine any and all such Actions.

Section 11.6 *Expenses.* Except as otherwise provided herein, whether or not the actions contemplated by this Agreement are consummated, all costs and expenses incurred in connection with this Agreement and the Contemplated Transactions shall be paid by the Party incurring such expenses. On the Interest Acquisition Date, all documented legal, accounting and other third party expenses (excluding financial advisory fees, if any) incurred by Thermo or its Affiliates in connection with this Agreement or the Contemplated Transactions shall be paid by New Globalstar.

Section 11.7 *Amendment.* This Agreement may not be amended, except by an instrument in writing signed on behalf of all Parties hereto.

Section 11.9 *Waiver.* At any time prior to the Interest Acquisition Date, the Parties hereto may (a) extend the time for the performance of any of the obligations or other acts of the other Parties hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (c) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a Party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party hereto.

Section 11.10 *Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile shall be effective as delivery of an original, manually executed counterpart of this Agreement.

Section 11.11 *Severability; Validity; Parties in Interest.* If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable, the remainder of this Agreement, and the application of such provision to other Persons or circumstances, shall not be affected thereby, and to such end, the provisions of this Agreement are agreed to be severable.

Section 11.12 *Enforcement of Agreement.* The Parties hereto agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached. It is accordingly agreed that the Parties hereto shall be entitled to equitable relief, including a temporary restraining order and an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to all other remedies available at law or in equity.

Section 11.13 *No Third-Party Beneficiaries.* (a) The provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third party with any remedy, claim, liability, reimbursement, claim of action or other right. Without limiting the foregoing, no provision of this Agreement shall create any third-party beneficiary rights in any employee or former employee of a Globalstar Entity or any other Persons (including any beneficiary or dependent thereof), in respect of continued employment (or resumed employment) for any specified period of any nature or kind whatsoever, and no provision of this Agreement shall create such third-party beneficiary rights in any such Persons in respect of any benefits that may be provided, directly or indirectly, under any compensation or benefit plan.

Section 11.14 *Non-survival of Representations, Warranties and Agreements.* All representations, warranties and (except as set forth in the following sentence) covenants set forth in this Agreement or in any certificate, document or other instrument delivered in connection herewith shall terminate at the earlier of (a) the Interest Acquisition Date and (b) termination of this Agreement in accordance with

Article IX hereof, unless otherwise expressly specified by their terms. Only those covenants that by their express terms contemplate actions to be taken or obligations in effect after the Interest Acquisition Date or termination of this Agreement, as the case may be, shall survive in accordance with their terms and to the extent so contemplated.

Section 11.15 *Public Announcements.* Subject to the requirements of the Bankruptcy Code and other applicable Law, no Party shall make any public announcement relating to the Contemplated Transactions without the prior approval of Globalstar and Thermo; provided however that Globalstar shall be allowed to make such public filings with the SEC as it deems necessary or appropriate (in the exercise of its reasonable discretion) pursuant to the Exchange Act.

Section 11.16 *FCC Related Requirements of Law.* The Parties acknowledge that the effectiveness of certain provisions set forth in this Agreement and in the other agreements and documents referred to herein may be subject to prior FCC approval and, to the extent such FCC approval is required, notwithstanding any other provision in this Agreement or other agreement or document referred to herein to the contrary, such provisions shall not be effective until such FCC approval is obtained.

Section 11.17 *Utilization of Wind Down Funds.* Except as expressly provided in Sections 2.2(g) and 6.8, the Globalstar Entities shall not be obligated to utilize any portion of the Wind Down Funds (as defined in the DIP Loan) to satisfy any claims by any Party under this Agreement or any other agreement, document or instrument referred to herein or entered into in connection with the Contemplated Transactions.

ARTICLE XII
DEFINITIONS

Section 12.1 *Defined Terms.* As used herein, the terms below shall have the following meanings.

"Acquirors" means GS Holdings, New Globalstar, Globalstar Leasing, and Thermo.

"Acquiror Disclosure Schedule" has the meaning set forth in Article IV.

"Acquiror Material Adverse Effect" means any change, effect, event or condition that has prevented or materially delayed or could reasonably be expected to prevent or materially delay any Acquiror's ability to consummate the Contemplated Transactions.

"Action" means any claim, suit, action, arbitration, inquiry, proceeding, investigation, charge or complaint.

"Affiliate" (and, with a correlative meaning, "affiliated") means, with respect to any Person, any direct or indirect Subsidiary of such Person, and any other Person that, directly, or through one or more intermediaries, controls or is controlled by or is under common control with such first Person, and, if such a Person is an individual, any member of the immediate Family (including parents, spouse and children) of such individual and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any Person who is controlled by any such member or trust. As used in this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"Agreement" has the meaning set forth in the Preamble.

"Agreement of Transfer" has the meaning set forth in Section 2.2(b).

"Allowed Cure Claim" has the meaning set forth in Section 6.5.

"Assets" has the meaning set forth in Section 1.2.

"Assignment Agreement" means a bill of sale, assignment and assumption agreement in such form as may be agreed to by Thermo, New Globalstar and the Globalstar Entities.

"Assumed Contracts" means all contracts and leases to which any Globalstar Entity is a party that are not listed on *Exhibit 1.3(a)* as of the Interest Acquisition Date.

"Assumed Liabilities" has the meaning set forth in Section 1.4.

"Assumed Trade Accounts" has the meaning set forth in Section 1.4(b).

"Assumption Order Date" has the meaning set forth in Section 6.5.

"Avoidance Actions" has the meaning set forth in Section 1.3(b).

"Bankruptcy Code" has the meaning set forth in the Preamble.

"Bankruptcy Court" has the meaning set forth in the Preamble and, with respect to an appeal from any order or determination of the Bankruptcy Court, any court having jurisdiction over such appeal.

"Bankruptcy Professionals" means those professional persons retained by the Debtors or the Committee upon approval of the Bankruptcy Court pursuant to Sections 327 or 1103 of the Bankruptcy Code.

"Big Leo License" means the license issued by the FCC to Loral/QUALCOMM Partnership, L.P., and currently held by L/Q Licensee, Inc., to provide mobile satellite services in the 1610-1626.5/2483.5-2500 MHz bands.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banking institutions in New York, New York are authorized or required by Law or executive order to close.

"Business Employees" has the meaning set forth in Section 5.7(a).

"Cash" has the meaning set forth in Section 1.3(e).

"Chapter 11 Case" has the meaning set forth in the Preamble.

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"Committee" has the meaning set forth in the first paragraph of this Agreement.

"Confidentiality Agreement" has the meaning set forth in Section 5.2.

"Contemplated Transactions" means the transactions contemplated by Article II or other provisions of this Agreement.

"Contracts" has the meaning set forth in Section 1.2(d).

"Contribution Date" has the meaning set forth in Section 2.1.

"Contribution Date Transactions" has the meaning set forth in Section 2.1.

"Copyright Licenses" means any written agreement naming any Globalstar Entity as licensor or licensee granting any right under any Copyright, including the grant of rights to copy, publicly perform, create derivative works, manufacture, distribute, exploit and sell material derived from any Copyright.

"Copyrights" means (i) all copyrights arising under the Laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office or in any foreign counterparts thereof and (ii) the right to obtain all renewals thereof.

"Deferred Assets" has the meaning set forth in Section 6.4.

"Debtors" has the meaning set forth in the Recitals.

"DHS" has the meaning set forth in Section 3.3(b).

"DIP Lender" means ICO Investment Corp. in its capacity as lender under the DIP Loan.

"DIP Loan" means the Secured Super-Priority Debtor in Possession Credit Agreement dated as of May 19, 2003 among Globalstar as Borrower, the other Debtors as Guarantors, and the DIP Lender, as amended and restated on the Contribution Date as contemplated herein and as it may be further amended, restated or supplemented from time to time.

"DoD" has the meaning set forth in Section 3.3(b).

"DoJ" has the meaning set forth in Section 3.3(b).

"Employee Retention Plan" has the meaning set forth in Section 1.4(d).

"Employee Severance Plan" has the meaning set forth in Section 1.4(c).

"Exchange Act" has the meaning set forth in Section 3.3(b).

"Excluded Assets" has the meaning set forth in Section 1.3.

"Excluded Liabilities" has the meaning set forth in Section 1.5.

"Expense Reimbursement" has the meaning set forth in Section 9.5(b).

"FCC" means the Federal Communications Commission.

"FBI" has the meaning set forth in Section 3.3(b).

"Gateway Assets" means all real property, plant, antennas, equipment, contract rights and other assets owned or used by the Globalstar Entities in connection with the on-ground operations of the satellite network, whether or not such assets are in the possession of the Globalstar Entities, and including without limitation (i) all contractual rights with independent service providers for the operation of gateways and (ii) any undeployed gateways and all assets related thereto, and all rights associated with the foregoing.

"Globalstar" has the meaning set forth in the Preamble.

"Globalstar Disclosure Schedule" has the meaning set forth in Article III.

"Globalstar Entities" has the meaning set forth in the Preamble.

"Globalstar FCC Licenses" means the FCC licenses issued to Globalstar, Loral/QUALCOMM Partnership, L.P. or any of their respective Subsidiaries by the FCC.

"Globalstar Governmental Licenses" means all Governmental Licenses in which any Globalstar Entity has any rights or which are otherwise used in the operation of the business of the Globalstar Entities, including without limitation all Governmental Licenses owned by Loral, QUALCOMM, the GP Debtors, or other third parties which are, or have been at any time, used or claimed for use by any Globalstar Entity, together with any renewals, extensions or modifications thereof and any additions thereto existing as of the Interest Acquisition Date.

"Globalstar Foreign Licenses" has the meaning set forth in Section 3.18.

"Globalstar Leasing" means Globalstar Leasing, LLC, a Delaware limited liability company.

"Globalstar Leasing LLC Agreement" has the meaning set forth in Section 2.1(e).

"Globalstar Lease Agreement" has the meaning set forth in Section 2.1(g).

"Globalstar Material Adverse Effect" means any change, effect, event or condition that has had or could reasonably be expected to have a material adverse effect on (i) the Assets, the Assumed Liabilities, or the operations of Globalstar and its Subsidiaries, taken as a whole, or (ii) the ability of the Globalstar Entities to consummate the Contemplated Transactions; provided, however, that the loss of satellite availability shall not constitute a Globalstar Material Adverse Effect unless, following the date of this Agreement, (A) two additional satellites in Globalstar's satellite constellation shall have been declared "failed" in addition to the existing four satellites that have been declared "failed" or (B) at any time, for a continuous period of 60 calendar days or more there shall have been fewer than 39 Qualifying Satellites in Globalstar's satellite constellation.

"Globalstar Representatives" has the meaning set forth in Section 6.2(b).

"Governmental Entity" means any domestic or foreign governmental or regulatory authority, including any department, commission, board, bureau, agency or instrumentality of such authority or any court or tribunal.

"Governmental Licenses" means licenses, permits, certificates, franchises, consents, waivers, registrations or other regulatory authorizations from Governmental Authorities, including, without limitation, State PUCs, the FCC, and all foreign or international Governmental Authorities regulating telecommunications or satellites.

"GP Debtors" means LGP (Bermuda) Ltd., Loral QUALCOMM Partnership, L.P., Loral QUALCOMM Satellite Services, L.P., and Loral General Partner, Inc.

"GS Holdings" has the meaning set forth in the Preamble.

"GS Holdings LLC Agreement" has the meaning set forth in Section 2.1(b).

"Handset Inventory" means all telephone handsets, fixed asset units, and car kits (and all other assets and materials related thereto) owned by the Globalstar Entities and all rights of the Globalstar Entities related thereto.

"HSR Act" has the meaning set forth in Section 3.3(b).

"Initial Thermo Contributions" means collectively, the Initial GS Holdings Contribution, the Initial New Globalstar Contribution and the Initial Globalstar Leasing Contribution.

"Intellectual Property" means, collectively, all rights, priorities and privileges of any Globalstar Entity relating to intellectual property, whether arising under United States, multinational or foreign Laws or otherwise, including Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks,

Trademark Licenses and trade secrets, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Acquisition" has the meaning set forth in Section 2.2.

"Interest Acquisition Date" has the meaning set forth in Section 2.2.

"Interim Budget" has the meaning set forth in Section 5.11.

"IRS" means the Internal Revenue Service.

"Jefferies" has the meaning set forth in Section 3.9.

"Jefferies Agreement" means the letter agreement among Jefferies, the Ad Hoc Committee of Bondholders of Globalstar, L.P. and Globalstar, L.P. dated April 9, 2002, as thereafter amended or modified.

"Knowledge" means, with respect to any entity, the actual knowledge of such entity's executive officers.

"Law" means any domestic or foreign statute, rule, regulation or other legal requirement.

"Lease Assignments" has the meaning set forth in Section 10.2(b).

"Leased Assets" means all depreciable Assets, whether or not placed in service, including without limitation all depreciable Gateway Assets, equipment, furniture and fixtures, improvements and Satellites.

"Legal Proceeding" means any Action pending at law or in equity before any Governmental Entity or arbitral body.

"Licensees" has the meaning set forth in the first paragraph of this Agreement.

"Liens" means any and all liens, claims, encumbrances or other interests of any kind or nature whatsoever.

"Loral" means Loral Space and Communications Ltd, a Bermuda company, together with its Affiliates.

"Loral Pension Plan" means the Retirement Plan of Space Systems/Loral.

"Losses" means any and all damages, fines, penalties, deficiencies, losses and expenses (including interest, court costs, reasonable fees of attorneys, accountants and other experts or other reasonable expenses of litigation or other proceedings or of any claim, default or assessment).

"Management Agreement" has the meaning set forth in Section 2.1(f).

"Material Contracts" has the meaning set forth in Section 3.14.

"New Globalstar" has the meaning set forth in the Preamble.

"New Globalstar LLC Agreement" has the meaning set forth in Section 2.1(d).

"Non-Solicitation Period" has the meaning set forth in Section 5.8.

"Parties" means the Acquirors, the Globalstar Entities and the Committee, and "Party" means any one of them.

"Patent Licenses" means all agreements, whether written or oral, providing for the grant by or to any Globalstar Entity of any right to manufacture, use, import, sell or offer for sale any invention covered in whole or in part by a Patent.

"Patents" means (i) all letters patent of the United States, any other country or any political subdivision thereof and all reissues and extensions thereof, (ii) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, and (iii) all rights to obtain any reissues or extensions of the foregoing.

"Permitted Liens" do not include Liens that are discharged or released as against the Assets as a result of the Sale Order and means, with respect to Liens not so discharged, (i) Liens created pursuant to the DIP Loan; (ii) purchase money Liens upon or in any property acquired after the filing of the Chapter 11 Cases by any of the Debtors in the ordinary course of business to secure the purchase price of such property or to secure indebtedness incurred solely for the purpose of financing the acquisition of such property; (iii) any Lien securing the renewal, extension or refunding of any indebtedness or other obligation secured by any Lien permitted by the foregoing clause (ii) without any increase in the amount secured thereby or in the assets subject to such Lien; (iv) Liens (but in the case of the Debtors, only postpetition Liens) arising by operation of Law in favor of materialmen, mechanics, warehousemen, carriers, lessors or other similar Persons incurred by any of Debtors in the ordinary course of business which secure its obligations to such Person; (v) Liens (but in the case of the Debtors, only postpetition Liens) securing taxes, assessments or governmental charges or levies; (vi) Liens (but in the case of the Debtors, only postpetition Liens) incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance, old-age pensions and other social security benefits; (vii) Liens (but in the case of the Debtors, only postpetition Liens) securing the performance of statutory obligations, surety and appeal bonds and other obligations of like nature, incurred as an incident to and in the ordinary course of business, and judgment liens; (viii) zoning restrictions, easements, licenses Liens (but, in the case of the Debtors, only postpetition licenses), reservations (but, in the case of the Debtors, only postpetition reservations) and similar restrictions on the use of real property or minor irregularities incident thereto which do not in the aggregate materially detract from the value or use of the property or assets of the Debtors or impair, in any manner, the use of such property for the purposes for which such property is held by the Debtors; (ix) Liens created by GS Holdings or New Globalstar and (x) Liens securing Assumed Liabilities; excluding, in each of clauses (i) through (x), any Liens discharged or released as against the Assets as a result of the Sale Order. Nothing in this definition is intended to limit the scope of the Sale Order with respect to the discharge and release of Liens.

"Person" means any natural person, firm, partnership, limited liability company, association, corporation, trust, business trust or other entity.

"Petitions" has the meaning set forth in the Recitals.

"Petition Date" means February 15, 2002, the date on which the Debtors commenced the Chapter 11 Case.

"Plan" has the meaning set forth in Section 6.7.

"Plan Effective Date" has the meaning set forth in Section 6.8.

"Property Taxes" means real, personal and intangible ad valorem property taxes.

"QUALCOMM" means QUALCOMM Incorporated, together with its Affiliates.

"Qualifying Satellite" means a Satellite that either is in-service or an in-orbit spare capable of being placed in-service.

"Real Property" means real property, together with all structures (surface and subsurface), facilities, improvements, fixtures, systems, attached or appurtenant thereto and all easements, licenses, rights and appurtenances relating to any of the foregoing.

"Regulatory Approvals" means all consents, waivers, approvals, certificates and other authorizations required to be obtained from any Governmental Entity, including without limitation the FCC, DoD, DHS, FBI and DoJ, asserting jurisdiction over New Globalstar, Thermo, the Globalstar Entities or one of their Subsidiaries or the Assets, that are required in order to consummate the Contemplated Transactions, and/or for New Globalstar and Thermo to operate the businesses of the Globalstar Entities following the Interest Acquisition Date.

"Rejected Contract" has the meaning set forth in Section 1.6.

"Retainee Notice" has the meaning set forth in Section 5.7(a).

"Sale Order" means the order of the Bankruptcy Court entered on December 2, 2003, approving the Contemplated Transactions, as it may be amended from time to time with the prior written consent of Thermo.

"Satellites" means all rights to all satellites owned or used by the Globalstar Entities, including without limitation all satellites in-orbit and all grounded or spare satellites, whether or not fully constructed and including all raw materials and work-in-process related to the construction of any satellites.

"SEC" has the meaning set forth in Section 3.4.

"SEC Filings" means all forms, reports and documents filed by Globalstar with the SEC between January 1, 2002 and the Contribution Date, in each case under Section 13 of the Exchange Act and the rules and regulations promulgated thereunder.

"Seller Entities" means the Globalstar Entities and their direct and indirect Subsidiaries.

"Single Member LLCs" means Globalstar C, LLC, a Delaware limited liability company, and GSSI LLC, a Delaware limited liability company.

"State PUCs" means state and local public service and public utilities commissions or franchise authorities or similar regulatory agencies in each applicable jurisdiction.

"Subsidiary" when used with respect to any party, means any corporation or other organization, whether incorporated or unincorporated, of which such party directly or indirectly owns or controls more than 50% of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions; provided, however, that GS Holdings, New Globalstar, and Globalstar Leasing shall not be deemed to be Subsidiaries of any Globalstar Entity.

"Taxes" means all United States federal, state and local, and foreign taxes, and other assessments of a similar nature (whether imposed directly or through withholding), excluding Transfer Taxes, and including any interest, additions to tax, or penalties applicable thereto.

"Tax Returns" or "Returns" means all United States federal, state and local, and foreign Tax returns, declarations, statements, reports, schedules, forms, and information returns and any amended Tax Returns relating to Taxes.

"Thermo" has the meaning set forth in the Preamble.

"Thermo Note" has the meaning set forth in Section 5.10(a).

"Trademark License" means any agreement, whether written or oral, providing for the grant by or to any Globalstar Entity of any right to use any Trademarks.

"Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all

registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto, and (ii) the right to obtain all renewals thereof.

"Transferred Employee" has the meaning set forth in Section 5.7(b).

"Wind Up Funds" means $7.5 million in Cash, to be used by the Debtors to confirm and consummate a plan of reorganization for the Debtors, and otherwise wind up the Debtors' bankruptcy estates (but not to be used for investigating or prosecuting Avoidance Actions or objecting to proofs of claims filed in the Chapter 11 Case except for those claims proofs of which have not been filed prior to the Interest Acquisition Date), generally as described on the budget attached as Exhibit 12 hereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on their behalf, by their officers thereunto duly authorized, as of the date first above written.

GLOBALSTAR, L.P.

By: /s/ ANTHONY J. NAVARRA

Name: Anthony J. Navarra
Title: *President*

GLOBALSTAR CAPITAL CORPORATION

By: /s/ ANTHONY J. NAVARRA

Name: Anthony J. Navarra
Title: *President*

GLOBALSTAR SERVICES COMPANY, INC.

By: /s/ ANTHONY J. NAVARRA

Name: Anthony J. Navarra
Title: *President*

GLOBALSTAR, L.L.C.

By: /s/ ANTHONY J. NAVARRA

Name: Anthony J. Navarra
Title: *President*

GLOBALSTAR CORPORATION

By: /s/ DANIEL P. McENTEE

Name: Daniel P. McEntee
Title: *Treasurer*

GLOBALSTAR SATELLITE SERVICES, INC.

By: /s/ DANIEL P. McENTEE

Name: Daniel P. McEntee
Title: *Treasurer*

GLOBALSTAR USA, LLC

By: /s/ DANIEL P. McENTEE

Name: Daniel P. McEntee
Title: *Treasurer*

GLOBALSTAR CARIBBEAN LTD.

By: /s/ DANIEL P. McENTEE

Name: Daniel P. McEntee
Title: *Treasurer*

THERMO CAPITAL PARTNERS, L.L.C.

By: /s/ JAMES F. LYNCH

Name: James F. Lynch
Title: *Manager*

GLOBALSTAR HOLDINGS LLC

By: /s/ WILLIAM F. ADLER

Name: William F. Adler
Title: *Secretary*

NEW OPERATING GLOBALSTAR LLC

By: /s/ WILLIAM F. ADLER

Name: William F. Adler
Title: *VP—Legal and Regulatory*

GLOBALSTAR LEASING LLC

By: /s/ WILLIAM F. ADLER

Name: William F. Adler
Title: *Secretary*

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: Akin Gump Strauss Hauer & Feld LLP, as Counsel

By: /s/ DANIEL GOLDEN, AKIN GUMP STRAUSS HAUER & FELD LLP

Name: Daniel Golden
Title: *Partner*

QuickLinks

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Exhibit 10.12

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

QUALCOMM Incorporated
Agreement for Sale of Globalstar Satellite Mobile Phones

Agreement No. 04-QC/NOG-MOBILES-001

This Agreement for Sale of Globalstar Satellite Mobile Phones ("Agreement") is entered into as of April 13, 2004 (the "Effective Date") by and between **QUALCOMM Incorporated**, a Delaware corporation ("QUALCOMM"), with offices located at 5775 Morehouse Drive, San Diego, CA 92121-1121 and **New Operating Globalstar LLC**, a Delaware limited liability corporation ("Buyer"), with offices located at 3110 Zanker Road, San Jose, CA 95134, with respect to the following facts:

A. Buyer has acquired from Globalstar and affiliated entities substantially all the assets utilized in the Globalstar business.

B. QUALCOMM is willing to deliver to Buyer a certain quantity of the Product from its inventory as further described herein and in accordance with the delivery schedule (the "Schedule") as set forth in this Agreement.

NOW, THEREFORE, the parties, in consideration of the mutual promises set forth herein, agree as follows:

1. DEFINITIONS. Capitalized terms not defined herein shall have the meanings set forth in the QUALCOMM Supply Terms and Conditions (the "Supply Terms"), a copy of which is attached hereto as **Exhibit A** and incorporated herein as fully as if set forth in its entirety herein:

"**Product" or "Product(s)**" means the Globalstar GSP-1600 Tri-Mode Portable Phone, generically provisioned and tested by QUALCOMM, and Documentation, without a SIM card, battery, spares or any accessories, delivered in standard bulk packaging, consisting of individual bag/box units in master pack containers, and accompanied by retail packaging materials in bulk.

"**Schedule**" means the delivery schedule attached hereto as **Exhibit B**.

"**SIM Card(s)**" means subscriber information module card(s).

"**Term**" shall commence on the Effective Date and continue for one (1) year unless terminated as provided herein.

2. DELIVERY; LIMITED TO INVENTORY. QUALCOMM shall deliver twenty two thousand five hundred (22,500) units of Product, which represents QUALCOMM's inventory of Product as of the Effective Date, which are new and in working order, less (i) three thousand (3000) such units to be retained by QUALCOMM for FRU and warranty purposes and (ii) any additional such units needed to fulfill any orders therefore received and accepted by QUALCOMM prior to the Effective Date. Delivery shall be in accordance with the Schedule and Supply Terms, provided that the following provisions of the Supply Terms shall not apply to this Agreement and the Product(s) delivered hereunder: Section 3 (Orders); Section 8 (Inspection; Acceptance). Upon thirty (30) days written notice, Buyer may request (a) a change in the delivery location or (b) a change in delivery quantities, provided that any significant increase in quantities to be delivered shall be subject to QUALCOMM's ability to expedite provisioning, testing and preparation of such additional quantities for shipment. All deliveries of Product(s) required hereunder are limited to QUALCOMM's inventory, and in the event all or a portion of such inventory is destroyed, stolen or damaged without fault of QUALCOMM,

deliveries shall be decremented accordingly. In any event, QUALCOMM shall not be obligated hereunder to manufacture or otherwise acquire units of Product not in inventory.

3. PRICE. The price for Product(s) shall be [*] per unit.

4. LEVEL 1 SERVICE CENTER. Buyer shall perform Level 1 Service for the Product(s) in accordance with QUALCOMM's written instructions. Level 1 Service includes the following (and any other service that is authorized in writing by QUALCOMM): battery installation and replacement, cellular antenna replacement, and SIM card installation and replacement, if any.

5. WARRANTY. The Warranty Period for the Product(s) shall be ninety (90) days following QUALCOMM's delivery of the Product(s) to the FCA Point. Notwithstanding anything set forth in the Supply Terms, the Warranty Period applicable to any warranty replacements shall be the greater of (a) the time remaining on the Warranty Period for the returned Product(s), or (b) thirty (30) days after delivery of the repaired or replaced Product(s) to FCA Point.

6. ENTIRE AGREEMENT. This Agreement, including the Supply Terns and other Exhibits attached hereto, constitutes the complete agreement between the parties relating to the subject matter hereof, and supersedes any prior or contemporaneous agreements or representations affecting such subject matter.

7. ORDER OF PRECEDENCE. In the event of conflict between the Supply Terms and the balance of this Agreement, including the other Exhibits hereto, the Agreement shall govern.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

QUALCOMM Incorporated		**New Operating Globalstar, L.L.C.**	
By:	/s/ Scott J. Becker	By:	/s/ William F. Adler
Name:	Scott J. Becker	Name:	William F. Adler
Title:	Sr. Vice President & General Manager QUALCOMM Wireless Systems Division	Title:	VP Legal & Regulatory

EXHIBIT A

QUALCOMM Supply Terms & Conditions

December 2, 2003

NOTE: EXHIBIT A, OMITTED HERE, IS IDENTICAL TO EXHIBIT A ATTACHED TO MASTER AGREEMENT ENTITLED

"QUALCOMM Globastar Satellite Products Supply Agreement, dated April 13, 2004
Agreement No. 04-QC/NOG/NOG-PRODSUP-001/NOG-C-04-0137"

EXHIBIT B

DELIVERY SCHEDULE

**(TO BE AGREED TO IN WRITING BETWEEN QUALCOMM AND NOG
NO LATER THAN THIRTY (30) DAYS FOLLOWING THE EFFECTIVE DATE)**

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Exhibit 10.13

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

First Amendment to
Agreement for Sale of Globalstar Satellite Mobile Phones
Agreement No. 04-QC/NOG-MOBILES-001/GLLC-C-04-0137
between
QUALCOMM Incorporated and Globalstar LLC

This First Amendment (the "First Amendment") to Agreement for Sale of Globalstar Satellite Mobile Phones dated April 13, 2004 ("Agreement") is entered into as of October 5, 2004 (the "Amendment Date") by and between **QUALCOMM Incorporated**, a Delaware corporation ("QUALCOMM"), with offices located at 5775 Morehouse Drive, San Diego, CA 92121-1121 and **Globalstar LLC,** a Delaware limited liability company, formerly known as New Operating Globalstar LLC ("Buyer"), with offices located at 461 S. Milpitas Blvd., Milpitas, CA 95305, with respect to the following facts:

A. Buyer has acquired from Globalstar, L.P. and affiliated entities substantially all the assets utilized in the Globalstar business.

B. Under the terms of the Agreement discussed above, QUALCOMM has contracted to deliver 22,500 Tri-Mode Portable Phones per the terms thereof, a certain number of which have been delivered as discussed below.

C. QUALCOMM is willing to deliver to Buyer the remainder of the Tri-Mode Portable Phones to be sold thereunder (the "Remaining Products") in accordance with the terms of the Agreement as amended hereby and the delivery schedule (the "Schedule") attached as Exhibit B hereto.

D. Buyer seeks to obtain the Remaining Products and accessories from QUALCOMM in exchange for an equity interest in Globalstar LLC as further described in this First Amendment and the related agreements described herein.

E. Buyer further seeks to obtain additional remaining Tri-Mode Portable Phones in QUALCOMM's inventory, retained by QUALCOMM for FRU, warranty and/or other purposes as more fully described in this Amendment (the "Additional Phones").

NOW, THEREFORE, in consideration of the promises and the mutual covenants and obligations hereinafter set forth, the parties hereby agree as follows (with capitalized terms used herein and not otherwise defined having the meanings set forth in the Agreement):

1. Section 2. DELIVERY; LIMITED TO INVENTORY is hereby revised to add the following:

"2.1 Deliveries Prior to Amendment Date. As of the Amendment Date, QUALCOMM has delivered fifteen thousand (15,000) units of the Product to Buyer.

2.2 Remaining Product. Subject to Section 3 below, QUALCOMM shall deliver the Remaining Products to Buyer in accordance with the Schedule.

2.3 Accessories. Subject to Section 3 below, QUALCOMM shall deliver any Accessories identified on Exhibit C hereto which remain in QUALCOMM's inventory as of the Amendment Date (the "Accessories"), on a mutually agreed to date within thirty (30) days of the Amendment Date.

2.4 Additional Warranted Phones. Subject to Section 3.3 below, thirty (30) days following QUALCOMM's completion of its warranty obligations for the Remaining Products under the Agreement, QUALCOMM shall provide Buyer with a written notice regarding the total number of Additional Phones QUALCOMM has in its inventory that are new and have been tested by

QUALCOMM to be in good working order. Buyer shall be afforded a right of first offer to place one (1) order to purchase any or all such Additional Phones other than a reasonable number thereof, as determined in QUALCOMM's sole discretion, to provide a warranty for all such Additional Phones (the "Additional Warranted Phones"). Such offer shall be irrevocable for thirty (30) days from the date of QUALCOMM's notice, after which, if Buyer shall not have accepted by placing such order, or shall have ordered less than all of the offered Additional Warranted Phones, QUALCOMM may sell, to any customer, any Additional Warranted Phones not ordered by Buyer for a value equal to or exceeding the price offered to Buyer. The Additional Warranted Phones shall include a ninety (90) day warranty period following QUALCOMM's delivery to the FCA Point. The Parties agree that the total number of Additional Warranted Phones QUALCOMM may provide under the Section 2.4 in exchange for equity interest pursuant to Section 3.3 shall not exceed seven thousand five hundred (7,500).

2.5 Additional Un-Warranted Phones. Provided Buyer has purchased all of the Additional Warranted Phones offered by QUALCOMM pursuant to Section 2.4 hereof, following the delivery of the Additional Warranted Phones and expiration of the warranty obligations related thereto, should QUALCOMM have any Tri-Mode Portable Phones remaining in its inventory, Buyer shall be afforded a right of first offer to place one (1) order to purchase any or all such Tri-Mode Portable Phones (the "Additional Un-Warranted Phones") at a price Not-to-Exceed [*]. Such offer shall be irrevocable for thirty (30) days from the date of QUALCOMM's notice and shall provide the opportunity for buyer to observe at Buyer's expense, QUALCOMM's standard radiated testing process for the Additional Un-Warranted Phones prior to QUALCOMM's delivery thereof, after which, if Buyer shall not have accepted by placing such order, or shall have ordered less than all of the offered Additional Un-Warranted Phones, QUALCOMM may sell, to any customer, any Additional Un-Warranted Phones not ordered by Buyer for a value equal to or exceeding the price offered to Buyer. The Additional Un-Warranted Phones are provided without warranty of any kind, and payment for such Additional Un-Warranted Phones is twenty-five percent (25%) due following P.O. placement and prior to delivery, and seventy-five percent (75%) within thirty (30) days after FCA delivery, payable in cash or by use of a credit memo issued by QUALCOMM to Buyer, on a NET 30 basis. Any repairs needed for the Additional Un-Warranted Phones will be at QUALCOMM's then current, standard repair prices and are subject to the availability of parts.

Nothing set forth herein shall require QUALCOMM to perform additional work or testing beyond QUALCOMM's normal procedures used for the 22,500 Tri-Mode Portable Phones in order to fulfill the requirement in Sections 2.4 and 2.5.

All Additional Phones are delivered "AS IS" and without warranty of any kind, and payment for Additional Phones is twenty-five percent (25%) due following P.O. placement and prior to delivery, and seventy-five percent (75%) within thirty (30) days after FCA delivery, payable on a NET 30 basis. Any repairs needed for the Additional Phones will be at QUALCOMM's then current, standard repair prices.

2. Section 3. PRICE AND PAYMENT TERMS is hereby replaced in its entirety with the following:

"3.1 Price Paid for Product Deliveries Prior to Amendment Date. The price for each unit to be delivered is [*]. As of the Amendment Date, Buyer has paid QUALCOMM a total of four million two hundred thousand dollars ($4,200,000.00) (the "Credit Amount") consisting of full payment for [*] units delivered prior to the Amendment Date totaling four million dollars ($4,000,000.00), and the required twenty five percent (25%) down-payment for [*] units delivered prior to the Amendment Date totaling two hundred thousand dollars ($200,000.00) and no payment for [*] units delivered prior to the Amendment Date. If Buyer has paid QUALCOMM all amounts due from Buyer and its affiliates under agreements with QUALCOMM and Purchase Orders issued thereunder, QUALCOMM will provide, at Buyer's option (i) a cash reimbursement of the amount received in excess of one million eight hundred thousand seventy five dollars (US$1,875,000.00) due for the 22,500 Tri-Mode Portable Phones; or (ii) a credit memo against Buyer's future receivables within ten (10) business days of Buyer's written notice requesting either (i) or (ii).

3.2 Equity Interest.

Effective as of the date the Third Amended and Restated Limited Liability Company Agreement of Buyer is approved and becomes effective in accordance with its terms, in substantially the form of Exhibit D attached hereto ("LLC Agreement") and in exchange for:

(1) a membership interest in Globalstar LLC aggregating 309,278 units (equating to three percent (3.0%) of the total equity of Globalstar LLC), calculated pursuant to the applicable provisions of the Debtors' Fourth Amended Joint Plan under Chapter 11 of the Bankruptcy Code, effective June 29, 2004; and

(2) QUALCOMM's receipt of payments by Buyer pursuant to the terms of this First Amendment in the aggregate amount of one million eight hundred thousand seventy five dollars (US$1,875,000.00) (payments previously made by Buyer to QUALCOMM pursuant to Section 3.1 will be counted towards the $1,875,000 amount),

then, QUALCOMM will provide to Buyer:

(A) the Remaining Products as further described in this First Amendment;

(B) the Accessories;

(C) a credit memo or reimbursement check in the amount of the excess of the Credit Amount over one million eight hundred thousand seventy-five dollars (US$1,875,000) pursuant to Section 3.1 hereto.

Until such time as Buyer has satisfied the requirements of Section 3.2 (1) above, Buyer shall continue to pay QUALCOMM [*] cash per unit of Product delivered in accordance with the following payment terms pursuant to the Agreement: twenty-five percent (25%) due following P.O. placement and prior to delivery, and seventy-five percent (75%) within thirty (30) days after FCA delivery, payable on a NET 30 basis.

3.3 Additional Equity Interest.

Effective upon:

(1) Buyer's issuance of additional membership interests in Globalstar LLC of 13.75 Units for each Additional Warranted Phone to be delivered by QUALCOMM pursuant to Section 2.4 above (this member interest together with the membership interest described in Section 3.2(1) above are referred to collectively herein as the "Equity Interest") and

(2) QUALCOMM's receipt of a cash payment by Globalstar LLC for an amount equal to [*] for each Additional Warranted Phone to be delivered by QUALCOMM pursuant to Section 2.4 above,

Then, QUALCOMM will provide to Buyer:

(A) the Additional Warranted Phones as further described in Section 2.4 to be delivered on a mutually agreed to date within thirty (30) days upon completion of Section 3.3 (1) and (2) hereto.

The parties acknowledge that no portion of the Equity Interest shall be certificated, and upon each such issuance Buyer shall provide QUALCOMM with reasonably satisfactory evidence that QUALCOMM is the record owner of the Units constituting the Equity Interest.

3. In connection with the issuance of the Equity Interest to QUALCOMM, QUALCOMM hereby represents and warrants to Buyer as follows:

QUALCOMM is acquiring the Equity Interest for its own account and not on behalf of any other person, and only for the purpose of holding for investment and not with a view to any further distribution thereof. No other person is participating with, or providing or otherwise arranging funds, or credit for QUALCOMM in respect to the acquisition of the Equity Interest. Except as contemplated by the LLC Agreement, QUALCOMM has no agreement, arrangement, or understanding for transfer of any part of the Equity Interest to any other person. QUALCOMM (a) has such knowledge and experience in financial and business matters to be able to evaluate the merits and risks of its investment in the Equity Interest, and (b) is able to bear the economic risk of the investment in the

Equity Interest and to hold the same for purposes of investment, and (c) is an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, as amended. QUALCOMM is aware that no market exists for the resale of the Equity Interest.

4. Except as amended by this First Amendment, the terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Amendment Date.

QUALCOMM Incorporated		**Globalstar LLC**	
By:	/s/ Scott J. Becker	By:	/s/ Anthony J. Navarra
Name:	Scott J. Becker	Name:	Anthony J. Navarra
Title:	Sr. Vice President & General Manager QUALCOMM Wireless Systems Division	Title:	President

Attachments:
Exhibit A-None
Exhibit B-Delivery Schedule
Exhibit C-List of Accessories
Exhibit D-Third Amended and Restated Limited Liability Company Agreement

EXHIBIT B
DELIVERY SCHEDULE
for Tri-Mode Portable Phones

QUANTITY	DELIVERY DATE
1000	May 1, 2004-Complete
1000	May 18, 2004-Complete
1000	June 3, 2004-Complete
350*	June 8, 2004-Complete
650	June 10, 2004-Complete
1000	June 17, 2004-Complete
2000	July 1, 2004-Complete
1750	July 15, 2004-Complete
250*	July 15, 2004-Complete
1600	July 29, 2004-Complete
400*	July 29, 2004-Complete
1500	August 12, 2004-Complete
900	August 25, 2004-Complete
350*	August 25, 2004-Complete
1250	September 16, 2004-Complete
400*	September 30, 2004
850	September 30, 2004
1250	October 14, 2004
1250	October 28, 2004
1250	November 11, 2004
1250	November 30, 2004
1250	December 16, 2004
TOTAL 22,500	

* To be provisioned for and picked up by Globalstar Australia.

All other Phones to be provisioned for and picked up by Globalstar Canada.

EXHIBIT C
LIST OF ACCESSORIES

As of September 17, 2004, the total value of the Inventory is $652,343.
(Depletion may occur based on orders received through the Amendment Date.)

Item	Product Line	Product Number	Inv	Price (US)	Model Number	MCN Description
1	Data Cable, Kit	GDC-1100	7		65-82263-3	KIT, TRI-MODE DATA, GS, MDL CXDTA0512
2	Data Cable, Tri Mode	GDC-1200	342		CV90-81024-1	CABLE ASSY, DATA, PRODUCTION
3	UT Diagnostic Monitor UTDM	GDM-2000	13		64-C1005-7	KIT,COMMERCIAL,UTDM
4	Protective Case, Kit	GPC-1000	9		65-81319-2	KIT,GS PORTABLE UT,PROTECTIVE CASE,PROD,RETAIL
5	Protective Case		7,647		CV90-81053-2	CASE, LEATHER, PHONE, GLOBALSTAR PORTABLE
6	Leather Pouch		4,050	[*]	CV90-81702-2	POUCH, LEATHER, PHONE, GLOBALSTAR PORTABLE
7	Leather Case, Russia	GPC-1200	200		CV90-81053-3	CASE, LEATHER, PHONE, GLOBALSTAR PORTABLE(RUSSIA)
8	Universal Travel Charger, Kit	GSP-1210	1,686		65-81313-2	KIT, GS PORTABLE UT, UNIVERSAL TRAVEL CHARGER, PROD
9	Argentina Travel Charger, Kit	GSP-1211	36		65-82233-1	KIT,UTC,ARGENTINE,GS PORT UT,CXTVL0521
10	Argentina Travel Charger		200		CV90-70794-3	ARGENTINA TRAVEL CHARGER
11	Argentina Wall Charger		1,000		CV90-70793-5	AC WALL CHARGER,ARGENTINE
12	China AC Wall Charger	GSP-1231	10,000		CV90-70793-6	AC WALL CHARGER,PORTABLE UT,CHINA,GLOBALSTAR
13	UT Program Support Tool	GST-1900	8		64-C1005-4	KIT,GS WWT,USER TERMINAL PROGRAM SUPPORT TOOL
14	PST Cable kit	GST-1910	7		65-82460-1	KIT, CABLE,PST, GS
15	Fixed PST Cable		2,666		CV90-81467M3	CBL,DM/PST EIA-561 ANLG FXD PH (5 COND.)
16	Carkit Headset	GCK-0016	1,250		330-25507-0000	HEADSET,SOAP ON ROPE STYLE EARPHONE-MIC
17	Carkit Headset Adapter	GCK-0017	1,189	[*]	CV90-81218-1	ADAPTER, HEADSET, GS CARKIT
18	Carkit Headset, Kit	GCK-0018	16		65-81698-1	KIT, HEADSET, CARKIT, GS
19			1,250		330-25507-0000	HEADSET, SOAP ON ROPE STYLE EARPHONE-MIC

EXHIBIT D

Third Amended and Restated Limited Liability Company Agreement
Of
Globalstar LLC

Formerly Known as New Operating Globalstar LLC

SUPERCEDED BY CERTIFICATE OF INCORPORATION
OF GLOBALSTAR, INC.

QuickLinks

Exhibit 10.14

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

Globalstar Canada Satellite Co.
115 Matheson Blvd. West, Suite 100
Mississauga, Ontario L5R 3L1 CANADA
Tel: (905) 712-6673; Fax (905) 890-2175

CONTRACT

The following numbers must appear on all related correspondence, shipping papers, and invoices:
CONTRACT NUMBER NO: GCSC-C-06-0001

To: **Richardson Electronics, Ltd.**
("Seller")
2410 Vantage Drive
Elgin, IL 60123 USA

From: **Globalstar Canada Satellite Co.**
("Buyer")
115 Matheson Blvd. West, Suite 100
Mississauga, Ontario L5R 3L1
CANADA

CONTRACT DATE	DELIVERY (INCOTERM)	SHIPPING METHOD	CARRIER	SHIP TO
April 17, 2006	FOB Point of Shipment	Seller's Choice	Seller's Choice	To be confirmed by Buyer

ITEM	QUANTITY	DESCRIPTION OF WORK	UNIT PRICE (USD)	EXT. PRICE (USD)
1A 1B 2A 2B 3	8 Lot 60,000 Lot Lot	Seller shall manufacture and deliver Globalstar Antennas ("Products") in accordance with the Contract Documents listed on Page 2. This Contract supersedes Authorization To Proceed Letter PJR0106-002, Revision 2, dated 6 February 2006. The Work to be performed under this Contract shall Commence on 8 February 2006. The Contract Completion Date for all deliveries is 31 July 2009. See Continuation Pages.	See Additional Pages	See Additional Pages
		FIRM FIXED PRICE CONTRACT (PURCHASE PRICE)	TOTAL	$10,520,055

TERMS AND CONDITIONS: Per attached Terms and Conditions of Sale dated 10 March 2006.

Authorized by: **GLOBALSTAR CANADA SATELLITE CO.**		**Accepted by:** **RICHARDSON ELECTRONICS, LTD.**	
By:	/s/ Kelly L. Rose	By:	/s/ Greg Peloquin
Name:	Kelly L. Rose	Name:	Greg Peloquin
Title:	Director, Contracts	Title:	Exec. VP & General Manager of RF & Wireless
Date:	21 Apr. 06	Date:	4/20/06

(A) The Contract Documents are as follows:

(1) Outdoor Antenna Unit (ODU) and Passive Antenna Statement of Work, GS-05-1073, Version 1.0, dated 29 November 2005; and

(2) Globalstar Outdoor Unit Specification, GS-05-1068, Version 1.0, dated 29 November 2005

(B) This is a Firm Fixed-Price Contract:

Line Item	Description	Quantity	Unit Price (USD)	Extended Price (USD)	Delivery Schedule
1A	Prototype ODU Passive Patch	2	[*]	[*]	May 5, 2006
	Passive Quadrifilar	2			May 26, 2006
	Active Patch	2			May 5, 2006
	Active Quadrifilar	2			May 26, 2006
1B	Test Data	Lot	NSP	NSP	10 Weeks ARO

Line Item	Description	Quantity	Unit Price (USD)	Extended Price (USD)	Delivery Schedule
2A	**90 Units**				
	• Patch Active	30	[*]	[*]	90 Units
	• Patch Passive	5			14 Weeks
	• Quadrifilar Active	30			after approval of
	• Quadrifilar Passive	5			4 prototypes
	• Quadrifilar Maritime Active	15			
	• Quadrifilar Maritime Passive	5			
	59,910 Units				
	• Patch Active	22,770			Production
	• Patch Passive	1,195			6 Weeks
	• Quadrifilar Active	22,170			after approval of
	• Quadrifilar Passive	1,615			90 units
	• Quadrifilar Maritime Active	11,985			
	• Quadrifilar Maritime Passive	175			
2B	Monthly Test Data on Production Samples	Lot	NSP	NSP	Initial Production, then monthly thereafter
3	NRE	Lot	[*]	[*]	
OPTION	**Option—Follow on Units, pricing good to 30 June 2007**				

Line Item	Description	Quantity	Unit Price (USD)	Extended Price (USD)	Delivery Schedule
	• Patch Active	TBD	[*]	TBD	In accordance with
	• Patch Passive	TBD		TBD	Contract Production
	• Quadrifilar Active	TBD		TBD	Delivery Schedule
	• Quadrifilar Passive	TBD		TBD	
	• Quadrifilar Maritime Active	TBD		TBD	
	• Quadrifilar Maritime Passive	TBD Quantity availability is subject to manufacturing capacity at time of order		TBD	Delivery availability is subject to manufacturing capacity and lead time at time of order

NSP = Not Specifically Priced

The parties anticipate that the Production Delivery Schedule will commence 6 weeks after approval of the 90 initial units and Seller will use commercially reasonable efforts to meet the following Minimum Monthly Deliveries:

Antenna Type	Minimum Monthly Deliveries (units)	Maximum Monthly Deliveries * (units)
Active Patch	912	1186
Passive Patch	48	62
Active Quadrifilar	888	1154
Passive Quadrifilar	65	85
Active Marine Quadrifilar	480	624
Passive Marine Quadrifilar	10	13

* **unless a higher quantity is mutually agreed to in advance**

Seller shall submit to Buyer a confirmed Production Delivery Schedule by month and year no later than thirty (30) days after Contract Date.

This Contract is fully funded.

With regard to Line Item 3, NRE, Buyer made an advance payment of [*] under the Authorization To Proceed which Seller acknowledges receiving. The balance of [*] is payable within 30 days of receipt of Seller's invoice which Buyer acknowledges authorizing Seller to submit.

TOTAL FIRM FIXED-PRICE US$10,520,055

TERMS AND CONDITIONS OF SALE

(1) EXCLUSIVITY OF TERMS

The terms and conditions set forth herein together with those appearing on the face hereof or attachments hereto shall constitute the complete and exclusive statement of all terms and conditions of the Contract between the Seller and the Buyer.

(2) ACCEPTANCE OF CONTRACT

This Contract shall be subject to acceptance by the Seller only at the Seller's corporate headquarters and by the Buyer only at the Buyer's corporate headquarters.

(3) PACKAGING, DELIVERY AND SHIPMENT TERMS

The Products supplied by the Seller shall be shipped FOB point of shipment. Delivery shall occur at the time the Product has been delivered at the FOB point. Seller shall be responsible for packaging the Products and choosing shipping method and carrier. Prices are quoted exclusive of transportation, insurance and taxes, including without limitation, any taxes whatsoever that might be levied after the Product is delivered due to the Seller's security interest in the Products. Prices do not include license fees, customs fees, duties or any other charges related thereto. The Buyer will pay any and all shipping charges, premiums, taxes, fees, duties, documentation, handling and other charges related thereto and shall hold the Seller harmless therefrom; provided that if Seller, in its sole discretion, chooses to make any such payment, Buyer will reimburse Seller, in full, upon demand. Buyer shall provide "Ship To" addresses and instructions to Seller. Shipping costs shall be billed to Buyer's account to be identified by Buyer.

(4) ACCEPTANCE AND DELIVERY OF SHIPPED PRODUCT

Seller shall provide to Buyer pertinent Test Data from production samples that demonstrate conformance with the requirements of the Acceptance Test Procedure and the Specification. Buyer shall notify Seller of acceptance or rejection of Test Data within 5 working days. Upon receipt of notification of acceptance of Test Data, Seller may ship Product.

(5) PERFORMANCE

Seller shall not be liable for any incidental or consequential damages due to delay of shipment or for any incremental cost incurred by Buyer in the obtaining of replacement goods. Time is of the essence will not apply to this Contract. The Buyer agrees to accept and pay for partial shipments.

(6) SECURITY AGREEMENT

It is agreed by Buyer and Seller that as to the Products which are the subject of this Contract and all accessions thereto and proceeds thereof, a purchase money security interest shall attach with the Seller as a secured party, and with respect to the Products which are resold in any form by the Buyer, Seller shall be the assignee of any security interest which the Buyer retains or obtains in such Products until the Buyer has made payment in full therefor in accordance with the terms hereof. Payment terms under this Contract are net 30 days in accordance with Article 16 of this Contract. Buyer shall be in default if it fails to make any payment as provided for herein or if bankruptcy, receivership or insolvency proceedings are instituted by or against the Buyer or if the Buyer makes any assignment for the benefit of its creditors. Upon Buyer's default, Seller shall have all of the rights and remedies of a secured creditor, as well as those of a seller of goods under the Uniform Commercial Code, and other applicable law, including, but not limited to, the "right to take possession" of the Products herein furnished. Seller may remedy any default and may waive any default without waiving the default remedied or without waiving any prior or subsequent default. Buyer agrees to cooperate fully and assist the Seller in perfecting and/or continuing the Seller's security interest and to execute such documents and accomplish such filings and/or recordings thereof as the Seller may deem necessary for the

protection of the Seller's interest in the Products herein furnished. The making of this contract of sale by the Buyer and the Seller shall constitute their signing of this security agreement.

(7) ASSIGNMENT

This Contract may not be assigned, either in whole or in part, by either party without the express written approval of the other party (which approval shall not be unreasonably withheld or delayed); provided however, this clause does not restrict the Seller from utilizing subsidiaries or other divisions of its company in the manufacture of the Products.

(8) WARRANTY

The Seller warrants that for a period of twelve (12) months from delivery of the Product, such Product will be free from defects in materials and workmanship and will conform to the applicable specifications, drawings and samples. At the option of Seller, Buyer's remedy under warranty shall be a no charge repair or replacement with a compliant Product. WITH THE EXCEPTION OF THE ROHS, WEEE AND PACKAGING DIRECTIVES WARRANTY, THIS WARRANTY IS EXPRESSLY IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS AND/OR IMPLIED, AND ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF THE SELLER, UNLESS SUCH OTHER WARRANTIES, OBLIGATIONS OR LIABILITIES ARE EXPRESSLY AGREED TO IN WRITING BY THE SELLER.

The following criteria must be met by the Buyer prior to the Seller's consideration of any warranty claim. The specific Product must still be within the warranty period. The Buyer may contact the Seller to clarify the exact warranty period as discussed above. The Buyer must obtain a Return Material Authorization (RMA) number from the Seller in advance of the return of the Product. These warranty claims must include the product type, reason for the return and any pertinent serial numbers. The Buyer is responsible for all transportation charges and risk for the returned Product to Seller and must see that the Product is packaged correctly. The Seller is responsible for all transportation charges and risk for the returned Product to Buyer for which warranty remedies were provided. Product submitted for warranty repair and determined not to be defective, shall be returned to Buyer at Buyer's expense.

(9) ROHS, WEEE AND PACKAGING DIRECTIVES

Requirements, Warranty and Indemnity

Buyer has determined that it has a duty to comply with certain environmental standards required by:

(1) Directive 2002/95/EC of the European Parliament and of the Council of 27 January 2003 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (the "ROHS Directive");

(2) Directive 2002/96/EC of the European Parliament and of the Council of 27 January 2003 on waste electrical and electronic equipment (the "WEEE Directive"); and

(3) Directive 94/62/EC of the European Parliament and of the Council of 20 December 1994 on packaging and packaging waste (the "Packaging Directive").

Buyer requires that all Product delivered under this Contract must comply with the above Directives, including any amendments by Commission Decision, Joint Declaration of EU authorities and Directive 2003/108/EC of 8 December 2003 as well as any statute or statutory provision or subordinate legislation introduced or modified from time to time to implement such Directives into EU Member State Law (the "EU Directives").

Seller agrees to manufacture and deliver Product in full compliance with the EU Directives.

Seller represents, warrants and certifies to Buyer that the Product fully complies with and is correctly marked and labeled in accordance with the EU Directives. Seller must provide Buyer with a declaration of such compliance for the Product as well as a Material Composition Declaration. Any Product that is determined to be noncompliant by proper EU national authorities is considered a defective product.

Seller shall immediately, at the sole option of Buyer, either (i) give full refund to Buyer of the purchase price of any defective product or (ii) at no charge to Buyer repair or replace any defective product with a compliant product.

Seller shall defend, indemnify, release and hold harmless Buyer and its Affiliates, directors, officers, employee benefit plans, shareholders, and employees or any of them from any and all third party claims and resulting costs, demands, fines, liabilities, loss penalties, arising out of or as a result of a breach of this clause.

Additional Information

In accordance with the ROHS Directive, no Product may contain 0.1% wt or more of the following substances: lead, hexavalent chromium, mercury, polybrominated biphenyls (PBBs) and polybrominated diphenyl ethers (PBDEs) or 0.01% wt or more of cadmium.

Seller must take all reasonable steps and exercise all due diligence needed to comply with the ROHS Directive, including without limitation, utilizing only ROHS-compliant subcontractors, auditing of subcontractors for compliance, establishing quality assurance processes and procedures for compliance, and maintaining proper documentation of compliance. At the earliest opportunity but in any case no later than shipment of the first 90 production units, Seller shall provide Buyer with (a) Certificate of Compliance with EU Directives (ROHS, WEEE and Packaging); and (b) Material Composition Declarations from suppliers in accordance with Forms IPC-1752-1 v1.0 and IPC-1752-2 v1.0.

Seller must take all reasonable steps to comply with the WEEE Directive information and product marking requirements, where applicable, including a symbol of the crossed-out wheelie bin, with a horizontal bar underneath signifying that the Product has been manufactured after the WEEE Directive came into force, and a marking properly identifying Buyer as the producer of the Product, as instructed by Buyer.

Upon request, Seller will furnish to Buyer, as soon as reasonably practical but in any event within 15 business days of such request, any information and assistance as Buyer, in its reasonable opinion, requires to comply with Buyer's obligations under the EU Directives, including without limitation, the following:

(a) information or evidence of compliance as may from time to time be required by any EU Member State Government relating to the Product;

(b) Product or component design;

(c) marking and labeling Products; and

(d) EU audit requests of Buyer

Seller should keep records for traceability and compliance documentation purposes for at least five (5) years.

(10) INTELLECTUAL PROPERTY RIGHTS INDEMNITY

Seller, at its own expense, shall defend, indemnify and hold the Buyer, Buyer's agent or affiliate, or Buyer's customer harmless against any third party claim or suit and resulting in damages or other judgment rendered against the Buyer based on an allegation that the manufacture of any Product delivered under this Contract or the normal intended use, lease or sale of any such Product infringes any U.S. or foreign letters patent, copyright, trade mark, trade secret or other intellectual property right, provided that the Buyer promptly notifies the Seller in writing of any such claim or suit and gives the Seller authority and such assistance and information as is available to the Buyer for the defense of such claim or suit. Seller will pay all claims, royalties, settlements, judgments and reasonable attorney's fees but Seller will not be responsible for any compromise made without Seller's written consent. If a Product's use is enjoined due to infringement, or if in the opinion of Seller the Product is or is likely to

become the subject of a valid claim or infringement, Seller, at its own election and expense, may: (a) procure for Buyer, Buyer's agent or affiliate, or Buyer's customer the right to continue using such Product; (b) modify or replace such Product so that Buyer, Buyer's agent or affiliate, or Buyer's customer has a noninfringing Product that provides equivalent performance; or if (a) and (b) are not reasonably feasible, remove such Product and accept its return, promptly granting Buyer, Buyer's agent or affiliate, or Buyer's customer a full refund less depreciation on a straightline method over 5 years.

(11) LIMITATION OF LIABILITY

EXCEPT FOR SELLER'S INDEMNIFICATION OBLIGATION UNDER SECTION 9, SELLER'S AGGREGATE LIABILITY SHALL NOT EXCEED THE PAYMENT RECEIVED BY THE SELLER FROM BUYER FOR THE APPLICABLE PRODUCT(S) WHICH IS/ARE THE SUBJECT OF THE CLAIM OR DISPUTE. FOR SELLER'S INDEMNIFICATION OBLIGATION UNDER SECTION 9, SELLER'S AGGREGATE LIABILITY, IN ANY BUYER CLAIM, SHALL NOT EXCEED THE PURCHASE PRICE OF THIS CONTRACT, INCLUDING ALL AGREED UPON CHANGE ORDERS, PROVIDED THAT BUYER IS NOT IN BREACH OF ITS PAYMENT OBLIGATIONS UNDER THIS CONTRACT. BUYER'S LIABILITY IS LIMITED TO THE PURCHASE PRICE OF THIS CONTRACT, INCLUDING ALL AGREED UPON CHANGE ORDERS, TO THE EXTENT SUCH LIMITATION IS ALLOWED BY LAW.

IN NO EVENT WILL EITHER PARTY, NOR ITS AFFILIATES, EMPLOYEES, DIRECTORS, OFFICERS, AGENTS, OR SUPPLIERS BE LIABLE TO THE OTHER FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

(12) APPLICABLE LAW

This Contract shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the State of Illinois.

(13) DISPUTES RESOLUTION

Each party agrees that any dispute between the parties arising between the parties out of or in relation to this Contract or for the breach thereof which the parties are unable to resolve within a reasonable time period will first be submitted in writing to a designated senior executive of both Seller and Buyer who will meet and confer in an effort to resolve such dispute. Any decisions of the executives will be final and binding on the parties. In the event the executives are unable to resolve any dispute within 30 days after submission to them, or in the event either party refuses to designate an executive within 10 days following demand, either party may refer such dispute to arbitration in accordance with this clause. Such dispute shall be resolved in accordance with the then current Rules of the American Arbitration Association by three independent arbitrators experienced in the area of wireless telecommunications. Such arbitrators shall be selected by mutual agreement of the parties, or failing such agreement, each party shall select one arbitrator and the two selected arbitrators shall mutually agree upon the selection of a third arbitrator. The location of the arbitration shall be in Chicago, Illinois USA. The parties shall bear the costs of such arbitration equally and the prevailing party in any arbitration shall be entitled to reasonable attorneys' fees in addition to any other award ordered by the arbitrators (and shall not be subject to Section 11). Nothing in this clause will prevent a party from seeking injunctive relief against the other party from any judicial or administrative authority pending the resolution of a dispute or controversy by arbitration.

(14) RIGHTS IN INTELLECTUAL PROPERTY (IP), SALE OF PRODUCTS AND ROYALTIES

Seller maintains all rights to its pre-existing IP, including the pre-existing IP of its suppliers (Pre-existing IP). Seller obtains rights in all newly created IP, including all derivative works (Development IP).

For the term (from Contract Date until the final delivery of Product) of this Contract, as long as Buyer is not breaching this Contract, Seller grants Buyer an exclusive, perpetual, irrevocable, worldwide, royalty free license ("Exclusive License") to use Pre-existing IP and Development IP solely in connection with the use, sale or repair of Products; provided that, nothing in this paragraph shall limit

Seller's rights to use Pre-existing IP in its sole discretion without any obligation to Buyer as long as such use is not in connection with the Products (except as provided in this section). If Buyer pays for 60,000 units as provided for under the Contract, the Exclusive License shall continue for an additional [*] year period, after which the Exclusive License shall revert to a Non-exclusive License upon 90 days written notice by Seller to Buyer.

Buyer grants back to Seller a sublicense to sell Products to third parties during the term of this Contract, upon Buyer prior approval on a case by case basis, provided that Seller will pay Buyer a royalty of [*] on the sale of each Product.

Buyer grants back to Seller a sublicense to sell Products to third parties outside the term of this Contract for as long as Buyer maintains an Exclusive License upon Buyer prior approval on a case by case basis, provided that Seller will pay Buyer a royalty on the sale of each Product, such royalty to be negotiated in good faith on a case by case basis.

(15) MOST FAVORED CUSTOMER PRICING

During the term of this Contract and one year thereafter, Seller agrees that Buyer shall receive "Most Favored Customer Pricing" with respect to the Products. Specifically, Seller shall not provide other customers (excluding the Federal and/or State governments of the U.S. and including all local and foreign governments) ordering like quantities of Products on like terms with more favorable pricing (net of NRE and royalty adjustments) for newly manufactured Products without offering Buyer the same benefit on price and terms. Buyer shall have the right to audit this provision no more than once each contract year and such audit shall be limit to the prior 12 month period. Audits shall be on reasonable notice during business hours.

(16) INVOICES AND PAYMENTS

Invoices shall be in U.S. dollars and contain the following information:

— Contract Number

— Line Item Number

— Item Description

— Quantities, Unit Price and Extended Totals

— Proof of Delivery

Payment shall be in U.S. dollars within thirty (30) days of Buyer's receipt of a properly submitted and correct invoice. Invoices shall be issued upon shipment of Products. Seller shall be entitled to collect interest of 1% per month on any amount remaining unpaid 60 days after delivery.

The Seller shall submit invoices to Buyer for deliverable Product, no more frequently than monthly, in accordance with the terms of this Contract. Seller shall submit invoices to the following:

Globalstar Canada Satellite Co.
115 Matheson Blvd. West, Suite 100
Mississauga, Ontario L5R 3L1
CANADA
Attention: Mr. Steve Bell

(17) TAXES

The payments to Seller under this Contract shall be net any taxes, export or import duties, charges or remittances fees levied by any government agency against either Seller or Buyer. All said taxes, if applicable, in conjunction with this Contract shall be paid by Buyer.

(18) CHANGE ORDERS

Buyer may at any time, by contract amendment issued to Seller ("Change Order"), make changes within the general scope of this Contract in any one or more of the following: (a) drawings, designs, specifications or scope of work; or (b) delivery schedule, method of shipping or packing or other administrative item. Should any such change increase or decrease the cost of, or the time required for performance of this Contract, an equitable adjustment may be required and must be agreed to by both Parties prior to the change being implemented. Seller shall use reasonable efforts to avoid unnecessary costs resulting from the Change Order. However, nothing in this clause shall excuse the Seller from proceeding with the Contract as changed by Buyer.

(19) TERMINATION FOR CONVENIENCE

Buyer may terminate this Contract, in whole or in part, without cause, upon thirty (30) days written notice to Seller. Upon receipt of any such termination notice, Seller shall, to the extent and at the times specified by Buyer, stop all work on this Contract and cause its subcontractors and suppliers to stop all work that is terminated. Seller shall proceed promptly to comply with Buyer's directions without awaiting settlement or payment of Seller's termination claim. Within twenty (20) calendar days from such termination, Seller may submit to Buyer a claim with the final statement of charges. Seller shall be entitled to reimbursement for all incurred and unreimbursed Non-Recurring Engineering Expenses (NRE), all finished goods, all work in progress and raw materials, component parts, all non-cancelable orders with its suppliers or goods in transit, subject to the mitigation requirements herein. Payment shall be made to Seller within 30 days of submission of its claim if Buyer decides to waive audit or within 30 days of completion of Buyer audit. In no event will the calculation of charges exceed the price of this Contract or conflict with the terms of this Contract with respect to adjustments. Seller shall use its best efforts to reasonably assess open orders, raw materials, work in process and sub-assemblies to determine whether or not such items can reasonably be used by Seller for the manufacture of other products commensurate with its then current business or be diverted for any other reasonable purpose commensurate with its then current business. Seller shall use commercially reasonable efforts to mitigate costs, subject to Buyer's election to take delivery of any materials or goods, and reduce its final statement of charges by the value of such usable items. Buyer shall have no obligation with respect to items lost, damaged, stolen or destroyed prior to delivery to Buyer. Buyer reserves the right to verify Seller's claims and Seller shall make available to Buyer, upon its request, all relevant books, receipts, and records for inspection and audit; provided that any such audit must be completed within 90 days of termination. This clause shall be applicable only to a termination for convenience by Buyer, without any default on Seller's part, and shall not affect or impair any right of Buyer to terminate this Contract upon Seller's default in the performance hereof. Nothing in this clause shall be construed to limit Buyer's legal and equitable rights.

(20) TERMINATION FOR DEFAULT

Should either party fail to materially perform any of its obligations under this Contract for a period of 30 calendar days after receipt of written notice of material default (which shall describe the material default in sufficient detail) from the non-defaulting party, the non-defaulting party may terminate this Contract, or any license or service hereunder that is the subject of such default, immediately upon delivery of written notice to the defaulting party of its election to do so. In addition to other material defaults specified in this Contract, the following are deemed material defaults: (a) an assignment by a party for the benefit of creditors; (b) appointment of a receiver of a party's property used in its performance of this Contract; (c) Seller's insolvency; (d) any assignment contrary to the Assignment clause herein; (e) unlawful, fraudulent or deceptive acts or practices or criminal misconduct by Seller or its employees relevant to Seller's performance; or (f) Seller or any principal owner, director or senior officer of Seller is convicted of or pleads no contest to any felony involving moral turpitude.

In addition, in Buyer's sole discretion, Buyer may, by written notice to Seller and Seller's failure to cure within a cure period of 45 days (unless such longer period is mutually agreed by the parties as

reasonable under the circumstances), terminate this Contract in whole or part if Seller fails to: (a) make delivery of the Products or perform the Services within the time specified and such delay has a material impact on Buyer, or any extension by written change order or amendment; or (b) replace or correct defective Products in accordance with this Contract; or (c) cure a material default of any other provisions of this Contract; or (d) make progress as to endanger performance in accordance with these terms. Upon receipt of any such termination notice, Seller shall, to the extent and at the times specified by Buyer, stop all work on this Contract and cause its subcontractors and suppliers to stop all work that is terminated. Notwithstanding other conditions stated in this Contract, if Seller defaults in the performance of the terms of this Contract in any material manner which remains uncured after proper notice thereof, then Seller, without further cost to Buyer, grants to Buyer an irrevocable, perpetual, worldwide, non-exclusive, royalty free right and license to use, sell, manufacture, and cause to be manufactured or printed any and all Products embodying any and all inventions, discoveries and works of authorship made, conceived or actually reduced to practice in connection with the performance of this Contract. Seller shall promptly provide to Buyer the applicable templates, and other information related to the Development IP necessary for Buyer to carry out these terms.

In the event of termination due to Seller's default pursuant to this clause, Seller shall be entitled only to payment for Products shipped under this Contract prior to the effective termination date and for incurred but unpaid NRE fees (assuming Seller has begun Line Item 2 Production Deliveries). With respect to Seller's subcontracts, all financial responsibility related to such subcontracts, including without limitation, non-cancelable parts, parts in transit, raw material, work in process and incurred but unpaid NRE, shall be borne by Seller; provided that, Buyer agrees to discuss, in good faith, assuming all or a part of such financial responsibility with Seller's subcontractors and such decision shall be at Buyer's sole and absolute discretion. Similarly, the parties agree to discuss in good faith Buyer's continuing need for Seller's raw material and work in process, and such decision to purchase all or part of such raw material and/or work in process shall be at Buyer's sole and absolute discretion. If all or a portion of this Contract is terminated by Buyer pursuant to this clause, Buyer in addition to any other rights provided here or by law, may require Seller to transfer title and deliver to Buyer, in the manner and to the extent directed by Buyer, any completed or partially completed goods and/or services, but at no price greater than the Contract price or reduced by adjustment in accordance with this Contract. Seller's obligations to carry out Buyer's directions as to delivery, protection, and preservation shall not be contingent upon prior agreement as to such agreed amount. Buyer is not obligated to pay Seller for any defaulted items under this Contract and any advance payments for defaulted items will be refunded to Buyer. Nothing in this clause shall be construed to limit Buyer's legal and equitable rights and remedies.

If Seller terminates the agreement for Buyer's material default, Seller shall be entitled to such reimbursement as described in Section 20 and the Exclusive License provided under Section 14 shall automatically revert to a Non-exclusive License.

(21) SEVERABILITY

If any part provision or clause of the terms and conditions of sale, or the application thereof to any person or circumstances, is held invalid, void or unenforceable, such holding shall not affect and shall leave valid all other parts, provisions, clauses or applications of the terms and conditions remaining, and to this end the terms and conditions shall be treated as severable.

(22) PUBLIC RELEASE OF INFORMATION

Within a reasonable time prior to the issuance of news releases, articles, brochures, advertisements, prepared speeches, and other such information releases (except regulatory disclosures required by the U.S. Securities and Exchange Commission) concerning the work performed hereunder, the party desiring to release such information shall obtain the written approval of the other party concerning the content and timing of such releases. Approval will not be unreasonably delayed or denied. The parties

anticipate the issuance of press releases in connection with the execution of the Contract, which press release shall be mutually agreed to between the parties.

(23) NOTICES

Any notices or correspondence required or desired to be given or made hereunder shall be in writing and shall be effective when delivered to an authorized recipient party at the address indicated below:

BUYER: Globalstar Canada Satellite Co.
In care of:
Globalstar, Inc.
461 South Milpitas Blvd.
Milpitas, CA 95035 USA
Attention: [*]

SELLER: Richardson Electronics, Ltd.
40W267 Keslinger Road,
P.O. Box 393
LaFox, IL 60147
Attention: [*]

(24) FORCE MAJEURE

Seller shall not be liable to Buyer for any failure to perform or delay in performance of its obligations hereunder caused by an act of God; outbreak of hostilities; riot, civil disturbance, acts of terrorism, blockades, sabotage, or war; fire, explosion, flood, storm, earthquake, epidemic, or accident; theft, malicious damage, strike, lock-out or industrial action of any kind; transportation or communication conditions; curtailment or failure to obtain electrical or other energy supplies; curtailment or termination of franchises or other supplier agreements, or shipments or deliveries of products from suppliers; supplier or Buyer caused delays; inability to obtain labor, materials, products, or manufacturing facilities; compliance with any law, regulation, or order, whether valid or invalid, acts of any government body or instrumentality thereof.

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Exhibit 10.15

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

MASTER AGREEMENT

between

GLOBALSTAR LLC

And

SPACE SYSTEMS/LORAL, INC.

for

PROFESSIONAL SERVICES

Contract No. GLLC-C-04-0146

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This Agreement is effective as of June 1, 2004, ("Effective Date") and is between Globalstar LLC, a Delaware limited liability company with offices at 461 South Milpitas Blvd., Milpitas, California 95035 USA (hereinafter referred to as "GLLC" or the "Purchaser") and Space Systems/Loral, Inc, a Delaware Corporation with offices at 3825 Fabian Way, Palo Alto, CA 94303-4604, (hereinafter referred to as "Contractor"; collectively the "Parties, or singularly the "Party") for the purpose of providing certain services as defined herein (the "Services") as GLLC may from time to time request. In connection with such Services, the Parties intending to be legally bound, agree as follows:

Article 1. Definition of Terms

The following terms used in this Agreement shall have the following meaning:

"Affiliate" shall mean in relation to either party, any company or entity if that other company or entity directly or indirectly controls, is controlled by, or is under common control with that party.

"Contractor" shall mean Space Systems/Loral, Inc. Contractor shall identify to GLLC all third-party contractors, subcontractors, or agents prior to providing personnel for any task requested hereunder.

"Deliverable Data" shall have the meaning as set forth in Article 28.

"Task Order" shall have the meaning as set forth in Exhibit A.

Article 2. Master Agreement/Term of Agreement

a) This Agreement establishes the terms and conditions on which GLLC shall issue Task Orders substantially in the form as Exhibit A, which when issued and accepted shall be incorporated herein and made a part hereof, for Contractor's Services. This is a time-and-materials type (T&M) contract.

b) The term of this Agreement shall be one (1) year from the Effective Date, unless earlier terminated as provided herein. The term of this Agreement shall be extended for additional one (1) year terms thereafter automatically and without any act of either party for up to ten (10) years, unless GLLC gives written notice to Contractor prior to the end of any term that it has elected not to renew the Agreement for the ensuing term. The terms and conditions of this Agreement shall apply to any Task Order issued hereunder, whether or not the Agreement remains in effect when performance or claim under Task Order is performed/made.

Article 3. Price

The price hereunder shall be established upon a per Task Order basis, with the price hereof updated upon the issuance (or amendment) of Task Orders. The Price to be paid by GLLC hereunder to Contractor within the scope of work detailed herein shall be the sum of all amounts payable to Contractor under all Task Orders issued hereunder.

Article 4. Scope of Agreement

a) GLLC shall authorize Services by issuing to Contractor a written Task Orders from time to time substantially in the form contained in Exhibit A. The term "Services" shall include all labor and/or materials for work performed by Contractor pursuant to a Task Order. Contractor, in its sole discretion may refuse to accept any Task Order, by written notification to GLLC thereof within seven (7) days of receipt of such Task Order. Commencement of Services by Contractor under a Task Order or failure to provide written notification of refusal to accept within the time provided immediately above constitutes acceptance of that Task Order and constitutes agreement to its provisions. The Parties shall establish a estimated schedule and price for each Task Order.

b) After issuance and acceptance of a Task Order, GLLC has the right to make changes within the general scope of Services set forth in any Task Order, by issuance of a written notice to Contractor. If any change affects the time, cost or other provisions for performance under a Task Order, an adjustment shall be agreed to in writing by the parties. In the event that Contractor anticipates that the schedule of effort or price under any Task Order will exceed the agree-upon estimate for such Task Order, Contractor shall so advise GLLC in writing and request direction. In the event that GLLC desires Contractor to continuing performing beyond the Task Order estimated schedule or price, GLLC shall so direct in writing and the estimated schedule and price of the Task Order shall be adjusted accordingly; in the event that GLLC does not desire that Contractor continue performance beyond the Task Order estimated schedule or price, GLLC shall so advise, and Contractor may cease all effort under the Task Order whenever either the actual estimated schedule date or price occurs or is met/expended. In no event shall Contractor be obligated to continue performance beyond the estimated schedule or price of any Task Order.

c) GLLC shall assist and cooperate with Contractor whenever necessary by making GLLC personnel available to Contractor for consultation, permitting reasonable access to GLLC sites, and providing other reasonable information and data required for the performances of the Services.

d) Any Services performed by Contractor pursuant to this Agreement shall be Performed according to the Task Order(s), the terms and conditions hereof, and in a manner consistent with industry standards. GLLC's sole remedy for any breach of Contractor obligations under this subparagraph (d) shall be for Contractor to re-perform such defective services.

Article 5. Invoices and Payments

a) Contractor shall render invoices on a per Task Order basis promptly and no more frequently than monthly. The invoices shall be computed on the basis of one or more of the following methods:

i) Lump Sum — The lump sum or fixed price charge as set forth in the applicable Task Order (if pre-agreed between the Parties).

ii) Schedule of Rates — Those rates set forth in Exhibit B (Contractor's Schedule of Rates), which is attached hereto and made a part hereof by this reference. The rates set forth in Exhibit B are only valid for a period of twelve months from the EDC and are not subject to increase by Contractor during such time. Thereafter, the Parties shall agree, in writing, upon any changes to the rates contained in Exhibit B. Contractor shall have no obligation to perform any work under any Task Order for any period of time that the Parties do not have an agreement on rates set forth in Exhibit B.

b) GLLC shall be liable only for charges and expenses properly incurred against and allocated to a properly issued and unexpired Task Order or by this Agreement. Any other expenses for which Contractor seeks reimbursement are subject to prior review and approval by GLLC.

c) Invoices shall be in U.S. dollars and shall be on a per Task Order basis, and shall separately break out hours billed and rates applied. Materials will be billed at actual cost plus [*] fee, in accordance with Contractor's established cost accounting practices. GLLC shall pay Contractor within (30) thirty days after receipt of each invoice, unless within fifteen (15) days of receipt of the invoice GLLC notifies Contractor that it disputes any of the charges and specify the nature of the dispute. Notwithstanding the foregoing, GLLC shall pay Contractor for any charges not in dispute.

d) If GLLC disputes any invoice rendered or amount claimed, GLLC will notify Contractor and the parties will work together in good faith to resolve the dispute expeditiously.

e) All invoices shall reference the Contract Number and the applicable Task Order for submission to the following address:

Globalstar LLC
P.O. Box 640670
San Jose, CA 95164-0670
United States of America
Attn: Accounts Payable

Article 6. Independent Contractor

This Agreement does not establish an employer-employee relationship between GLLC and Contractor. Contractor's personnel are not employees or agents of GLLC and Contractor retains the right and responsibility to exercise full control and supervision over the performance, employment, direction, compensation and discharge of any and all of Contractor's personnel assisting in the performance of Contractor's obligations. Contractor will be solely responsible for all matters relating to payment of Contractor's personnel, including compliance with workers' compensation, unemployment, disability insurance, social security, withholding and all other federal, state and local laws, rules and regulations governing such matters. Contractor is responsible for Contractor's own acts and those of Contractor's personnel during the performance of Contractor's obligations under this Agreement.

Article 7. Taxes

All taxes payable with respect to Services (excluding Deliverables as defined in Article 12 below) shall be the obligation of Contractor.

Article 8. Records and Audits

Contractor shall maintain accurate records of all matters that relate to Contractor's obligations under this Agreement in accordance with generally accepted accounting principles and practices uniformly and consistently applied. Contractor shall retain such records for a period of three (3) years from the date of final payment under any Task Order.

Contractor shall permit GLLC, at GLLC's sole cost, to retain an audit firm acceptable to Contractor, which acceptance shall not be unreasonably withheld or delayed, to audit at a reasonable time and no more than once per annum, Contractor's accounting records (to verify that the hours and materials billed were in fact charged and procured) under this Agreement. Contractor shall have the right to redact from any audit report any detailed rate information, and such report shall be considered as Contractor Confidential Information and shall be protected pursuant to Article 13, regardless of how marked.

Article 9. Termination

a) Termination of Agreement. GLLC may terminate this Agreement upon thirty (30) days written notice to Contractor stating the effective date of the termination. The expiration or termination of this Agreement shall not affect the rights and obligations of the parties where the context of any provision indicates an intent by the parties that it shall survive the term or termination of this Agreement. Any Task Order that has not been completed shall be processed pursuant to Article 9 b.

b) Termination of Task Order. GLLC may terminate any Task Order upon ten (10) days' prior written notice stating the Services to be deemed completed by the effective date of the termination. Upon receipt of any termination notice and unless otherwise specified in the termination notice by GLLC, Contractor shall not incur additional costs or expenses beyond the effective date of termination. During the ten (10) day termination period, Contractor shall

provide information and assistance to GLLC to transition or wind down the services, as specified solely by GLLC, and the costs of all of such effort shall be considered allowable hereunder. GLLC shall pay Contractor for any Services not previously billed that were performed up to the effective date of the termination. If compensation is based on daily or hourly rates, GLLC shall pay Contractor in accordance with such rates for Services performed up to the effective date of the termination. If compensation is based on a lump sum or fixed price, GLLC shall pay the pro rata portion of such amount representing the Services completed prior to the effective date of the termination. GLLC shall pay Contractor's costs reasonably incurred but not to exceed the authorized price of any specific Task Order.

c) Default. If either party materially defaults in its obligations under this Agreement and/or any Task Order and such default continues for ten (10) days after written notice thereof by the party not in default, the non-defaulting party may, in addition to all other rights or this Agreement, terminate this Agreement and/or and Task Order.

d) Upon any termination or expiration of this Agreement or a Task Order as provided in this Article, Contractor shall deliver promptly to GLLC all Deliverables, whether complete or incomplete (in exchange for which Contractor shall be entitled to payment as provided in subparagraph (b) above of this Article), together with all copies of any documents, software, specifications, and other materials which were furnished by GLLC to Contractor or are GLLC's property.

Article 10. Indemnification

a) Contractor's Indemnity

Contractor shall defend, indemnify and hold harmless Purchaser and its directors, officers, employees, shareholders, agents, from and against any losses, damages, liabilities, suits and expenses (including reasonable attorneys' fees) (collectively, "Losses") attributable to third party claims for bodily injury or property damage (not including any launched GLLC satellite), but only if such Losses were caused by, or resulted from, a negligent act or omission or willful misconduct of Contractor or its employees or representatives.

b) Purchaser's Indemnity

Purchaser shall defend, indemnify and hold harmless Contractor, and its directors, officers, employees, shareholders and agents, from and against any Losses attributable to third party claims for bodily injury or property damage, but only if such Losses were caused by, or resulted from, negligent acts or omissions of Purchaser or its employees or representatives.

c) Conditions to Indemnification

The right to any indemnity specified in Article 10 a) and Article 10 b) shall be subject to the following conditions:

i. The Party seeking indemnification (the "Indemnitee") shall promptly advise the other Party in writing of the filing of any suit or of any written or oral claim for which the Indemnitee believes it is entitled to indemnification and shall provide the other Party, at its request, with copies of all documentation relevant to such suit or claim.

ii. The Party seeking indemnification shall not make any admission nor shall it reach a compromise or settlement for which it intends to seek indemnification without the prior written approval of the other Party.

iii. The indemnifying Party shall assist and shall have the right to assume, when not contrary to the governing rules of procedure, the defense of any claim or suit in settlement thereof and shall satisfy any judgments rendered by a court of competent jurisdiction in such suits and shall make all settlement payments. The Party seeking indemnification may

participate in any defense at its own expense, using counsel reasonably acceptable to the indemnifying Party, provided there is no conflict of interest and that such participation would not adversely affect the conduct of the proceedings.

Article 11. Insurance

Each Party shall procure at its own expense and maintain in place comprehensive general liability insurance with such limits and on such terms and conditions with insurers of recognized reputation in order to provide for the payment of claims arising from the liabilities for which such Party has agreed to indemnify against under Article 10. Each Party shall obtain a waiver of subrogation and release of any right of recovery against the other Party and its contractors and subcontractors at any tier (including suppliers of any kind) and the respective directors, officers, employees, shareholders and agents of each of the foregoing, that are involved in the performance of this Contract from any insurer providing coverage for the risks such Party has agreed to indemnify against under Article 10. Each Party shall further procure at its own expense and maintain in place Worker's Compensation insurance for such Party's employees involved in the performance of this Contract.

Article 12. Deliverables, Title and Acceptance

a) Data Deliverables

Contractor shall retain title to all Deliverable Data utilized, developed or provided by Contractor hereunder or under any Task Order, including proposals, reports, manuals and software. Subject to U.S. export regulations and applicable export restrictions Contractor grants to GLLC an irrevocable, royalty-free, non-exclusive license, with right to sublicense to entities other than competitors of Contractor, to obtain and use the Deliverable Data for the purpose of testing, operating and maintaining GLLC satellites, the Globalstar System, related ground equipment and any deliverable items provided by Contractor hereunder (including any Task Order), and for no other purpose.

b) Hardware Deliverables

Any equipment ordered and delivered under a Task Order shall specify the conditions for title transfer, risk of loss, acceptance and warranty as governed by the appropriate provisions contained in the applicable Task Order, or if no provision for transfer of title, risk of loss or acceptance is made in the applicable Task Order, title transfer, risk of loss and acceptance shall occur upon payment by GLLC for such equipment (however, in the absence of specific warranty provisions in the Applicable Task Order, Contractor makes no warranty as to the equipment delivered thereunder), and GLLC shall promptly make arrangement for the delivery of such equipment at GLLC expense or Contractor shall be entitled to charge GLLC for storage, and insurance for such equipment.

c) Acceptance

After Acceptance, Contractor shall consider any request by GLLC to correct, update or otherwise change the deliverable items, and Contractor's work to make such modifications to the deliverable items shall be chargeable to the applicable Task Order.

Article 13. Disclosure and Handling of Proprietary Information

a) Definition of Proprietary Information

For the purpose of this Contract, "Proprietary Information" means all information (other than Deliverable Data, which is subject to the provisions of Article 12), in whatever form transmitted, that is disclosed by such Party (hereinafter referred to as the "disclosing party") to the other Party hereto (hereinafter referred to as the "receiving party") relating to the performance by the disclosing party of this Contract and: (i) is identified as proprietary by means of a written legend thereon, or (ii) if disclosed orally, is identified as proprietary at the time of initial disclosure and then summarized in a written document, with the Proprietary Information specifically identified, that is supplied to the receiving party within fifteen (15) days of initial disclosure. Proprietary Information shall not include any information disclosed by a Party that (i) is already known to the receiving party at the time of its disclosure, as evidenced by written records of the receiving party, without an obligation of confidentiality at the time of disclosure; (ii) is or becomes publicly known through no wrongful act of the receiving party; or (iii) is independently developed by the receiving party as evidenced by written records of the receiving party.

b) Terms for Handling and Use of Proprietary Information

For a period of ten (10) years after receipt of any Proprietary Information, the receiving party shall not disclose Proprietary Information that it obtains from the disclosing party to any person or entity except its employees and agents who have a need to know, who have been informed of and have agreed to abide by the receiving party's obligations under this Article 13, and who are authorized pursuant to applicable U.S. export control laws and licenses or other approvals to receive such information. The receiving party shall use not less than the same degree of care to avoid disclosure of such Proprietary Information as it uses for its own Proprietary Information of like importance; but in no event less than a reasonable degree of care. Proprietary Information shall be used only for the purpose of performing the obligations under this Contract, or as the disclosing party otherwise authorizes in writing.

IN NO EVENT SHALL PURCHASER DISCLOSE OR TRANSFER CONTRACTOR-PROVIDED TECHNICAL INFORMATION OR PROVIDE TECHNICAL SERVICES BASED ON CONTRACTOR-FURNISHED TECHNICAL INFORMATION TO NON-U.S. (FOREIGN PERSONS) INSURANCE BROKERS OR UNDERWRITERS OR OTHER FOREIGN PERSONS OR ENTITIES (AS DEFINED IN 22 CFR SECTION 120.16 OF THE U.S. INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR), 22 CFR 120-130) EXCEPT IN COMPLIANCE WITH ALL APPLICABLE U.S. EXPORT CONTROL LAWS, REGULATIONS AND LICENSE CONDITIONS.

c) Disclaimer of Representations and Warranties

Neither Party makes any representation or warranty regarding the accuracy or completeness of, or absence of defects in, the Proprietary Information disclosed hereunder, or with respect to infringement of any rights, including intellectual property rights of others, arising from its disclosure of Proprietary Information hereunder. Neither Party shall be liable for damages of whatever kind as a result of the other Party's reliance on or use of the Proprietary Information provided under this Article 13.

d) Legally Required Disclosures

Notwithstanding the foregoing, in the event that the receiving party becomes legally compelled to disclose Proprietary Information of the disclosing party, including this Contract or other supporting document(s), the receiving party shall, to the extent practicable under the

circumstances, provide the disclosing party with written notice thereof so that the disclosing party may seek a protective order or other appropriate remedy, or to allow the disclosing party to redact such portions of the Proprietary Information as the disclosing party deems appropriate. In any such event, the receiving party will disclose only such information as is legally required, and will cooperate with the disclosing party (at the disclosing party's expense) to obtain proprietary treatment for any Proprietary Information being disclosed.

e) Disclosure of Contract Terms

Notwithstanding anything to the contrary in this Article 13, and subject to applicable export restrictions and Article 13d) above, the terms and conditions of this Contract may not be disclosed by either Party to any person except with the prior written consent of the other Party, provided, in each case, that the recipient of such information agrees to treat such information as confidential and executes and delivers a confidentiality agreement reasonably acceptable to both Parties or is otherwise subject to confidentiality obligations reasonably satisfactory to both Parties.

Article 14. Assignment and Delegation

Neither Party shall assign its rights and/or delegate its duties, either in whole or in part, under this Agreement or any Task Order to anyone without written consent of the other Party, which approval shall not be unreasonably withheld or denied.

Article 15. Notices

Except as otherwise provided herein, all notices under this Agreement shall be deemed to have been sent when made in writing and delivered in person or deposited in the United States mail, postage prepaid and addressed as follows:

TO: Space Systems/Loral, Inc.
("Contractor")
3825 Fabian Way
Palo Alto, CA 94303
ATTN: Contracts Depart.

TO: Globalstar LLC
("Purchaser")
461 South Milpitas Blvd.
Milpitas, CA 95035
ATTN: Contracts Dept.

Article 16. Compliance with Laws

The Parties agree to comply with all applicable federal, state and local laws, regulations, and codes in the performance of this Agreement, including without limitation the U.S. Foreign Corrupt Practices Act, as amended by the OECD Convention of 1998.

Article 17. Waivers and Amendments

Waiver by either party of any default by the other party is not a waiver of any other default. No provision of this Agreement or any written Task Order shall be waived, amended, or modified by either party, unless it is in writing and signed by an authorized representative of the party against whom it is sought to enforce such waiver, amendment, or modification.

Article 18. Order of Precedence

In the event of any conflict or inconsistency between provisions of this Agreement and the provisions of a Task Order, the provisions of the Task Order shall control.

Article 19. Governing Law

This Agreement will be governed by and interpreted in accordance with the laws of the State of California, including the California Commercial Code as applied to contracts entered into and to be performed entirely within California, but excluding conflict law rules and principles. Jurisdiction and venue for actions or proceedings related in any way to this Agreement will be in the state or federal courts of Northern California. The Parties agree to exclude entirely the application of the United Nations Convention on Contracts for the International Sale of Goods from this Agreement and from any agreement or transaction that may be executed or carried out pursuant to this Agreement.

Article 20. Severability

If any provision, or any portion of any provision, contained in this Agreement is held invalid or unenforceable, then it shall, to that extent alone, be deemed omitted and the entire Agreement or provision shall be construed as if not containing the particular invalid or unenforceable provision or portion thereof.

Article 21. Survival

The terms, conditions, and warranties contained in this Agreement or any Task Order which by their nature survive the expiration or termination of this Agreement shall survive, including but not limited to Article 10 Indemnification, Article 13 Disclosure and Article 27 Limitation of Liability.

Article 22. Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof. All prior agreements, representations, statements, negotiations, understandings, and undertakings dealing with the subject matter hereof are superseded by this Agreement.

Article 23. No Solicitation of Employment

Each Party agrees that it will not attempt to employ, engage or offer employment or engagement to, or solicit for employment, employees of the other party during that particular Contractor's personnel period of assignment under any Task Order. However, if the employee terminates employment with the one Party of his/her own volition, the other Party may consider him/her for employment after the termination of the Task Order and/or Agreement.

Article 24. Force Majeure

Neither Party will be liable for any delay in meeting or for failure to meet its obligations under the Agreement and/or any Task Order due to any cause outside its reasonable control including, without limitation, strikes, lockouts, Acts of God, or of the public enemy, war, riot, malicious acts of damage, fire, acts of governmental authority, or failure of the electric supply, or non-availability or shortages of materials outside its reasonable control and not owing to the fault or negligence of the Party (each a "Force Majeure Event"). In the event either Party is prevented from meeting its obligations due to any Force Majeure Event, it will notify the other Party of the circumstances and the other Party will grant a reasonable extension to enable the performance under the affected Task Order(s) unless such other party reasonably believes that the performance on such extended schedule would be unsatisfactory, in which case the affected Task Order(s) shall be terminated pursuant to Article 9 (b).

Article 25. Dispute Resolution

Any dispute or controversy of differences arising between the parties out of or in relation to this Consulting Agreement or for the breach thereof shall be resolved in accordance with the then current Rules of Arbitration of the American Arbitration Association by three arbitrators competent in the area of wireless telecommunications. Such arbitrators shall be selected by mutual agreement of the parties, or failing such agreement, each party shall select one arbitrator and the two selected arbitrators shall mutually agree upon the selection of a third arbitrator. The proceedings shall be held in San Jose, California, The arbitrators shall be bound to apply California law and where applicable, federal statutory law. The parties shall bear the cost of such arbitration equally and the prevailing party in any such arbitration shall be entitled to reasonable attorneys' fees, in addition to any other award ordered by the arbitrators. The arbitrators' decision shall be final and binding on the Parties and enforceable in any court of competent jurisdiction. Any monetary award made by the arbitrators shall be subject to the limitation of liability set forth in Article 27. This Article 25 shall survive any expiration or termination of this Agreement and shall continue to be enforceable in the event of bankruptcy of either party.

Article 26. Export Control

Compliance with the export regulations is mandatory. Any personnel that may be restricted from access to technical information or where an export license is required must be disclosed to GLLC or Contractor as applicable, prior to such personnel being assigned to any tasks hereunder. Contractor shall comply with and obtain all export licenses, permits, and approvals as necessary to perform the task under this Agreement or any related Task Order, including but not limited to, compliance with restrictions on dissemination of information and reexport as provided by the U.S. Export Administration, State Department, Department of Commerce or other governing body with respect to export control. Contractor agrees not to transmit any technology, software or computer source code in connection with the Services to any country or to any citizen or resident of any country that is contrary to U.S. or local law governing export compliance.

NOTWITHSTANDING ANY PROVISION IN THE CONTRACT, IN NO EVENT SHALL CONTRACTOR BE OBLIGATED UNDER THIS CONTRACT TO PROVIDE ACCESS TO CONTRACTOR FACILITIES; PROVIDE ACCESS TO OR FURNISH HARDWARE, SOFTWARE, DELIVERABLE DATA OR OTHER TECHNICAL INFORMATION; OR PROVIDE TECHNICAL SERVICES, TO ANY PERSON EXCEPT IN COMPLIANCE WITH APPLICABLE U.S. EXPORT CONTROL LAWS, REGULATIONS, POLICIES AND LICENSE CONDITIONS, AS CONSTRUED BY CONTRACTOR.

EACH PARTY UNDERSTANDS AND WARRANTS THAT IT SHALL NOT RE-EXPORT, RE-TRANSFER OR DIVERT TO ANY THIRD PARTY ANY ITEM, INCLUDING DATA AND INFORMATION PROVIDED BY THE OTHER PARTY UNDER OR IN CONNECTION WITH THIS CONTRACT, EXCEPT AS EXPRESSLY AUTHORIZED BY THE U.S. GOVERNMENT IN ACCORDANCE WITH THE EXPORT LICENSES OR AS OTHERWISE EXPRESSLY AUTHORIZED UNDER U.S. EXPORT CONTROL LAWS.

Article 27. Limitation of Liability

NEITHER PARTY SHALL BE LIABLE DIRECTLY OR INDIRECTLY TO THE OTHER, TO THEIR, OFFICERS, DIRECTORS, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS AT ANY THEIR (INCLUDING SUPPLIERS OF ANY KIND) AGENTS OR CUSTOMERS, TO ITS PERMITTED ASSIGNEES OR SUCCESSOR OR TO ANY OTHER PERSON CLAIMING BY OR THROUGH THE OTHER PARTY, FOR ANY AMOUNTS REPRESENTING LOSS OF PROFITS, LOSS OF BUSINESS, OR INDIRECT, SPECIAL,

INCIDENTAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION, LOST PROFITS, LOST REVENUES OR COSTS OF RECOVERING A SATELLITE, OR FOR ANY LOSS OR DAMAGE TO GLLC'S SATELLITES RESULTING FROM GLLC'S APPLICATION OR IMPLEMENTATION OF CONTRACTOR'S SERVICES INCLUDING RECOMMENDATIONS, DATA ANALYSES REPORTS RELATING TO SATELLITE ANOMALY INVESTIGATION AND CORRECTION ACTIVITIES OR ARISING FROM OR RELATING TO THE PERFORMANCE OR NONPERFORMANCE OF THIS CONTRACT OR ANY ACTS OR OMISSIONS ASSOCIATED THEREWITH OR RELATED TO THE USE OF ANY ITEMS DELIVERED OR SERVICES FURNISHED HEREUNDER, WHETHER THE BASIS OF SUCH LIABILITY IS BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE OF ANY TYPE AND STRICT LIABILITY), STATUTE OR OTHER LEGAL OR EQUITABLE THEORY. EACH PARTY SHALL INDEMNIFY THE OTHER AND HOLD SUCH OTHER HARMLESS FOR AND AGAINST ANY CLAIM ASSERTED DIRECTLY OR INDIRECTLY AGAINST SUCH PARTY THAT IS WITHIN THE SCOPE OF THE FOREGOING LIMITATION OF LIABILITY AND DISCLAIMER. IN NO EVENT SHALL CONTRACTOR'S TOTAL LIABILITY UNDER OR IN CONNECTION WITH THIS CONTRACT EXCEED AMOUNTS PAID TO CONTRACTOR HEREUNDER UNDER THE APPLICABLE TASK ORDER(S) AND IN NO EVENT SHALL GLLC'S TOTAL LIABILITY UNDER OR IN CONNECTION WITH THIS CONTRACT EXCEED THE PRICE OF THE APPLICABLE TASK ORDER (S).

Article 28. Warranty

a) Deliverable Items of Hardware

Contractor makes no warranty regarding any deliverable item of hardware to be delivered under this Contract, except as otherwise explicitly set forth in the applicable Task Order.

b) Disclaimer. EXCEPT AND TO THE EXTENT EXPRESSLY PROVIDED IN ARTICLE 28a), CONTRACTOR HAS NOT MADE NOR DOES IT HEREBY MAKE ANY REPRESENTATION OR WARRANTY, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF DESIGN, OPERATION, CONDITION, QUALITY, SUITABILITY OR MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, WITH REGARD TO ANY SERVICES APPLIED TO GLLC'S EXISTING SATELLITES OR TO ANY DELIVERABLE ITEM

c) Warranty for Services

Contractor warrants that the services it provides to GLLC pursuant to this Contract will conform to reasonable industry standards at the time such services are provided. In the event Contractor breaches this warranty, as GLLC's sole remedy, Contractor shall apply all reasonable efforts as authorized by GLLC to correct the deficiencies in the provision of such services where it is practicable to do so under the applicable Task Order.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives who have the authority to bind the parties to the terms of this Agreement.

Agreed and Accepted:

SPACE SYSTEMS/LORAL, INC. ("Contractor")		**GLOBALSTAR LLC** ("Purchaser")	
BY:	/S/ RON HALEY	BY:	/s/ KELLY L. ROSE
NAME:	RON HALEY	NAME:	KELLY L. ROSE
TITLE:	CFO	TITLE:	Director, Contracts

EXHIBIT A—TASK ORDER FOR PROFESSIONAL SERVICES

MASTER AGREEMENT NO.

TASK ORDER NO.

DATE:

CONTRACTOR COMPANY:

ADDRESS:

ATTN:

PROJECT:

GLLC requests Contractor to provide the Services described below subject to the terms and conditions of set forth herein and in accordance with the provisions of the Master Agreement listed above for Contractor Professional Services, dated _____ by and between GLOBALSTAR LLC ("GLLC") and Contractor ("Contractor").

1. Contractor's personnel who will perform Services:

2. Description of Services (include specifics on Deliverables, timetable for Deliverables and attach supporting documents, as necessary):

3. Location for Services:

4. The Effective Date of this Task Order begins on _____ and shall expire _____ or when **USD$**_____ in Services (which includes _____ in reimbursable expenses) have accrued, whichever occurs first.

5. Reports to be furnished by Contractor:

6. Compensation shall be:

a) For Contractor Professional Services (excluding reimbursable expenses) and materials

ANY ADDITIONAL COMPENSATION FOR SERVICES PERFORMED BY CONTRACTOR OUTSIDE THE DESCRIPTION OF SERVICES OR THE COMPENSATION LIMIT STATED ABOVE, OR OTHERWISE OUTSIDE THE SCOPE OF THIS TASK ORDER, MUST BE APPROVED IN WRITING IN ADVANCE BY AUTHORIZED REPRESENTATIVES OF THE PARTIES.

b) For Reimbursable Expenses:

Note: All travel shall be approved in advance by GLLC. Travel expenses shall be reimbursed according to Contractor's travel policy.

7. Special terms applicable to this Task Order: (e.g. Title Transfer, Rick of Loss, Warranty Period)

Except as stated or modified herein, the terms of the Master Agreement under which this Task Order is issued shall be applicable hereto as if fully set forth herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives who have the authority to bond the parties to the terms of this Agreement.

Agreed and Accepted:

SPACE SYSTEMS/LORAL, INC. **"CONTRACTOR"**		**GLOBALSTAR LLC** **"PURCHASER"**	
BY:		BY:	
NAME:		NAME:	
TITLE:		TITLE:	

EXHIBIT B—CONTRACTOR'S SCHEDULE OF RATES

(as applicable)

Title	Rate/Hour
Engineer	$ [*]
Senior Engineer	$ [*]
Engineering Specialist	$ [*]
Technician	$ [*]
Administrative Support	$ [*]
Management	$ [*]

AMENDMENT NUMBER 2
TO
THE MASTER AGREEMENT
BETWEEN
GLOBALSTAR, INC.
AND
SPACE SYSTEMS/LORAL, INC.
FOR
PROFESSIONAL SERVICES

This Amendment Number (No.) 2 is entered into as of the first day of June 2006, between Space Systems/Loral, Inc., a Delaware corporation with offices at 3825 Fabian Way, Palo Alto, California 94303 (hereinafter referred to as "SS/L" or "Contractor") and Globalstar, Inc., a Delaware corporation with offices at 461 South Milpitas Blvd., Milpitas, CA 95035 USA (hereinafter referred to as "Globalstar" or "Purchaser"; collectively the "Parties" or singularly the "Party").

WHEREAS, Contractor and Globalstar LLC executed the Master Agreement for Professional Services No. GLLC-C-04-0146 effective June 1, 2004 (the "Contract"); and

WHEREAS, Globalstar LLC converted from a Delaware limited liability company to a Delaware corporation named "Globalstar, Inc." effective 17 March 2006; and

WHEREAS, the Parties executed Amendment No. 1 to the Contract to adjust the hourly charge rates for use during the twelve month period ending May 31, 2006, and desire to adjust the Contract to reflect the hourly charge rates for the period beginning on June 1, 2006 and ending on May 31, 2007.

NOW THEREFORE, for valid consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to: substitute Globalstar, Inc. for Globalstar LLC, for all purposes under this Contract; to adjust the charge rates for the next twelve month period ending on May 31, 2007; and to make such further and consistent modifications as follows:

A. MODIFIED PROVISIONS

1. DELETE "EXHIBIT B REVISION 1—CONTRACTOR'S SCHEDULE OF RATES FOR THE PERIOD JUNE 1, 2005 THROUGH MAY 31, 2006" in its entirety and INSERT IN LIEU THEREOF "EXHIBIT B REVISION 2—CONTRACTOR'S SCHEDULE OF RATES FOR THE PERIOD JUNE 1, 2006 THROUGH MAY 31, 2007" as attached to this Amendment No 2.

B. The Parties agree that Globalstar LLC be released from all further liability and obligation under this Contract and shall relinquish all rights herein to Globalstar, Inc., who agrees to be a substituted party for Globalstar LLC and to bound by all the terms and conditions of this Contract as if an original signatory party. Any actions taken or performance received hereunder by Globalstar LLC shall be deemed as actions taken and performance received by Globalstar, Inc. Further Globalstar, Inc. agrees to be bound by all actions taken by Globalstar LLC hereunder as if actions taken by Globalstar, Inc.

C. Except as expressly modified herein, all terms, conditions, obligations and covenants of the Contract shall remain and continue in full force and effect unless otherwise defined in this Amendment No. 2, capitalized terms contained herein shall have the same meaning as in the Contract.

D. Counterparts. This Amendment No. 2 may be executed in a number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes and all such counterparts shall collectively constitute one agreement, but in making proof of this Second

Amendment it shall not be necessary to produce or account for more than one such counterpart. Execution of this amendment by facsimile or by electronic mail delivery in PDF format shall be effective to create a binding agreement and, if requested, Contractor and Purchaser agree to exchange original signed counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 to the Contract as of the day and year first above written.

CONTRACTOR

Space Systems/Loral, Inc.

By: /s/ R.A. HALEY

Name: R.A. HALEY
Title: Senior Vice President &
Chief Financial Officer

PURCHASER:

Globalstar, Inc.

By: /s/ PAUL ROSATI

Name: PAUL ROSATI
Title: Contracts Manager

Globalstar LLC

By: /s/ PAUL ROSATI

Name: PAUL ROSATI
Title: Contracts Manager

EXHIBIT B REVISION 2

CONTRACTOR'S SCHEDULE OF RATES FOR

THE PERIOD JUNE 1, 2006 THROUGH MAY 31, 2007

(as applicable)

Title	Rate/Hour
Engineer	$ [*]
Senior Engineer	$ [*]
Engineering Specialist	$ [*]
Technician	$ [*]
Administrative Support	$ [*]
Management	$ [*]

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Exhibit 16.1

GHP Horwath

GHP Horwath, P.C.
1670 Broadway, Suite 3000
Denver, Colorado 80202
303.831.5000
303.831.5032 Fax
www.GHPHorwath.com

August 17, 2006

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

RE: Globalstar, Inc.

Commissioners:

We have read the statements made by Globalstar, Inc. (formerly known as Globalstar LLC) included in the section titled: "Changes in and Disagreements with Accountants on Accounting and Financial Disclosures" included in Form S-1 dated July 17, 2006. We agree with the statements concerning our firm in that section of Form S-1. We have no basis to agree or disagree with other statements made in that section of Form S-1.

Very truly yours,

/s/ GHP HORWATH, P.C.
GHP HORWATH, P.C.

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Exhibit 21.1

Subsidiaries of Globalstar, Inc.

As of August 1, 2006, the major subsidiaries of Globalstar, Inc., the jurisdiction of organization and the percent of voting securities owned by the immediate parent entity were as follows:

Subsidiary	Organized Under Laws of	% of Voting Securities Owned by Immediate Parent
GSSI, LLC	Delaware	100%
ATSS Canada, Inc.	Delaware	100%
Globalstar C, LLC	Delaware	100%
Mobile Satellite Services B.V.	Netherlands	100%
Globalstar Europe, S.A.R.L.	France	100%
Globalstar Europe Satellite Services, Ltd.	Ireland	100%
Globalstar Leasing LLC	Delaware	100%
Globalstar Licensee LLC	Delaware	100%
Globalstar Security Services, LLC	Delaware	100%
Globalstar USA, LLC	Delaware	100%
GUSA Licensee LLC	Delaware	100%
Government Services, L.L.C.	Delaware	75%(1)
Globalstar Canada Satellite Co.	Nova Scotia, Canada	99%(2)
Globalstar de Venezuela, C.A.	Venezuela	100%
Globalstar Colombia, Ltda.	Colombia	100%
Globalstar Caribbean Ltd.	Cayman Islands	100%
GCL Licensee LLC	Delaware	100%
Globalstar Americas Acquisitions, Ltd.	British Virgin Islands	100%
Globalstar Americas Holding Ltd.	British Virgin Islands	100%
Globalstar Gateway Company S.A.	Nicaragua	100%
Globalstar Americas Telecommunications Ltd.	British Virgin Islands	100%
Globalstar Honduras S.A.	Honduras	100%
Globalstar Nicaragua S.A.	Nicaragua	100%
Globalstar de El Salvador, SA de CV	El Salvador	100%
Globalstar Panama, Corp.	Panama	100%
Globalstar Guatemala S.A.	Guatemala	100%
Astral Technologies Investment Ltd.	British Virgin Islands	100%

(1) 25% is owned by an unaffiliated party

(2) 1% is owned by ATSS Canada, Inc.

The names of five subsidiaries have been omitted. In the aggregate, these subsidiaries do not constitute a significant subsidiary as defined under SEC rules.

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 1 to Registration Statement No. 333-135809 on Form S-1 of Globalstar, Inc. of our report dated May 15, 2006 on the consolidated financial statements of Globalstar, Inc. as of and for the year ended December 31, 2005, and to the reference to us under the heading "Experts" in the Prospectus which is a part of this Registration Statement.

/s/ Crowe Chizek and Company LLP

Oak Brook, Illinois
August 25, 2006

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Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Amendment No. 1 to Registration Statement No. 333-135809 of our report dated April 13, 2005 (except for note 12 as to which the date is May 12, 2006), relating to the consolidated financial statements of Globalstar, Inc. (formerly known as Globalstar LLC) and subsidiaries (Successor Company) as of December 31, 2004, the year then ended and the period from December 5, 2003 to December 31, 2003, and the consolidated financial statements of Globalstar, L.P. and subsidiaries (Predecessor Company) for the period January 1, 2003 to December 4, 2003 (such report describes that the consolidated financial statements of the Successor Company are presented on a different basis from those of the Predecessor Company and, therefore, are not comparable in all respects, and describes that the Predecessor Company's plan of reorganization was confirmed in 2004 and the Predecessor Company was dissolved), and to the reference to our Firm under the caption "Experts" in the Prospectus.

/s/ GHP Horwath, P.C.
Denver, Colorado
August 25, 2006

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