

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	
	§	Chapter 11
	§	
SPEEDCAST INTERNATIONAL	§	
LIMITED, <i>et al.</i> ,	§	Case No. 20-32243 (MI)
	§	
Debtors. ¹	§	(Joint Administration Requested)
	§	(Emergency Hearing Requested)

EMERGENCY MOTION OF DEBTORS FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO PAY PREPETITION OBLIGATIONS TO (A) CRITICAL VENDORS, (B) FOREIGN CREDITORS, (C) LIEN CLAIMANTS, AND (D) 503(b)(9) CLAIMANTS; (II) APPROVING LETTER AGREEMENT WITH INTELSAT US LLC; AND (III) GRANTING RELATED RELIEF

EMERGENCY RELIEF HAS BEEN REQUESTED. A VIDEO/TELEPHONIC HEARING WILL BE CONDUCTED ON THIS MATTER ON APRIL 23, 2020 AT 3:00 PM (PREVAILING CENTRAL TIME). PARTIES WISHING TO PARTICIPATE TELEPHONICALLY MUST DIAL IN USING THE COURT'S TELECONFERENCE SYSTEM AT 1-832-917-1510 AND ENTERING CONFERENCE CODE 954554. PARTIES WHO ALSO WISH TO PARTICIPATE BY VIDEOCONFERENCE MAY DO SO BY USE OF AN INTERNET CONNECTION, USING THE WEBSITE WWW.JOIN.ME, SELECTING "JOIN A MEETING," AND ENTERING MEETING CODE "JudgeIsgur."

IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST EITHER APPEAR AT THE HEARING OR FILE A WRITTEN RESPONSE PRIOR TO THE HEARING. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

RELIEF IS REQUESTED NOT LATER THAN APRIL 23, 2020.

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <http://www.kccllc.net/speedcast>. The Debtors' service address is 4400 S. Sam Houston Parkway East, Houston, Texas 77048.



SpeedCast International Limited and its debtor affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully represent as follows in support of this motion (the “**Motion**”):

Background

1. On the date hereof (the “**Petition Date**”), the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases. The Debtors have also filed a motion requesting joint administration of their chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

2. The Debtors, combined with their non-debtor affiliates (collectively, “**Speedcast**” or the “**Company**”), are the largest provider of remote and offshore satellite communications and information technology services in the world. Speedcast’s fully-managed service is delivered to more than 2,000 customers in 140 countries via a leading global, multi-access technology, multi-band and multi-orbit network of 80+ satellites and an interconnecting global terrestrial network, bolstered by on-the-ground local support from 40+ countries. Speedcast services customers in sectors such as Commercial Maritime, Cruise, Energy, Mining, Government, NGOs, Enterprise, and Media.² Additional information regarding the Debtors’ business and capital structure and the circumstances leading to the commencement of

² None of the Speedcast entities associated with the Company’s Government business are Debtors in these chapter 11 cases.

these chapter 11 cases is set forth in the *Declaration of Michael Healy in Support of the Debtors' Chapter 11 Petitions and First Day Relief*, sworn to on the date hereof (the "**Healy Declaration**"),³ which has been filed with the Court contemporaneously herewith and is incorporated by reference herein.

Jurisdiction

3. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

4. By this Motion, pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code and Rules 6003, 6004, and 9019 of the Bankruptcy Rules, the Debtors seek entry of an order, subject in all respects to the terms of the DIP Order and DIP Documents,⁴ (a) authorizing, but not directing, the Debtors to pay in the ordinary course of business, in their sole discretion and based on their sound business judgment, prepetition amounts owed to (i) certain vendors, suppliers, service providers, and other similar entities that are essential to maintaining the going concern value of the Debtors' enterprise (and as further defined below, the "**Critical Vendors**"); (ii) certain suppliers, service providers, and other entities outside of the United States that are not or, in the Debtors' reasonable judgment may not be, subject to jurisdiction in the United

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Healy Declaration. All dollar (\$) references in this Motion are to the U.S. dollar, unless stated otherwise.

⁴ "**DIP Order**" means any interim or final order entered in connection with the Debtors' postpetition financing facility (the "**DIP Facility**") and/or use of cash collateral, including in connection with the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (III) Granting Adequate Protection, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing and (VI) Granting Related Relief*, filed contemporaneously herewith, and the definitive documents related thereto, the "**DIP Documents**").

States and may take action against the Debtors in a foreign country (collectively, the “**Foreign Creditors**” and their prepetition claims, the “**Foreign Claims**”); (iii) the Lien Claimants (as defined below), and (iv) the 503(b)(9) Claimants (as defined below, and collectively with the Critical Vendors, the Foreign Creditors, the Lien Claimants, and the 503(b)(9) Claimants, the “**Vendor Claimants**”); (b) approving certain terms of a letter agreement between Speedcast Communications Inc. (“**SCI**”), on behalf of itself and certain of the other Debtors, and Intelsat US LLC and certain of its affiliated entities (“**Intelsat**”); and (c) granting related relief. The Debtors propose to pay the claims of Vendor Claimants (the “**Vendor Claims**”) to the extent necessary and only on such terms and conditions as are appropriate, in the Debtors’ business judgment, to minimize any disruptions to the Debtors’ businesses.

5. A proposed form of order granting the relief requested herein on an interim basis is annexed hereto as **Exhibit A** (the “**Proposed Interim Order**”) and, pending a final hearing on the relief requested herein, on a final basis as **Exhibit B** (the “**Proposed Final Order**”), respectively.

6. The following chart summarizes the relief requested in the Motion with respect to prepetition claim amounts:

Vendor Claims	Interim Amount (21 days after the Petition Date)	Final Amount (inclusive of the Interim Amount)
Critical Vendors	\$2,100,000	\$4,200,000
Foreign Creditors	\$2,600,000	\$5,200,000
Lien Claimants	\$455,000	\$910,000
503(b)(9) Claimants	\$1,550,000	\$3,100,000
Total Claims	\$6,705,000	\$13,410,000

The Debtors' Vendors

A. Overview

7. As highlighted above, Speedcast provides remote and offshore satellite communications and information technology services to customers around the world. The Debtors rely heavily on certain vendors and suppliers to provide them with goods and services critical to maintaining these vital customer relationships. The Debtors generally categorize their vendors into two groups—bandwidth and non-bandwidth vendors—with bandwidth being the largest category. In order to provide services to their customers, the Debtors contract for satellite and wireless bandwidth—the pipeline for communications—from their bandwidth vendors. Bandwidth vendors, generally, are vital for the Debtors' ability to deliver communications services to all of their customers, and disruption of service would compromise the Debtors' ability to continue serving their customers.

8. A number of other non-bandwidth vendors provide the Debtors with ancillary goods and services in all other respects in order to facilitate the delivery of communications services to customers and to otherwise run the Debtors' business. These vendors provide a broad range of goods and services including teleport services, data center services, VSAT hardware, network equipment, warehouse rentals, and more. Each is important to the maintenance and seamless operation of the Debtors' systems.

B. Critical Vendors

9. In narrowing the Debtors' list of vendors to only those that are critical, the Debtors and their advisors have engaged in a comprehensive process reviewing and analyzing the Debtors' books and records, consulting with the Debtors' management and personnel responsible for operations, reviewing contracts and supply agreements, and analyzing applicable laws, regulations, and past practices to (a) identify those vendors, suppliers, and/or service providers that

may be “critical” to the Debtors’ businesses (who, if lost, would materially impair the going-concern viability of the Debtors’ businesses), and (b) quantify the relief necessary to avoid immediate and irreparable harm to the Debtors at the outset of these chapter 11 cases. The Debtors assessed a variety of factors, including:

- whether the goods or services provided by a vendor or supplier are essential to the maintenance of ongoing projects, commercial operations, and/or the continued smooth operation of the Debtors’ businesses;
- whether goods or services are provided pursuant to a contract or on a purchase-order basis;
- whether failure to pay all or part of a particular vendor’s claim could cause the vendor to refuse to ship inventory or provide services on a postpetition basis;
- whether the vendor is bound by an agreement pursuant to which the Debtors could compel such vendor to continue performing on prepetition terms;
- whether the vendor is potentially able to assert (1) liens against the Debtors and/or (2) administrative expense claims under section 503(b)(9) of the Bankruptcy Code;
- whether the failure to pay a particular vendor could result in the negotiated trade terms being altered as a matter of applicable non-bankruptcy commercial law or regulations;
- whether the vendor is a sole- or limited-source or high-volume supplier for goods and services;
- whether alternative vendors are available that could provide the requisite volume of similar goods or services on equal or better terms, and, if so, whether the Debtors would be able to continue operating without significant disruption to their postpetition operations while transitioning business thereto;
- whether certain specifications or contract requirements and conditions prevent, directly or indirectly, the Debtors from obtaining the goods and services from alternative sources; and
- whether the failure to pay a particular vendor could jeopardize the Debtors’ valuable interest in goods or materials.

10. As a result of this analysis, the Debtors identified the universe of Critical Vendors whose support remains essential to the Debtors' own ability to preserve and enhance their value as they proceed with a seamless transition into chapter 11.

11. In some instances, the Critical Vendors are the only available source for goods and services, due to either the remote location of the Debtors' operations or the highly specialized and technical nature of such goods and services. In other instances, the Critical Vendors are the most preferred source from which the Debtors can procure goods and services within a timeframe and at a price that will permit the Debtors to continue to operate their business smoothly and effectively. In sum, due to, among other things, the specialized nature of the goods and services required in the Debtors' business, the remote nature of the Debtors' business, and the need to maintain compliance with strict safety regulations, the Debtors have limited alternative sources for certain necessary goods and services. Replacing such Critical Vendors, even in the infrequent instances where possible, could result in substantially higher costs for the Debtors and their estates and risk delays that could harm the Debtors' businesses.

12. In particular, most of the Debtors' bandwidth comes from a small group of Critical Vendors who provide bandwidth to the Debtors across each of their key business segments. Certain Critical Vendors are sole-source providers in jurisdictions required by the Debtors' customers. Moreover, the Critical Vendors have proprietary specifications for the hardware used at the Debtors' operations hubs (the "**Hub Infrastructure**") and at the respective customers' facilities, which are located all over the world and often in remote areas or at sea (the "**Remote Site Infrastructure**"). To replace any of the Critical Vendors who provide bandwidth, the Debtors would need to invest substantially in new hardware to replace the Hub Infrastructure and the Remote Site Infrastructure. The Debtors would be required to travel to their customers' remote

service sites to make these replacements and ensure the Hub Infrastructure and Remote Site Infrastructure for a new bandwidth vendor are operating in tandem. This process requires shutting down certain infrastructure and diverting bandwidth from other systems, which breaks up the consolidated capacity of the Debtors' current infrastructure and make it less efficient. The Debtors have insufficient resources to replace this infrastructure in a timely manner. Further, it is unclear whether new vendors would have the volume of capacity available to satisfactorily replace the Critical Vendors, especially in high demand regions. Given the Debtors' current financial circumstances, replacement vendors would likely require the Debtors to pay in advance for bandwidth capacity.

13. The Debtors have also developed a list of Critical Vendors that provide specialized equipment or services, critical IT support, telecommunications services, and other critical goods and services in support of the Debtors' operations. As with the bandwidth Critical Vendors, replacing these Critical Vendors will in certain instances require substantial investment in new Hub and Remote Site Infrastructure, staffing which the Debtors cannot currently supply, and satisfactory volume of capacity from the new vendors. Critical Vendors also support the maintenance and seamless operation of the systems the Debtors are currently running, and will be indispensable during the Debtors' restructuring.

14. By this Motion, the Debtors seek authority to pay the prepetition claims of Critical Vendors, specifically excluding Intelsat, in the ordinary course of business up to a maximum aggregate amount of \$4.2 million, including up to \$2.1 million on an interim basis. The claims of Intelsat, the Foreign Creditors, the Lien Claimants, and the 503(b)(9) Claimants are addressed separately, below.

15. The Debtors submit that (a) each of the Critical Vendors is of great necessity to the Debtors' businesses on a going-forward basis and cannot, if at all, be easily and efficiently replaced, and (b) any failure to pay the Critical Vendors for the Critical Vendor Claims would (i) likely result in a severe disruption or cessation of the Debtors' business and service to their customers and negatively impact the revenues derived therefrom, and (ii) potentially give rise to, among other things, various statutory liens or administrative expense claims, which such amounts would likely be entitled to payment priority pursuant to a chapter 11 plan.

C. Intelsat

16. Intelsat is a material provider of bandwidth uplink and related services to the Debtors. In the weeks leading up to the Petition Date, the Debtors and Intelsat engaged in negotiations regarding past due balances owed by the Debtors and an agreement by Intelsat to continue providing services to the Debtors given the essential nature of Intelsat's services. During those negotiations, a brief service outage period occurred after Intelsat cancelled the parties' prepetition agreement (the "**Outage Period**"). To bring Intelsat's critical services back online and ensure that the Debtors could continue to serve their own customers, on April 21, 2020, Intelsat and SCI, a Debtor in these chapter 11 cases and the borrower under the Debtors' DIP Facility, entered into a letter agreement, a copy of which is attached hereto as **Exhibit C** (the "**Intelsat Agreement**"), which includes, among others, the following terms:

- Intelsat will provide broadband uplink and related services to the Debtors through June 30, 2020, in the same manner in which, and at the overall standards of quality and availability at which, such services were provided to the Debtors immediately prior to March 20, 2020; provided that, and without prejudice to any terms that may in the future be agreed to in writing between the parties, the automatic stay shall not prohibit Intelsat from discontinuing services after June 30, 2020;
- No later than April 28, 2020, SCI will pay \$24 million to Intelsat (the date of such payment, the "**Payment Date**"), which funds will be delivered into a segregated account with an account control agreement in favor of SCI, and the amount of which

is secured by a valid and enforceable lien and security interest in such amount. The funds shall be deemed released to and earned by Intelsat as it delivers services;

- The Debtors' interim and final orders on this Motion will provide for mutual releases in the form set forth in the Intelsat Agreement or otherwise reasonably acceptable to SCI and Intelsat (the "**Effectiveness Condition**");
- Intelsat shall have a \$44 million claim in these chapter 11 cases, which claim is treated as a prepetition, general unsecured claim (the "**Intelsat Claim**"). Other than the Intelsat claim, Intelsat shall not have any prepetition claim against the Debtors whatsoever, nor any postpetition claim against the Debtors related to the postpetition services provided by Intelsat under the Intelsat Agreement; and
- The obligations of either party under the Intelsat Agreement shall take effect only upon Intelsat's receipt of the \$24 million payment by April 28, 2020 and the satisfaction of the Effectiveness Condition.

17. Because Intelsat's provision of services and the Debtors' payment for the same are on a postpetition basis, the Debtors are not seeking any relief with respect thereto. The Debtors are, however, in accordance with the Intelsat Agreement, requesting the Court approve the mutual releases and the Intelsat Claim. The settlement was heavily negotiated in good faith and at arm's length among Intelsat, the Debtors and the Ad Hoc Group of Secured Lenders, who recognized the importance of Intelsat's relationship to the Debtors' viability as a going concern. The Debtors do not dispute that they owe Intelsat at least \$44 million in connection with prepetition services. The mutual releases are value maximizing to the Debtors' estates and appropriate under these circumstances. The Debtors are not aware of any viable claims against Intelsat in connection with the Outage Period or the prepetition agreement, and, in exchange for the mutual releases and the other consideration provided for in the Intelsat Agreement, the Debtors will receive (i) essential services, without which the Debtors would face a significant likelihood of liquidation and (ii) the protection of the segregated account if Intelsat fails to perform. Intelsat is a critical vendor that provides bandwidth to a majority of the Debtors' customers, and the loss of the bandwidth uplink and related services provided by Intelsat would significantly and negatively

impact the Debtors' revenues and likely make reorganization a difficult prospect for the Debtors. Accordingly, the Debtors respectfully request the relief described above.

D. Foreign Creditors

18. Given the global footprint of the Debtors, it is not surprising that many of the Bandwidth Vendors, Non-Bandwidth Vendors and other day-to-day creditors are located in jurisdictions outside the United States (the "**Foreign Vendors**").

19. The Debtors are making every effort to avoid any interruptions to their global operations and the adverse effects that even a temporary break in the supply chain could have. Any short term disruption could generate instability and thus jeopardize the Debtors' ability to preserve their value. Because of the nature of the Debtors' businesses, many of the Foreign Creditors will make, or have made, credible actionable threats that, unless paid on account of the prepetition debt, they will cease to supply the Debtors with the goods and services necessary to maintain the operation of the Debtors' businesses.

20. Most of the Foreign Creditors have little or no connection to the United States. Although the scope of the automatic stay set forth in section 362 of the Bankruptcy Code is universal, the Debtors may not be able to enforce the stay in foreign jurisdictions if the creditor against whom enforcement is sought has minimal or no presence in the United States. As a result, despite the commencement of these cases and the imposition of the automatic stay, the Foreign Creditors may be able to immediately pursue remedies and seek to collect prepetition amounts owed to them. Indeed, there is the real risk that Foreign Creditors may attach or seize the Company's assets in their jurisdictions—which would significantly disrupt operations.

21. In light of the potential for serious and irreparable consequences if the Foreign Creditors do not continue to make uninterrupted and timely deliveries and/or take actions outside the United States to collect on prepetition obligations, the Debtors have determined, in the

exercise of their business judgment, that payment of certain Foreign Creditors' claims is essential to avoid costly disruptions to the Debtors' operations and, accordingly, the relief requested herein should be granted. By this Motion, the Debtors seek authority to pay the prepetition claims of Foreign Vendors in the ordinary course of business up to a maximum aggregate amount of \$5.2 million, including up to \$2.6 million on an interim basis.

E. The Lien Claimants

22. To continue operating and serving its customers, the Debtors must also continue purchasing goods and services from certain vendors that may hold, or have the right to assert, liens against the Debtors (collectively, the "**Lien Claimants**"). Any delay or disruption in the provision of goods and services by the Lien Claimants to the Debtors would materially impact the Debtors' ability to operate their businesses, to the detriment of their creditors and all parties in interest. Minimizing any disruption and impairment of the Debtors' supply base, including the Lien Claimants, as a result of these chapter 11 cases will be critical to the Debtors and their ability to properly operate their businesses. By this Motion, the Debtors seek authority to pay the claims of the Lien Claimants (collectively, the "**Lien Claims**") in the ordinary course of business up to a maximum aggregate amount of \$910,000, including up to \$455,000 on an interim basis.

F. The 503(b)(9) Claimants

23. The Debtors have received certain goods from various suppliers within the 20 days leading up to the Petition Date (collectively, the "**503(b)(9) Claimants**"). Many of the Debtors' relationships with the 503(b)(9) Claimants are not governed by long-term contracts; rather, the Debtors typically place such orders with the 503(b)(9) Claimants on an order-by-order basis. As a result, the 503(b)(9) Claimants may refuse to supply new goods to the Debtors without first receiving payment on account of those undisputed claims (collectively, the "**503(b)(9) Claims**") arising from the value of the goods that were received by the Debtors within 20 days

leading up to the Petition Date. The Debtors believe that certain of the 503(b)(9) Claimants could reduce the Debtors' existing trade credit—or demand payment for the goods on a “cash on delivery” or “cash in advance” basis—thereby materially exacerbating the Debtors' already strained liquidity position. Further, and as described below, the 503(b)(9) Claims are entitled to statutory priority for the goods received by the Debtors in the ordinary course of business within 20 days prior to the Petition Date. Section 503(b)(9) of the Bankruptcy Code provides that “the value of any goods received by the debtor within 20 days before the date of commencement of a case under this title in which the goods have been sold to the debtor in the ordinary course of such debtor's business” are administrative expense claims against a debtor's estate. *See* 11 U.S.C. § 503(b)(9). The Debtors, therefore, are required to pay such 503(b)(9) Claims in full in order to confirm a chapter 11 plan. As of the Petition Date, the Debtors owed approximately \$3.1 million to the 503(b)(9) Claimants on account of the 503(b)(9) Claims.

24. By this Motion, the Debtors seek authority to pay the 503(b)(9) Claimants in the ordinary course of business up to a maximum aggregate amount of \$3.1 million, including up to \$1.55 million on an interim basis.

G. Customary Trade Terms

25. In return for paying the Vendor Claims, the Debtors will use commercially reasonable efforts to require the Vendor Claimants to provide favorable trade terms in line with historical practice (the “**Customary Trade Terms**”) for the postpetition delivery of goods and services or to otherwise continue supplying the Debtors with goods and services for the duration of these chapter 11 cases. The Debtors therefore request authority to condition payment of the Vendor Claims upon such Vendor Claimants' written agreement, subject to review by the advisors to the Ad Hoc Group of Secured Lenders in accordance with the DIP Order and the DIP Documents, including, without limitation, section 6.09(a)(vi) of the DIP Credit Agreement (as

defined in the DIP Order), to continue supplying goods and services to the Debtors for the duration of these chapter 11 cases (each, a “**Trade Agreement**”) in accordance with the Customary Trade Terms that are at least as favorable to the Debtors as those practices and programs that were in place prior to the Petition Date, as may be modified by any such Trade Agreement. Such Trade Agreement, once agreed to and accepted by a Vendor Claimant, shall be a legally binding, contractual arrangement between the Debtors and such Vendor Claimant, governing the commercial trade relationship as provided therein. Subject to the entry of the Proposed Final Order, the Debtors also seek limited authority to pay the Vendor Claims even if no Trade Agreement has been executed should the Debtors determine, in their business judgment, that a formal Trade Agreement is unnecessary to ensure such Vendor Claimant’s continued performance on the Customary Trade Terms. In connection with any payment to a Vendor Claimant without a Trade Agreement, the Debtors will notify such Vendor Claimant of the disgorgement procedures (the “**Disgorgement Procedures**”) set forth in the Proposed Interim and Final Orders, as applicable.

26. If, either after executing a Trade Agreement or receiving notification of the Disgorgement Procedures, a Vendor Claimant accepts payment pursuant to the relief requested by this Motion and thereafter does not continue to provide the applicable goods and services to the Debtors on the Customary Trade Terms, then, subject to such Vendor Claimant’s right to file an objection with the Bankruptcy Court within 14 days of a notice of non-performance, and subject to any Trade Agreement that may be executed between the Debtors and such Vendor Claimant: (a) such payment by the Debtors to such Vendor Claimant may be deemed to be an improper postpetition transfer on account of a prepetition claim and, therefore, immediately recoverable by the Debtors in cash upon written request; (b) upon recovery by the Debtors of such payment, any

prepetition Vendor Claim of such Vendor Claimant shall be reinstated as if the payment by the Debtors had not been made in the first instance; and (c) if there exists an outstanding postpetition balance due from the Debtors to such Vendor Claimant, then the Debtors may elect to recharacterize and apply any payment made by the Debtors to such Vendor Claimant (if the Debtors would be permitted to pay such Vendor Claimant in cash in accordance with the DIP Order and the DIP Documents) pursuant to the relief requested by the Motion to such outstanding postpetition balance, and such Vendor Claimant will be required to repay to the Debtors such paid amounts exceeding the postpetition obligations then outstanding from the Debtors to such Vendor Claimant without the right of any setoffs, claims, provisions for payment of any claims, or otherwise. Certain of the Vendor Claimants may possess Lien Claims on the Debtors' assets arising from Vendor Claims. The Debtors propose that, as a further condition to receiving payment of a Vendor Claim, a Vendor Claimant must agree to take all necessary actions to remove any lien at the Vendor Claimant's sole expense.

Relief Requested Should Be Granted

A. The Releases and Allowed Claim Provided For in the Intelsat Agreement are Appropriate

27. The settlement embodied in the Intelsat Agreement is fair and reasonable, and benefits the Debtors' estates by providing continued access to important bandwidth that permits the Debtors to provide uninterrupted services to their customers. The Court may grant the relief requested under the standards for approving compromises under Bankruptcy Rule 9019. "In determining whether a settlement is fair and equitable, [courts] apply [a] three-part test . . . with a focus on comparing 'the terms of the compromise with the likely rewards of litigation.'" *In re Age Ref., Inc.*, 801 F.3d 530, 540 (5th Cir. 2015) (quoting *In re Jackson Brewing Co.*, 624 F.2d 599, 602 (5th Cir. 1980) (internal quotation marks omitted)). Specifically,

[a] bankruptcy court must evaluate: (1) the probability of success in litigating the claim subject to settlement, with due consideration for the uncertainty in fact and law; (2) the complexity and likely duration of litigation and any attendant expense, inconvenience, and delay; and (3) all other factors bearing on the wisdom of the compromise. These “other” factors—the so-called *Foster Mortgage* factors—include: (i) “the best interests of the creditors, ‘with proper deference to their reasonable views’”; and (ii) “the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion.”

28. *Id.* (citing *Jackson Brewing*, 599 F.2d at 602 and quoting *Cajun Elec. Power Coop.*, 119 F.3d at 356; *Foster Mortg.*, 68 F.3d at 917–18). “[I]t is unnecessary to conduct a mini-trial to determine the probable outcome of any claims waived in the settlement.” *Cajun Elec. Power Coop.*, 119 F.3d at 356.

29. The releases and in the Intelsat Agreement and the Intelsat Claim should be approved because they are part of an overall agreement that is squarely in the best interests of the Debtors’ estates and creditors. Absent the Intelsat Agreement, the Debtors would not have access to the bandwidth uplink and related services that are critical to the Debtors’ ongoing business. In addition, the Debtors do not dispute that they owe at least \$44 million to Intelsat for prepetition services, so the allowance of a \$44 million claim is reasonable. Finally, preserving value in the Debtors’ business far outweighs the value, if any, in potential litigation claims against Intelsat for the Outage Period, particularly taking into account the potential costs of such litigation. Accordingly, the standard for approving the settlement embodied in the Intelsat Agreement is satisfied and the settlement should be approved.

B. Payment of Critical Vendor Claims is Necessary and Appropriate

30. The Court may grant the relief requested herein pursuant to section 363(b) of the Bankruptcy Code, which provides, in relevant part, that “[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Courts in the Fifth Circuit have granted a debtor’s request to use

property of the estate outside of the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code upon a finding that such use is supported by sound business reasons. *See, e.g., In re BNP Petroleum Corp.*, 642 F. App'x 429, 435 (5th Cir. 2016); *In re Cont'l Air Lines*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“[F]or a debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”); *see also In re Crutcher Res. Corp.*, 72 B.R. 628, 631 (Bankr. N.D. Tex. 1987) (“A Bankruptcy Judge has considerable discretion in approving a § 363(b) sale of property of the estate other than in the ordinary course of business, but the movant must articulate some business justification for the sale.”); *In re Terrace Gardens Park P’ship*, 96 B.R. 707, 714 (Bankr. W.D. Tex. 1989).

31. In addition, under section 1107(a) of the Bankruptcy Code, a debtor has, among other things, the “implied duty of the debtor-in-possession to ‘protect and preserve the estate, including an operating business’ going-concern value.” *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)). Under section 105(a) of the Bankruptcy Code, “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” *See CoServ*, 273 B.R. at 497 (holding that sections 105 and 1107 of the Bankruptcy Code provide authority for a debtor-in-possession to pay prepetition claims); *see also In re Tusa-Expo Holdings, Inc.*, Case No. 08-45057-DML-11, 2008 WL 4857954, at *1 (Bankr. N.D. Tex. Nov. 7, 2008); *CEI Roofing*, 315 B.R. at 56; *In re Mirant Corp.*, 296 B.R. 427 (Bankr. N.D. Tex. 2003). Moreover, Bankruptcy Rule 6003 itself implies that the payment of prepetition obligations may be permissible within the first 21 days of a case where doing so is “necessary to avoid immediate and irreparable harm.” Accordingly, the Bankruptcy Code authorizes the postpetition payment of

prepetition claims where, as here, such payments are critical to preserving the going-concern value of a debtor's estate.

32. Courts in the Fifth Circuit have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve a debtor's estate, including an operating business's going-concern value. *See, e.g., In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (authorizing the payment of certain prepetition claims pursuant to the "doctrine of necessity"); *In re Equalnet Commc'ns Corp.*, 258 B.R. 368, 369–70 (Bankr. S.D. Tex. 2000) (noting that the payment of prepetition claims is permissible when the transactions are critical to the survival of the business of the debtor); *In re Gulf Air, Inc.*, 112 B.R. 152, 153 (Bankr. W.D. La. 1989) ("While pre-petition claims are normally disposed of in a plan of reorganization . . . there are well-established 'necessity of payment' and similar exceptions."); *see also In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) ("The ability of a Bankruptcy Court to authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.").

33. No provision of the Bankruptcy Code expressly prohibits the postpetition payment of the prepetition Critical Vendor Claims. Indeed, the above-referenced sections of the Bankruptcy Code authorize such payments when they are critical to preserving the going-concern value of a debtor's estate, as is the case here.

34. Further, courts have noted that there are instances in which debtors may fulfill their fiduciary duties only "by the preplan satisfaction of a prepetition claim." *CoServ*, 273 B.R. at 497. The *CoServ* court specifically noted that the preplan satisfaction of prepetition claims would be a valid exercise of a debtor's fiduciary duties when the payment "is the only means to effect a substantial enhancement of the estate," and also when the payment was to the

“sole suppliers of a given product.” *Id.* at 497–98. Courts in the Fifth Circuit, including the Southern District of Texas, have followed *CoServ*’s three-part test to determine whether the prepetition claim of a critical vendor may be paid by a debtor outside of the chapter 11 plan process on a postpetition basis:

First, it must be critical that the debtor deal with the claimant. Second, unless it deals with the claimant, the debtor risks the probability of harm, or, alternatively, loss of economic advantage to the estate or the debtor’s going concern value, which is disproportionate to the amount of the claimant’s prepetition claim. Third, there is no practical or legal alternative by which the debtor can deal with the claimant other than by payment of the claim.

Id. at 498; *see also Mirant Corp.*, 296 B.R. at 429–30. Moreover, Bankruptcy Rule 6003 itself implies that the payment of prepetition obligations may be permissible within the first 21 days of a case where doing so is “necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. Accordingly, the Bankruptcy Code authorizes the postpetition payment of prepetition claims where, as here, such payments are critical to preserving the going-concern value of a debtor’s estate.

35. As described above, payment of Critical Vendors is necessary for the Debtors to maintain operations and consequently preserve the value of their business and ensure safety. Accordingly, maintaining favorable trade terms and credit is in the best interests of all creditors and other parties in interest.

36. The Critical Vendors provide goods and services that are necessary to preserve the value of the Debtors’ numerous business lines. As discussed, many of the Critical Vendors are providers of specialized goods and services that cannot be replaced in a feasible manner, if at all, due to their specialized qualifications or commitments pursuant to the Debtors’ customer contracts. Failure to pay these vendors’ prepetition claims could result in significant

disruption to the Company's operations. As stated in the Healy Declaration, the Debtors have concluded that if they do not make Critical Vendor payments, their value will be reduced by amounts well in excess of amounts that the Debtors seek authorization to pay.

37. For the foregoing reasons, satisfying the Critical Vendor Claims is necessary, appropriate, and in the best interests of the Debtors, their estates, and all other parties in interest in these chapter 11 cases. The Court should authorize the Debtors to satisfy the Critical Vendor Claims as set forth herein.

C. Payment of Foreign Claims Is Necessary to Ensure Continuation of the Debtors' Operations

38. Payment of the prepetition claims of the Debtors' Foreign Creditors is essential to the Debtors' reorganization. As stated, the limitations of the enforceability of the automatic stay, the risk of Foreign Creditors' exercising remedial rights, the critical nature of goods and services provided by the Foreign Creditors, and the lack of qualified alternative suppliers justify the relief requested in this Motion. Absent a continued, uninterrupted supply of goods and services from Foreign Creditors, the Debtors' overall ability to operate their businesses will be jeopardized. Simply stated, payment of the Foreign Claims as proposed will assure the orderly operation of the Debtors' businesses and avoid costly disruptions and the significant loss of value and irreparable harm arising therefrom. Further, the Foreign Creditors may take actions to collect debts outside of the United States. As stated in the Healy Declaration, the Debtors have concluded that if they do not pay Foreign Claims, their value will be reduced by amounts well in excess of amounts that the Debtors seek authorization to pay.

D. Payment of Lien Claims Is Necessary to Ensure Continuation of the Debtors' Operations

39. The Debtors have a strong business purpose for paying the Lien Claimants. As set forth above, if the Lien Claimants are unwilling to provide goods and services to the Debtors

postpetition because of their Lien Claims, then the Debtors' business operations would suffer dramatically. The Debtors' ongoing ability to obtain goods and services from the Lien Claimants as provided herein is necessary for preserving the value of the Debtors' estate. Without the relief sought herein, the Lien Claimants would likely be able to assert liens on the Debtors' goods that are currently in their possession. Failure to pay the Lien Claimants could result in their refusal to turn over the Debtors' goods until their respective Lien Claims are paid. This disruption to the Debtors' businesses would materially impact the Debtors' ability to operate, which in turn could prevent them from maximizing recoveries for all stakeholders in this chapter 11 case. Even if it is later determined that the Lien Claimants do not have valid, perfected liens over the Debtors' goods, the distraction and disruption caused by litigating the validity of such liens would be costly, time consuming, and burdensome for the Debtors' management team. While the Debtors could seek alternative providers for goods and services in certain instances, such an undertaking would likely take significant time and effort, and would not resolve the underlying disputes with the Lien Claimants.

40. Reflecting the recognition that the payment of prepetition claims of certain essential suppliers and vendors can be critical to a debtor's ability to preserve going-concern value, courts in this district and in other jurisdictions regularly authorize chapter 11 debtors to pay prepetition claims to lien claimants and critical vendors, including to foreign entities outside of the reach of the bankruptcy court's jurisdiction where it would be unduly time-consuming and expensive to seek to enforce an order of the bankruptcy court in such foreign vendor's home country, and where the payments are essential to such debtor's continued operations. *See, e.g., In re Westmoreland Coal Co.*, Case No. 18-35672 (MI) (Bankr. S.D. Tex. Nov. 15, 2018) (authorizing the payment of prepetition claims owed to lien claimants and foreign vendors)

(Docket No. 512); *EMAS Chiyoda Subsea Ltd.*, Case No. 17-31146 (MI) (Bankr. S.D. Tex. Apr. 13, 2017) (authorizing the payment of prepetition claims owed to critical vendors for up to \$12.25 million, including lien claims and foreign claims) (Docket No. 271); *In re CJ Holding Co.*, Case No. 16-33590 (DRJ) (Bankr. S.D. Tex. Sept. 12, 2016) (authorizing the payment of prepetition claims owed to critical vendors and foreign vendors for up to approximately \$10 million) (Docket No. 419); *In re Energy XXI Ltd.*, Case No. 16-31928 (DRJ) (Bankr. S.D. Tex. Apr. 25, 2016) (authorizing the payment of prepetition claims, including lien claims, owed to critical vendors for up to approximately \$5.5 million) (Docket No. 136).

E. Relief Requested is Supported by Section 503(b)(9) of the Bankruptcy Code

41. The 503(b)(9) claims held by the 503(b)(9) Claimants—totaling an aggregate amount of approximately \$3.1 million—are entitled to statutory priority for the goods delivered to the Debtors in the ordinary course of business within 20 days prior to the Petition Date. Section 503(b)(9) of the Bankruptcy Code provides that the 503(b)(9) Claims are administrative expense claims against the Debtors' estates. The Debtors, therefore, are required to pay such 503(b)(9) Claims in full in order to confirm a chapter 11 plan. *See* 11 U.S.C. § 1129(a)(9)(A) (requiring payment in full of claims entitled to administrative expense priority under a chapter 11 plan). Instead of paying the 503(b)(9) Claims on the effective date of a chapter 11 plan, the Debtors seek authority to pay such 503(b)(9) Claims during the pendency of this chapter 11 case as they become due. Thus, payment of the 503(b)(9) Claims entitled to priority under section 503(b)(9) of the Bankruptcy Code pursuant to the Proposed Interim Order and the Proposed Final Order will effect only a change in the timing of such payments, but not the amounts or priority thereof that the 503(b)(9) Claimants will be entitled to from the Debtors, and so no other creditor or party in interest in this chapter 11 case will be unfairly prejudiced.

42. The Debtors' ongoing ability to obtain the goods as provided herein is essential to its ability to preserve and enhance value for all parties in interest in this chapter 11 case. Absent the authority to pay the 503(b)(9) Claimants at the outset of this chapter 11 case—which merely accelerates the timing of such payments and not the ultimate treatment of such 503(b)(9) Claims—the Debtors could be denied access to the goods necessary to maintain the Debtors' business operations. Failure to honor the 503(b)(9) Claims may also cause the Debtors' supply chains to withhold its support for the Debtors during this chapter 11 process. Such 503(b)(9) Claimants could accelerate or eliminate the favorable Customary Trade Terms. Needless to say, such costs and distractions would likely impair the Debtors' ability to stabilize their operations at this critical juncture of these chapter 11 cases to the detriment of all parties in interest.

43. Courts in this district and in other jurisdictions regularly authorize chapter 11 debtors to pay administrative expense claims as they come due during the course of a chapter 11 case. *See, e.g., In re Southern Foods Group, LLC*, Case No. 19-36313 (DRJ) (Bankr. S.D. Tex. Nov. 13, 2019) (Docket No. 121); *In re Westmoreland Coal Co.*, Case No. 18-35672 (MI) (Bankr. S.D. Tex. Nov. 15, 2018) (Docket No. 512); *In re EMAS Chiyoda Subsea Ltd.*, Case No. 17-31146 (MI) (Bankr. S.D. Tex. Apr. 13, 2017) (Docket No. 271); *In re Energy XXI Ltd.*, Case No. 16-31928 (DRJ) (Bankr. S.D. Tex. Apr. 25, 2016) (Docket No. 136).

44. For the foregoing reasons, satisfying the 503(b)(9) Claims is necessary, appropriate, and in the best interests of the Debtors, their estates, and all other parties in interest in this chapter 11 case. Courts in this district and others have approved the payment of administrative expense claims as a routine matter in similar cases. The same relief is also appropriate here.

Accordingly, the Court should authorize the Debtors to satisfy the 503(b)(9) Claims as set forth herein.

F. Reservation of Rights Regarding Additional Vendor Claimants

45. The Debtors reserve the right to identify additional Vendor Claimants in the ordinary course of business as the circumstances may warrant. As the Debtors identify additional Critical Vendors, Foreign Creditors, Lien Claimants, or 503(b)(9) Claimants, and/or Critical Vendor Claims, Foreign Claims, Lien Claims or 503(b)(9) Claims that, subject to the terms of the DIP Order and the DIP Documents, the Debtors believe should be paid, the Debtors will send a notice (a “**Critical Vendor Notice**”) to (i) counsel for the Ad Hoc Group of Secured Lenders and (ii) counsel for any statutory committee appointed in these chapter 11 cases listing: (a) the vendor sought to be paid; (b) the goods and services provided by such vendor; (c) the amount of the Claim sought to be paid to such vendor; (d) the risk of harm to the Debtors’ estates from the nonpayment of such Claim or the economic benefit to the Debtors’ estates from the payment of such Claim; and (e) the absence of a legal or practical alternative for the Debtors to the payment of such Claim. The Debtors seek authority to pay such additional Claims absent a timely objection to such payment. The Debtors propose a 14-day objection period to any Vendor Claimant Notices.

**Applicable Financial Institutions
Should Be Authorized to Receive, Process, Honor, and
Pay Checks Issued and Transfers Requested to Pay Critical
Vendor Claims, Foreign Vendor Claims, Lien Claims, and 503(b)(9) Claims**

46. The Debtors further request that the Court authorize applicable financial institutions (the “**Banks**”) to receive, process, honor, and pay any and all checks issued, or to be issued, and electronic funds transfers requested, or to be requested, by the Debtors relating to the Critical Vendor Claims, the Foreign Vendor Claims, the Lien Claims, and the 503(b)(9) Claims, to the extent that sufficient funds are on deposit in available funds in the applicable bank accounts

to cover such payment. The Debtors also seek authority to issue new postpetition checks or effect new postpetition electronic funds transfers in replacement of any checks or fund transfer requests on account of prepetition Critical Vendor Claims, Foreign Vendor Claims, Lien Claims, and the 503(b)(9) Claims, dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases.

Bankruptcy Rule 6003(b) Has Been Satisfied

47. Pursuant to Rule 9013-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of Texas (the "**Local Rules**"), the Debtors respectfully request emergency consideration of this Motion under Bankruptcy Rule 6003, which provides that the Court may grant relief within the first 21 days after the Petition Date to the extent such relief is necessary to avoid immediate and irreparable harm.

48. The Debtors' estates would suffer immediate and irreparable harm if the relief sought herein is not promptly granted. Payment of the Critical Vendor Claims, the Foreign Creditors, the Lien Claims, and the 503(b)(9) Claims in the ordinary course of business, including those that are due within the first 21 days of this chapter 11 case, is necessary to ensure that the Debtors' operations are not disrupted at this critical juncture in their restructuring. The failure to receive the requested relief during the first 21 days of these chapter 11 cases would harm the Debtors' business and significantly impact the Debtors' ability to swiftly and efficiently emerge from chapter 11. As described herein and in the Healy Declaration, the relief requested is essential to avoid the immediate and irreparable harm that would be caused by the Debtors' inability to transition smoothly into chapter 11. Accordingly, the Debtors submit that the requirements of Bankruptcy Rule 6003 are satisfied.

**Compliance with Bankruptcy Rule 6004(a)
and Waiver of Bankruptcy Rule 6004(h)**

49. To implement the foregoing successfully, the Debtors request that the Court find that notice of the Motion satisfies Bankruptcy Rule 6004(a) and that the Court waive the 14-day period under Bankruptcy Rule 6004(h).

DIP Order and DIP Documents Control

50. Contemporaneously herewith, the Debtors are seeking entry by the Bankruptcy Court of an interim and final DIP Order, which provide for, among other things, the Debtors' entry into the DIP Facility and DIP Documents and provision of adequate protection in connection with the DIP Facility and the use of cash collateral. The DIP Order and the DIP Documents contain terms that limit and otherwise apply to the Debtors' ability to utilize certain of the relief requested herein. For the avoidance of doubt, the relief described and requested herein and/or granted by any order issued pursuant hereto is subject in all respects to, and superseded by, the terms of the DIP Order and the DIP Documents.

Reservation of Rights

51. Nothing contained herein is intended to be or shall be deemed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver or limitation of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable nonbankruptcy law, (iv) an agreement or obligation to pay any claims, (v) a waiver of any claims or causes of action which may exist against any creditor or interest holder, (vi) an admission as to the validity of any liens satisfied pursuant to this Motion, or (vii) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made

pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

Notice

52. Notice of this Motion will be provided to (i) the Office of the United States Trustee for the Southern District of Texas; (ii) the holders of the 30 largest unsecured claims against the Debtors on a consolidated basis; (iii) (A) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, NY 10017 (Attn: Damian S. Schaible, Esq., David Schiff, Esq., and Jonah A. Peppiatt, Esq.) and (B) Rapp & Krock, PC, 1980 Post Oak Blvd, Suite 1200, Houston, TX 77056 (Attn: Henry Flores, Esq.), counsel to the Ad Hoc Group of Secured Lenders; (iv) Skadden, Arps, Slate, Meagher & Flom LLP, One Manhattan West, New York, NY 10001 (Attn: Steven Messina, Esq. And George Howard, Esq.) and 155 N. Wacker Drive, Chicago, IL 60606 (Attn: David M. Wagener, Esq.), counsel to Credit Suisse AG, Cayman Islands Branch, as administrative agent under the Syndicated Facility Agreement and the DIP Agent; (v) the Internal Revenue Service; (vi) the United States Attorney's Office for the Southern District of Texas; (vii) the Securities and Exchange Commission; (viii) the Banks; and (ix) any other party entitled to notice pursuant to Local Rule 9013-1(d).

No Previous Request

53. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request entry of the Proposed Interim Order and Proposed Final Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: April 23, 2020
Houston, Texas

Respectfully submitted,

/s/ Alfredo R. Pérez

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*Proposed Attorneys for Debtors
and Debtors in Possession*

Certificate of Service

I hereby certify that on April 23, 2020, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas, and will be served as set forth in the Affidavit of Service to be filed by the Debtors' proposed claims, noticing, and solicitation agent.

/s/ Alfredo R. Pérez
Alfredo R. Pérez

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
SPEEDCAST INTERNATIONAL LIMITED, et al.,	§	
	§	Case No. 20-32243 (MI)
	§	
Debtors.¹	§	(Jointly Administered)
	§	Re: Docket No. ____

**INTERIM ORDER (I) AUTHORIZING DEBTORS TO PAY PREPETITION
OBLIGATIONS TO (A) CRITICAL VENDORS, (B) FOREIGN CREDITORS,
(C) LIEN CLAIMANTS, AND (D) 503(b)(9) CLAIMANTS; (II) APPROVING LETTER
AGREEMENT WITH INTELSAT US LLC; AND (III) GRANTING RELATED RELIEF**

Upon the motion, dated April 23, 2020 (the “**Motion**”)² of SpeedCast International Limited and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), for entry of an order pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code and Bankruptcy Rules 6003, 6004 and 9019 (i) authorizing the Debtors to pay, in their sole discretion, amounts owed to (a) the Critical Vendors; (b) the Foreign Creditors; (c) the Lien Claimants; and (d) the 503(b)(9) Claimants; (ii) approving certain terms of a letter agreement between Speedcast Communications Inc. (“**SCI**”), on behalf of itself and certain of the other Debtors, and Intelsat US LLC and certain of its affiliated entities (“**Intelsat**”); and (iii) granting related relief, all as more fully set forth in the Motion; and upon consideration of the Healy Declaration; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <http://www.kccllc.net/speedcast>. The Debtors’ service address is 4400 S. Sam Houston Parkway East, Houston, Texas 77048.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and this Court having held a hearing to consider the relief requested in the Motion; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003 and is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT

1. The Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code, in the reasonable exercise of their business judgment, to honor, pay, or otherwise satisfy the prepetition Vendor Claims for the Critical Vendors; provided, however, that payment on account of the Critical Vendor Claims shall not exceed an aggregate amount of \$2.10 million pending entry of the Final Order.

2. The Debtors shall undertake all appropriate efforts to cause the Vendor Claimants to enter into Trade Agreements with the Debtors as a condition of payment of each such Vendor Claimant's Vendor Claims. The Debtors are authorized to negotiate, modify, or amend the form of a Trade Agreement in its reasonable business judgment, which shall be subject to review by the advisors to the Ad Hoc Group of Secured Lenders in accordance with the DIP Order

and the DIP Documents, including, without limitation, section 6.09(a)(vi) of the DIP Credit Agreement (as defined in the DIP Order).

3. The Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code, in the reasonable exercise of their business judgment, to honor, pay, or otherwise satisfy the prepetition Foreign Claims for the Foreign Creditors upon such terms and in the manner provided for in this Interim Order and in the Motion; provided, however, that payment on account of the Foreign Claims shall not exceed an aggregate amount of \$2.60 million pending entry of the Final Order.

4. The Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code, in the reasonable exercise of their business judgment, to honor, pay, or otherwise satisfy the prepetition Lien Claims for the Lien Claimants upon such terms and in the manner provided for in this Interim Order and in the Motion; provided, however, that payment on account of the Lien Claims shall not exceed an aggregate amount of \$455,000 pending entry of the Final Order.

5. The Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code, in the reasonable exercise of their business judgment, to honor, pay, or otherwise satisfy the undisputed prepetition 503(b)(9) Claims for the 503(b)(9) Claimants, upon such terms and in the manner provided for in this Interim Order and in the Motion; provided, however, that payment on account of the 503(b)(9) Claims shall not exceed an aggregate amount of \$1.55 million pending entry of the Final Order. The Debtors are authorized, but not directed, to condition payment of the Vendor Claims upon entry into corresponding Trade Agreements in the exercise of their reasonable business judgment.

6. Any party who accepts payment from the Debtors of a Vendor Claim (regardless of whether a Trade Agreement has been executed) shall take all actions necessary to remove any liens on the Debtors' assets such party may have based upon such Vendor Claim at such party's sole expense.

7. If, either after executing a Trade Agreement or receiving notification of this Interim Order, a Vendor Claimant accepts payment pursuant to the relief requested by the Motion and thereafter does not continue to provide the goods and services to the Debtors on the Customary Trade Terms (regardless of whether a Trade Agreement has been executed), and subject to any Trade Agreement that may be executed between the Debtors and such Vendor Claimant, 14 days after receipt by the Vendor Claimant of a notice of non-performance and if no objection with the Court has been filed: (a) such payment may be deemed by the Debtors to be an improper postpetition transfer on account of a prepetition claim and, therefore, will be immediately recoverable by the Debtors in cash upon written request; (b) upon recovery by the Debtors of such payment, any prepetition claim of such Vendor Claimant shall be reinstated as if the payment by the Debtors had not been made in the first instance; and (c) if there exists an outstanding postpetition balance due from the Debtors to such Vendor Claimant, then the Debtors may elect to recharacterize and apply any payment made by the Debtors to such Vendor Claimant (if the Debtors would be permitted to pay such Vendor Claimant in cash in accordance with the DIP Order and the DIP Documents) pursuant to the relief requested by the Motion to such outstanding postpetition balance, and such Vendor Claimant will be required to repay to the Debtors such paid amounts exceeding the postpetition obligations then outstanding from the Debtors to such Vendor Claimant without the right of any setoffs, claims, provisions for payment of any claims, or otherwise.

8. Nothing herein shall impair or prejudice the Debtors' ability to contest, in their sole discretion, the extent, perfection, priority, validity, or amount of any of the Critical Vendor Claims, the Foreign Claims, the Lien Claims, or the 503(b)(9) Claims.

9. The Debtors may identify additional Critical Vendors, Foreign Creditors, Lien Claimants, or 503(b)(9) Claimants, and/or additional Critical Vendor Claims, Foreign Claims, Lien Claims, or 503(b)(9) Claims sought to be paid in the ordinary course of business by serving a Critical Vendor Notice; provided that the payment of any additional Critical Vendors, Foreign Creditors, Lien Claimants, or 503(b)(9) Claimants, and/or additional Critical Vendor Claims, Foreign Claims, Lien Claims, or 503(b)(9) Claims shall be subject to the terms of the DIP Order and the DIP Documents.

10. Parties receiving a Critical Vendor Notice shall have 14 days after the filing of a Critical Vendor Notice to file an objection with the Court. If no objection is timely filed, the Debtors are authorized to pay the Critical Vendor Claims set forth on such Critical Vendor Notice pursuant to the terms of this Interim Order. If an objection is timely filed, the matter shall be considered by this Court at the next available hearing date.

11. Nothing in the Motion or this Interim Order shall be deemed to authorize the Debtors to accelerate any payments not otherwise due prior to the date of the hearing to consider entry of an order granting the relief requested in the Motion on a final basis (the "**Final Hearing**").

12. The mutual releases in the Intelsat Agreement attached to the Motion as **Exhibit C**, are hereby approved and Intelsat is hereby deemed to have a general unsecured claim against the Debtors in the amount of \$44 million; provided, that such claim represents Intelsat's entire and sole claim against the Debtors for (i) any prepetition amounts owing by the Debtors to

Intelsat and (ii) any and all amounts due to Intelsat for the provision of services through June 30, 2020.

13. Intelsat will provide broadband uplink and related services to the Debtors through June 30, 2020, in the same manner and on the same terms as previously provided; provided that, and without prejudice to any future terms agreed upon in writing between the parties, the automatic stay shall not prohibit Intelsat from discontinuing services after June 30, 2020.

14. The Banks are authorized to receive, process, honor, and pay any and all checks issued, or to be issued, and electronic funds transfers requested, or to be requested, by the Debtors relating to the Critical Vendor Claims, the Foreign Claims, the Lien Claims and the 503(b)(9) claims, to the extent that sufficient funds are on deposit in available funds in the applicable bank accounts to cover such payments. The Banks are authorized to accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of this Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

15. Notwithstanding anything to the contrary herein, any payment to be made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' (1) entry into any postpetition debtor in possession financing facility, including any budget and the terms of any definitive documentation in connection therewith (the "**DIP Documents**"), and/or (2) authorizing the Debtors use of cash collateral and/or any budget in connection therewith (in either case, the "**DIP Order**"). To the extent there is any inconsistency between the terms of the DIP Order or any DIP Documents, on

the one hand, and any action taken or proposed to be taken hereunder, on the other hand, the terms of the DIP Order or such DIP Document, as applicable, shall control.

16. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Interim Order.

17. Nothing contained in the Motion or this Interim Order or any payment made pursuant to the authority granted by this Interim Order is intended to be or shall be deemed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable nonbankruptcy law, (iv) an agreement or obligation to pay any claims (v) a waiver of any claims or causes of action which may exist against any creditor or interest holder, (vi) an admission as to the validity of any liens satisfied pursuant to this Motion, or (vii) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code.

18. This Interim Order is effective only from the date of entry through this Court's disposition of the Motion on a final basis; provided, that the Court's ultimate disposition of this Motion on a final basis shall not impair or otherwise affect any action taken pursuant to this Interim Order.

19. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

20. Notice of the Motion is adequate under Bankruptcy Rule 6004(a).

21. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

22. The Debtors are authorized to take all actions necessary or appropriate to carry out the relief granted in this Interim Order.

23. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

24. A final hearing to consider the relief requested in the Motion shall be held on _____, 2020 at _____ (**Prevailing Central Time**) and any objections or responses to the Motion shall be filed on or prior to _____ **2020 at 4:00 p.m. (Prevailing Central Time)**.

Dated: _____, 2020
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Chapter 11
	§	
SPEEDCAST INTERNATIONAL LIMITED, et al.,	§	
	§	Case No. 20-32243 (MI)
Debtors.¹	§	(Jointly Administered)
	§	Re: Docket No. ____

**FINAL ORDER (I) AUTHORIZING DEBTORS TO PAY PREPETITION
OBLIGATIONS TO (A) CRITICAL VENDORS, (B) FOREIGN CREDITORS,
(C) LIEN CLAIMANTS, AND (D) 503(b)(9) CLAIMANTS; (II) APPROVING LETTER
AGREEMENT WITH INTELSAT US LLC; AND (III) GRANTING RELATED RELIEF**

Upon the motion, dated April 23, 2020 (the “**Motion**”)² of SpeedCast International Limited and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), for entry of an order pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code and Bankruptcy Rules 6003, 6004 and 9019 (i) authorizing the Debtors to pay, in their sole discretion, amounts owed to (a) the Critical Vendors; (b) the Foreign Creditors; (c) the Lien Claimants; and (d) the 503(b)(9) Claimants; (ii) approving certain terms of a letter agreement between Speedcast Communications Inc. (“**SCI**”), on behalf of itself and certain of the other Debtors, and Intelsat US LLC and certain of its affiliated entities (“**Intelsat**”); and (iii) granting related relief, all as more fully set forth in the Motion; and upon consideration of the Healy Declaration; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §1334; and

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <http://www.kccllc.net/speedcast>. The Debtors’ service address is 4400 S. Sam Houston Parkway East, Houston, Texas 77048.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and this Court having held a hearing to consider the relief requested in the motion; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003 and is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT

1. The Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code, in the reasonable exercise of their business judgment, to honor, pay, or otherwise satisfy the prepetition Vendor Claims for the Critical Vendors, the Foreign Claims, the Lien Claims, and the 503(b)(9) Claims; provided, however, that payment on account of the such claims shall not exceed an aggregate amount of \$4.20 million, inclusive of any amounts previously paid under the Interim Order.

2. The Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code, in the reasonable exercise of their business judgment, to honor, pay, or otherwise satisfy the prepetition Foreign Claims for the Foreign Creditors upon such terms and in the manner provided for in this Final Order and in the Motion;

provided, however, that payment on account of the Foreign Claims shall not exceed an aggregate amount of \$5.20 million, inclusive of any amounts previously paid under the Interim Order.

3. The Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code, in the reasonable exercise of their business judgment, to honor, pay, or otherwise satisfy the prepetition Lien Claims for the Lien Claimants upon such terms and in the manner provided for in this Final Order and in the Motion; provided, however, that payment on account of the Lien Claims shall not exceed an aggregate amount of \$910,000, inclusive of any amounts previously paid under the Interim Order.

4. The Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code, in the reasonable exercise of their business judgment, to honor, pay, or otherwise satisfy the undisputed prepetition 503(b)(9) Claims for the 503(b)(9) Claimants, upon such terms and in the manner provided for in this Final Order and in the Motion; provided, however, that payment on account of the 503(b)(9) Claims shall not exceed an aggregate amount of \$3.1 million, inclusive of any amounts previously paid under the Interim Order.

5. The Debtors shall undertake all appropriate efforts to cause the Vendor Claimants to enter into Trade Agreements with the Debtors as a condition of payment of each such Vendor Claimant's Vendor Claims. The Debtors are authorized to negotiate, modify, or amend the form of a Trade Agreement in its reasonable business judgment, which shall be subject to review by the advisors to the Ad Hoc Group of Secured Lenders in accordance with the DIP Order and the DIP Documents, including, without limitation, section 6.09(a)(vi) of the DIP Credit Agreement (as defined in the DIP Order).

6. The Debtors are authorized, but not directed, to condition payment of the Vendor Claims upon entry into corresponding Trade Agreements in the exercise of their reasonable business judgment.

7. Any party who accepts payments from the Debtors of a Vendor Claim (regardless of whether a Trade Agreement has been executed) shall take all actions necessary to remove any liens on the Debtors' assets such party may have based on such Vendor Claim at such party's sole expense.

8. If, either after executing a Trade Agreement or receiving notification of the Disgorgement Procedures, a Vendor Claimant accepts payment pursuant to the relief requested by the Motion and thereafter does not continue to provide goods and services to the Debtors on the Customary Trade Terms (regardless of whether a Trade Agreement has been executed), and subject to any Trade Agreement that may be executed between the Debtors and such Vendor Claimant, 14 days after receipt by the Vendor Claimant of a notice of non-performance and if no objection with the Court has been filed: (a) such payment may be deemed by the Debtors to be an improper postpetition transfer on account of a prepetition claim and, therefore, will be immediately recoverable by the Debtors in cash upon written request; (b) upon recovery by the Debtors of such payment, any prepetition claim of such Vendor Claimant shall be reinstated as if the payment by the Debtors had not been made in the first instance; and (c) if there exists an outstanding postpetition balance due from the Debtors to such Vendor Claimant, then the Debtors may elect to recharacterize and apply any payment made by the Debtors to such Vendor Claimant (if the Debtors would be permitted to pay such Vendor Claimant in cash in accordance with the DIP Order and the DIP Documents) pursuant to the relief requested by the Motion to such outstanding postpetition balance, and such Vendor Claimant will be required to repay to the Debtors such paid

amounts exceeding the postpetition obligations then outstanding from the Debtors to such Vendor Claimant without the right of any setoffs, claims, provisions for payment of any claims, or otherwise.

9. Nothing herein shall impair or prejudice the Debtors' ability to contest, in their sole discretion, the extent, perfection, priority, validity, or amount of any of the Critical Vendor Claims, the Foreign Claims, the Lien Claims, or the 503(b)(9) Claims.

10. The Debtors may identify additional Critical Vendors, Foreign Creditors, Lien Claimants, or 503(b)(9) Claimants, and/or additional Critical Vendor Claims, Foreign Claims, Lien Claims, or 503(b)(9) Claims, sought to be paid in the ordinary course of business by giving a Critical Vendor Notice; provided that the payment of any additional Critical Vendors, Foreign Creditors, Lien Claimants, or 503(b)(9) Claimants, and/or additional Critical Vendor Claims, Foreign Claims, Lien Claims, or 503(b)(9) Claims shall be subject to the terms of the DIP Order and the DIP Documents.

11. Parties receiving the Critical Vendor Notice shall have 14 days after service of a Critical Vendor Notice to file an objection with the Court. If no objection is timely filed, the Debtors are authorized to pay the Critical Vendor Claims set forth on such Critical Vendor Notice pursuant to the terms of this Final Order. If an objection is timely filed, the matter shall be considered by this Court at the next available hearing date.

12. The mutual releases in the Intelsat Agreement attached to the Motion as **Exhibit C**, are hereby approved and Intelsat is hereby deemed to have a general unsecured claim against the Debtors in the amount of \$44 million; provided, that such claim represents Intelsat's entire and sole claim against the Debtors for (i) any prepetition amounts owing by the Debtors to

Intelsat and (ii) any and all amounts due to Intelsat for the provision of services through June 30, 2020.

13. Intelsat will provide broadband uplink and related services to the Debtors through June 30, 2020, in the same manner and on the same terms as previously provided; provided that, and without prejudice to any future terms agreed upon in writing between the parties, the automatic stay shall not prohibit Intelsat from discontinuing services after June 30, 2020.

14. The Banks are authorized to receive, process, honor, and pay any and all checks issued, or to be issued, and electronic funds transfers requested, or to be requested, by the Debtors relating to the Critical Vendor Claims, the Foreign Claims, the Lien Claims, or the 503(b)(9) Claims, to the extent that sufficient funds are on deposit in available funds in the applicable bank accounts to cover such payments. The Banks are authorized to accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of this Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

15. Notwithstanding anything to the contrary herein, any payment to be made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' (1) entry into any postpetition debtor in possession financing facility, including any budget and the terms of any definitive documentation in connection therewith (the "**DIP Documents**"), and/or (2) authorizing the Debtors' use of cash collateral and/or any budget in connection therewith (in either case, the "**DIP Order**"). To the extent there is any inconsistency between the terms of the DIP Order or any DIP Documents, on

the one hand, and any action taken or proposed to be taken hereunder, on the other hand, the terms of the DIP Order or such DIP Document, as applicable, shall control.

16. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Final Order.

17. Nothing contained in the Motion or this Final Order or any payment made pursuant to the authority granted by this Final Order is intended to be or shall be deemed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable nonbankruptcy law, (iv) an agreement or obligation to pay any claims (v) a waiver of any claims or causes of action which may exist against any creditor or interest holder, (vi) an admission as to the validity of any liens satisfied pursuant to this Motion, or (vii) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code.

18. Notice of the Motion is adequate under Bankruptcy Rule 6004(a).

19. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Final Order shall be immediately effective and enforceable upon its entry.

20. The Debtors are authorized to take all actions necessary or appropriate to carry out the relief granted in this Final Order.

21. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Final Order.

Dated: _____, 2020
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE

Exhibit C

Intelsat Agreement

Speedcast Communications Inc.
 c/o 4400 S. Sam Houston Parkway East
 Houston, TX 77048 USA

April 21, 2020

David Tolley
 EVP and CFO
 Intelsat US LLC
 7900 Tysons One Place
 McLean, VA 22102-5972

Delivered by Email

Re: Commercial relationship between Intelsat and Speedcast

Ladies and Gentlemen:

This letter agreement (the “**Letter**”) sets forth the terms of an agreement between Speedcast Communications Inc. on behalf of itself and certain of its affiliated entities (“**Speedcast**”), on the one hand, and Intelsat US LLC on behalf of itself and certain of its affiliated entities (“**Intelsat**”), on the other hand, concerning the future commercial relationship between Speedcast and Intelsat.

<u>Terms</u>	
Payment to Intelsat	<p>By no later than April 28, 2020, Speedcast will make a one-time payment of \$24 million to Intelsat (the “Initial Payment”), which Initial Payment shall be solely on account of future performance of the Services (defined below) and cannot be applied by Intelsat against any past due amounts owing by Speedcast to Intelsat for services performed pursuant to those certain services contracts between Speedcast and Intelsat (the “Service Contracts”) unless and until the expiration of the Interim Period (as defined below).</p> <p>The Initial Payment shall be paid by Speedcast into a segregated account designated by Intelsat at a bank located in the United States that is acceptable to Intelsat and Speedcast and subject to an account control agreement in favor of Speedcast as set forth below (the “Segregated Account”), which Segregated Account shall not be used for any other purpose. Funds in the Segregated Account shall be deemed to be released to Intelsat, and such funds shall then become the property of Intelsat, to satisfy any amounts duly accrued by and payable to Intelsat (calculated daily on a pro rata basis) for provision of Services to Speedcast during the Interim Period. All funds in the Segregated Account shall be deemed held in trust for Speedcast until earned. If Intelsat breaches any of its obligations pursuant to this Letter (including as set forth below under “Provision of Services”), Intelsat and Speedcast agree the amount then remaining in the Segregated Account shall be returned immediately to Speedcast.</p> <p>To the extent funds in the Segregated Account are held by Intelsat, such funds shall be deemed to have been contributed to a trust, for the sole benefit of Speedcast (with Intelsat acting as trustee for Speedcast’s benefit) and shall not be released from such trust or become property of Intelsat until such funds are earned by Intelsat in accordance with the terms hereof.</p> <p>As additional protection in the event that, notwithstanding the foregoing, any portion of the Initial Payment that has not been fully earned by Intelsat is deemed to be property of Intelsat,</p>

	<p>Intelsat hereby grants to Speedcast a valid and enforceable lien and security interest in such amount, as security for the repayment of such amount to Speedcast to the extent not earned, and Intelsat and Speedcast hereby agree to (i) enter into (and use commercially reasonable efforts to cause the applicable bank to enter into) an account control agreement granting Speedcast control over the Segregated Account on terms acceptable to Intelsat and Speedcast and (ii) execute, deliver, file and/or register (or authorize and direct the execution, delivery, filing and/or registration of) any other documentation reasonably necessary to perfect such lien and security interest.</p>
Intelsat Condition	<p>The respective agreements, obligations, and duties of Intelsat and Speedcast under this Letter shall become effective solely upon Intelsat's receipt of the Initial Payment by April 28, 2020 and satisfaction of the DIP Condition (such date, the "Effective Date"). In the event that Speedcast fails to make the Initial Payment by April 28, 2020 and the DIP Condition is not satisfied, this Letter shall automatically terminate without any further action or notice by either Intelsat or Speedcast, and neither Intelsat nor Speedcast shall have any obligation or duties under this Letter whatsoever, and this Letter (including the releases in the paragraph titled "<i>Releases</i>" below) shall be null, void, and be of no force and effect.</p>
Chapter 11 Cases; DIP Financing	<p>If Speedcast, together with certain of its affiliates, (i) commences voluntary proceedings pursuant to title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., as amended from time to time (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Texas case (the "Chapter 11 Cases") and (ii) secures a debtor-in-possession financing facility from certain of its existing lenders (such facility, the "DIP Financing"), the interim and final orders approving the DIP Financing (and/or other applicable "first day" and "second day" relief) shall (i) provide for releases of the Intelsat Released Parties by the Speedcast Consenting Parties, and the Speedcast Released Parties by the Intelsat Consenting Parties, as those terms are defined below, in each case on the respective terms set forth below in the paragraph titled "<i>Release</i>" (as applicable) or as otherwise reasonably acceptable to Intelsat and Speedcast, and (ii) (without prejudice to any terms that may in the future be agreed to in writing by Speedcast and Intelsat) shall modify the automatic stay imposed by section 362 of the Bankruptcy Code or otherwise to permit Intelsat to discontinue services in its sole discretion after the expiration of the Interim Period (the requirement to include the foregoing in the interim order approving the DIP Financing (and/or other applicable "first day" relief), the "DIP Condition").</p>
Intelsat Claim; No Further Consideration	<p>Speedcast and Intelsat agree that Intelsat will have a \$44 million claim in the Chapter 11 Cases, which claim will be treated in such Chapter 11 Cases entirely as a prepetition, general unsecured claim (the "Unsecured Claim").</p> <p>The Initial Payment and the Unsecured Claim represents Intelsat's entire and sole claim against Speedcast for (i) any past due amounts owing by Speedcast to Intelsat as of the date hereof (including under the Services Contracts and in connection with the Repayment Plan Agreement, as defined below) and (ii) any and all amounts due to Intelsat for the provision of Services to Intelsat during the Interim Period (as those terms are defined below) in accordance with the "Provision of Services" section of this Letter (the amounts described in (i) and (ii), collectively, the "Agreed Amounts"). Intelsat agrees that it shall not seek or make any claim for any additional payment, compensation or damages from Speedcast for the Agreed Amounts, including for Services performed during that time.</p>
Provision of Services	<p>From and after the Effective Date until June 30, 2020 (the "Interim Period"), Intelsat will provide, or cause to be provided, broadband uplink and related services to Speedcast (the "Services") in the same manner in which, and at the overall standards of quality and availability at which, such Services were provided to Speedcast immediately prior to March 20, 2020 pursuant to the Service Contracts, subject to certain adjustments to be agreed between the parties in respect of the Services provided by Intelsat during the Interim Period as required to reflect</p>

	<p>“turn downs” for end customers, in accordance with typical industry practices. This Letter shall be deemed a license in respect of Speedcast’s use of Intelsat bandwidth for the duration of the Interim Period.</p>
Forbearance	<p>During the Interim Period, provided that Speedcast does not materially breach the payment terms set forth above under “<i>Payment to Intelsat</i>”, Intelsat (x) shall forbear from exercising any rights (including any right of set-off) or remedies it may have against Speedcast under this Letter, the Service Contracts, or any agreement contemplated thereby or executed in connection therewith, as applicable, and under applicable law, in each case, with respect to any breaches, defaults, events of defaults or potential defaults by Speedcast (including, without limitation, pursuant to that certain Debt Repayment Plan Agreement dated October 25, 2019 (the “Repayment Plan Agreement”), and all notices delivered in connection therewith), and (y) notwithstanding the Notice of Termination, shall not terminate (or, unless otherwise agreed between Speedcast and Intelsat, materially reduce) the provision of Services to Speedcast. This forbearance provided herein shall survive any Intelsat Proceeding (as defined below).</p>
Release	<p>Upon the execution of this Letter, Speedcast, on behalf of itself and its predecessors, successors and assigns, subsidiaries, affiliates, current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, and other professionals, in each case in their capacity as such (collectively, the “Speedcast Consenting Parties”), expressly and generally releases, acquits, and discharges (i) Intelsat and (ii) Intelsat’s respective predecessors, successors and assigns, subsidiaries, affiliates, and each of Intelsat’s and such entities’ respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals (collectively, the “Intelsat Released Parties”), from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of Speedcast, any claims asserted or assertable on behalf of any holder of any claim against or interest in Speedcast and any claims asserted or assertable on behalf of any other entity, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that such Speedcast Consenting Parties (whether individually or collectively) ever had, now has, or may have, in each case, occurring or arising on or prior to this Letter in connection with the commercial relationship between Intelsat and Speedcast, including the provision of and payment for Services under the Service Contracts.</p> <p>Upon the execution of this Letter, Intelsat, on behalf of itself and its predecessors, successors and assigns, subsidiaries, affiliates, current and former officers, directors, principals, shareholders, members, partners employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, and other professionals, in each case in their capacity as such (collectively, the “Intelsat Consenting Parties”), expressly and generally releases, acquits, and discharges (i) Speedcast and (ii) Speedcast’s respective predecessors, successors and assigns, subsidiaries, affiliates, and each of Intelsat’s and such entities’ respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals (collectively, the “Speedcast Released Parties”), from, other than the Unsecured Claim, any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of Intelsat, any claims asserted or assertable on behalf of any holder of any claim against or interest in Intelsat and any claims asserted or assertable on behalf of any other entity, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that such Intelsat Consenting Parties (whether individually or collectively) ever had, now has, or may have, in each case, occurring or</p>

	arising on or prior to the date of this Letter in connection with the commercial relationship between Intelsat and Speedcast, including the provision of and payment for Services under the Service Contracts.
Waiver	<p>Upon the Effective Date, except for a Force Majeure Event (as defined in that certain Service Contract (Agreement No. 8512) between Speedcast and Intelsat dated December 23, 2003), Intelsat hereby irrevocably and unconditionally waives any and all rights it may have to excuse performance of its obligation to provide the Services pursuant to this Letter (including, without limitation, as a result of or in any way in connection with any ongoing global pandemic or epidemic, or any economic or financial conditions or distress impacting Intelsat or the industries in which it operates, or any bankruptcy or other insolvency proceeding (the “Specified Events”)), and covenants not to assert any such claim or take any action to voluntarily turn off or not provide the Services during the Interim Period. Notwithstanding anything to the contrary herein or in any Service Contract, none of the Specified Events shall constitute a Force Majeure Event.</p> <p>Speedcast hereby irrevocably and unconditionally waives any and all rights it may have after the Interim Period to object to, contest, or otherwise dispute Intelsat’s discontinuance of the Services, and covenants not to assert any such claim, including by asserting that such discontinuance is prohibited by or violates the automatic stay imposed by section 362 of the Bankruptcy Code or otherwise (without prejudice to any terms that may in the future be agreed to in writing by Speedcast and Intelsat).</p> <p>Intelsat and Speedcast acknowledges that the agreements contained in this paragraph titled “<i>Waiver</i>” are an integral part of the settlement agreed herein and constitute a material inducement upon which Speedcast and Intelsat, respectively, is relying and will rely upon in entering into the this Agreement, and that without these agreements, Speedcast and Intelsat, respectively, would not have entered into this Letter.</p>

This Letter shall be governed by the laws of the State of New York without giving effect to any choice or conflict of laws provision or rule (whether of the State of New York or any other jurisdiction).

The parties consent to the non-exclusive jurisdiction of any state or federal court sitting in New York, New York in respect of any claim, action, suit, arbitration, inquiry, complaint, proceeding or investigation, whether at law or at equity, by or before any court or other governmental authority, arbitrator or mediator arising out of or relating to this Letter or the transactions contemplated hereby.

This Letter sets forth the entire agreement among Speedcast and Intelsat with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among Speedcast and Intelsat with respect to the subject matter hereof (including, without limitation, the terms of the Repayment Plan Agreement, and any notices given thereunder or in connection therewith, or any other documentation or correspondence between Intelsat and Speedcast prior to the date hereof).

The parties hereby acknowledge and agree that this Letter is confidential, and except as required by law, regulation, court order or applicable stock exchange rules or regulations, shall not be shared with any party other than Speedcast or Intelsat (and their respective board of directors, officers, employees, professional advisors and their creditors who are bound by confidentiality arrangements) without the consent of Speedcast and Speedcast’s lenders or Intelsat (as applicable) (which consent shall not be unreasonably withheld, conditioned or delayed).

This Letter may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Letter delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

This Letter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

The parties understand and agree that irreparable damage would occur in the event that any provision of this Letter were not performed in accordance with its terms and further agree that, although monetary damages may be available for the breach of such covenants and undertakings, monetary damages alone would be an inadequate remedy therefor. Accordingly, each party hereto agrees, on behalf of itself and its Affiliates, that in the event of any breach or threatened breach of the Letter by another party, each party shall be entitled to an injunction or injunctions, specific performance and other equitable relief to prevent or restrain breaches or threatened breaches of this Letter, and to specifically enforce the terms and provisions of this Letter to prevent breaches or threatened breaches of, or to enforce compliance with, the terms and provisions of this Letter. Any party seeking an injunction or injunctions to prevent breaches of this Letter or to enforce specifically the terms and provisions of this Letter shall not be required to provide, furnish or post any bond or other security in connection with or as a condition to obtaining any such order or injunction, and each party hereby irrevocably waives any right it may have to require the provision, furnishing or posting of any such bond or other security or to object to such relief based on a lack of bond or other security. In the event that any action, claim, suit or proceeding should be brought in equity to enforce the provisions of this Letter, no party shall allege, and each party hereto hereby waives the defense, that there is an adequate remedy at law.

Neither this Letter nor any term hereof may be amended other than by an instrument in writing signed by each of the parties hereto. No provision of this Letter may be waived, discharged or terminated other than by an instrument in writing signed by the party against whom the enforcement of such waiver, discharge or termination is sought.

Please evidence your acceptance of, and agreement to, the terms and conditions of this Letter by executing and returning an executed copy of this Letter to the address first written above.

Yours sincerely,

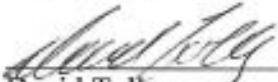
**Speedcast Communications, Inc. (for itself
and its affiliated entities)**

By: _____

Joe Spytak
President

Acknowledged and Agreed:

Intelsat US LLC (for itself and its affiliated entities)

By: 
David Tolley
EVP and CFO