UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2010

OR

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

For the Transition Period from ________ to ________

Commission File Number 001-33117

GLOBALSTAR, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**41-2116508**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

461 South Milpitas Blvd.
Milpitas, California 95035

(Address of Principal Executive Offices)

Registrant's Telephone Number, Including Area Code: **(408) 933-4000**

Indicate by check mark if the Registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

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

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer x	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company x

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

As of April 30, 2010, 280,173,803 shares of voting common stock and 19,275,750 shares of nonvoting common stock were outstanding. Unless the context otherwise requires, references to common stock in this Report mean Registrant's voting common stock.

GLOBALSTAR, INC.

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GLOBALSTAR, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended	
	March 31, 2010	March 31, 2009 As Revised (Note 1)
Revenue:		
Service revenue	$ 12,454	$ 11,131
Subscriber equipment sales	3,117	4,032
Total revenue	15,571	15,163
Operating expenses:		
Cost of services (exclusive of depreciation and amortization shown separately below)	7,618	10,408
Cost of subscriber equipment sales	2,512	2,995
Marketing, general, and administrative	8,212	13,977
Depreciation and amortization	5,890	5,424
Total operating expenses	24,232	32,804
Operating loss	(8,661)	(17,641)
Other income (expense):		
Interest income	182	128
Interest expense	(1,410)	(240)
Derivative loss	(24,962)	—
Other expense	(727)	(3,975)
Total other income (expense)	(26,917)	(4,087)
Loss before income taxes	(35,578)	(21,728)
Income tax expense	64	30
Net loss	$ (35,642)	$ (21,758)
Loss per common share:		
Basic	$ (0.13)	$ (0.20)
Diluted	(0.13)	(0.20)
Weighted-average shares outstanding:		
Basic	275,370	111,308
Diluted	275,370	111,308

See accompanying notes to unaudited interim consolidated financial statements.

GLOBALSTAR, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands, except par value and share data)

	March 31, 2010	December 31, 2009 As Revised (Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 96,856	$ 67,881
Accounts receivable, net of allowance of $5,628 (2010), and $5,735 (2009)	8,788	9,392
Inventory	62,375	61,719
Advances for inventory	9,332	9,332
Prepaid expenses and other current assets	5,564	5,404
Total current assets	182,915	153,728
Property and equipment, net	982,013	964,921
Other assets:		
Restricted cash	40,473	40,473
Deferred financing costs	64,996	69,647
Other assets, net	49,189	37,871
Total assets	$1,319,586	$ 1,266,640
LIABILITIES AND OWNERSHIP EQUITY		
Current liabilities:		
Accounts payable	$ 6,879	$ 76,661
Accrued expenses	38,527	30,520
Payables to affiliates	622	541
Deferred revenue	15,739	19,911
Current portion of long term debt	—	2,259
Total current liabilities	61,767	129,892
Long term debt	591,483	463,551
Employee benefit obligations	4,488	4,499
Derivative liabilities	70,387	49,755
Other non-current liabilities	27,628	23,151
Total non-current liabilities	693,986	540,956
Ownership equity:		
Preferred Stock, $0.0001 par value: 100,000,000 shares authorized; issued and outstanding – none at March 31, 2010 and December 31, 2009:		
Series A Preferred Convertible Stock, $0.0001 par value: one share authorized and none issued and outstanding at March 31, 2010 and December 31, 2009	—	—
Voting Common Stock, $0.0001 par value; 865,000,000 shares authorized at March 31, 2010 and December 31, 2009, 279,495,000 shares issued and outstanding at March 31, 2010; 274,384,000 shares issued and outstanding at December 31, 2009	28	27
Nonvoting Common Stock, $0.0001 par value; 135,000,000 shares authorized, 19,276,000 shares issued and outstanding at March 31, 2010; 16,750,000 shares issued and outstanding at December 31, 2009	2	2
Additional paid-in capital	703,429	700,814
Accumulated other comprehensive loss	(651)	(1,718)
Retained deficit	(138,975)	(103,333)
Total ownership equity	563,833	595,792
Total liabilities and ownership equity	$1,319,586	$ 1,266,640

See accompanying notes to unaudited interim consolidated financial statements.

GLOBALSTAR, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended	
	March 31, 2010	March 31, 2009 As Revised (Note 1)
Cash flows from operating activities:		
Net loss	$ (35,642)	$ (21,758)
Adjustments to reconcile loss to net cash from operating activities:		
Depreciation and amortization	5,890	5,424
Stock-based compensation expense	(1,781)	3,006
Change in fair value of derivative instruments and derivative liabilities	24,962	—
Provision for bad debts	(19)	444
Equity losses in investee	416	218
Amortization of deferred financing costs	793	83
Contribution of services	42	126
Other	7	1,014
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	401	3,294
Inventory	1,355	694
Advances for inventory	270	(68)
Prepaid expenses and other current assets	(574)	174
Other assets	(15,875)	276
Accounts payable	(1,680)	2,081
Payables to affiliates	72	14
Accrued expenses and employee benefit obligations	715	454
Other non-current liabilities	903	(192)
Deferred revenue	(481)	2,591
Net cash used in operating activities	(20,226)	(2,125)
Cash flows from investing activities:		
Spare and second-generation satellites, ground and launch costs	(75,734)	(57,570)
Property and equipment additions	(888)	(778)
Investment in businesses	(177)	(145)
Restricted cash	—	39,099
Net cash used in investing activities	(76,799)	(19,394)
Cash flows from financing activities:		
Proceeds from revolving credit loan, net	—	7,750
Borrowings from Facility Agreement	126,075	—
Deferred financing cost payments	—	(49)
Net cash from financing activities	126,075	7,701
Effect of exchange rate changes on cash	(75)	4,504
Net increase (decrease) in cash and cash equivalents	28,975	(9,314)
Cash and cash equivalents, beginning of period	67,881	12,357
Cash and cash equivalents, end of period	$ 96,856	$ 3,043
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ 5,927	$ 4,140
Income taxes	$ 24	$ 31
Supplemental disclosure of non-cash financing and investing activities:		
Capitalization of accrued interest for spare and second-generation satellites and launch costs	$ 5,890	1,047
Accrued launch costs and second-generation satellites costs	$ 13,846	$ 31,122
Conversion of note receivable to equity in investee company	$ —	3,032
Vendor financing of second-generation Globalstar System	—	7,875
Accretion of debt discount	$ 4,152	—
Accrued deferred financing costs	$ —	1,287

See accompanying notes to unaudited interim consolidated financial statements.

GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Globalstar, Inc. ("Globalstar" or the "Company") was formed as a Delaware limited liability company in November 2003, and was converted into a Delaware corporation on March 17, 2006.

Globalstar is a leading provider of mobile voice and data communications services via satellite. Globalstar's network, originally owned by Globalstar, L.P. ("Old Globalstar"), was designed, built and launched in the late 1990s by a technology partnership led by Loral Space and Communications ("Loral") and Qualcomm Incorporated ("Qualcomm"). On February 15, 2002, Old Globalstar and three of its subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code. In 2004, Thermo Capital Partners LLC, together with its affiliates ("Thermo"), became Globalstar's principal owner, and Globalstar completed the acquisition of the business and assets of Old Globalstar. Thermo remains Globalstar's largest stockholder. Globalstar's Chairman controls Thermo. Two other members of Globalstar's Board of Directors are also directors, officers or minority equity owners of various Thermo entities.

Globalstar offers satellite services to commercial and recreational users in more than 120 countries around the world. The Company's voice and data products include mobile and fixed satellite telephones, Simplex and duplex satellite data modems and flexible service packages. Many land based and maritime industries benefit from Globalstar with increased productivity from remote areas beyond cellular and landline service. Globalstar's customers include those in the following industries: oil and gas, government, mining, forestry, commercial fishing, utilities, military, transportation, heavy construction, emergency preparedness, and business continuity, as well as individual recreational users.

Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information. These unaudited interim consolidated financial statements include the accounts of Globalstar and its majority owned or otherwise controlled subsidiaries. All significant intercompany transactions and balances have been eliminated in the consolidation. In the opinion of management, such information includes all adjustments, consisting of normal recurring adjustments, that are necessary for a fair presentation of the Company's consolidated financial position, results of operations, and cash flows for the periods presented. The results of operations for the three months ended March 31, 2010 are not necessarily indicative of the results that may be expected for the full year or any future period.

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company evaluates its estimates on an ongoing basis, including those related to revenue recognition, allowance for doubtful accounts, inventory valuation, deferred tax assets, property and equipment, interest rate cap, derivative liabilities, warranty obligations and contingencies and litigation. Actual results could differ from these estimates.

These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2009. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. Certain reclassifications have been made to prior year consolidated financial statements to conform to current year presentation.

GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Globalstar operates in one segment, providing voice and data communication services via satellite.

Issued Accounting Pronouncements Recently Adopted

Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance

Effective January 1, 2010, the Company adopted the Financial Accounting Standards Board's ("FASB's") updated guidance on accounting for share loan facilities. This guidance requires that share-lending arrangements be measured at fair value at the date of issuance and recognized as debt issuance cost with an offset to paid-in-capital. The issuance cost is required to be amortized as interest expense over the life of the financing arrangement. Per Company policy, this amortized debt issuance cost was capitalized as construction in process related to our second generation satellite constellation and, therefore, included in property and equipment, net on our Consolidated Balance Sheet. The standard also requires additional disclosures including a description of the terms of the arrangement and the reason for entering into the arrangement. As described more fully in Note 13, we were obligated to lend up to 36.1 million shares of our common stock in conjunction with our 2008 $150.0 million convertible debt issuance that is subject to the provisions of this updated guidance.

The Company has retrospectively revised the Consolidated Statement of Operations for the three months ended March 31, 2009 and the Consolidated Balance Sheet as of December 31, 2009 to reflect the adoption of this updated guidance. In addition, the Company revised Notes 2, 4, and 13 to reflect the retrospective adoption.

The following table illustrates the impact of this adoption on the Company's Consolidated Balance Sheet as of December 31, 2009 and the Consolidated Statement of Operations for the three months ended March 31, 2009:

	As of December 31, 2009		
	As Originally Reported	Effect of Change	As Revised
		(In thousands)	
Property and equipment, net	$ 961,768	$ 3,153	$ 964,921
Deferred financing costs	$ 64,156	$ 5,491	$ 69,647
Additional paid-in capital	$ 684,539	$ 16,275	$ 700,814
Retained deficit	$ (95,702)	$ (7,631)	$ (103,333)
	Three Months Ended March 31, 2009		
	As Originally Reported	**Effect of Change**	**As Revised**
		(In thousands)	
Weighted average shares outstanding – basic	128,608	(17,300)	111,308
Weighted average shares outstanding – diluted	128,608	(17,300)	111,308
Basic loss per share	$ (0.17)	$ (0.03)	$ (0.20)
Diluted loss per share	$ (0.17)	$ (0.03)	$ (0.20)

At March 31, 2010 and 2009, 17.3 million Borrowed Shares related to our Share Lending Agreement (See Note 13) remained outstanding. The Company does not consider the Borrowed Shares outstanding for the purposes of computing and reporting its earnings per share.

Subsequent Events

Effective April 1, 2009, the Company adopted the FASB's updated guidance related to subsequent events, which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The updated guidance

NOTE 1: THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

initially required the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date — that is, whether that date represents the date the financial statements were issued or were available to be issued. However, in February 2010, the FASB amended the guidance to remove the requirement to disclose the date through which subsequent events were evaluated. Adoption of the updated guidance did not have a material impact on the Company's consolidated results of operations or financial condition.

Fair Value Measurements and Disclosures

Effective January 1, 2010, the Company adopted the FASB's updated guidance related to fair value measurements and disclosures, which requires a reporting entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and to describe the reasons for the transfers. In addition, in the reconciliation for fair value measurements using significant unobservable inputs, or Level 3, a reporting entity should disclose separately information about purchases, sales, issuances and settlements (that is, on a gross basis rather than one net number). The updated guidance also requires that an entity should provide fair value measurement disclosures for each class of assets and liabilities and disclosures about the valuation techniques and inputs used to measure fair value for both recurring and non-recurring fair value measurements for Level 2 and Level 3 fair value measurements. The guidance is effective for interim or annual financial reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the roll forward activity in Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. Therefore, the Company has not yet adopted the guidance with respect to the roll forward activity in Level 3 fair value measurements. Adoption of the updated guidance did not have an impact on the Company's consolidated results of operations or financial condition.

Issued Accounting Pronouncements Not Yet Adopted

In October 2009, the FASB issued new guidance for the accounting for certain revenue arrangements that include software elements. These new standards amend the scope of pre-existing software revenue guidance by removing from the guidance non-software components of tangible products and certain software components of tangible products. These new standards are effective for Globalstar beginning in the first quarter of fiscal year 2011, however early adoption is permitted. The Company does not expect these new standards to significantly impact its Consolidated Financial Statements.

In October 2009, the FASB issued updated guidance which eliminates the use of the residual method and incorporates the use of an estimated selling price to allocate arrangement consideration. In addition, the revenue recognition guidance amends the scope to exclude tangible products that contain software and non-software components that function together to deliver the product's essential functionality. The amendments to the accounting standards related to revenue recognition are effective for fiscal years beginning after June 15, 2010. Upon adoption, the Company may apply the guidance retrospectively or prospectively for new or materially modified arrangements. The Company is currently evaluating the financial impact that this accounting standard will have on its Consolidated Financial Statements.

2. BASIC AND DILUTED LOSS PER SHARE

The Company is required to present basic and diluted earnings per share. Basic earnings per share is computed based on the weighted-average number of common shares outstanding during the period. Common stock equivalents are included in the calculation of diluted earnings per share only when the effect of their inclusion would be dilutive.

GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2. BASIC AND DILUTED LOSS PER SHARE – (continued)

The following table sets forth the computations of basic and diluted loss per share (in thousands, except per share data):

	Three Months Ended March 31, 2010		
	Income (Numerator)	Weighted-Average Shares Outstanding (Denominator)	Per-Share Amount
Basic and dilutive loss per common share			
Net loss	$ (35,642)	275,370	$ (0.13)

	Three Months Ended March 31, 2009		
	Income (Numerator)	Weighted-Average Shares Outstanding (Denominator)	Per-Share Amount
Basic and dilutive loss per common share			
Net loss	$ (21,758)	111,308	$ (0.20)

For the three month periods ended March 31, 2010 and 2009, diluted net loss per share of common stock is the same as basic net loss per share of common stock because the effects of potentially dilutive securities are anti-dilutive. See Note 13 for information on potentially dilutive shares.

3. ACQUISITION

On December 18, 2009, Globalstar entered into an agreement with Axonn L.L.C. (“Axonn”) pursuant to which one of the Company’s wholly-owned subsidiaries acquired certain assets and assumed certain liabilities of Axonn in exchange for payment at closing of $1.5 million in cash, subject to a working capital adjustment, and $5.5 million in shares of its voting common stock. Of these amounts, $500,000 in cash was held in an escrow account to cover expenses related to the voluntary replacement of first production models of our second-generation SPOT satellite GPS messenger devices. Additionally, 2,750,000 shares of stock are held in escrow for any pre-acquisition contingencies not disclosed during the transaction. Globalstar is also obligated to pay up to an additional $10.8 million for earnout payments based on sales of existing and new products over a five-year earnout period. As of December 31, 2009, the Company’s best estimate of the total earnout was 100% or $10.8 million; consequently, the Company accrued the fair value of that expected earnout or approximately $6.0 million. This estimate has not changed as of March 31, 2010. Earnout payments will be made principally in stock (not to exceed 10% of the Company’s pre-transaction outstanding common stock), but may be paid in cash after 13 million shares have been issued at Globalstar’s option. Axonn was the principal supplier of the SPOT satellite GPS messenger products.

In connection with the transaction described above, the Company issued 6,298,058 shares of voting common stock to Axonn and certain of its lenders under Section 4(2) of the Securities Act of 1933 as a transaction not involving a public offering. The recipients may not sell any of these shares until the first anniversary of the closing.

3. ACQUISITION – (continued)

The following table summarizes the Company's initial allocation of the purchase price to the assets acquired and liabilities assumed in the acquisition (in thousands):

	December 18, 2009
Accounts receivable	$ 1,176
Inventory	2,897
Property and equipment	931
Intangible assets and goodwill	10,303
Total assets acquired	$ 15,307
Accounts payable and other accrued liabilities	2,311
Total liabilities assumed	$ 2,311
Net assets acquired	$ 12,996

The Company is accounting for the acquisition using the purchase method of accounting. The Company allocated the total estimated purchase prices to net tangible assets and identifiable intangible assets based on their fair values as of the date of the acquisition, recording the excess of the purchase price over those fair values as goodwill. The Company estimates that a portion of the final purchase price will be allocated to goodwill because of the synergies within the marketing organizations and the manufacturing expertise of Axonn. This allocation is preliminary due to the acquisition being completed late in the Company's fiscal year and the Company being unable to complete the valuation prior to this report's filing date. This allocation will be finalized within one year from the acquisition date.

The Company has included the results of operations of Axonn in its consolidated financial statements from the date of acquisition. The results of Axonn prior to the acquisition are not material.

4. PROPERTY AND EQUIPMENT

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

	March 31, 2010	December 31, 2009
Globalstar System:		
Space component	$ 132,982	$ 132,982
Ground component	31,059	31,623
Construction in progress:		
Second-generation satellites, ground and related launch costs	873,924	852,466
Other	1,357	1,223
Furniture and office equipment	21,102	20,316
Land and buildings	4,216	4,308
Leasehold improvements	831	823
	1,065,471	1,043,741
Accumulated depreciation	(83,458)	(78,820)
	$ 982,013	$ 964,921

Property and equipment consists of an in-orbit satellite constellation, ground equipment, second-generation satellites under construction and related launch costs, second-generation ground component and support equipment located in various countries around the world.

4. PROPERTY AND EQUIPMENT – (continued)

In June 2009, Globalstar and Thales Alenia Space entered into an amended and restated contract for the construction of second-generation low-earth orbit satellites to incorporate prior amendments and acceleration requests and to make other non-material changes to the contract entered into in November 2006. The total contract price, including subsequent additions, is approximately €678.9 million. Upon closing of the Facility Agreement (See Note 13 “Borrowings”), amounts in the escrow account became unrestricted and were reclassified to cash and cash equivalents.

In March 2007, the Company and Thales Alenia Space entered into an agreement for the construction of the Satellite Operations Control Centers, Telemetry Command Units and In Orbit Test Equipment (collectively, the Control Network Facility) for the Company’s second-generation satellite constellation. The total contract price for the construction and associated services is €9.8 million, consisting primarily of €4.1 million for the Satellite Operations Control Centers, €3.6 million for the Telemetry Command Units and €2.1 million for the In Orbit Test Equipment, with payments to be made on a quarterly basis through completion of the Control Network Facility. The completion of the facility is now scheduled to occur during the second quarter of 2010.

In September 2007, the Company and Arianespace (the Launch Provider) entered into an agreement for the launch of the Company’s second-generation satellites and certain pre and post-launch services. Pursuant to the agreement, the Launch Provider agreed to make four launches of six satellites each, and the Company had the option to require the Launch Provider to make four additional launches of six satellites each. The total contract price for the first four launches is approximately $216.1 million. In July 2008, the Company amended its agreement with the Launch Provider for the launch of the Company’s second-generation satellites and certain pre and post-launch services. Under the amended terms, the Company could defer payment on up to 75% of certain amounts due to the Launch Provider. The deferred payments incurred annual interest at 8.5% to 12% and became payable one month from the corresponding launch date. As of March 31, 2010 and December 31, 2009, the Company had no deferred payments outstanding to the Launch Provider. In June 2009, the Company and the Launch Provider again amended their agreement reducing the number of optional launches from four to one and modifying the agreement in certain other respects including terminating the deferred payment provisions. Notwithstanding the one optional launch, the Company is free to contract separately with the Launch Provider or another provider of launch services after the Launch Provider’s firm launch commitments are fulfilled.

In May 2008, the Company and Hughes Network Systems, LLC (Hughes) entered into an agreement under which Hughes will design, supply and implement (a) the Radio Access Network (RAN) ground network equipment and software upgrades for installation at a number of the Company’s satellite gateway ground stations and (b) satellite interface chips to be a part of the User Terminal Subsystem (UTS) in various next-generation Globalstar devices. In January 2010, the Company issued an authorization to proceed on $2.7 million of new features which will result in a revised total contract purchase price of approximately $103.5 million, payable in various increments over a period of 57 months. The Company has the option to purchase additional RANs and other software and hardware improvements at pre-negotiated prices. In August 2009, the Company and Hughes amended their agreement extending the performance schedule by 15 months and revising certain payment milestones. Capitalization of costs has begun based upon reaching technological feasibility of the project. As of March 31, 2010, the Company had made payments of $38.8 million under this contract and expensed $5.5 million of these payments, capitalized $25.8 million under second-generation satellites, ground and related launch costs and $7.5 million is classified as a prepayment in other assets, net.

In October 2008, the Company signed an agreement with Ericsson Federal Inc., a leading global provider of technology and services to telecom operators. In December 2009, the Company amended this contract to increase its obligations by $5.1 million for additional deliverables and features. According to the $27.8 million contract, Ericsson will work with the Company to develop, implement and maintain a ground interface, or core network, system that will be installed at the Company’s satellite gateway ground stations.

GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. PROPERTY AND EQUIPMENT – (continued)

As of March 31, 2010 and December 31, 2009, capitalized interest recorded was $85.3 million and $75.1 million, respectively. Interest capitalized during the three months ended March 31, 2010 and 2009 was $10.2 million and $6.6 million, respectively. Depreciation and amortization expense for the three months ended March 31, 2010 and 2009 was $5.9 million and $5.4 million, respectively.

5. PAYABLES TO AFFILIATES

Payables to affiliates relate to normal purchase transactions, excluding interest, and were $0.6 million and $0.5 million at March 31, 2010 and December 31, 2009, respectively.

Thermo incurs certain general and administrative expenses on behalf of the Company, which are charged to the Company. For the three months ended March 31, 2010 and 2009, total expenses were approximately $51,000 and $44,000, respectively. For the three months ended March 31, 2010, the Company also recorded $42,000 of non-cash expenses related to services provided by an executive officer of Thermo (who is also a Director of the Company) who received no cash compensation from the Company which was accounted for as a contribution to capital. For the three months ended 2009, the Company also recorded $127,000 of non-cash expenses related to services provided by two executive officers of Thermo (who are also Directors of the Company) who receive no cash compensation from the Company which were accounted for as a contribution to capital. The Thermo expense charges are based on actual amounts incurred or upon allocated employee time. Management believes the allocations are reasonable.

6. TAXES

On January 1, 2009, the Company adopted FASB ASC 470-20, which was effective retrospectively. Prior to this adoption, the Company had recorded the net tax effect of the conversions and exchanges of the Company's 5.75% Notes (See Note 13) during the fourth quarter of 2008 against additional-paid-in-capital and reduced its deferred tax assets at December 31, 2008. This adoption resulted in the Company recording a gain from the exchanges and conversions of the Notes and reversing the charge taken to additional-paid-in-capital and deferred tax assets.

Accordingly, for the period ending December 31, 2009, the net deferred tax assets were $0. For the period ended March 31, 2010, the deferred tax assets continue to be fully reserved.

The Internal Revenue Service ("IRS") previously notified the Company that the Company (formerly known as Globalstar LLC), one of its subsidiaries, and its predecessor, Globalstar L.P., were under audit for the taxable years ending December 31, 2005, December 31, 2004, and June 29, 2004, respectively. During the taxable years at issue, the Company, its predecessor, and its subsidiary were treated as partnerships for U.S. income tax purposes. In December 2009, the IRS issued Notices of Final Partnership Administrative Adjustments related to each of the taxable years at issue. The Company disagrees with the proposed adjustments and is pursuing the matter through applicable IRS and judicial procedures as appropriate.

During April 2010, the Company received notification from the IRS that the Company's 2007 and 2008 returns were selected for examination. At this time, the audit has not yet commenced.

Except for the IRS audits noted above, neither the Company nor any of its subsidiaries is currently under audit by the IRS or by any state jurisdiction in the United States. The Company's corporate U.S. tax returns for 2006 and subsequent years and its U.S. partnership tax returns filed for years prior to 2006 remain open and subject to examination by tax authorities. State income tax returns are generally subject to examination for a period of three to five years after filing of the respective return.

In the Company's international tax jurisdictions, numerous tax years remain subject to examination by tax authorities, including tax returns for 2001 and subsequent years.

Except for the matters noted above, the Company is not aware of any audits or other pending tax matters.

GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7. GEOGRAPHIC INFORMATION

The revenue by geographic location is presented net of eliminations for intercompany sales, and is as follows (in thousands):

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Service:		
United States	$ 7,677	$ 6,482
Canada	2,896	2,837
Central and South America	1,077	1,147
Europe	712	590
Others	92	75
Total service revenue	12,454	11,131
Subscriber equipment:		
United States	2,162	1,523
Canada	524	1,377
Central and South America	252	324
Europe	177	221
Others	2	587
Total subscriber equipment revenue	3,117	4,032
Total revenue	$ 15,571	$ 15,163

8. RELATED PARTY TRANSACTIONS

Since 2005, Globalstar has issued separate purchase orders for additional phone equipment and accessories under the terms of previously executed commercial agreements with Qualcomm. Within the terms of the commercial agreements, the Company paid Qualcomm approximately 7.5% to 25% of the total order as advances for inventory. As of March 31, 2010 and December 31, 2009, total advances to Qualcomm for inventory were $9.2 million. As of each of March 31, 2010 and December 31, 2009, the Company had outstanding commitment balances of approximately $49.4 million. On February 12, 2010, the Company amended its agreement with Qualcomm to extend the term and defer delivery of mobile phones and related equipment until June 2011 through February 2013.

On August 16, 2006, the Company entered into an amended and restated credit agreement with Wachovia Investment Holdings, LLC, as administrative agent and swingline lender, and Wachovia Bank, National Association, as issuing lender, which was subsequently amended on September 29 and October 26, 2006. On December 17, 2007, Thermo was assigned all the rights (except indemnification rights) and assumed all the obligations of the administrative agent and the lenders under the amended and restated credit agreement, and the credit agreement was again amended and restated. In connection with fulfilling the conditions precedent to funding under the Company's Facility Agreement, in June 2009, Thermo converted the loans outstanding under the credit agreement into equity and terminated the credit agreement. In addition, Thermo and its affiliates deposited $60.0 million in a contingent equity account to fulfill a condition precedent for borrowing under the Facility Agreement, purchased $11.4 million of the Company's 8% Notes, provided a $2.3 million short-term loan to the Company (which was subsequently converted to nonvoting common stock), and loaned $25.0 million to the Company to fund its debt service reserve account (See Note 13 "Borrowings").

During the three months ended March 31, 2010 and 2009, the Company purchased approximately $0.7 million and $1.4 million, respectively, of services and equipment from a company whose non-executive chairman serves as a member of the Company's board of directors.

GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

8. RELATED PARTY TRANSACTIONS – (continued)

Purchases and other transactions with affiliates

Total purchases and other transactions from affiliates, excluding interest and capital transactions, were $0.7 million and $1.5 million for the three months ended March 31, 2010 and 2009, respectively.

9. LITIGATION AND OTHER CONTINGENCIES

From time to time, the Company is involved in various litigation matters involving ordinary and routine claims incidental to our business. Management currently believes that the outcome of these proceedings, either individually or in the aggregate, will not have a material adverse effect on the Company's business, results of operations or financial condition. The Company is involved in certain litigation matters as discussed below.

IPO Securities Litigation. On February 9, 2007, the first of three purported class action lawsuits was filed against the Company, its then-current CEO and CFO in the Southern District of New York alleging that the Company's registration statement related to its initial public offering in November 2006 contained material misstatements and omissions. The Court consolidated the three cases as Ladmen Partners, Inc. v. Globalstar, Inc., et al., Case No. 1:07-CV-0976 (LAP), and appointed Connecticut Laborers' Pension Fund as lead plaintiff. The parties and the Company's insurer have agreed to a settlement of the litigation for $1.5 million to be paid by the insurer, which received the presiding judge's preliminary approval on September 18, 2009. On February 22 2010, the judge entered an Order and Final Judgment approving the settlement. Because no appeal from that Order was filed within the 30-days allowed for an appeal, the settlement became final March 23, 2010.

Walsh and Kesler v. Globalstar, Inc. (formerly Stickrath v. Globalstar, Inc.). On April 7, 2007, Kenneth Stickrath and Sharan Stickrath filed a purported class action complaint against the Company in the U.S. District Court for the Northern District of California, Case No. 07-cv-01941. The complaint is based on alleged violations of California Business & Professions Code § 17200 and California Civil Code § 1750, et seq., the Consumers' Legal Remedies Act. In July 2008, the Company filed a motion to deny class certification and a motion for summary judgment. The court deferred action on the class certification issue but granted the motion for summary judgment on December 22, 2008. The court did not, however, dismiss the case with prejudice but rather allowed counsel for plaintiffs to amend the complaint and substitute one or more new class representatives. On January 16, 2009, counsel for the plaintiffs filed a Third Amended Class Action Complaint substituting Messrs. Walsh and Kesler as the named plaintiffs. A joint notice of settlement was filed with the court on March 9, 2010. The court heard the motion for settlement on March 29, 2010 and the parties subsequently submitted a first amendment to the stipulated class settlement agreement on April 2, 2010. The court has the motion under advisement. The Company has recorded a liability for this settlement; however, the amount is not material.

Appeal of FCC S-Band Sharing Decision. This case is Sprint Nextel Corporation's petition in the U.S. Court of Appeals for the District of Columbia Circuit for review of, among others, the FCC's April 27, 2006, decision regarding sharing of the 2495 – 2500 MHz portion of the Company's radiofrequency spectrum. This is known as "The S-band Sharing Proceeding." The Court of Appeals has granted the FCC's motion to hold the case in abeyance while the FCC considers the petitions for reconsideration pending before it. The Court has also granted the Company's motion to intervene as a party in the case. The Company cannot determine when the FCC might act on the petitions for reconsideration.

Appeal of FCC L-Band Decision. On November 9, 2007, the FCC released a Second Order on Reconsideration, Second Report and Order and Notice of Proposed Rulemaking. In the Report and Order ("R&O") portion of the decision, the FCC effectively decreased the L-band spectrum available to the Company while increasing the L-band spectrum available to Iridium Communications by 2.625 MHz. On February 5, 2008, the Company filed a notice of appeal of the FCC's decision in the U.S. Court of Appeals for the D.C. Circuit.

9. LITIGATION AND OTHER CONTINGENCIES – (continued)

Briefs were filed and oral argument was held on February 17, 2009. On May 1, 2009, the court issued a decision denying the Company's appeal and affirming the FCC's decision. Globalstar has not undertaken any further appeals.

Appeal of FCC ATC Decision. On October 31, 2008, the FCC issued an Order granting the Company modified Ancillary Terrestrial Component ("ATC") authority. The modified authority allows the Company and Open Range Communications, Inc. to implement their plan to roll out ATC service in rural areas of the United States. On December 1, 2008, Iridium Communications filed a petition with the U.S. Court of Appeals for the District of Columbia Circuit for review of the FCC's Order. On the same day, CTIA-The Wireless Association petitioned the FCC to reconsider its Order. The court has granted the FCC's motion to hold the appeal in abeyance pending the FCC's decision on reconsideration.

Sorensen Research & Development Trust v. Axonn LLC, et al. On July 2, 2008, the Company's subsidiary, Spot LLC, received a notice of patent infringement from Sorensen Research and Development. Sorensen asserts that the process used to manufacture the SPOT satellite GPS messenger violates a U.S. patent held by Sorensen. The manufacturer, Axonn LLC, assumed responsibility for managing the case under an indemnity agreement with the Company and Spot LLC. Axonn was unable to negotiate a mutually acceptable settlement with Sorensen, and on January 14, 2009, Sorensen filed a complaint against Axonn, Spot LLC and the Company in the U.S. District Court for the Southern District of California. The Company and Axonn filed an answer and counterclaim and a motion to stay the proceeding pending completion of the re-examination of the subject patent. The court granted the motion for stay on July 29, 2009. In connection with the Company's acquisition of Axonn's assets in December 2009, Axonn agreed to continue to be responsible for this case, subject to certain limitations. If Axonn fails to perform this obligation, however, the Company's recourse is generally limited to seeking recovery from its stock held in escrow or reducing the earnout payments that may otherwise be owed to Axonn under the acquisition agreement.

YMax Communications Corp. v. Globalstar, Inc. and Spot LLC. On May 6, 2009, YMax Communications Corp. filed a patent infringement complaint against the Company and its subsidiary, Spot LLC, in the Delaware U.S. District Court (Civ. Action No. 09-329) alleging that the SPOT satellite GPS messenger service infringes a patent for which YMax is the exclusive licensee. The complaint followed an exchange of correspondence between the Company and YMax in which the Company endeavored to explain why the SPOT service does not infringe the YMax patent. Globalstar filed its answer to the complaint on June 26, 2009. On February 11, 2010, the Company and Ymax agreed to settle the dispute on mutually acceptable terms, and on February 17, 2010 the court approved the settlement. The Company has recorded a liability for this settlement; however, the amount is not material.

10. EQUITY INCENTIVE PLAN

The Company's 2006 Equity Incentive Plan (the "Equity Plan") is a broad based, long-term retention program intended to attract and retain talented employees and align stockholder and employee interests. Including grants to both employees and executives, 0.7 million and less than 0.1 million restricted stock awards and restricted stock units were granted during the three month periods ended March 31, 2010 and 2009, respectively. The Company also granted options to purchase approximately 0.5 million shares of common stock during the three months ended March 31, 2010 compared to no options granted in the three months March 31, 2009. In March 2010, 2.5 million shares of the Company's Common Stock were added to the shares available for issuance under the Equity Plan.

GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

11. DERIVATIVE INSTRUMENTS

In June 2009, in connection with entering into the Facility Agreement (See Note 13 “Borrowings”), which provides for interest at a variable rate, the Company entered into ten-year interest rate cap agreements. The interest rate cap agreements reflect a variable notional amount ranging from $586.3 million to $14.8 million at interest rates that provide coverage to the Company for exposure resulting from escalating interest rates over the term of the Facility Agreement. The interest rate cap provides limits on the six-month Libor rate (“Base Rate”) used to calculate the coupon interest on outstanding amounts on the Facility Agreement of 4.00% from the date of issuance through December 2012. Thereafter, the Base Rate is capped at 5.50% should the Base Rate not exceed 6.5%. Should the Base Rate exceed 6.5%, the Company’s Base Rate will be 1% less than the then six-month Libor rate. The Company paid an approximately $12.4 million upfront fee for the interest rate cap agreements. The interest rate cap did not qualify for hedge accounting treatment, and changes in the fair value of the agreements are included in “Derivative loss, net” in the accompanying Consolidated Statement of Operations.

The Company recorded the conversion rights and features embedded within the 8.00% Convertible Senior Unsecured Notes (“8.00% Notes”) as a compound embedded derivative liability within Other Non-Current Liabilities on its Consolidated Balance Sheet with a corresponding debt discount which is netted against the face value of the 8.00% Notes (See Note 13 “Borrowings”). The Company is accreting the debt discount associated with the compound embedded derivative liability to interest expense over the term of the 8.00% Notes using the effective interest rate method. The fair value of the compound embedded derivative liability will be marked-to-market at the end of each reporting period, with any changes in value reported as “Derivative loss, net” in the Consolidated Statements of Operations. The Company determined the fair value of the compound embedded derivative using a Monte Carlo simulation model based upon a risk-neutral stock price model.

Due to the cash settlement provisions and reset features in the warrants issued with the 8.00% Notes (See Note 13 “Borrowings”), the Company recorded the warrants as Other Non-Current Liabilities on its Consolidated Balance Sheet with a corresponding debt discount which is netted against the face value of the 8.00% Notes. The Company is accreting the debt discount associated with the warrant liability to interest expense over the term of the warrants using the effective interest rate method. The fair value of the warrant liability will be marked-to-market at the end of each reporting period, with any changes in value reported as “Derivative loss, net” in the Consolidated Statements of Operations. The Company determined the fair value of the Warrant derivative using a Monte Carlo simulation model based upon a risk-neutral stock price model.

The Company determined that the warrants issued in conjunction with the availability fee for the Contingent Equity Agreement (See Note 13 “Borrowings”), were a liability and recorded it as a component of Other Non-Current Liabilities, at issuance. The corresponding benefit is recorded in prepaid and other non-current assets and is being amortized over the one-year availability period. The fair value of the warrant liability will be marked-to-market at the end of each reporting period, with any changes in value reported as “Derivative loss, net” in the Consolidated Statements of Operations. The Company determined the fair value of the Warrant derivative using a risk-neutral binomial model.

GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

11. DERIVATIVE INSTRUMENTS – (continued)

None of the derivative instruments described above was designated as a hedge. The following tables disclose the fair value of the derivative instruments and their impact on the Company's Consolidated Statements of Operations (in thousands):

	March 31, 2010		December 31, 2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate cap derivative	Other assets, net	$ 3,633	Other assets, net	$ 6,801
Compound embedded conversion option	Derivative liabilities	(20,593)	Derivative liabilities	(14,235)
Warrants issued with 8.00% Notes	Derivative liabilities	(40,042)	Derivative liabilities	(27,711)
Warrants issued in conjunction with contingent equity agreement	Derivative liabilities	(9,752)	Derivative liabilities	(7,809)
Total		$(66,754)		$ (42,954)

	Three Months Ended March 31,			
	2010		2009	
	Location of Gain (loss) recognized in Statement of Operations	Amount of Gain (loss) recognized on Statement of Operations	Location of Gain (loss) recognized in Statement of Operations	Amount of Gain (loss) recognized on Statement of Operations
Interest rate cap derivative	Derivative loss, net	(3,168)	N/A	N/A
Compound embedded conversion option	Derivative loss, net	(7,520)	N/A	N/A
Warrants issued with 8.00% Notes	Derivative loss, net	(12,331)	N/A	N/A
Warrants issued in conjunction with contingent equity agreement	Derivative loss, net	(1,943)	N/A	N/A
Total		$ (24,962)		$ —

12. COMPREHENSIVE LOSS

Comprehensive loss includes all changes in equity during a period from non-owner sources. The change in accumulated other comprehensive income for all periods presented resulted from foreign currency translation adjustments.

The components of comprehensive loss were as follows (in thousands):

	Three Months Ended March 31,	
	2010	2009
Net Loss	$ (35,642)	$ (21,758)
Other comprehensive loss		
Foreign currency translation adjustments	1,067	94
Total other comprehensive loss	$ (34,575)	$ (21,664)

GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

13. BORROWINGS

Current portion of long term debt:

The current portion of long term debt at December 31, 2009 consisted of a loan of approximately $2.3 million from Thermo. In January 2010, Thermo converted its short term debt of approximately $2.3 million (plus accrued interest) into 2,525,750 shares of nonvoting common stock.

Long Term Debt:

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

	March 31, 2010	December 31, 2009
5.75% Convertible Senior Notes due 2028	$ 54,575	$ 53,359
8.00% Convertible Senior Unsecured Notes	17,127	17,396
Facility Agreement	497,294	371,219
Subordinated loan	22,487	21,577
Total long term debt	$ 591,483	$ 463,551

Borrowings under Facility Agreement

On June 5, 2009, the Company entered into a $586.3 million senior secured facility agreement (the “Facility Agreement”) with a syndicate of bank lenders, including BNP Paribas, Natixis, Société Générale, Caylon, Crédit Industriel et Commercial as arrangers and BNP Paribas as the security agent and COFACE agent. Ninety-five percent of the Company’s obligations under the agreement are guaranteed by COFACE, the French export credit agency. The initial funding process of the Facility Agreement began on June 29, 2009 and was completed on July 1, 2009. The facility is comprised of:

- a $563.3 million tranche for future payments and to reimburse the Company for amounts it previously paid to Thales Alenia Space for construction of its second-generation satellites. Such reimbursed amounts will be used by the Company (a) to make payments to the Launch Provider for launch services, Hughes for ground network equipment, software and satellite interface chips and Ericsson for ground system upgrades, (b) to provide up to $150 million for the Company’s working capital and general corporate purposes and (c) to pay a portion of the insurance premium to COFACE; and
- a $23 million tranche that will be used to make payments to the Launch Provider for launch services and to pay a portion of the insurance premium to COFACE.

The facility will mature 96 months after the first repayment date. Scheduled semi-annual principal repayments will begin the earlier of eight months after the launch of the first 24 satellites from the second generation constellation or December 15, 2011. The facility will bear interest at a floating LIBOR rate, plus a margin of 2.07% through December 2012, increasing to 2.25% through December 2017 and 2.40% thereafter. Interest payments will be due on a semi-annual basis beginning January 2010.

The Company’s obligations under the facility are guaranteed on a senior secured basis by all of its domestic subsidiaries and are secured by a first priority lien on substantially all of the assets of Globalstar and its domestic subsidiaries (other than their FCC licenses), including patents and trademarks, 100% of the equity of the Company’s domestic subsidiaries and 65% of the equity of certain foreign subsidiaries.

The Company may prepay the borrowings without penalty on the last day of each interest period after the full facility has been borrowed or the earlier of seven months after the launch of the second generation constellation or November 15, 2011, but amounts repaid may not be reborrowed. The Company must repay the loans (a) in full upon a change in control or (b) partially (i) if there are excess cash flows on certain dates, (ii) upon certain insurance and condemnation events and (iii) upon certain asset dispositions. The Facility

13. BORROWINGS – (continued)

Agreement includes covenants that (a) require the Company to maintain a minimum liquidity amount after the second repayment date, a minimum adjusted consolidated EBITDA, a minimum debt service coverage ratio and a maximum net debt to adjusted consolidated EBITDA ratio, (b) place limitations on the ability of the Company and its subsidiaries to incur debt, create liens, dispose of assets, carry out mergers and acquisitions, make loans, investments, distributions or other transfers and capital expenditures or enter into certain transactions with affiliates and (c) limit capital expenditures, as defined in the Agreement, incurred by the Company to no more than $391.0 million in 2009 and $234.0 million in 2010. The Company is permitted to make cash payments under the terms of its 5.75% Notes. At March 31, 2010, the Company was in compliance with the covenants of the Facility Agreement.

Subordinated Loan Agreement

On June 25, 2009, the Company entered into a Loan Agreement with Thermo whereby Thermo agreed to lend the Company $25 million for the purpose of funding the debt service reserve account required under the Facility Agreement. This loan is subordinated to, and the debt service reserve account is pledged to secure, all of the Company's obligations under the Facility Agreement. The loan accrues interest at 12% per annum, which will be capitalized and added to the outstanding principal in lieu of cash payments. The Company will make payments to Thermo only when permitted under the Facility Agreement. The loan becomes due and payable six months after the obligations under the Facility Agreement have been paid in full, the Company has a change in control or any acceleration of the maturity of the loans under the Facility Agreement occurs. As additional consideration for the loan, the Company issued Thermo a warrant to purchase 4,205,608 shares of common stock at $0.01 per share with a five-year exercise period. No common stock is issuable upon such exercise if such issuance would cause Thermo and its affiliates to own more than 70% of the Company's outstanding voting stock.

Thermo borrowed $20 million of the $25 million loaned to the Company under the Loan Agreement from two Company vendors and also agreed to reimburse another Company vendor if its guarantee of a portion of the debt service reserve account were called. The debt service reserve account is included in restricted cash. The Company agreed to grant one of these vendors a one-time option to convert its debt into equity of the Company on the same terms as Thermo at the first call (if any) by the Company for funds under the Contingent Equity Agreement (described below).

The Company determined that the warrant was an equity instrument and recorded it as a part of its stockholders' equity with a corresponding debt discount of $5.2 million, which is netted against the face value of the loan. The Company is accreting the debt discount associated with the warrant to interest expense over the term of the loan agreement using an effective interest rate method. At issuance, the Company allocated the proceeds under the subordinated loan agreement to the underlying debt and the warrants based upon their relative fair values.

Contingent Equity Agreement

On June 19, 2009, the Company entered into a Contingent Equity Agreement with Thermo whereby Thermo agreed to deposit $60 million into a contingent equity account to fulfill a condition precedent for borrowing under the Facility Agreement. Under the terms of the Facility Agreement, the Company will be required to make drawings from this account if and to the extent it has an actual or projected deficiency in its ability to meet indebtedness obligations due within a forward-looking 90 day period. Thermo has pledged the contingent equity account to secure the Company's obligations under the Facility Agreement. If the Company makes any drawings from the contingent equity account, it will issue Thermo shares of common stock calculated using a price per share equal to 80% of the volume-weighted average closing price of the common stock for the 15 trading days immediately preceding the draw. Thermo may withdraw undrawn amounts in the account after the Company has made the second scheduled repayment under the Facility Agreement, which the Company currently expects to be no later than June 15, 2012.

13. BORROWINGS – (continued)

The Contingent Equity Agreement also provides that the Company will pay Thermo an availability fee of 10% per year for maintaining funds in the contingent equity account. This fee is payable solely in warrants to purchase common stock at $0.01 per share with a five-year exercise period from issuance. The number of shares subject to the warrants issuable is calculated by taking the outstanding funds available in the contingent equity account multiplied by 10% divided by the Company's common stock price on valuation dates. The common stock price is subject to a reset provision on certain valuation dates subsequent to issuance whereby the common stock price used in the calculation will be the lower of the Company's common stock price on the issuance date and the valuation dates. On each of June 19, 2010 and June 19, 2011, additional warrants covering a number of shares equal to 10% of the outstanding balance in the contingent equity account divided by the Company's common stock price on that date will be issued and subject to the reset provision one year after initial issuance of the warrants. On December 31, 2009, the common stock price used to calculate the first tranche of warrants issued on June 19, 2009 was reset to $0.87 and will be subject to another reset on June 19, 2010 should the common stock price be lower than $0.87 per common share. The Company issued Thermo a warrant to purchase 4,379,562 shares of Common Stock for this fee at origination of the agreement and on December 31, 2009 issued an additional warrant to purchase an additional 2,516,990 shares of common stock due to the reset provisions in the agreement. No voting common stock is issuable if it would cause Thermo and its affiliates to own more than 70% of the Company's outstanding voting stock. The Company may issue nonvoting common stock in lieu of common stock to the extent issuing common stock would cause Thermo and its affiliates to exceed this 70% ownership level.

The Company determined that the warrants issued in conjunction with the availability fee were a liability and recorded it as a component of other non-current liabilities, at issuance. The corresponding benefit is recorded in other assets, net and will be amortized over the one year of the availability period.

8.00% Convertible Senior Notes

On June 19, 2009, the Company sold $55 million in aggregate principal amount of 8.00% Notes and warrants (Warrants) to purchase 15,277,771 shares of the Company's common stock at an initial exercise price of $1.80 per share to selected institutional investors (including an affiliate of Thermo) in a direct offering registered under the Securities Act of 1933.

The Warrants have full ratchet anti-dilution protection, and the exercise price of the Warrants is subject to adjustment under certain other circumstances. In addition, if the closing price of the common stock on September 19, 2010 is less than the exercise price of the Warrants then in effect, the exercise price of the Warrants will be reset to equal the volume-weighted average closing price of the common stock for the previous 15 trading days. In the event of certain transactions that involve a change of control, the holders of the Warrants have the right to make the Company purchase the Warrants for cash, subject to certain conditions. The exercise period for the Warrants began on December 19, 2009 and will end on June 19, 2014.

In December 2009, the Company issued stock at $0.87 per share, which is below the initial set price of $1.80 per share, in connection with its acquisition of the assets of Axonn. Given this transaction and the related provisions in the warrant agreements, the holders of the Warrants received additional warrants to purchase 16.2 million shares of common stock. Additionally, the conversion price of the 8.00% Notes, which are convertible into shares of common stock, was reset to $1.78 per share of common stock.

The 8.00% Notes are subordinated to all of the Company's obligations under the Facility Agreement. The 8.00% Notes are the Company's senior unsecured debt obligations and, except as described in the preceding sentence, rank pari passu with its existing unsecured, unsubordinated obligations, including its 5.75% Notes. The 8.00% Notes mature at the later of the tenth anniversary of closing or six months following the maturity date of the Facility Agreement and bear interest at a rate of 8.00% per annum. Interest on the 8.00% Notes is payable in the form of additional 8.00% Notes or, subject to certain restrictions, in common stock at the option of the holder. Interest is payable semi-annually in arrears on June 15 and December 15 of each year, commencing December 15, 2009.

13. BORROWINGS – (continued)

Holders may convert their 8.00% Notes at any time. The current base conversion price for the 8.00% Notes is $1.78 per share or 562.2 shares of the Company's common stock per $1,000 principal amount of the 8.00% Notes, subject to certain adjustments and limitations. In addition, if the volume-weighted average closing price for one share of the Company's common stock for the 15 trading days immediately preceding September 19, 2010 ("reset day price") is less than the base conversion price then in effect, the base conversion rate shall be adjusted to equal the reset day price. If the Company issues or sells shares of its common stock at a price per share less than the base conversion price on the trading day immediately preceding such issuance or sale subject to certain limitations, the base conversion rate will be adjusted lower based on a formula described in the supplemental indenture governing the 8.00% Notes. However, no adjustment to the base conversion rate shall be made if it would cause the Base Conversion Price to be less than $1.00. If at any time the closing price of the common stock exceeds 200% of the conversion price of the 8.00% Notes then in effect for 30 consecutive trading days, all of the outstanding 8.00% Notes will be automatically converted into common stock. Upon certain automatic and optional conversions of the 8.00% Notes, the Company will pay holders of the 8.00% Notes a make-whole premium by increasing the number of shares of common stock delivered upon such conversion. The number of additional shares per $1,000 principal amount of 8.00% Notes constituting the make-whole premium shall be equal to the quotient of (i) the aggregate principal amount of the 8.00% Notes so converted multiplied by 32.00%, *less* the aggregate interest paid on such Securities prior to the applicable Conversion Date *divided by* (ii) 95% of the volume-weighted average Closing Price of the common stock for the 10 trading days immediately preceding the Conversion Date. As of March 31, 2010, approximately $12.5 million of the 8.00% Notes had been converted resulting in the issuance of approximately 11.7 million shares of common stock. At March 31, 2010 and December 31, 2009, $44.0 million and $44.3 million in 8.00% Notes remained outstanding, respectively.

Subject to certain exceptions set forth in the supplemental indenture, if certain changes of control of the Company or events relating to the listing of the common stock occur (a "fundamental change"), the 8.00% Notes are subject to repurchase for cash at the option of the holders of all or any portion of the 8.00% Notes at a purchase price equal to 100% of the principal amount of the 8.00% Notes, plus a make-whole payment and accrued and unpaid interest, if any. Holders that require the Company to repurchase 8.00% Notes upon a fundamental change may elect to receive shares of common stock in lieu of cash. Such holders will receive a number of shares equal to (i) the number of shares they would have been entitled to receive upon conversion of the 8.00% Notes, plus (ii) a make-whole premium of 12% or 15%, depending on the date of the fundamental change and the amount of the consideration, if any, received by the Company's stockholders in connection with the fundamental change.

The indenture governing the 8.00% Notes contains customary financial reporting requirements. The indenture also provides that upon certain events of default, including without limitation failure to pay principal or interest, failure to deliver a notice of fundamental change, failure to convert the 8.00% Notes when required, acceleration of other material indebtedness and failure to pay material judgments, either the trustee or the holders of 25% in aggregate principal amount of the 8.00% Notes may declare the principal of the 8.00% Notes and any accrued and unpaid interest through the date of such declaration immediately due and payable. In the case of certain events of bankruptcy or insolvency relating to the Company or its significant subsidiaries, the principal amount of the 8.00% Notes and accrued interest automatically becomes due and payable.

The Company evaluated the various embedded derivatives resulting from the conversion rights and features within the Indenture for bifurcation from the 8.00% Notes. Based upon its detailed assessment, the Company concluded that the conversion rights and features could not be either excluded from bifurcation as a result of being clearly and closely related to the 8.00% Notes or were not indexed to the Company's common stock and could not be classified in stockholders' equity if freestanding. The Company recorded this compound embedded derivative liability as a component of Other Non-Current Liabilities on its Consolidated Balance Sheet with a corresponding debt discount which is netted with the face value of the 8.00% Notes.

13. BORROWINGS – (continued)

The Company is accreting the debt discount associated with the compound embedded derivative liability to interest expense over the term of the 8.00% Notes using an effective interest rate method. The fair value of the compound embedded derivative liability is being marked-to-market at the end of each reporting period, with any changes in value reported as “Derivative loss, net” in the Consolidated Statements of Operations. The Company determined the fair value of the compound embedded derivative using a Monte Carlo simulation model based upon a risk-neutral stock price model.

Due to the cash settlement provisions and reset features in the Warrants, the Company recorded the Warrants as a component of Other Non-Current Liabilities on its Consolidated Balance Sheet with a corresponding debt discount which is netted with the face value of the 8.00% Notes. The Company is accreting the debt discount associated with the Warrants liability to interest expense over the term of the 8.00% Notes using an effective interest rate method. The fair value of the Warrants liability will be marked-to-market at the end of each reporting period, with any changes in value reported as “Derivative loss, net” in the Consolidated Statements of Operations. The Company determined the fair value of the Warrants derivative using a Monte Carlo simulation model based upon a risk-neutral stock price model.

The Company allocated the proceeds received from the 8.00% Notes among the conversion rights and features, the detachable Warrants and the remainder to the underlying debt. The Company netted the debt discount associated with the conversion rights and features and Warrants against the face value of the 8.00% Notes to determine the carrying amount of the 8.00% Notes. The accretion of debt discount will increase the carrying amount of the debt over the term of the 8.00% Notes. The Company allocated the proceeds at issuance as follows (in thousands):

Fair value of compound embedded derivative	$	23,542
Fair value of Warrants		12,791
Debt		18,667
Face Value of 8.00% Notes	$	55,000

Amended and restated credit agreement

On August 16, 2006, the Company entered into an amended and restated credit agreement with Wachovia Investment Holdings, LLC, as administrative agent and swingline lender, and Wachovia Bank, National Association, as issuing lender, which was subsequently amended on September 29 and October 26, 2006. On December 17, 2007, Thermo was assigned all the rights (except indemnification rights) and assumed all the obligations of the administrative agent and the lenders under the amended and restated credit agreement and the credit agreement was again amended and restated. On December 18, 2008, the Company entered into a First Amendment to Second Amended and Restated Credit Agreement with Thermo, as lender and administrative agent, to increase the amount available to Globalstar under the revolving credit facility from $50.0 million to $100.0 million. In May 2009, $7.5 million outstanding under the $200 million credit agreement was converted into 10 million shares of the Company’s common stock. As of December 31, 2008, the Company had drawn $66.1 million of the revolving credit facility and the entire $100.0 million delayed draw term loan facility was outstanding.

On June 19, 2009, Thermo exchanged all of the outstanding secured debt (including accrued interest) owed to it by the Company under the credit agreement, which totaled approximately $180.2 million, for one share of Series A Convertible Preferred Stock (the Series A Preferred), and the credit agreement was terminated. In December 2009, the one share of Series A Preferred was converted into 109,424,034 shares of voting common stock and 16,750,000 shares of non-voting common stock.

13. BORROWINGS – (continued)

The Company determined that the exchange of debt for Series A Preferred was a capital transaction and did not record any gain as a result of this exchange.

The delayed draw term loan under the Wachovia facility bore an annual commitment fee of 2.0% until drawn or terminated. Commitment fees related to the loans, incurred during 2009 and 2008 were not material. To hedge a portion of the interest rate risk with respect to the delayed draw term loan, the Company entered into a five-year interest rate swap agreement. The Company terminated this interest rate swap agreement on December 10, 2008 (see Note 11 “Derivatives”).

5.75% Convertible Senior Notes due 2028

The Company issued $150.0 million aggregate principal amount of 5.75% Notes pursuant to a Base Indenture and a Supplemental Indenture each dated as of April 15, 2008.

The Company placed approximately $25.5 million of the proceeds of the offering of the 5.75% Notes in an escrow account that is being used to make the first six scheduled semi-annual interest payments on the 5.75% Notes. The Company pledged its interest in this escrow account to the Trustee as security for these interest payments. At March 31, 2010 and December 31, 2009, the balance in the escrow account was $6.2 million. Except for the pledge of the escrow account, the 5.75% Notes are senior unsecured debt obligations of the Company. The 5.75% Notes mature on April 1, 2028 and bear interest at a rate of 5.75% per annum. Interest on the 5.75% Notes is payable semi-annually in arrears on April 1 and October 1 of each year.

Subject to certain exceptions set forth in the Indenture, the 5.75% Notes are subject to repurchase for cash at the option of the holders of all or any portion of the 5.75% Notes (i) on each of April 1, 2013, April 1, 2018 and April 1, 2023 or (ii) upon a fundamental change, both at a purchase price equal to 100% of the principal amount of the 5.75% Notes, plus accrued and unpaid interest, if any. A fundamental change will occur upon certain changes in the ownership of the Company, or certain events relating to the trading of the Company’s common stock.

Holders may convert their 5.75% Notes into shares of common stock at their option at any time prior to maturity, subject to the Company’s option to deliver cash in lieu of all or a portion of the share. The 5.75% Notes are convertible at an initial conversion rate of 166.1820 shares of common stock per $1,000 principal amount of 5.75% Notes, subject to adjustment. In addition to receiving the applicable amount of shares of common stock or cash in lieu of all or a portion of the shares, holders of 5.75% Notes who convert them prior to April 1, 2011 will receive the cash proceeds from the sale by the Escrow Agent of the portion of the government securities in the escrow account that are remaining with respect to any of the first six interest payments that have not been made on the 5.75% Notes being converted.

Holders who convert their 5.75% Notes in connection with certain events occurring on or prior to April 1, 2013 constituting a “make whole fundamental change” (as defined below) will be entitled to an increase in the conversion rate as specified in the indenture governing the 5.75% Notes. The number of additional shares by which the applicable base conversion rate will be increased will be determined by reference to the applicable table below and is based on the date on which the make whole fundamental change becomes effective (the effective date) and the price (the stock price) paid, or deemed paid, per share of the Company’s common stock in the make whole fundamental change, subject to adjustment as described below. If the holders of common stock receive only cash in a make whole fundamental change, the stock price will be the cash amount paid per share of the Company’s common stock. Otherwise, the stock price will be the average of the closing sale prices of the Company’s common stock for each of the 10 consecutive trading days prior to, but excluding, the relevant effective date.

GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

13. BORROWINGS – (continued)

The events that constitute a make whole fundamental change are as follows:

- Any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have beneficial ownership of all shares that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of voting stock representing 50% of more (or if such person is Thermo Capital Partners LLC, 70% or more) of the total voting power of all outstanding voting stock of the Company;
- The Company consolidates with, or merges with or into, another person or the Company sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any person;
- The adoption of a plan of liquidation or dissolution of the Company; or
- The Company’s common stock (or other common stock into which the Notes are then convertible) is not listed on a United States national securities exchange or approved for quotation and trading on a national automated dealer quotation system or established automated over-the-counter trading market in the United States.

The stock prices set forth in the first column of the Make Whole Table below will be adjusted as of any date on which the base conversion rate of the notes is otherwise adjusted. The adjusted stock prices will equal the stock prices applicable immediately prior to the adjusted multiplied by a fraction, the numerator of which is the base conversion rate immediately prior to the adjustment giving rise to the stock price adjustment and the denominator of which is the base conversion rate as so adjusted. The base conversion rate adjustment amounts set forth in the table below will be adjusted in the same manner as the base conversion rate.

	Effective Date Make Whole Premium (Increase in Applicable Base Conversion Rate)					
Stock Price on Effective Date	**April 15, 2008**	**April 1, 2009**	**April 1, 2010**	**April 1, 2011**	**April 1, 2012**	**April 1, 2013**
$4.15	74.7818	74.7818	74.7818	74.7818	74.7818	74.7818
$5.00	74.7818	64.8342	51.4077	38.9804	29.2910	33.8180
$6.00	74.7818	63.9801	51.4158	38.2260	24.0003	0.4847
$7.00	63.9283	53.8295	42.6844	30.6779	17.2388	0.0000
$8.00	55.1934	46.3816	36.6610	26.0029	14.2808	0.0000
$10.00	42.8698	36.0342	28.5164	20.1806	11.0823	0.0000
$20.00	18.5313	15.7624	12.4774	8.8928	4.9445	0.0000
$30.00	10.5642	8.8990	7.1438	5.1356	2.8997	0.0000
$40.00	6.6227	5.5262	4.4811	3.2576	1.8772	0.0000
$50.00	4.1965	3.5475	2.8790	2.1317	1.2635	0.0000
$75.00	1.4038	1.1810	0.9358	0.6740	0.4466	0.0000
$100.00	0.4174	0.2992	0.1899	0.0985	0.0663	0.0000

The actual stock price and effective date may not be set forth in the table above, in which case:

- If the actual stock price on the effective date is between two stock prices in the table or the actual effective date is between two effective dates in the table, the amount of the base conversion rate adjustment will be determined by straight-line interpolation between the adjustment amounts set forth for the higher and lower stock prices and the earlier and later effective dates, as applicable, based on a 365-day year;

13. BORROWINGS – (continued)

- If the actual stock price on the effective date exceeds $100.00 per share of the Company's common stock (subject to adjustment), no adjustment to the base conversion rate will be made; and
- If the actual stock price on the effective date is less than $4.15 per share of the Company's common stock (subject to adjustment), no adjustment to the base conversion rate will be made.

Notwithstanding the foregoing, the base conversion rate will not exceed 240.9638 shares of common stock per $1,000 principal amount of 5.75% Notes, subject to adjustment in the same manner as the base conversion rate.

Except as described above with respect to holders of 5.75% Notes who convert their 5.75% Notes prior to April 1, 2013, there is no circumstance in which holders could receive cash in addition to the maximum number of shares of common stock issuable upon conversion of the 5.75% Notes.

If the Company makes at least 10 scheduled semi-annual interest payments, the 5.75% Notes are subject to redemption at the Company's option at any time on or after April 1, 2013, at a price equal to 100% of the principal amount of the 5.75% Notes to be redeemed, plus accrued and unpaid interest, if any.

The indenture governing the 5.75% Notes contains customary financial reporting requirements and also contains restrictions on mergers and asset sales. The indenture also provides that upon certain events of default, including without limitation failure to pay principal or interest, failure to deliver a notice of fundamental change, failure to convert the 5.75% Notes when required, acceleration of other material indebtedness and failure to pay material judgments, either the trustee or the holders of 25% in aggregate principal amount of the 5.75% Notes may declare the principal of the 5.75% Notes and any accrued and unpaid interest through the date of such declaration immediately due and payable. In the case of certain events of bankruptcy or insolvency relating to the Company or its significant subsidiaries, the principal amount of the 5.75% Notes and accrued interest automatically becomes due and payable.

Conversion of 5.75% Notes

In 2008, $36.0 million aggregate principal amount of 5.75% Notes, or 24% of the 5.75% Notes originally issued, were converted into common stock. The Company also exchanged an additional $42.2 million aggregate principal amount of 5.75% Notes, or 28% of the 5.75% Notes originally issued for a combination of common stock and cash. The Company has issued approximately 23.6 million shares of its common stock and paid a nominal amount of cash for fractional shares in connection with the conversions and exchanges. In addition, the holders whose 5.75% Notes were converted or exchanged received an early conversion make whole amount of approximately $9.3 million representing the next five semi-annual interest payments that would have become due on the converted 5.75% Notes, which was paid from funds in an escrow account maintained for the benefit of the holders of 5.75% Notes. In the exchanges, 5.75% Note holders received additional consideration in the form of cash payments or additional shares of the Company's common stock in the amount of approximately $1.1 million to induce exchanges. After these transactions, approximately $71.8 million aggregate principal amount of 5.75% Notes remained outstanding at March 31, 2010 and December 31, 2009.

Common Stock Offering and Share Lending Agreement

Concurrently with the offering of the 5.75% Notes, the Company entered into a share lending agreement (the "Share Lending Agreement") with Merrill Lynch International (the Borrower), pursuant to which the Company agreed to lend up to 36,144,570 shares of common stock (the Borrowed Shares) to the Borrower, subject to certain adjustments, for a period ending on the earliest of (i) at the Company's option, at any time after the entire principal amount of the 5.75% Notes ceases to be outstanding, (ii) the written agreement of the Company and the Borrower to terminate, (iii) the occurrence of a Borrower default, at the option of Lender, and (iv) the occurrence of a Lender default, at the option of the Borrower. Pursuant to the Share Lending Agreement, upon the termination of the share loan, the Borrower must return the Borrowed Shares to the

13. BORROWINGS – (continued)

Company. Upon the conversion of 5.75% Notes (in whole or in part), a number of Borrowed Shares proportional to the conversion rate for such notes must be returned to the Company. At the Company's election, the Borrower may deliver cash equal to the market value of the corresponding Borrowed Shares instead of returning to the Company the Borrowed Shares otherwise required by conversions of 5.75% Notes.

Pursuant to and upon the terms of the Share Lending Agreement, the Company issued and lent the Borrowed Shares to the Borrower as a share loan. The Borrowing Agent acted as an underwriter with respect to the Borrowed Shares, which are being offered to the public. The Borrowed Shares included approximately 32.0 million shares of common stock initially loaned by the Company to the Borrower on separate occasions, delivered pursuant to the Share Lending Agreement and the Underwriting Agreement, and an additional 4.1 million shares of common stock that, from time to time, may be borrowed from the Company by the Borrower pursuant to the Share Lending Agreement and the Underwriting Agreement and subsequently offered and sold at prevailing market prices at the time of sale or negotiated prices. The Borrowed Shares are free trading shares. Upon adoption of the FASB's updated guidance on accounting for own-share lending arrangements (Note 1), the share loan agreement was valued at $16.3 million and was classified as deferred financing costs to be amortized utilizing the effective interest rate method over a period of five years. The fair value of the Share Loan was estimated using significant unobservable inputs as the difference between the fair value of the shares loaned to the Borrower and the present value of the shares to be returned and other consideration provided to the Company, pursuant to the Share Lending Agreement. A Black-Scholes Option Pricing model was used to estimate the value of the note holders' right to convert the 5.75% Notes into shares of common stock under certain scenarios. A risk neutral binomial model was also used to simulate possible stock price outcomes and the probabilities thereof. In the fourth quarter of 2008, in accordance with the conversion of a portion of the 5.75% Notes as described above, $7.6 million of the unamortized deferred financing costs were written off reducing the gain from extinguishment of debt in the Consolidated Statement of Operations for that period. For the three months ended March 31, 2010 and 2009, approximately $0.4 million and $0.3 million of deferred financing costs were amortized and included in the capitalized interest. At March 31, 2010, $5.1 million of the deferred financing costs remain unamortized and approximately 17.3 million Borrowed Shares valued at approximately $23.7 million remained outstanding.

On the date on which Borrower is required to return Borrowed Shares, the purchase of Common Stock by Borrower in an amount equal to all or any portion of the number of Borrowed Shares to be delivered to the Company shall (i) be prohibited by any law, rules or regulation of any governmental authority to which it is or would be subject, (ii) violate, or would upon such purchase likely violate, any order or prohibition of any court, tribunal or other governmental authority, (iii) require the prior consent of any court, tribunal or governmental authority prior to any such repurchase or (iv) subject Borrower, in the commercially reasonable judgment of Borrower, to any liability or potential liability under any applicable federal securities laws (other than share transfers pursuant to the Share Lending Agreement and Section 16(b) of the Exchange Act or illiquidity in the market for Common Stock, each of (i), (ii), (iii) and (iv), a "Legal Obstacle"), then, in each case, Borrower shall immediately notify the Company of the Legal Obstacle and the basis therefore, whereupon Borrower's obligation to deliver Loaned Shares to the Company shall be suspended until such time as no Legal Obstacle with respect to such obligations shall exist (a "Repayment Suspension"). Following the occurrence of and during the continuation of any Repayment Suspension, Borrower shall use its reasonable best efforts to remove or cure the Legal Obstacle as soon as practicable; *provided* that, the Company shall promptly reimburse all costs and expenses (including legal counsel to Borrower) incurred or, at Borrower's election, provide reasonably adequate surety or guarantee for any such costs and expenses that may be incurred by Borrower, in each case in removing or curing such Legal Obstacle. If Borrower is unable to remove or cure the Legal Obstacle within a reasonable period of time under the circumstances, Borrower shall pay the Company, in lieu of the delivery of Borrowed Shares otherwise required to be delivered, an amount in

13. BORROWINGS – (continued)

immediately available funds equal to the product of the Closing Price as of the Business Day immediately preceding the date Borrower makes such payment and the number of Borrowed Shares otherwise required to be delivered.

The Company did not receive any proceeds from the sale of the Borrowed Shares pursuant to the Share Lending Agreement, and it will not reserve any proceeds from any future sale. The Borrower has received all of the proceeds from the sale of Borrowed Shares pursuant to the Share Lending Agreement and will receive all of the proceeds from any future sale. At the Company's election, the Borrower may remit cash equal to the market value of the corresponding Borrowed Shares instead of returning the Borrowed Shares due back to the Company as a result of conversions by 5.75% Note holders.

The Borrowed Shares are treated as issued and outstanding for corporate law purposes, and accordingly, the holders of the Borrowed Shares will have all of the rights of a holder of the Company's outstanding shares, including the right to vote the shares on all matters submitted to a vote of the Company's stockholders and the right to receive any dividends or other distributions that the Company may pay or makes on its outstanding shares of common stock. However, under the Share Lending Agreement, the Borrower has agreed:

- To pay, within one business day after the relevant payment date, to the Company an amount equal to any cash dividends that the Company pays on the Borrowed Shares; and
- To pay or deliver to the Company, upon termination of the loan of Borrowed Shares, any other distribution, in liquidation or otherwise, that the Company makes on the Borrowed Shares.

To the extent the Borrowed Shares the Company initially lent under the share lending agreement and offered in the common stock offering have not been sold or returned to it, the Borrower has agreed that it will not vote any such Borrowed Shares. The Borrower has also agreed under the Share Lending Agreement that it will not transfer or dispose of any Borrowed Shares, other than to its affiliates, unless the transfer or disposition is pursuant to a registration statement that is effective under the Securities Act. However, investors that purchase the shares from the Borrower (and any subsequent transferees of such purchasers) will be entitled to the same voting rights with respect to those shares as any other holder of the Company's common stock.

On December 18, 2008, the Company entered into Amendment No. 1 to the Share Lending Agreement with the Borrower and the Borrowing Agent. Pursuant to Amendment No.1, the Company has the option to request the Borrower to deliver cash instead of returning Borrowed Shares upon any termination of loans at the Borrower's option, at the termination date of the Share Lending Agreement or when the outstanding loaned shares exceed the maximum number of shares permitted under the Share Lending Agreement. The consent of the Borrower is required for any cash settlement, which consent may not be unreasonably withheld, subject to the Borrower's determination of applicable legal, regulatory or self-regulatory requirements or other internal policies. Any loans settled in shares of Company common stock will be subject to a return fee based on the stock price as agreed by the Company and the Borrower. The return fee will not be less than $0.005 per share or exceed $0.05 per share.

The Company evaluated the various embedded derivatives within the Indenture for bifurcation from the 5.75% Notes. Based upon its detailed assessment, the Company concluded that these embedded derivatives were either (i) excluded from bifurcation as a result of being clearly and closely related to the 5.75% Notes or are indexed to the Company's common stock and would be classified in stockholders' equity if freestanding or (ii) the fair value of the embedded derivatives was estimated to be immaterial.

In May 2008, the FASB issued guidance regarding accounting for convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement). The guidance requires the liability and equity components of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) to be separately accounted for in a manner that reflects the issuer's nonconvertible debt borrowing rate. As such, the initial debt proceeds from the sale of the Company's 5.75% Notes are

13. BORROWINGS – (continued)

required to be allocated between a liability component and an equity component as of the debt issuance date. The resulting debt discount is amortized over the instrument's expected life as additional non-cash interest expense.

Upon adoption of the accounting guidance the Company recorded a decrease in long-term debt of approximately $23.1 million; an increase in its stockholders' equity of approximately $28.3 million; and an increase in its net property, plant and equipment of approximately $5.9 million as of December 31, 2008. This adoption changed the Company's full year 2008 Consolidated Statement of Operations, because the gains associated with conversions and exchanges of 5.75% Notes in 2008 were recorded in stockholders' equity prior to adoption of this standard. This adoption impacted the Company's Consolidated Statement of Operations for 2008 by reducing the net loss by approximately $52.9 million. At March 31, 2010 and 2009, the remaining term for amortization associated with debt discount was approximately 36 and 48 months, respectively. The annual effective interest rate utilized for the amortization of debt discount during the three months ended March 31, 2010 and 2009 was 9.14%. The interest cost associated with the coupon rate on the 5.75% Notes plus the corresponding debt discount amortized during the three months ended March 31, 2010 and 2009, was $2.2 million and $2.1 million, respectively, all of which was capitalized. The carrying amount of the equity and liability component, as of March 31, 2010 and December 31, 2009, is presented below (in thousands)

	March 31, 2010	December 31, 2009
Equity	$ 54,675	$ 54,675
Liability:		
Principal	71,804	71,804
Unamortized debt discount	(17,229)	(18,445)
Net carrying amount of liability	$ 54,575	$ 53,359

Vendor Financing

In July 2008 the Company amended the agreement with the Launch Provider for the launch of the Company's second-generation satellites and certain pre and post-launch services. Under the amended terms, the Company could defer payment on up to 75% of certain amounts due to the Launch Provider. The deferred payments incurred annual interest at 8.5% to 12%. In June 2009, the Company and the Launch Provider again amended their agreement modifying the agreement in certain respects including cancelling the deferred payment provisions. The Company paid all deferred amounts to the vendor in July 2009.

In September 2008 the Company amended its agreement with Hughes for the construction of its RAN ground network equipment and software upgrades for installation at a number of the Company's satellite gateway ground stations and satellite interface chips to be a part of the UTS in various next-generation Globalstar devices. Under the amended terms, the Company deferred certain payments due under the contract in 2008 and 2009 to December 2009. The deferred payments incurred annual interest at 10%. In June 2009, the Company and Hughes further amended their agreement modifying the agreement in certain respects including cancelling the deferred payment provisions. The Company paid all deferred amounts to the vendor in July 2009.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company measures its financial assets and liabilities on a recurring basis and reports on a fair value basis. The Company classifies its fair value measurements in one of the following three categories:

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

14. FAIR VALUE OF FINANCIAL INSTRUMENTS – (continued)

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

The Company uses observable pricing inputs including benchmark yields, reported trades, and broker/dealer quotes. The financial assets in Level 2 include the interest rate cap derivative instrument.

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

The derivative liabilities in Level 3 include the compound embedded conversion option in the 8.00% Notes and warrants issued with the 8.00% Notes and contingent equity agreement. The Company marks-to-market these liabilities at each reporting date with the changes in fair value recognized in the Company’s results of operations. The Company utilizes valuation models that rely exclusively on Level 3 inputs including, among other things: (i) the underlying features of each item, including reset features, make whole premiums, etc. (see Note 13); (ii) stock price volatility ranges from 34% – 117%; (iii) risk-free interest rates ranges from 0.47% – 3.85%; (iv) dividend yield of 0%; (v) conversion prices of $1.78; and (vi) market price at the valuation date of $1.37.

The following table presents the financial instruments that are carried at fair value as of March 31, 2010 and December 31, 2009 (In Thousands):

	Fair Value Measurements at March 31, 2010 using			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance
Other assets:				
Interest rate cap derivative	$ —	$ 3,633	$ —	$ 3,633
Total other assets measured at fair value	—	$ 3,633	—	3,633
Other non-current liabilities:				
Compound embedded conversion option	—	—	(20,593)	(20,593)
Warrants issued with 8.00% Notes	—	—	(40,042)	(40,042)
Warrants issued with contingent equity agreements	—	—	(9,752)	(9,752)
Total non-current liabilities measured at fair value	$ —	$ —	$ (70,387)	$ (70,387)

GLOBALSTAR, INC.

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14. FAIR VALUE OF FINANCIAL INSTRUMENTS – (continued)

	Fair Value Measurements at December 31, 2009 using			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance
Other assets:				
Interest rate cap derivative	$ —	$ 6,801	$ —	$ 6,801
Total other assets measured at fair value	—	$ 6,801	—	6,801
Other non-current liabilities:				
Compound embedded conversion option	—	—	(14,235)	(14,235)
Warrants issued with 8.00% Notes	—	—	(27,711)	(27,711)
Warrants issued with contingent equity agreements	—	—	(7,809)	(7,809)
Total non-current liabilities measured at fair value	$ —	$ —	$ (49,755)	$ (49,755)

The following tables present a reconciliation for all assets and liabilities measured at fair value on a recurring basis, excluding accrued interest components, using significant unobservable inputs (Level 3) for the three months ended March 31, 2010 as follows (in thousands):

Balance at December 31, 2009	$ (49,755)
Issuance of compound embedded conversion option and warrant liabilities	—
Derivative adjustment related to conversions	1,162
Unrealized loss, included in derivative loss, net on the income statement	(21,794)
Balance at March 31, 2010	$ (70,387)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements contained in or incorporated by reference into this Report, other than purely historical information, including, but not limited to, estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions, although not all forward-looking statements contain these identifying words. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Forward-looking statements, such as the statements regarding our ability to develop and expand our business, our anticipated capital spending (including for future satellite procurements and launches), our ability to manage costs, our ability to exploit and respond to technological innovation, the effects of laws and regulations (including tax laws and regulations) and legal and regulatory changes, the opportunities for strategic business combinations and the effects of consolidation in our industry on us and our competitors, our anticipated future revenues, our anticipated financial resources, our expectations about the future operational performance of our satellites (including their projected operational lives), the expected strength of and growth prospects for our existing customers and the markets that we serve, commercial acceptance of our new Simplex products, including our SPOT satellite GPS messenger™ products, problems relating to the ground-based facilities operated by us or by independent gateway operators, worldwide economic, geopolitical and business conditions and risks associated with doing business on a global basis and other statements contained in this Report regarding matters that are not historical facts, involve predictions.

Risks and uncertainties that could cause or contribute to such differences include, without limitation, those described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

Although we believe that the forward-looking statements contained or incorporated by reference in this Report are based upon reasonable assumptions, the forward-looking events and circumstances discussed in this Report may not occur, and actual results could differ materially from those anticipated or implied in the forward-looking statements.

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

This "Management's Discussion and Analysis of Financial Condition" should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition" and information included in our Annual Report on Form 10-K for the year ended December 31, 2009.

Overview

Globalstar, Inc. (we, us or the Company) is a leading provider of mobile voice and data communications services via satellite. By providing wireless services in areas not served or underserved by terrestrial wireless and wireline networks, we seek to address our customers' increasing desire for connectivity. Currently, using 44 in-orbit satellites and 26 ground stations, which we refer to as gateways, we offer voice and data communications services in over 120 countries. We also sell communication services on a wholesale basis to independent companies which operate 14 of these gateways which we refer to as independent gateway operators or IGOs.

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

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

Nonetheless, as further described under “Risk Factors” in our Annual Report on Form 10-K filed on March 12, 2010, we face a number of challenges and uncertainties, including:

- *Constellation life and health.* Our current satellite constellation is aging. We successfully launched our eight spare satellites in 2007. All of our satellites launched prior to 2007 have experienced various anomalies over time, one of which is a degradation in the performance of the solid-state power amplifiers of the S-band communications antenna subsystem (our “two-way communication issues”). The S-band antenna provides the downlink from the satellite to a subscriber’s phone or data terminal. Degraded performance of the S-band antenna amplifiers reduces the availability of two-way voice and data communication between the affected satellites and the subscriber and may reduce the duration of a call. When the S-band antenna on a satellite ceases to be functional, two-way communication is impossible over that satellite, but not necessarily over the constellation as a whole. We continue to provide two-way subscriber service because some of our satellites are fully functional but at certain times in any given location it may take longer to establish calls and the average duration of calls may be reduced. There are periods of time each day during which no two-way voice and data service is available at any particular location. The root cause of our two-way communication issues is unknown, although we believe it may result from irradiation of the satellites in orbit caused by the space environment at the altitude that our satellites operate.

  The decline in the quality of two-way communication does not affect adversely our one-way Simplex data transmission services, including our SPOT satellite GPS messenger products and services, which utilize only the L-band uplink from a subscriber’s Simplex terminal to the satellites. The signal is transmitted back down from the satellites on our C-band feeder links, which are functioning normally, not on our S-band service downlinks.

  We continue to work on plans, including new products and services and pricing programs to mitigate the effects of reduced service availability upon our customers and operations until our second-generation satellites are deployed. See “Part II, Item 1A. Risk Factors — Our satellites have a limited life and most have degraded, which causes our network to be compromised and which materially and adversely affects our business, prospects and profitability” in our Annual Report on Form 10-K filed March 12, 2010.

- *Launch delays.* A major earthquake in Italy in April 2009 damaged Thales’ satellite component fabrication facility in L’Aquila, Italy. Although none of our satellites or components were damaged, the delivery of some of our satellites has been delayed. We believe that this delay will not have a material adverse effect on our operations and business plan because we are able to defer a significant portion of our capital expense unrelated to the launch and construction of our satellites. We currently expect the first of four launches of six second-generation satellites each to take place in late September or early October 2010 and the fourth launch to be completed in the late spring or early summer of 2011.

- *The economy.* The current recession and its effects on credit markets and consumer spending is adversely affecting sales of our products and services and our access to capital.
- *Competition and pricing pressures.* We face increased competition from both the expansion of terrestrial-based cellular phone systems and from other mobile satellite service providers. For example, Inmarsat plans to commence offering satellite services to handheld devices in the United States in 2010, and several competitors, such as ICO Global (currently reorganizing under Chapter 11 of the U.S. Bankruptcy Code and now called DBSD North America) and TerreStar, are constructing or have launched geostationary satellites that provide mobile satellite service. Increased numbers of competitors, and the introduction of new services and products by competitors, increases competition for subscribers and pressures all providers, including us, to reduce prices. Increased competition may result in loss of subscribers, decreased revenue, decreased gross margins, higher churn rates, and, ultimately, decreased profitability and cash.
- *Technological changes.* It is difficult for us to respond promptly to major technological innovations by our competitors because substantially modifying or replacing our basic technology, satellites or gateways is time-consuming and very expensive. Approximately 75% of our total assets at March 31, 2010 represented fixed assets. Although we plan to procure and deploy our second-generation satellite constellation and upgrade our gateways and other ground facilities, we may nevertheless become vulnerable to the successful introduction of superior technology by our competitors.
- *Capital Expenditures.* We have incurred significant capital expenditures from 2007 through March 31, 2010, and we expect to incur additional significant expenditures through 2013 to complete and launch our second-generation constellation and related upgrades.
- *Introduction of new products.* We work continuously with the manufacturers of the products we sell to offer our customers innovative and improved products. Prior to our acquisition of Axxon's assets, virtually all engineering, research and development costs of these new products have been paid by the manufacturers. However, to the extent the costs are reflected in increased inventory costs to us, and we are unable to raise our prices to our subscribers correspondingly, our margins and profitability would be reduced.

Simplex Products (Personal Tracking Services and Emergency Messaging). In early November 2007, we introduced the SPOT satellite GPS messenger, aimed at attracting both the recreational and commercial markets that require personal tracking, emergency location and messaging solutions for users that require these services beyond the range of traditional terrestrial and wireless communications. Using the Globalstar Simplex network and web-based mapping software, this device provides consumers with the capability to trace or map the location of the user on Google Maps^{TM}. The product enables users to transmit messages to specific preprogrammed email addresses, phone or data devices, and to request assistance in the event of an emergency. We are continuing to work on additional SPOT-like applications.

- SPOT Satellite GPS Messenger Addressable Market

We believe the addressable market for our SPOT satellite GPS messenger products and services in North America alone is approximately 50 million units consisting primarily of outdoor enthusiasts. Our objective is to capture 2-3% of that market in the next few years. The reach of our Simplex System, on which our SPOT satellite GPS messenger products and services rely, covers approximately 60% of the world population. We intend to market our SPOT satellite GPS messenger products and services aggressively in our overseas markets including South and Central America, Western Europe, and through independent gateway operators in their respective territories.

- SPOT Satellite GPS Messenger Pricing

We intend the pricing for SPOT satellite GPS messenger products and services and equipment to be very attractive in the consumer marketplace. Annual service fees, depending whether they are for domestic or international service, currently range from $99.99 to approximately $150.00 for our basic level plan, and $149.98 to approximately $168.00 with additional tracking capability. The equipment is sold to end users at $149.99 to approximately $225.00 per unit (subject to foreign currency rates). Our distributors set their own retail prices for SPOT satellite GPS messenger equipment.

- SPOT Satellite GPS Messenger Distribution

  We are distributing and selling our SPOT satellite GPS messenger through a variety of existing and new distribution channels. We have distribution relationships with a number of "Big Box" retailers and other similar distribution channels including Amazon.com, Bass Pro Shops, Best Buy, Pep Boys, Big 5 Sporting Goods, Big Rock Sports, Cabela's, Campmor, London Drugs, Gander Mountain, REI, Sportsman's Warehouse, Wal-Mart.com, West Marine, DBL Distributing, D.H. Distributing, and CWR Electronics. We currently sell SPOT satellite GPS messenger products through approximately 10,000 distribution points. We also sell directly using our existing sales force into key vertical markets and through our direct e-commerce website (*www.findmespot.com*).

SPOT satellite GPS messenger products and services have been on the market for twenty-eight months in North America and substantially less time in foreign markets. The long-term commercial success of the products and services globally cannot be assured.

- *Fluctuations in currency rates.* A substantial portion of our revenue (32% and 37% for the three month periods ended March 31, 2010 and 2009, respectively) is denominated in foreign currencies. In addition, certain obligations under the contracts for our second-generation constellation and related control network facility are denominated in Euros. Any decline in the relative value of the U.S. dollar may adversely affect our revenues and increase our capital expenditures. See "Item 3. Quantitative and Qualitative Disclosures about Market Risk" for additional information.

- *Ancillary Terrestrial Component (ATC).* ATC is the integration of a satellite-based service with a terrestrial wireless service resulting in a hybrid mobile satellite service. The ATC network would extend our services to urban areas and inside buildings in both urban and rural areas where satellite services currently are impractical. We believe we are at the forefront of ATC development and are the first market entrant through our contract with Open Range described below. In addition, we are considering a range of additional options for rollout of our ATC services. We are exploring selective opportunities with a variety of media and communication companies to capture the full potential of our spectrum and U.S. ATC license.

  In October 2007, we entered into an agreement with Open Range Communications, Inc. that permits Open Range to deploy service in certain rural geographic markets in the United States under our ATC authority. Open Range will use our spectrum to offer dual mode mobile satellite based and terrestrial wireless WiMAX services to over 500 rural American communities. In December 2008, we amended our agreement with Open Range. The amended agreement reduced our preferred equity commitment to Open Range from $5 million to $3 million (which investment was made in the form of bridge loans that converted into preferred equity at the closing of Open Range's equity financing). Under the agreement as amended, Open Range has the right to use a portion of our spectrum within the United States and, if Open Range so elects, it can use the balance of our spectrum authorized for ATC services, to provide these services. Open Range has options to expand this relationship over the next three years, some of which are conditional upon Open Range electing to use all of the licensed spectrum covered by the agreement. Commercial availability began in selected markets in November 2009. The initial term of the agreement of up to 30 years is co-extensive with our ATC authority and is subject to renewal options exercisable by Open Range. Either party may terminate the agreement before the end of the term upon the occurrence of certain events, and Open Range may terminate it at any time upon payment of a termination fee that is based upon a percentage of the remaining lease payments. Based on Open Range's business plan used in support of its $267 million loan under a federally authorized loan program, the fixed and variable payments to be made by Open Range over the initial term of 30 years indicate a value for this agreement between $0.30 and $0.40/MHz/POP. Open Range satisfied the conditions to implementation of the agreement on January 12, 2009 when it completed its equity and debt financing, consisting of a $267 million broadband loan from the Department of Agriculture Rural Utilities Program and equity financing of $100 million. Open Range has remitted to us its initial down payment of $2 million. Open Range's annual payments in the first six years of the agreement will range from approximately $0.6 million to up to $10.3 million, assuming it elects to use all of the licensed spectrum covered by the agreement. The amount of the payments that we will receive from Open Range will depend on a number of factors, including the eventual geographic coverage of and the number of customers on the Open Range system.

In addition to our agreement with Open Range, we hope to exploit additional ATC monetization strategies and opportunities in urban markets or in suburban areas that are not the subject of our agreement with Open Range. Our system is flexible enough to allow us to use different technologies and network architectures in different geographic areas.

Service and Equipment Sales Revenues. The table below sets forth amounts and percentages of our revenue by type of service and equipment sales for the three month periods ended March 31, 2010 and 2009 (dollars in thousands).

	Three Months Ended March 31, 2010		Three Months Ended March 31, 2009	
	Revenue	**% of Total Revenue**	**Revenue**	**% of Total Revenue**
Service Revenue:				
Mobile	$ 5,401	35%	$ 6,506	43%
Fixed	464	3	614	4
Data	146	1	146	1
Simplex	4,303	28	2,564	17
IGO	216	1	367	2
Other(1)	1,924	12	934	6
Total Service Revenue	12,454	80	11,131	73
Equipment Sales:				
Mobile	331	2	1,013	7
Fixed	37	—	77	1
Data and Simplex	2,887	19	1,851	12
Accessories/Misc.	(138)	(1)	1,091	7
Total Equipment Sales	3,117	20	4,032	27
Total Revenue	$ 15,571	100%	$ 15,163	100%

(1) Includes engineering services and activation fees

Subscribers and ARPU for the three months ended March 31, 2010 and 2009. The following table set forth our average number of subscribers and ARPU for retail, IGO and Simplex customers for the three months ended March 31, 2010 and 2009. The following numbers are subject to immaterial rounding inherent in calculating averages.

	Three Months Ended March 31,		
	2010	**2009**	**% Net Change**
Average number of subscribers for the period:			
Retail	105,976	114,551	(7)
IGO	64,262	73,514	(13)
Simplex	222,078	162,536	37
ARPU (monthly):			
Retail	$ 23.34	$ 23.08	1
IGO	$ 1.12	$ 1.66	(33)
Simplex	$ 6.44	$ 5.26	22

	March 31, 2010	March 31, 2009	% Net Change
Ending number of subscribers:			
Retail	104,978	113,731	(8)
IGO	63,800	73,264	(13)
Simplex	225,258	169,875	33
Total	394,036	356,870	10

The total number of net subscribers increased from 356,870 at March 31, 2009 to 394,036 at March 31, 2010. Due to the increases in our Simplex customer base and our ARPU for Simplex, of 33% and 22%, respectively, from March 31, 2009 to March 31, 2010, our total service revenue increased for the same period. These gains were partially offset by reductions in our Retail and IGO customer base totals and decreases in the related ARPUs resulting from our two-way communication issues in addition to the change in our product mix.

Independent Gateway Acquisition Strategy

Currently, 14 of the 27 gateways in our network are owned and operated by unaffiliated companies, which we call independent gateway operators, some of whom operate more than one gateway. Except for the new gateway in Nigeria, in which we will hold a 30% equity interest, we have no financial interest in these independent gateway operators other than arms' length contracts for wholesale minutes of service. Some of these independent gateway operators have been unable to grow their businesses adequately due in part to limited resources. Old Globalstar initially developed the independent gateway operator acquisition strategy to establish operations in multiple territories with reduced demands on its capital. In addition, there are territories in which for political or other reasons, it is impractical for us to operate directly. We sell services to the independent gateway operators on a wholesale basis and they resell them to their customers on a retail basis.

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

However, acquisitions of independent gateway operators do require us to commit capital for acquisition of their assets, as well as management resources and working capital to support the gateway operations, and therefore increase our risk in operating in these territories directly rather than through the independent gateway operators. In addition, operating the acquired gateways increases our marketing, general and administrative expenses. Our Facility Agreement limits to $25.0 million the aggregate amount of cash we may invest in foreign acquisitions without the consent of our lenders and requires us to satisfy certain conditions in connection with any acquisition.

In June 2009, we entered into a business transfer agreement (BTA Agreement) with LG Dacom, the independent gateway operator in Korea, to acquire its gateway and other Globalstar assets for approximately $1 million in cash. In January 2010, we entered into a joint venture agreement with Arion Communications Co. This joint venture assumed the BTA Agreement and is expected to complete the Korean acquisition in the second quarter of 2010. We are unable to predict the timing or cost of further acquisitions because independent gateway operations vary in size and value.

Performance Indicators

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

- total revenue, which is an indicator of our overall business growth;

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- subscriber growth and churn rate, which are both indicators of the satisfaction of our customers;
- average monthly revenue per unit, or ARPU, which is an indicator of our pricing and ability to obtain effectively long-term, high-value customers. We calculate ARPU separately for each of our retail, IGO and Simplex businesses;
- operating income, which is an indication of our performance;
- EBITDA, which is an indicator of our financial performance; and
- capital expenditures, which are an indicator of future revenue growth potential and cash requirements.

Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies and estimates described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2009, except as described in Note 13 to the Unaudited Interim Consolidated Financial Statements in Part I Item I of this report, which describes our accounting policy for measuring the fair value of our Share Lending Agreement in accordance with ASU 2009-15.

Recently Issued Accounting Pronouncements

See Note 1 to the Unaudited Interim Consolidated Financial Statements in Part I Item I of this report for information on the new accounting standards relevant to us.

Results of Operations

Comparison of Results of Operations for the Three Months Ended March 31, 2010 and 2009 (in thousands):

	Three Months Ended March 31,		
	2010	2009(1)	% Change
Revenue:			
Service revenue	$ 12,454	$ 11,131	12%
Equipment sales	3,117	4,032	(23)
Total revenue	15,571	15,163	3
Operating Expenses:			
Cost of services (exclusive of depreciation and amortization shown separately below)	7,618	10,408	27
Cost of equipment sales	2,512	2,995	16
Marketing, general and administrative	8,212	13,977	41
Depreciation and amortization	5,890	5,424	(9)
Total operating expenses	24,232	32,804	26
Operating loss	(8,661)	(17,641)	(51)
Other income (expense):			
Interest income	182	128	42
Interest expense	(1,410)	(240)	(488)
Derivative loss	(24,962)	—	N/A
Other expense	(727)	(3,975)	82
Total other income (expense)	(26,917)	(4,087)	(558)
Income loss before income taxes	(35,578)	(21,728)	(64)
Income tax expense	64	30	N/A
Net loss	$ (35,642)	$ (21,758)	(64)%

(1) As revised, see Note 1 to the Interim Consolidated Financial Statements

Revenue. Total revenue increased by approximately $0.4 million, or 3%, to $15.6 million for the three months ended March 31, 2010, from $15.2 million for the three months ended March 31, 2009. We attribute this increase to higher service revenues as a result of gains in our Simplex subscriber base and increases in our ARPU for Simplex products. The increases in our Simplex business were partially offset by decreases in service revenue and equipment sales in our duplex business. Our duplex business is being affected by our two-way communication issues and despite our efforts to maintain our duplex subscriber base by lowering prices for our duplex products, our duplex subscriber base decreased 8% and 2% during the first quarter of 2010 compared to the first quarter and fourth quarter in 2009, respectively.

Our ARPU for Simplex during the three months ended March 31, 2010, increased by 22% to $6.44 from $5.26 for the same period in 2009. During the twelve-month period from March 31, 2009 to March 31, 2010 our net subscribers increased by approximately 37,000.

Service Revenue. Service revenue increased $1.3 million, or approximately 12%, to $12.4 million for the three months ended March 31, 2010, from $11.1 million for the same period in 2009. This increase is attributed to our Simplex subscriber base and our Simplex ARPU increasing at 37% and 22%, respectively. In particular, increased service revenue was generated from our SPOT Satellite services as a result of additional SPOT service subscribers and prior year SPOT service subscribers' renewing their annual subscriptions. These gains in Simplex were partially offset by a decrease in our Duplex business resulting from our two-way communication issues and, in response, reductions of our prices for Duplex services.

Equipment Sales. Equipment sales decreased by approximately $0.9 million, or 23%, to $3.1 million for the three months ended March 31, 2010, from $4.0 million for the same period in 2009. The decrease was due primarily to lower sales of our duplex products during the three months ended March 31, 2010 when compared to the same period in the prior year.

Operating Expenses. Total operating expenses decreased $8.6 million, or approximately 26%, to $24.2 million for the three months ended March 31, 2010, from $32.8 million for the same period in 2009. This decrease was due primarily to an adjustment to stock-based compensation expense related to restricted stock unit grants that were forfeited when two executives left the Company in January 2010, reductions in our contract labor costs, reduced marketing and advertising expenses, lower employee related expenses due to reductions in our headcount and lower cost of goods sold related to lower sales of subscriber equipment of our duplex products.

Cost of Services. Our cost of services for the three months ended March 31, 2010 and 2009, were $7.6 million and $10.4 million, respectively. This decrease was due primarily to an adjustment to stock-based compensation expense related to restricted stock unit grants that were forfeited when an executive left the Company in January 2010.

Cost of Equipment Sales. Cost of equipment sales decreased approximately $0.5 million, or 16%, to $2.5 million for the three months ended March 31, 2010, from $3.0 million for the three months ended March 31, 2009. This decrease was due primarily to lower sales of our duplex products.

Marketing, General and Administrative. Marketing, general and administrative expenses decreased approximately $5.8 million, or 41%, to $8.2 million for the three months ended March 31, 2010, from $14.0 million for the same period in 2009. This decrease was due primarily to an adjustment to stock-based compensation expense related to restricted stock unit grants that were forfeited when an executive left the Company in January 2010, to reductions in our contract labor, lower marketing and advertising costs and decreases in payroll and related expenses as our average headcount decreased in the three months ended March 31, 2010, when compared to the same period in 2009.

Depreciation and Amortization. Depreciation and amortization expense increased approximately $0.5 million for the three months ended March 31, 2010 from the same period in 2009. The increase relates to the amortization of the intangible assets acquired from Axxon in December 2009.

Operating Loss. Operating loss decreased approximately $9.0 million, to $8.6 million, for the three months ended March 31, 2010, from $17.6 million for the same period in 2009. This decrease resulted primarily from the lower cost of services and the marketing, general and administrative expenses described above.

Interest Income. Interest income increased by approximately $0.1 million, to $0.2 million, for the three months ended March 31, 2009, from $0.1 million for the same period in 2009 due to higher average cash balances on hand.

Interest Expense. Interest expense increased by $1.2 million to $1.4 million, for the three months ended March 31, 2010, from $0.2 million for the same period in 2009. This increase resulted from higher expenses due to our deferred financing costs related to our financing in June 2009.

Derivative Loss. We recognized a derivative loss of $25.0 million for the three months ended March 31, 2010, due primarily to the fair market value adjustment to our derivative liabilities such as those embedded in our 8% Notes, warrants issued in conjunction with our 8% Notes, warrants issued to Thermo for our contingent equity agreement and subordinated loan agreement and the fair value adjustment of our interest rate cap agreements. Higher stock prices raise the fair market value of the derivative liabilities and our stock price at March 31, 2010 was $1.37 compared to $0.87 at December 31, 2009. This increase in the derivative liabilities is considered a loss on our Statement of Operations; however, these expenses related to derivatives are non-cash and do not affect our liquidity.

These derivatives were entered into during June 2009; therefore, we had no derivative gain or loss for the three months ended March 31, 2009.

Other Expense. Other expense generally consists of foreign exchange transaction gains and losses. Other expense was a $0.7 million for the three months ended March 31, 2010, as compared to a loss of $4.0 million in the same period in 2009. These losses were due primarily to an unfavorable change in the exchange rate of the Canadian dollar.

Income Tax Expense. Income tax expense for the three months ended March 31, 2010 and 2009 was less than $0.1 million. The change between periods was due primarily to small differences in capital and related taxes.

Net Loss. Our net loss increased approximately $13.9 million, to a loss of $35.6 million, for the three months ended March 31, 2010, from a net loss of $21.8 million for the same period in 2009. The increase in our net loss was primarily due to our derivative losses and lower equipment sales, which were partially offset by higher service revenue and lower operating expenses as a result of cost and headcount reductions.

Liquidity and Capital Resources

The following table shows our cash flows from operating, investing, and financing activities for the three months ended March 31, 2010 and 2009:

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Net cash used in operating activities	$ (20,226)	$ (2,125)
Net cash used in investing activities	(76,799)	(19,394)
Net cash from financing activities	126,075	7,701
Effect of exchange rate changes on cash	(75)	4,504
Net increase (decrease) in cash and cash equivalents	$ 28,975	$ (9,314)

At April 1, 2010, our principal short-term liquidity needs were:

- to make payments to procure our second-generation satellite constellation, construct the Control Network Facility and launch related costs, in a total amount not yet determined, but which will include approximately €112.6 million payable to Thales Alenia Space by March 2011 under the purchase contract for our second-generation satellites and €0.8 million payable to Thales Alenia Space by June 2010 under the contract for construction of the Control Network Facility;

- to make payments related to our launch for the second-generation satellite constellation in the amount of $46.7 million payable to our Launch Provider by March 2011;
- to make payments related to the construction of our second-generation ground component in the amount of $22.1 million by March 2011; and
- to fund our working capital.

During the three months ended March 31, 2010 and the year ended December 31, 2009, our principal sources of liquidity were:

	Three Months Ended March 31, 2010		Year Ended December 31, 2009	
	Dollars in millions			
Cash on-hand at beginning of period	$	67.9	$	12.4
Borrowings under Facility Agreement	$	126.1	$	371.2
Net proceeds from 8.00% Notes	$	—	$	51.3
Proceeds from Thermo equity purchases	$	—	$	1.0
Borrowings under Thermo credit agreement and other debt, net	$	—	$	35.0

We plan to fund our short-term liquidity requirements from the following sources:

- cash from our Facility Agreement ($89.0 million was available at March 31, 2010);
- excess cash on hand at March 31, 2010.

Our principal long-term liquidity needs are:

- to pay the costs of procuring and deploying the remainder of our second-generation satellite constellation and upgrading our gateways and other ground facilities;
- to fund our working capital, including any growth in working capital required by growth in our business; and
- to fund the cash requirements of our acquisition strategy, in an amount not determinable at this time.
- to fund repayment of our indebtedness when due.

Sources of long-term liquidity may include, if necessary, a $34.3 million debt service reserve account and related $12.5 million guarantee, a $60.0 million contingent equity account established in connection with the Facility Agreement, the exercise of warrants and additional debt and equity financings which have not yet been arranged. We also expect cash flow from operations to be a source of long-term liquidity once we have deployed our second-generation satellite constellation.

Based on our operating plan combined with our borrowing capacity under our Facility Agreement, we believe we will have sufficient resources to meet our cash obligations for at least the next 12 months.

Net Cash used in Operating Activities

Net cash used in operating activities during the three months ended March 31, 2010 was $20.2 million compared to $2.1 million in the same period in 2009. The increase in cash used for the three months ended March 31, 2010 when compared to the three months ended March 31, 2009 resulted primarily from prepayments to a vendor related to the second generation constellation.

Net Cash used in Investing Activities

Cash used in investing activities was $76.8 million during the three months ended March 31, 2010, compared to $19.4 million during the same period in 2009. This increase was primarily the result of increased payments related to the construction of our second-generation constellation during the three months ended March 31, 2010.

Net Cash from Financing Activities

Net cash provided by financing activities increased by $118.4 million to $126.1 million during the three months ended March 31, 2010, from $7.7 million during the same period in 2009. The increase was due to drawing $126.1 million from our facility agreement in the three months ended March 31, 2010. This Facility Agreement was not in place until June 2009.

Capital Expenditures

We currently estimate that the capitalized expenditures related to procuring and deploying our second-generation satellite constellation and upgrading our gateways and other ground facilities will cost approximately $1.3 billion including total contract values for Thales, our Launch Provider, Hughes and Ericsson and excluding launch costs for the second 24 satellites, internal costs and capitalized interest, which we expect will be reflected in capital expenditures through 2013. Since the fourth quarter of 2006, we have used portions of the proceeds from sales of common stock to Thermo, the proceeds from our initial public offering, the net proceeds from the sale of the 5.75% Notes and 8% Notes and borrowings under our credit facility with Thermo and the Facility Agreement to fund expenditures incurred through March 31, 2010. We plan to fund the balance of the capital expenditures through the use of the remaining funds available under our Facility Agreement, additional debt and equity financings (if necessary) and cash flow from operations once we have deployed our second-generation satellite constellation.

The amount of actual and contractual capital expenditures related to the construction of the second-generation constellation and satellite operations control centers, ground component and related costs and the launch services contracts is presented in the table below (in millions):

Contract	Currency of Payment	Payments through March 31, 2010	Estimated Future Payments 2010	2011	2012	Thereafter	Total
Thales Alenia Second Generation Constellation	EUR	€ 390	€ 78	€ 88	€ 56	€ 67	€ 679(1)
Thales Alenia Satellite Operations Control Centers	EUR	€ 9	€ 1	€ —	€ —	€ —	€ 10(1)
Arianespace Launch Services	USD	$ 189	$ 13	$ 14	$ —	$ —	$ 216
Hughes second-generation ground component (including research and development expense)	USD	$ 39	$ 12	$ 37	$ 15	$ 1	$ 104
Ericsson	USD	$ 1	$ 1	$ 8	$ 15	$ 3	$ 28

(1) Of these amounts, all but €227 million is payable at a fixed exchange rate of €1.00 = $1.42.

Cash Position and Indebtedness

As of March 31, 2010, our total cash and cash equivalents were $96.9 million and we had total indebtedness of $591.5 million compared to total cash and cash equivalents and total indebtedness at December 31, 2009 of $67.9 million and $465.8 million, respectively.

Facility Agreement

On June 5, 2009, we entered into a $586.3 million senior secured facility agreement (the “Facility Agreement”) with a syndicate of bank lenders, including BNP Paribas, Natixis, Société Générale, Caylon, Crédit Industriel et Commercial as arrangers and BNP Paribas as the security agent and COFACE agent. Ninety-five percent of our obligations under the agreement are guaranteed by COFACE, the French export credit agency. The initial funding process of the Facility Agreement began on June 29, 2009 and was completed on July 1, 2009. The new facility is comprised of:

- a $563.3 million tranche for future payments to and to reimburse us for amounts we previously paid to Thales Alenia Space for construction of our second-generation satellites. Such reimbursed amounts will be used by us (a) to make payments to the Launch Provider for launch services, Hughes for ground network equipment, software and satellite interface chips and Ericsson for ground system upgrades, (b) to provide up to $150 million for our working capital and general corporate purposes and (c) to pay a portion of the insurance premium to COFACE; and

- a $23 million tranche that will be used to make payments to Arianespace for launch services and to pay a portion of the insurance premium to COFACE.

The facility will mature 96 months after the first repayment date. Scheduled semi-annual principal repayments will begin the earlier of eight months after the launch of the first 24 satellites from the second generation constellation or December 15, 2011. The facility bears interest at a floating LIBOR rate, capped at 4%, plus 2.07% through December 2012, increasing to 2.25% through December 2017 and 2.40% thereafter. Interest payments will be due on a semi-annual basis.

The Facility Agreement requires that:

- we not permit our capital expenditures (other than those funded with cash proceeds from insurance and condemnation events, equity issuances or the issuance of our stock to acquire certain assets) to exceed $391.0 million in 2009 and $234.0 million in 2010 (with unused amounts permitted to be carried over to subsequent years)
- after the second scheduled interest payment, we maintain a minimum liquidity of $5.0 million;
- we achieve for each period the following minimum adjusted consolidated EBITDA:

Period	Minimum Amount
1/1/09 – 12/31/09	$ (25.0) million
7/1/09 – 6/30/10	$(21.0) million
1/1/10 – 12/31/10	$(10.0) million
7/1/10 – 6/30/11	$ 10.0 million
1/1/11 – 12/31/11	$ 25.0 million
7/1/11 – 6/30/12	$ 35.0 million
1/1/12 – 12/31/12	$ 55.0 million
7/1/12 – 6/30/12	$ 65.0 million
1/1/13 – 12/31/13	$ 78.0 million

- beginning in 2011, we maintain a minimum debt service coverage ratio of 1.00:1, gradually increasing to a ratio of 1.50:1 through 2019;
- beginning in 2012, we maintain a maximum net debt to adjusted consolidated EBITDA ratio of 9.90:1, gradually decreasing to 2.50:1 through 2019.

At March 31, 2010, we were in compliance with the covenants of the Facility Agreement.

Our obligations under the facility are guaranteed on a senior secured basis by all of our domestic subsidiaries and are secured by a first priority lien on substantially all of our assets and those of our domestic subsidiaries (other than FCC licenses), including patents and trademarks, 100% of the equity of our domestic subsidiaries and 65% of the equity of certain foreign subsidiaries.

We are required to pay the borrowings without penalty on the last day of each interest period after the full facility has been borrowed or the earlier of seven months after the launch of the second generation constellation or November 15, 2011, but amounts repaid may not be reborrowed. We must repay the loans (a) in full upon a change in control or (b) partially (i) if there are excess cash flows on certain dates, (ii) upon certain insurance and condemnation events and (iii) upon certain asset dispositions. In addition to the financial covenants described above, the Facility Agreement places limitations on our ability and our subsidiaries to incur debt, create liens, dispose of assets, carry out mergers and acquisitions, make loans, investments, distributions or other transfers and capital expenditures or enter into certain transactions with affiliates.

See Note 13 of our Unaudited Interim Consolidated Financial Statements for descriptions of our other debt agreements.

Contractual Obligations and Commitments

There have been no significant changes to our contractual obligations and commitments since December 31, 2009.

Off-Balance Sheet Transactions

We have no material off-balance sheet transactions.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our services and products are sold, distributed or available in over 120 countries. Our international sales are made primarily in U.S. dollars, Canadian dollars, Brazilian reals and Euros. In some cases insufficient supplies of U.S. currency may require us to accept payment in other foreign currencies. We reduce our currency exchange risk from revenues in currencies other than the U.S. dollar by requiring payment in U.S. dollars whenever possible and purchasing foreign currencies on the spot market when rates are favorable. We currently do not purchase hedging instruments to hedge foreign currencies. However, our Facility Agreement requires us to do so on terms reasonably acceptable to the COFACE agent not later than 90 days after the end of any quarter in which more than 25% of our revenue is originally denominated in a single currency other than U.S. or Canadian dollars.

We have entered into two separate contracts with Thales Alenia Space to construct 48 low earth orbit satellites for our second-generation satellite constellation and to provide launch-related and operations support services, and to construct the Satellite Operations Control Centers, Telemetry Command Units and In-Orbit Test Equipment for our second-generation satellite constellation. A substantial majority of the payments under the Thales Alenia Space agreements is denominated in Euros.

Our exposure to fluctuations in currency exchange rates has decreased as a result of certain portions of our contracts for the construction of our second-generation constellation satellite and the related control network facility, which are payable primarily in Euros, are at a fixed exchange rate. A 1.0% decline in the relative value of the U.S. dollar, on the remaining balance not at a fixed exchange rate of approximately €227 million on March 31, 2010, would result in $3.2 million of additional payments. See “Note 3: Property and Equipment” of the unaudited interim consolidated financial statements in Part I, Item 1 of this Report. Our interest rate risk arises from our variable rate debt under our Facility Agreement, under which loans bear interest at a floating rate based on the LIBOR. In order to minimize the interest rate risk, we completed an arrangement with the lenders under the Facility Agreement to limit the interest to which we are exposed. The interest rate cap provides limits on the 6 month Libor rate (“Base Rate”) used to calculate the coupon interest on outstanding amounts on the Facility Agreement of 4.00% from the date of issuance through December 2012. Thereafter, the Base Rate is capped at 5.50% should the Base Rate not exceed 6.5%. Should the Base Rate exceed 6.5%, our Base rate will be 1% less than the then 6 month Libor rate. The applicable margin from the base rate ranges from 2.07% to 2.4% through the termination date of the facility. Assuming that we borrowed the entire $586.3 million under the Facility Agreement, a 1.0% change in interest rates would result in a change to interest expense of approximately $5.9 million annually.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 as of March 31, 2010, the end of the period covered by this Report. The evaluation included certain internal control areas in which we have made and are continuing to make changes to improve and enhance controls. This evaluation was based on the guidelines established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Based on this evaluation, our chief executive officer and chief financial officer concluded that as of March 31, 2010 our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

We believe that the consolidated financial statements included in this Report fairly present, in all material respects, our consolidated financial position and results of operations as of and for the three months ended March 31, 2010.

(b) Changes in internal control over financial reporting.

As of March 31, 2010, our management, with the participation of our chief executive officer and chief financial officer, evaluated our internal control over financial reporting. Based on that evaluation, our CEO and CFO concluded that there were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2010, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in certain litigation matters as discussed elsewhere in this Report. For more detailed information on litigation matters outstanding please see Note 9 of the Notes to our unaudited Interim Consolidated Financial Statements in Part I, Item 1 of this Report. From time to time, we are involved in various other litigation matters involving ordinary and routine claims incidental to our business. Management currently believes that the outcome of these proceedings, either individually or in the aggregate, will not have a material adverse effect on our business, results of operations or financial conditions.

Item 1A. Risk Factors

You should carefully consider the risks described in this Report and all of the other reports that we file from time to time with the Securities and Exchange Commission (“SEC”), in evaluating and understanding us and our business. Additional risks not presently known or that we currently deem immaterial may also impact our business operations and the risks identified in this Report may adversely affect our business in ways we do not currently anticipate. Our financial condition or results of operations also could be materially adversely affected by any of these risks. There have been no material changes to the risk factors disclosed in Part I. Item 1A.”Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2009, as filed with the SEC on March 12, 2010.

Item 6. Exhibits

Number	Description
10.1†	Amended and Restated Launch Services Agreement by and between Globalstar, Inc. and Arianespace dated March 9, 2010
10.2†	Amendment No. 4 to contract between Globalstar, Inc. and Hughes Network Systems, LLC dated as of March 24, 2010
10.3†	Amendment No. 2 to Purchase Agreement by and between Globalstar, Inc. and Ericsson Federal Inc. dated March 30, 2010
10.4†	Amendment No. 8 to Satellite Products Supply Agreement by and between QUALCOMM Incorporated, Globalstar, Inc. and Globalstar Canada Satellite Company dated August 18, 2009
10.5†	Amendment No. 9 to Satellite Products Supply Agreement by and between QUALCOMM Incorporated, Globalstar, Inc. and Globalstar Canada Satellite Company dated February 24, 2010
31.1	Section 302 Certification of the Chief Executive Officer
31.2	Section 302 Certification of the Chief Financial Officer
32.1	Section 906 Certifications

† Portions of the exhibit have been omitted pursuant to a request for confidential treatment filed with the Commission. The omitted portions of the exhibit have been filed with the Commission.

SIGNATURES

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

	GLOBALSTAR, INC.
Date: May 7, 2010	By: /s/ PETER J. DALTON
	Peter J. Dalton
	Chief Executive Officer
Date: May 7, 2010	By: /s/ FUAD AHMAD
	Fuad Ahmad
	Senior Vice President and Chief Financial Officer

Exhibit 10.1

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked “[*]” in this document; they have been filed separately with the Commission.

Final Execution Copy

AMENDED AND RESTATED

LAUNCH SERVICES AGREEMENT

FOR THE LAUNCHING INTO

LOW EARTH ORBIT

GLOBALSTAR SATELLITES

BY THE SOYUZ LAUNCH VEHICLE

Commercial in Confidence

AMENDED AND RESTATED

LAUNCH SERVICES AGREEMENT

This Amended and Restated Launch Services Agreement is entered into

BY AND BETWEEN

GLOBALSTAR, INC., hereinafter referred to as "CUSTOMER", a company duly organized and validly existing under the laws of the State of Delaware, with principal offices located at 461 South Milpitas Blvd., Milpitas, CA 95035, U.S.A.,

ON THE ONE HAND,

AND

ARIANESPACE, a company organized under the laws of France with principal offices located at Boulevard de l'Europe BP 177, 91006 EVRY-COURCOURONNES Cedex, France, hereinafter referred to as "ARIANESPACE",

ON THE OTHER HAND,

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TERMS AND CONDITIONS

Commercial in Confidence

RECITALS

WHEREAS CUSTOMER and ARIANESPACE entered into a Launch Services Agreement dated 5 September 2007 to launch TWENTY FOUR (24) Satellites through FOUR (4) Firm Launches, with the option to launch TWENTY FOUR (24) additional Satellites by means of the SOYUZ Launch Vehicle from the SOYUZ Launch Site in Kourou, or Baikonur, and

WHEREAS The Parties have modified the Launch Services Agreement through Amendments #1 dated 9 July 2008 and #2 dated 24 June 2009, and

WHEREAS The Parties wish to hereby restate the entire Launch Services Agreement as previously amended, including the terms and conditions, as set forth herein, and

WHEREAS CUSTOMER has accepted such Launch Services, being aware of the particular risks involved in any launch operation and of the complex nature of the technologies involved, and the Parties have reached an agreement in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

ARTICLE 1 - - DEFINITIONS

In this Amended and Restated Launch Services Agreement capitalized terms shall have the meanings set forth in this Article:

Agreement means this Amended and Restated Launch Services Agreement as defined in Article 3 hereof.

Associated Services means those supplementary launch services specified in Sub-paragraphs 4.1.2 hereof.

Associates means any individual or legal entity, whether organized under public or private law, who or which shall act, directly or indirectly, on behalf of or at the direction of either Party to this Agreement, to fulfill the obligation undertaken by such Party pursuant to this Agreement, including without limitation, any employee, officer, agent of either Party, and their respective contractors, subcontractors and suppliers at any tier.

For the purpose of the definition of Third Party and Article 14:

a) any individual or legal entity governed by private or public law that has directed ARIANESPACE to proceed with the Launch Services or has any interest in the Launch Services, including without limitation, a legal interest in the Launch Vehicle shall be deemed to be an Associate of ARIANESPACE; and

b) any individual or legal entity governed by private or public law that has directed CUSTOMER to proceed with the Launch Services, or has any interest in the Satellite(s) to be launched, including without limitation, insurers, any person or entity to whom CUSTOMER has sold or leased, directly or indirectly, or otherwise agreed to provide any portion of the Satellite(s) shall be deemed to be an Associate of CUSTOMER.

Base Rate means ONE (1) month LIBOR plus [*] percentage points, for any amount expressed in U.S. dollars or the ONE (1) month EURIBOR plus [*] percentage points for any amount expressed in EUROS. LIBOR and EURIBOR rates shall be as set forth in The Wall Street Journal on the effective date of payment.

Effective Date of Contract (EDC) means 5 September 2007.

Firm Launch means a Launch Services firmly ordered by the CUSTOMER at EDC, to the exclusion of any Replacement or Optional Launch.

Force Majeure means events such as but not limited to explosions, fires, earthquakes, floods, bad weather and other Acts of God, wars, whether or not declared, social uprisings, strikes or lock-outs, governmental or administrative measures (including delay, suspension or failure to act), and all other events beyond the reasonable control of a Party or its Associates that impede the execution of the obligations of such Party or its Associates and, including, but without limitation, the accomplishment of the launch of the Satellite(s) within the Launch Period, Launch Slot, Launch Day or at Launch Time, provided such events may not be overcome using efforts which may reasonably be expected of the affected Party and/or its affected Associates under the circumstances.

Within FORTY EIGHT (48) hours of learning of the occurrence of an event of Force Majeure, the affected Party shall promptly provide written notice to the other Party of such occurrence and within SEVEN (7) days thereafter shall send to the other Party another written notice stating the date, nature, extent, anticipated duration and anticipated consequences of the occurrence. In addition, the Party suffering the Force Majeure event shall notify the other Party the end of the Force Majeure event within TWENTY-FOUR (24) hours after such occurrence.

Intentional Ignition means the time designated by ARIANESPACE, during the launch sequence when the command to ignite is intentionally sent to any one of the motors of the Launch Vehicle for the purpose of a Launch following a planned countdown.

L except for where otherwise provided, means the first day of the most recently agreed Launch Period or Launch Slot, or means the selected Launch Day.

Launch means the Intentional Ignition of the Launch Vehicle followed by Lift-off.

Launch Associated Payment means the Launch Services payment for each Firm or Optional Launch Services associated with the actual Launch Day.

Launch Campaign, as defined for each Firm or Optional Launch, means the period beginning from the date of arrival of individuals of CUSTOMER or its Associates or CUSTOMER Ground Support Equipment (GSE) to the Launch Site or from the date on which CUSTOMER begins autonomous operations on the Satellite, whichever is earlier, until the date on which CUSTOMER completes placement of all CUSTOMER GSE into a stand-by or storage phase condition or until the date on which all CUSTOMER GSE is removed from the Launch Site.

Launch Day means a calendar day within a Launch Slot during which a Launch is scheduled to occur.

Launch Failure means that the Satellite(s) loaded into the Launch Vehicle (i) is(are) destroyed or lost during the period extending from the instant when Intentional Ignition occurred to the instant the Satellite(s) is(are) separated from the Launch Vehicle; or (ii) cannot be separated from the Launch Vehicle; or (iii) is(are) destroyed or lost due to a post-separation collision of such Satellite(s) with Launch Vehicle or any part of it.

Launch Mission means the mission assigned to the Launch Vehicle as defined in Annex 1 Part 1 Chapter 2.1 to this Agreement.

Launch Opportunity means the availability to CUSTOMER of a Launch possibility within a Launch Period or Launch Slot for a Launch Mission on a Launch Vehicle in accordance with Part 1 of Annex 1 to this Agreement.

Launch Option means the right for CUSTOMER to order from ARIANESPACE one Optional Launch in accordance with this Agreement for the launch of additional GLOBALSTAR Satellites to be performed by ARIANESPACE.

Launch Period means a period of NINETY (90) consecutive calendar days.

Launch Services means the services as set forth in Part 2 and in Part 5 of Annex 1 to this Agreement to be provided by ARIANESPACE to perform the Launch Mission.

Launch Site means the SOYUZ launch complex at the Guiana Space Center (CSG) in Kourou, French Guiana, or the SOYUZ launch complex at the Baikonur Space Center (BSC), in Baikonur, Kazakhstan, including all their facilities and equipment depending on the launch site selected by ARIANESPACE in accordance with Paragraph 4.4 of Article 4 hereof.

Launch Slot means a period of THIRTY (30) consecutive calendar days, within a Launch Period.

Launch Term means a period of time, as set forth in Paragraph 6.1 of Article 6.

Launch Termination means the time as indicated by ARIANESPACE when, subsequent to a Terminated Ignition, the launch pad is declared safe by ARIANESPACE.

Launch Time means the instant that the intentional ignition of the first stage engine(s) is scheduled to take place, as defined in hours, minutes and seconds (GMT Universal Time).

Launch Vehicle means a vehicle belonging to the SOYUZ launch vehicle family chosen by ARIANESPACE to perform the Launch Mission and defined in Part 1 of Annex 1 to this Agreement.

Lift-off means the disconnection of the lift-off plug if such event follows Intentional Ignition.

Optional Launch means Launch Services ordered by CUSTOMER from ARIANESPACE in the event of exercise of the Launch Option in accordance with Paragraph 4.3 of Article 4 of this Agreement.

Party or Parties means CUSTOMER or ARIANESPACE or both according to the context in which the term is used.

Postlaunch Services means the reports and range services as specified in Parts 2, 4 and 5 of Annex 1 to this Agreement that are to be provided to CUSTOMER by ARIANESPACE after the Launch.

<u>Replacement Launch</u> means Launch Services for Satellites subject to Article 13 hereof ordered by CUSTOMER, (i) in the event of a Launch Failure and/or (ii) subsequent to a previous Launch that, for any reason whatsoever, has/have not accomplished the Launch Mission or the Satellite(s) Mission.

<u>Satellite(s)</u> means the satellite(s) supplied by CUSTOMER that is/are to be compatible and remain compatible with the SOYUZ Launch Vehicle and the Launch Mission, and that meets the specifications set forth in Part 3 Chapter 2 of Annex 1 to this Agreement.

<u>Satellite Mission</u> means the mission assigned to the Satellite(s) by CUSTOMER after separation from the Launch Vehicle.

<u>Services</u> means any and all services to be provided by ARIANESPACE under this Agreement.

<u>Terminated Ignition</u> means that following Intentional Ignition, the launch sequence is shut down before Lift-off.

<u>Third Party</u> means any individual or legal entity other than the Parties, and the Associates of each of the foregoing.

ARTICLE – 2 SUBJECT OF THE AGREEMENT

The subject of this Agreement is the performance of FOUR (4) Firm Launch Services, each launching six Satellites supplied by CUSTOMER from the Launch Site for the purpose of accomplishing the Launch Mission in accordance with the terms and conditions of this Agreement plus, subject to the conditions stipulated herein, ONE (1) additional Launch Services for the Launch Option exercised by CUSTOMER.

ARTICLE – 3 CONTRACTUAL DOCUMENTS

3.1 This Agreement consists of the following two parts which are contractually binding between the Parties: the herein Terms and Conditions and Annex 1, the Statement of Work, Rev 0 Issue 1 dated September 5th 2007, as may thereafter be amended from time to time by the Parties, which Statement of Work is incorporated by reference and made a part hereof.

3.2 In the event of any inconsistency between the Terms and Conditions and the Annex, the Terms and Conditions shall have precedence over the Annex.

ARTICLE 4 - - ARIANESPACE'S SERVICES

4.1 ARIANESPACE shall, for the FOUR (4) Firm Launches and for the Optional Launch, if the Launch Option has been exercised by CUSTOMER, perform the Services under this Agreement including:

4.1.1 Launch Services;

4.1.2 Associated Services: subject to any further additional orders of CUSTOMER, one or more of the services as set forth in Part 6 of AnnexAgreement. 1 to this

4.2 Launch Services for each Firm and/or Optional Launch, except for Postlaunch Services, shall be deemed to be completed by ARIANESPACE upon Lift-off or upon Launch Failure. ARIANESPACE shall not assume any further liability for said Launch Services, except as expressly provided in this Agreement. In the event that, for any reason whatsoever, a Terminated Ignition occurs followed by Launch Termination, ARIANESPACE shall postpone the Launch in accordance with the conditions set forth in Article 11 of this Agreement.

4.3 Launch Option

ARIANESPACE undertakes to maintain ONE (1) Launch Option available to CUSTOMER and to be exercised by CUSTOMER in accordance with the terms of Article 6 and subject to the conditions below.

ARIANESPACE shall be obligated for:

(i) ONE (1) Optional Launch in addition to the FOUR (4) Firm Launches if no Launch Failure has occurred and/or no failure to accomplish the Satellite Mission or the Launch Mission has occurred;

or

(ii) ONE (1) Optional Launch in addition to the FOUR (4) Firm Launches and ONE (1) Replacement Launch in case of one Launch Failure or one failure to the Satellite Mission or to the Launch Mission has occurred.

For sake of clarity, ARIANESPACE shall not be obligated to CUSTOMER for any Optional Launch in case of two or more Launch Failure(s) and/or failure(s) to accomplish the Satellite Mission or the Launch Mission.

4.4 Launch Site Selection

The Launch Site for the FOUR (4) Firm Launches shall be the SOYUZ launch complex at the Baikonur Space Center (BSC), in Baikonur, Kazakhstan.

ARIANESPACE shall inform CUSTOMER of the Launch Site selected for the Optional Launch, if any, by written notice to be received no later than TWELVE (12) months prior to the first day of the associated Launch Period as defined in accordance with Article 6 herein.

It is hereby mutually understood by the Parties that none of the Firm Launches or the Optional Launch provided under this Agreement shall be performed on the first Soyuz to be launched from CSG.

ARTICLE 5 - - CUSTOMER'S COMMITMENTS

5.1 CUSTOMER shall fulfill the technical commitments set forth in Part 3 of Annex 1 to this Agreement including, without limitation, delivery of the Satellite(s) to the Launch Site within the time limits consistent with the launch schedule set forth herein.

5.2 CUSTOMER shall promptly notify ARIANESPACE in writing of any event that may cause a delay to L.

5.3 CUSTOMER will have the possibility to exercise the Launch Option under sub-paragraph 4.3 of Article 4 of this Agreement, in addition to the TWENTY-FOUR (24) CUSTOMER Satellites to be launched through the FOUR (4) Firm Launches under this Agreement.

Notwithstanding the above ARIANESPACE releases CUSTOMER from the above commitment in the following cases:

(i) ARIANESPACE becomes bankrupt or insolvent or has a receiving order made against it, or takes the benefit of any status or legislation related to bankruptcy or insolvent debtors, or if an order is made or resolution passed for the winding-up of ARIANESPACE; or

(ii) If, following a CUSTOMER request for a single Launch Period in accordance with sub-paragraph 6.2.2, the first day of the nearest available Launch Period proposed by ARIANESPACE is more than TWELVE (12) months later than the first day of the Launch Period requested by CUSTOMER.

ARTICLE 6 - - LAUNCH SCHEDULE

6.1 Launch Term

The FOUR (4) Firm Launches shall take place during the term from EDC + TWENTY-SEVEN (27) months up to March 31, 2011.

The Optional Launch shall be available to CUSTOMER during the term extending from April 01, 2010 up to and including December 31, 2013.

6.2 Launch Period

6.2.1 Firm Launches

The Launch Period for Firm Launches N° 1, 2, 3 and 4, shall be established within the above Launch Term.

(A) Firm Launch N° 1

(i) CUSTOMER shall notify ARIANESPACE by written notice to be received no later than THIRTEEN (13) months prior to the first day of the Launch Period desired by CUSTOMER for the corresponding Firm Launch N°1, being further agreed that the such Launch Period shall not be earlier than the provisional Launch Period defined in sub-paragraph (A)(ii) hereinafter.

Within ONE (1) month of receipt of CUSTOMER’s notice, ARIANESPACE shall inform CUSTOMER whether a Launch Opportunity exists within the desired Launch Period at CSG and if not will allocate the nearest subsequent Launch Period within which a Launch Opportunity exists and reserve the same Launch Period at BSC.

(ii)For the purpose of Article 10 and Article 18, the first day of the provisional Launch Period of Firm Launch N°1 is January 05, 2010.

B) Firm Launches N° 2, 3 and 4

(i) For each of the Firm Launches N° 2 and 3 and 4, CUSTOMER shall notify ARIANESPACE by written notice to be received no later than TWELVE (12) months prior to the first day of the Launch Period desired by CUSTOMER for the corresponding Firm Launch, being further agreed that such Launch Periods shall not be earlier than the respective provisional Launch Periods defined in sub-paragraph (B) (ii) hereinafter.

Within ONE (1) month of receipt of CUSTOMER’s notice, ARIANESPACE shall inform CUSTOMER whether a Launch Opportunity exists within the desired Launch Period at CSG and if not will allocate the nearest subsequent Launch Period within which a Launch Opportunity exists and reserve the same Launch Period at BSC.

(ii) For the purpose of Article 10 and Article 18:

· The provisional Launch Periods for Firm Launches N°2, 3 and 4 shall be as follows:

- The first day of the provisional Launch Period for Firm Launch N°2 is April 05, 2010;

- The first day of the provisional Launch Period for Firm Launch N°3 is June 05, 2010; and

- The first day of the provisional Launch Period for Firm Launch N°4 is August 05, 2010.

(iii) CUSTOMER may request ARIANESPACE to allocate up to THREE (3) Launch Periods after the Firm Launch N°1 Launch Period, enabling back-to-back Launch Campaigns, being agreed that the minimum period of time between any two launches shall not be less than 45 days. Such request shall be made concurrent with the Launch Period requested under Section (A) above.

ARIANESPACE shall then either allocate the requested Launch Periods or, depending on its available Launch Opportunities allocate CUSTOMER the nearest series of FOUR (4) successive Launch Periods.

6.2.2 Optional Launch

The Launch Period for the Optional Launch, if any, shall be established within the Launch Term defined in Sub-paragraph 6.1 of Article 6 of this Agreement.

(i) CUSTOMER shall notify ARIANESPACE by written notice to be received no later than TWELVE (12) months prior to the first day of the Launch Period desired by CUSTOMER for the Optional Launch, being further agreed that such Launch Period shall not be earlier than the provisional Launch Period defined in sub-paragraph (ii) hereinafter.

Within ONE (1) month of receipt of CUSTOMER's notice, ARIANESPACE shall inform CUSTOMER whether a Launch Opportunity exists within the desired Launch Period.

(ii) For the purpose of Article 10 and Article 18, the provisional Launch Period for the Optional Launch shall be defined at option exercise. The first day of the provisional Launch Period shall not be earlier than EIGHTEEN (18) months following option exercise.

6.3 Taking into account available Launch Opportunities, the Launch Slot within the Launch Period shall be determined by mutual agreement of the Parties no later than SIX (6) months prior to the first day of the Launch Period.

6.4 Based on a proposal made by ARIANESPACE, by mutual agreement of the Parties, the Launch Day within the Launch Slot shall be determined, no later than THREE months prior to the first day of the Launch Slot.

6.5 In the event that, for any reason whatsoever, the Parties fail to agree upon the Launch Slot within the Launch Period or the Launch Day, ARIANESPACE shall determine said Launch Slot or the Launch Day, taking into account the available Launch Opportunities, and the requirements and respective interests of the Parties.

ARTICLE 7 - - COORDINATION BETWEEN ARIANESPACE AND CUSTOMER

7.1 CUSTOMER and ARIANESPACE shall each designate a program director ("Program Director") no later than ONE (1) month following EDC.

7.2 The Program Directors shall supervise and coordinate the performance of the Services and the technical commitments of the respective Parties within the Launch Services schedule set forth herein.

7.3 Each Program Director shall have sufficient powers to be able to settle any technical issues that may arise during the performance of this Agreement, as well as any day-to-day management issues. Should the Program Directors have unresolved technical issues, such issues will be escalated to the respective senior technical management of the Parties. Should the Program Directors have unresolved programmatic issues, such issues will be escalated to the respective senior management of the Parties.

7.4 A Party may replace its Program Director by prior written notice to the other Party, signed by an authorized official, indicating the effective date of designation of the new Program Director.

ARTICLE 8 - - REMUNERATION

8.1 The remuneration to ARIANESPACE for the provision of Launch Services is a firm fixed price, as follows:

A For the Firm Launch Services:

The Price for Launch Services for the SOYUZ Firm Launches, each of SIX (6) Satellites is as follows:

(i) For each of the three first Firm Launches:

FIFTY TWO MILLION FIVE HUNDRED THOUSAND United States Dollars (US$ 52,500,000).

(ii) For the fourth Firm Launch:

FIFTY EIGHT MILLION FIVE HUNDRED THOUSAND United States Dollars (US$ 58,500,000).

It is acknowledged by the Parties that, for the Firm Launches from the Baikonur Launch Site, each Firm Launch and related Launch Services shall be increased by [*], subject to a contractual cap at [*] United States Dollars (US$ [*]), and said US$ [*] is included in the above-identified Price of US$ 58,500,000 for the fourth Firm Launch.

B For the Optional Launch Services:

(i) The firm fixed price of the Optional Launch Services exercised by CUSTOMER for a Launch to take place on or prior to 31 December 2010 is: [*].

(ii) The price of the Optional Launch Services exercised by CUSTOMER for a Launch to take place on or after 1 January 2011 up to and including 31 December 2013, shall be as follows:

[*], as escalated as set forth in paragraph 8.2.

(iii) The price and terms and conditions applicable to the Optional Launch Services requested by CUSTOMER for a Launch to occur after 31 December 2013, shall be negotiated in good faith by the Parties.

8.2 With respect to Articles 10 and 18, and for the Optional Launch, it is agreed that the Launch Services prices as set forth in Sub-paragraph 8.1(B) (ii) and the prices for Associated Services shall be escalated, prorata, on a quarterly basis from 1 January 2011 to L* (L* being the first day of the provisional Launch Period selected at Optional Launch exercise) by an escalation rate of [*]% per quarter. Said escalation rate is provisional.

A final escalation rate will be determined at Launch Day minus ONE (1) month.

The final escalation rate will be a weighted average calculated as follows:

- 50% on a Western European producer price growth index,
- 25% on a worldwide steel price growth index,
- 25% on a Russian labor cost growth index.

The above indices will be initially selected within THIRTY (30) days of EDC by mutual agreement of the Parties. If a selected index is no longer available or appropriate at the time of calculation of the final escalation rate for the Optional Launch, Parties will select by mutual agreement the best available replacement index.

The Launch Services prices as set forth in 8.1(B)(ii) and the prices for Associated Services will be recalculated, using the final escalation rate, prorata, on a quarterly basis from 1 January 2011 to L* (L* being the first day of the provisional Launch Period selected at Optional Launch exercise).

Notwithstanding the calculated value of the final escalation rate, the maximum rate applicable shall not exceed [*]% per quarter and the minimum rate applicable shall not be less than [*]% per quarter.

Any price differentials will be reconciled in the Launch Associated Payment.

8.3 All prices, expenses, and charges set forth in this Agreement shall be free from any and all taxes and other duties of any country where the Services or work are performed. For the sake of clarification, ARIANESPACE shall be responsible for all taxes or duties of any French tax authority or the authority of any country where Services or work are performed by ARIANESPACE and/or its suppliers.

ARTICLE 9 - - RESERVED

ARTICLE 10 - PAYMENT FOR SERVICES

10.1 Payment of the remuneration under Paragraph 8.1 of Article 8 of this Agreement shall be made in accordance with the following payment schedule:

10.1.1 For each Firm Launch Services:

DUE DATE	Total amount in US$ for each Firm Launch referred in the sub-paragraph 8.1 (A) of Article 8 of this Agreement
EDC	[*]
EDC + 6 months	[*]
EDC + 12 months	[*]
L* - 9 months	[*]
L* - 6 months	[*]
L* - 3 months	[*]
Launch Associated Payment	[*]
	[*]
Total	52 500 000 for Launch 1, 2 and 3 58 500 000 for Launch 4

Where

L* means the first day of the provisional Launch Period as applicable to each respective Firm Launch and as defined in accordance with sub-paragraph 6.2.1 (A) (ii) or 6.2.1 (B) (ii) of Article 6 of this Agreement whichever is relevant. Except as set forth in Paragraph 11.4 of Article 11, L* is fixed for the duration of this Agreement.

The Launch Associated Payment shall be made at L+1 week (L being the actual Launch Day) for any Firm Launch for which a subsequent Firm Launch remains to be performed or if the Optional Launch is already exercised.

The Launch Associated Payment related to a Firm Launch for which there is no subsequent Firm Launch remaining to be performed or if the Optional Launch is not already exercised, shall be made at L – 1 week (L being the actual Launch Day for the said Launch).

If the last contracted Launch under this Agreement is delayed by ARIANESPACE by more than THIRTY (30) days after the Launch Associated Payment is made by CUSTOMER, ARIANESPACE shall immediately return said Launch Associated Payment if so requested by CUSTOMER. Said Launch Associated Payment shall remain due and payable to ARIANESPACE at L-1 week in accordance with the newly established Launch Day.

10.1.2 For the Optional Launch Services:

DUE DATE	Percentage of the Launch Services Price for the Optional Launch referred in the sub-paragraph 8.1 (B) of Article 8 of this Agreement
Optional Launch Date of Exercise	[*]%
L* - 18 months	[*]%
L* - 15 months	[*]%
L* - 12 months	[*]%
L* - 9 months	[*]%
L* - 6 months	[*]%
L* - 3 months	[*]%
Launch Associated Payment	[*]%
TOTAL	**100%**

Where

L* means the first day of the provisional Launch Period as applicable to the Optional Launch and as defined in accordance with sub-paragraph 6.2.2 of Article 6 of this Agreement. Except as set forth in Paragraph 11.4 of Article 11, once defined at exercise of the Launch Option, L* is fixed for the duration of this Agreement.

The Launch Associated Payment shall be made at L – 1 week (L being the actual Launch Day of the Optional Launch).

If the exercised Optional Launch under this Agreement is delayed by ARIANESPACE by more than THIRTY (30) days after the Launch Associated Payment is made by CUSTOMER, ARIANESPACE shall immediately return said Launch Associated Payment if so requested by CUSTOMER. Said Launch Associated Payment shall remain due and payable to ARIANESPACE at L-1 week in accordance with the newly established Launch Day.

10.2 Payment for Associated Services

10.2.1 Payment for Associated Services ordered by CUSTOMER under Part 6 of Annex 1 to this Agreement, for which a firm fixed price has been established, shall be due as of the date set forth in said Annex.

10.2.2 Payment for Associated Services ordered by CUSTOMER under Part 6 of Annex 1 to this Agreement, for which no total firm fixed price can be determined in advance, shall be due on the date on which CUSTOMER terminates use of the relevant Associated Services.

With respect to the above, payment terms shall be as set forth below in Sub-paragraph 10.3 of Article 10 of this Agreement.

10.3 Terms and Conditions of Payment/ARIANESPACE's Invoices

10.3.1 Where this Agreement determines a precise payment date, payment has to be made at such date or within THIRTY (30) days from receipt of ARIANESPACE's corresponding invoice, whichever is later, except for the first payment provided under this Agreement, for which invoice will be presented and paid within FIVE (5) business days following EDC.

10.3.2 Where the Agreement does not determine a precise payment date, payment has to be made at the date when payment becomes due or within THIRTY (30) days of receipt of ARIANESPACE corresponding invoice, whichever is later.

10.3.3 ARIANESPACE invoices shall be sent by electronic mail to:

[*]

With confirming electronic mail to:

[*]

The method for calculating the amount of each invoice shall be shown clearly.

10.3.4 Payments shall be made to the account designated on the relevant invoice by electronic bank transfer, without charge to ARIANESPACE. A notice of such payment shall be sent to ARIANESPACE.

Payment shall be effective as of the date on which the amount of the ARIANESPACE invoice is credited for value to the designated ARIANESPACE’s account.

10.3.5 CUSTOMER's payments shall be in the amounts invoiced by ARIANESPACE, and shall be made net, free and clear of any and all taxes, duties, or withholdings that may be imposed in the Country of CUSTOMER and the Country from which they are paid so that ARIANESPACE receives each such payment in its entirety as if no such tax, duty, or withholding had been made.

10.4 Late Payment

In the event of late payment, CUSTOMER shall pay ARIANESPACE interest on payment due at the Base Rate starting from the fourth delinquent day up to and including the date payment is made. The computation of interest for late payments shall be made on the basis of THREE HUNDRED SIXTY (360) days and actual days elapsed. In the event of late payment and within SIXTY (60) days of such late payment, ARIANESPACE shall invoice CUSTOMER for interest on such late payment. CUSTOMER shall pay such invoice within FIVE (5) days of receipt.

In the event of non payment, after THIRTY (30) days ARIANESPACE shall be entitled to suspend any and all of its activities in preparation for the Launch Services and to reschedule the Launch Services under Sub-paragraph 11.3.3 of Article 11 of this Agreement provided that ARIANESPACE shall have notified CUSTOMER of its failure to comply with its payment obligation at least FIFTEEN (15) days prior to such suspension and rescheduling.

Notwithstanding the above, during any period of non payment of the Launch Associated Payment related to the last contracted Launch under this Agreement, ARIANESPACE shall be entitled to suspend any and all of its activities in preparation for the Launch Services and to reschedule the Launch Services under Sub-paragraph 11.3.3 of Article 11 of this Agreement, provided that ARIANESPACE shall have notified CUSTOMER of its failure to comply with its payment obligation at least two (2) days prior to such suspension and rescheduling and shall give CUSTOMER opportunity to make payment to avoid the suspension.

Any late payment period in excess of SIXTY (60) days shall constitute CUSTOMER'S material breach of this Agreement and ARIANESPACE shall be entitled to terminate the concerned Launch Services pursuant to the provisions of Article 19.

10.5 Waiver of Deferral, Withholding or Set-off

Unless otherwise specified in this Agreement or agreed to by the Parties, CUSTOMER irrevocably waives any right to defer, withhold, or set-off by counterclaim or other legal or equitable claim, all or any part of any payment under this Agreement for any reason whatsoever. All payments due under this Agreement shall be made in their entirety and on the dates specified in this Agreement.

ARTICLE 11 - LAUNCH POSTPONEMENTS

11.1 Each postponement of the Launch Period, the Launch Slot, the Launch Day or the Launch Time, for whatever reason, shall, for each particular Firm and/or Optional Launch under this Agreement, be governed solely by the terms and conditions provided in this Article 11. The Parties hereto expressly waive, renounce, and exclude any and all rights and remedies that may arise at law or in equity with respect to postponements that are not stated in this Article 11 or elsewhere in this Agreement, including but not limited to any right to seek consequential, special, incidental or punitive damages.

11.2 Postponements requested by CUSTOMER

11.2.1 CUSTOMER shall have the right for any reason whatsoever, at any time, to postpone the Launch Period and, once determined, the Launch Slot or the Launch Day. The CUSTOMER's written notice for postponement shall indicate the new requested (i) Launch Period, or (ii) Launch Slot, or (ii) Launch Day, as the case may be.

CUSTOMER shall not be liable for postponement fees or liquidated damages should CUSTOMER decide to postpone either a Launch Period, a Launch Slot or a Launch Day.

Notwithstanding the above, and with the exception of Force Majeure events, it is agreed by the Parties that in the event CUSTOMER requests a postponement in excess of SIXTY (60) consecutive days to the then applicable Launch Day for a particular Launch and such postponement request is made:

(i) after the start of the related Launch Campaign, or

(ii) within an intermediate period not exceeding FIFTEEN (15) days separating the last day of the most recently completed Launch Campaign and the scheduled first day of the related Launch Campaign,

then, CUSTOMER shall indemnify ARIANESPACE for the direct additional costs (to the exclusion of incidental and consequential damages, including but not limited to loss of revenue and loss of business) sustained by the ARIANESPACE and its contractors resulting from said Launch Day postponement with respect to the related Launch Campaign and the subsequent back-to-back Launch Campaign. The period of time between the last day of the related Launch Campaign and the scheduled first day of the subsequent back-to-back Launch Campaign shall not exceed FIFTEEN (15) days.

The indemnification by CUSTOMER of such direct additional costs in compliance with the terms and conditions above shall be capped at [*] United States Dollars (US$ [*]) in total covering the related Launch Campaign and its subsequent back-to-back Launch Campaign.

The Parties hereby agree to control and limit as much as possible those additional costs.

11.2.1.1 If the CUSTOMER's written request relates to a Launch Period or a Launch Slot postponement, within ONE (1) week of receipt of such request, ARIANESPACE shall inform CUSTOMER whether a Launch Opportunity exists within the Launch Period, or within the Launch Slot requested, or will propose a new Launch Period or Launch Slot. CUSTOMER shall have FIFTEEN (15) days following receipt of ARIANESPACE's proposal to consent thereto in writing. In the event ARIANESPACE's counterproposal is not acceptable to CUSTOMER, the Parties shall mutually agree within the TWO (2) following weeks to an alternative Launch Opportunity as near as possible to CUSTOMER's request.

11.2.1.2 If the CUSTOMER's written request relates to a Launch Day postponement, the choice of a new Launch Day shall be made by mutual agreement of the Parties, taking into account the technical needs and interests of CUSTOMER and of ARIANESPACE, the time necessary for the revalidation of the launch assembly complex consisting of the SOYUZ Launch Vehicle, the Launch Site, and the payload preparation assembly (EPCU), and meteorological forecasts.

11.2.1.3 Notwithstanding the terms of 11.2.1 CUSTOMER can stop the final countdown sequence until Launch Time – 20 seconds. In the event that CUSTOMER has requested such postponement and technical reasons, including, without limitation, meteorological reasons preventing ARIANESPACE from performing the considered Launch on the Launch Day, the postponement shall be considered to be a postponement of the Launch Day.

In the event that any Firm Launch is postponed by CUSTOMER beyond 31 December 2011, the related Launch Associated Payment and Associated Services prices related to services yet to be performed shall be escalated by [*] per quarter from 01 January 2011 and pro rata to the revised Launch Day.

11.2.1.4 In the event that the aggregate duration of postponements requested by CUSTOMER for the Optional Launch exceeds TWELVE (12) months, the related Launch Associated Payment and Associated Services prices for services yet to be performed shall be escalated by [*] per quarter, starting from the first day of the Launch Period established in accordance with Sub-paragraph 6.2.2(i) of Article 6 under this Agreement and pro rata to the revised Launch Day.

11.3 Launch postponement requested by ARIANESPACE

ARIANESPACE shall not be liable for postponement fees or liquidated damages should ARIANESPACE decide to postpone either a Launch Period, a Launch Slot or a Launch Day.

Notwithstanding the above, and with the exception of Force Majeure events, it is agreed by the Parties that in the event ARIANESPACE requests a postponement in excess of SIXTY (60) consecutive days to the then applicable Launch Day for a particular Launch and such postponement request is made:

(i) after the start of the related Launch Campaign, or

(ii) within an intermediate period not exceeding FIFTEEN (15) days separating the last day of the most recently completed Launch Campaign and the scheduled first day of the related Launch Campaign,

then, ARIANESPACE shall indemnify CUSTOMER for the direct additional costs (to the exclusion of incidental and consequential damages, including but not limited to loss of revenue and loss of business) sustained by the CUSTOMER and its contractors resulting from said Launch Day postponement with respect to the related Launch Campaign and the subsequent back-to-back Launch Campaign. The period of time between the last day of the related Launch Campaign and the scheduled first day of the subsequent back-to-back Launch Campaign shall not exceed FIFTEEN (15) days.

The indemnification by ARIANESPACE of such direct additional costs in compliance with the terms and conditions above shall be capped at [*] in total covering the related Launch Campaign and its subsequent back-to-back Launch Campaign.

The Parties hereby agree to control and limit as much as possible those additional costs.

11.3.1 ARIANESPACE shall have the right to postpone the Launch Period and when determined, the Launch Slot or the Launch Day for the following reasons:

a) ARIANESPACE or its Associates encounter technical problems that prevent the Launch and/or the Launch Mission from taking place under satisfactory conditions of safety or reliability.

b) ARIANESPACE is requested to perform a replacement launch or to launch scientific satellite(s) whose missions may be degraded in the event of postponement.

c) ARIANESPACE postpones another contracted launch having an earlier Launch Period or Launch Slot than CUSTOMER's Satellite(s).

11.3.2 The Parties shall determine by mutual agreement a new Launch Period and/or a new Launch Slot as near as possible to the postponed one in accordance with the following criteria:

- Launch Opportunities;

- launch rank of Customer's Firm Launch or Optional Launch;

The Launch Day and the Launch Time within the new Launch Slot shall be determined by ARIANESPACE according to the technical constraints of ARIANESPACE and CUSTOMER and their respective interests.

11.3.3 Any postponement by ARIANESPACE of the Launch Period, Launch Slot or Launch Day due to CUSTOMER's non-fulfillment of its obligations under this Agreement shall be considered to be requested by CUSTOMER in accordance with Paragraph 11.2 above as of the date of ARIANESPACE's decision to postpone the launch.

11.4 Any postponement provided for in this Article 11 shall not modify the payment schedule set forth in Paragraph 10.1 of Article 10 of this Agreement.

Notwithstanding the above, in the event of any postponement requested by ARIANESPACE to the first day of the Launch Period or Launch Slot or to the Launch Day, as defined in accordance with sub-paragraph 6.2.1(A)(i), 6.2.1(B)(i), 6.3, 6.4 and 6.5 of Article 6 of this Agreement in excess of ONE HUNDRED FIFTY (150) days in respect to the Launch Period, NINETY (90) days in respect to the Launch Slot or SIXTY (60) days in respect to the Launch Day, and excluding postponements resulting from the occurrence of Force Majeure, the Parties shall meet in good faith to adjust accordingly the L* applicable to the payment plan set forth in Article 10.1.

ARTICLE 12 - RIGHT OF OWNERSHIP AND CUSTODY

12.1 The obligations of ARIANESPACE under this Agreement are strictly limited to the Services, and CUSTOMER acknowledges and agrees that at no time shall it have any right of ownership of, any other right in, or title to, the property that ARIANESPACE shall use in connection with the Launch Services, or shall place at CUSTOMER's disposal for the purpose of this Agreement, including, without limitation, the Launch Vehicle and the Launch Site of ARIANESPACE. Said property shall at all times be considered to be the sole property of ARIANESPACE.

12.2 ARIANESPACE acknowledges and agrees that at no time shall it have any right of ownership, or any other right in, or title to, the property that CUSTOMER shall use for the Launch Services and the interface tests, including, without limitation, the Satellites and all equipment, devices and software to be provided by CUSTOMER on the Launch Site. Said property shall at all times be considered to be the sole property of CUSTOMER.

12.3 At all times during the performance by the Parties of this Agreement, each Party shall be deemed to have full custody and possession of its own property.

ARTICLE 13 - REPLACEMENT LAUNCH

13.1 Terms

13.1.1 For the Firm Launches and the Optional Launch, if any, CUSTOMER is entitled to request a Replacement Launch from ARIANESPACE subject to the conditions set forth in this Article 13. Any and all other rights and remedies of CUSTOMER are excluded whatever their nature.

It is hereby acknowledged by the Parties that CUSTOMER shall be entitled to a limited number of Replacement Launches, such that the maximum number of Launches provided by ARIANESPACE under this Agreement, together with said Replacement Launches, equals to SIX (6), including the FOUR (4) Firm Launches and the Optional Launch if any.

13.1.2 CUSTOMER shall be entitled to have a Launch Slot for a Replacement Launch allocated to it by ARIANESPACE within TWELVE (12) months following the month ARIANESPACE has received a written request for Replacement Launch. Should CUSTOMER request a Launch Period beyond such TWELVE (12) month period, ARIANESPACE shall allocate the nearest Launch Opportunity, provided however that in no way shall the Launch Period requested by CUSTOMER extend beyond the THIRTY SIX (36) month period following the date of request for a Replacement Launch.

13.1.3 The written request for a Replacement Launch shall be received by ARIANESPACE no later than the last day of the sixth full calendar month following the month in which the cause of the Launch Failure or the cause of the failure of either the Launch Mission or the Satellite(s) Mission has/have been established, but in no event later than, in the case of a Satellite(s) Mission failure, TWENTY-SEVEN (27) months following the date of Launch.

The written request for a Replacement Launch shall indicate the Launch Period requested by CUSTOMER within one of the periods specified in Sub-paragraph 13.1.2 above. It is understood that the replacement Satellites and all equipment, devices and software to be made available by CUSTOMER on the Launch Site in order to make the replacement Satellites ready for launch shall be made available to ARIANESPACE pursuant to the schedule of Part 3 of Annex 1 to this Agreement.

13.1.4 ARIANESPACE shall inform CUSTOMER, within the month following receipt of CUSTOMER's request for a Replacement Launch, whether or not a Launch Opportunity exists within the requested Launch Period and, in any event, shall allocate a Launch Slot to CUSTOMER, the first day of which shall be before the expiration of the TWELVE (12) calendar month period specified in Sub-paragraph 13.1.2 of Article 13 of this Agreement if the Launch Period requested by CUSTOMER is within that TWELVE (12) month period; otherwise ARIANESPACE shall allocate to CUSTOMER the nearest existing Launch Opportunity. The date allocated shall not begin earlier than the first day of the Launch Period requested by CUSTOMER.

13.1.5 The replacement Satellites shall be in accordance with the interface control document (DCI) governing CUSTOMER's Satellites.

13.1.6 For any Replacement Launch, ARIANESPACE shall perform Launch Services which are equivalent to those documented in Annex 1 for Optional Launches.

13.2 General Conditions

The remuneration for the Replacement Launch Services and any Associated Services shall be consistent with remuneration for the Optional Launch under Article 8 of this Agreement and including any charges incurred by ARIANESPACE for modification of equipment associated with the Launch Vehicle designated for the Replacement Launch.

The Replacement Launch shall either be performed under an amendment to this Agreement, or form the subject of a separate launch services agreement substantially in the form of this Agreement.

ARTICLE 14 - ALLOCATION OF POTENTIAL LIABILITIES AND RISKS

14.1 Allocation of Risks for loss, damage or bodily injury (including death) caused by one Party and/or its Associates to the Other Party and/or its Associates.

14.1.1 Due to the particular nature of the Services, the Parties agree that any liability of ARIANESPACE or of CUSTOMER arising from the defective, late, or non-performance of ARIANESPACE's Services and CUSTOMER's technical obligations under this Agreement is, in all circumstances, including termination of this Agreement, in whole or in part, or a Launch Service under this Agreement, strictly limited to the liability expressly provided for in this Agreement. Except as provided in this Agreement, the Parties hereto expressly waive, renounce, and exclude any and all rights and remedies that may arise at law or in equity with respect to the Services, including but not limited to any right to seek consequential, special, incidental or punitive damages.

14.1.2 Each Party shall bear any and all loss of or damage to property and any bodily injury (including death) and all consequences, whether direct or indirect, of such loss, damage or bodily injury (including death), and/or of a Launch Mission failure and/or of a Satellite Mission failure, which it or its Associates may sustain, directly or indirectly, arising out of or relating to this Agreement or the performance of this Agreement. Each Party irrevocably agrees to be bound by a no-fault, no-subrogation, inter-party waiver of liability and indemnity for such loss or damage or bodily injury (including death) and such consequences, and waives the right to make any claims or to initiate any proceedings whether judicial, arbitral, or administrative on account of any such loss, damage or bodily injury (including death) and/or Launch Mission failure and/or Satellite Mission failure against the other Party or that other Party's Associates arising out of or relating to this Agreement for any reason whatsoever.

The provisions above exclude, without limitation, any liability of ARIANESPACE or its Associates for any loss or damages to CUSTOMER or its Associates, resulting from the intentional destruction of the Launch Vehicle and the Satellite in furtherance of launch range safety measures.

Each Party agrees to bear the financial and any other consequences of such loss, damage or bodily injury (including death) and/or of a Launch Mission failure and/or a Satellite Mission failure which it or its Associates may sustain, without recourse to the other Party or the other Party's Associates.

If a Party maintains insurance to protect itself against any of the risks indemnified in this Article 14.1, and including insurance policies to be procured by ARIANESPACE pursuant to Article 15, that Party shall cause its insurers covering such risks to waive rights of subrogation against the other Party and against the Associates of each Party. Each Party shall require its Associates to secure identical waivers of subrogation rights from their respective insurers, as provided in Article 14.3.

14.1.3 In the event that one or more Associates of a Party shall proceed against the other Party and/or that Party's Associates as a result of such loss, damage or bodily injury (including death) and/or Launch Mission failure and/or Satellite Mission failure, the first Party shall indemnify, hold harmless, dispose of any claim, and defend, when not contrary to the governing rules of procedure, the other Party and/or its Associates, as the case may be, from any liability, cost or expense, including attorneys' fees, on account of such loss, damage or bodily injury (including death) and/or Launch Mission failure and/or Satellite Mission failure, and shall pay all costs and expenses and satisfy all judgments and awards which may imposed on or rendered against that other Party and or its Associates.

14.2 RESERVED.

14.3 Indemnification.

Each Party shall take all necessary and reasonable steps to prevent or cause the withdrawal of claims for property loss or damage or bodily injury (including death) by any Associate(s) involved in Launch Services activities. Each Party shall require its Associate(s) to agree to a no-fault, no-subrogation, inter-party waiver of liability and indemnity for such loss or damage or bodily injury (including death) that its Associates sustain, identical to the Parties' respective undertakings under this Article 14.

14.4 Liability for Property Loss or Damages and Bodily Injury Suffered by Third Parties.

14.4.1 Without prejudice to Article 15, each Party shall be solely and entirely liable for all property loss or damage or bodily injury (including death) sustained, whether directly or indirectly, by any Third Party, which is caused by such Party or its Associates arising out of or relating to the performance of this Agreement.

14.4.2 In the event of any proceeding, whether judicial, arbitral, administrative or otherwise, by a Third Party against one of the Parties or its Associates on account of any property loss or damage or bodily injury (including death), caused by the other Party, its property or its Associates or its (their) property, whether directly or indirectly, the latter Party shall indemnify and hold harmless the former Party and/or the former Party's Associates, as the case may be, and shall advance any funds necessary to defend their interests.

14.5 Infringement of Intellectual Property Rights of Third Parties.

14.5.1 ARIANESPACE shall indemnify and hold CUSTOMER harmless with respect to any and all claims resulting from an infringement or claim of infringement of patent rights or any other intellectual property rights of any Third Party which may arise from CUSTOMER's use of ARIANESPACE's Services, including, without limitation, the use of any and all products, processes, articles of manufacture, supporting equipment, facilities, and services by ARIANESPACE in connection with said Services; provided however, that this indemnification shall not apply to an infringement of rights as set forth above that have been mainly caused by an infringement of a right of a Third Party for which CUSTOMER is liable pursuant to Sub-paragraph 14.5.2 of Article 14 of this Agreement.

14.5.2 CUSTOMER shall indemnify and hold ARIANESPACE harmless with respect to any and all claims resulting from an infringement or claim of infringement of the patent rights or any other intellectual property rights of any Third Party arising out of or relating to CUSTOMER and its Associates with respect to the design or manufacture of the Satellite, or ARIANESPACE's compliance with specifications furnished by CUSTOMER with respect to the Launch Mission and the Satellite Mission.

14.5.3 The rights to indemnification provided hereunder shall be subject to the following conditions:

14.5.3.1 The Party seeking indemnification shall promptly advise the other Party of the filing of any suit, or of any written or oral claim against it, alleging an infringement of any Third Party's rights, which it may receive relating to this Agreement.

14.5.3.2 The Party sued or against whom the claim is otherwise made shall take no steps in the dispute with the Third Party, nor shall it reach a compromise or settlement, without the prior written approval of the other Party, which approval shall not be unreasonably withheld or delayed.

14.5.4 The indemnifying Party shall assist in and assume, when not contrary to the governing rules of procedure, the defense of any claim or suit and/or settlement thereof, shall take all other steps which it may reasonably be expected to take, given the circumstances, and the obligations incurred by it under this Article 14, to avoid, settle, or otherwise terminate the dispute, and shall pay all litigation and administrative costs and expenses incurred in connection with the defense of any such suit, including fees and expenses of legal counsel, shall satisfy any judgments rendered by a court of competent jurisdiction in such suits, and shall make all settlement payments.

14.5.5 In the event that ARIANESPACE, with respect to the Launch Services, and CUSTOMER, with respect to the Satellites, shall be the subject of the same court action or the same proceedings based on alleged infringements of patent rights or any other intellectual property rights of a Third Party pursuant to both Sub-paragraphs 14.5.1 and 14.5.2 hereof, ARIANESPACE and CUSTOMER shall jointly assume the defense and shall bear all damages, costs and expenses on a 50:50 basis during the court proceeding, subject to pro rata adjustment according to their respective liability as determined after the court proceeding. In the event of any problems in implementing the pro rata allocation of the amounts referred to in the immediately preceding sentence, the Parties shall undertake in good faith to resolve such problems.

14.5.6 Neither Party's execution or performance of this Agreement grants any rights to or under any of either Party's respective patents, proprietary information, and/or data, to the other Party or to any Third Party, unless such grant is expressly recited in a separate written document duly executed by or on behalf of the granting Party.

ARTICLE 15 - INSURANCE

PART A - FOR LAUNCH(ES) FROM THE KOUROU LAUNCH SITE

15.1.1 ARIANESPACE shall, for all Launch Missions under this Agreement, take out an insurance policy at no cost to CUSTOMER, to protect itself and CUSTOMER against liability for property loss or damage and bodily injury (including death) that Third Parties may sustain and that is caused by

(i) activities of CUSTOMER and ARIANESPACE, their contractors, sub contractors, agents and/or suppliers, related to the launch services contract, at the Launch Site, and

(ii) the Launch Vehicle, and/or the Satellite(s), and/or their components or any part thereof.

Such insurance policy shall name as additional insured:

1) The Government of France and, if relevant, the Government of Russia.

2) The Centre National d'Etudes Spatiales "C.N.E.S.", ROSCOSMOS if relevant, and any launching state as such term is defined in the Convention on International Liability for Damage Caused by Space Objects of 1972.

3) The auxiliaries of any kind, whom ARIANESPACE and/or the C.N.E.S and/or ROSCOSMOS if relevant, would call for in view of the preparation and the execution of the launching operations.

4) The European Space Agency "E.S.A." but only in its capacity as owner of certain facility and/or outfits located at the Centre Spatial Guyanais in Kourou and made available to ARIANESPACE and/or to the C.N.E.S. and/or, if relevant, ROSCOSMOS, for the purpose of the preparation and the execution of the launches.

5) The firms, who have participated in the design and/or in the execution or manufacturing and/or who have provided the components of the Satellite(s), Launch Vehicle, of its support equipment including propellants and other products either liquid or gaseous necessary for the functioning of the said Satellite(s) or Launch Vehicle or support equipment, their contractors, sub-contractors and suppliers.

6) CUSTOMER on whose behalf ARIANESPACE executes or performs the Launch Services as well as its contractors, sub-contractors and suppliers.

7) Provided they act within the scope of their duties, the officers and directors, legal representatives, managing director, employees, agents and interim staff employed by ARIANESPACE or by any of additional insured mentioned in the preceding sub-paragraphs from 1 to 6 (inclusive).

15.1.2 The insurance referred to in Paragraph 15.1 shall come into effect as follows:

(i) for Paragraph 15.1.1 (i) above, as of the day CUSTOMER, its contractors, sub contractors, agents and/or suppliers arrive at the Launch Site until seven (7) days after the Launch, and

(ii) for Paragraph 15.1.1 (ii) above, as of the day of the Launch concerned, and shall be maintained for a period of the lesser of TWELVE (12) months or so long as all or any part of the Launch Vehicle, and/or the Satellite(s), and/or their components remain in orbit.

15.1.3 The insurance policy shall be in the amount of:

(i) Under Paragraph 15.1.1 (i) above, SIXTY MILLION NINE HUNDRED AND EIGHTY THOUSAND Euros (€ 60 980 000),

(ii) Under Paragraph 15.1.1 (ii) above, SIXTY MILLION NINE HUNDRED AND EIGHTY THOUSAND Euros (€ 60 980 000). ARIANESPACE shall settle all liabilities, and shall indemnify and hold CUSTOMER harmless from property loss or damage and bodily injury (including death) arising from the Services when caused to Third Parties by the Launch Vehicle, and/or the Satellite(s), and/or their components or any part thereof including during the period provided for in Paragraph 15.1.2 (ii) above for any amount in excess of the insured limits of said insurance policy.

PART B - FOR LAUNCH(ES) FROM THE BAÏKONUR LAUNCH SITE

15.2.1 ARIANESPACE shall, for all Launch Missions under this Agreement, take out an insurance policy at no cost to CUSTOMER, to protect itself and CUSTOMER against liability for property loss or damage and bodily injury (including death) that Third Parties may sustain and that is caused by

(i) activities of CUSTOMER and ARIANESPACE, their contractors, sub contractors, agents and/or suppliers, related to the launch services contract, at the Launch Site, and

(ii) the Launch Vehicle, and/or the Satellite(s), and/or their components or any part thereof.

Such insurance policy shall name as additional insured:

1) The Government of Russia and, if relevant, the Government of France,

2) ROSCOSMOS and any launching state as such term is defined in the Convention on International Liability for Damage Caused by Space Objects of 1972.

3) The auxiliaries of any kind, whom ARIANESPACE and/or ROSCOSMOS, would call for in view of the preparation and the execution of the launching operations.

4) KBOM and Kosmotrans but only in their capacity as owner of certain facilities and/or outfits located at BAÏKONUR launch site and made available to ARIANESPACE and/or ROSCOSMOS, for the purpose of the preparation and the execution of the launches.

5) The firms, who have participated in the design and/or in the execution or manufacturing and/or who have provided the components of the Satellite(s), Launch Vehicle, of its support equipment including propellants and other products either liquid or gaseous necessary for the functioning of the said Satellite(s) or Launch Vehicle or support equipment, their contractors, sub-contractors and suppliers.

6) CUSTOMER on whose behalf ARIANESPACE executes or performs the Launch Services as well as its contractors, sub-contractors and suppliers.

7) Provided they act within the scope of their duties, the officers and directors, legal representatives, managing director, employees, agents and interim staff employed by ARIANESPACE or by any of additional insured mentioned in the preceding sub-paragraphs from 1 to 6 (inclusive).

15.2.2 The insurance referred to in Paragraph 15.2.1 shall come into effect as follows:

(i) for Paragraph 15.2.1 (i) above, as of the day CUSTOMER, its contractors, sub contractors, agents and/or suppliers begin the launch campaign and until its end,

(ii) for Paragraph 15.2.1 (ii) above, as of Intentional Ignition and shall be maintained for a period of the lesser of TWELVE (12) months or so long as all or any part of the Launch Vehicle, and/or the Satellite(s), and/or their components remain in orbit.

15.2.3 The insurance policy shall be in the amount of:

(i) Under Paragraph 15.2.1 (i) above, SIXTY MILLION United States Dollars (US $60,000,000.),

(ii) Under Paragraph 15.2.1 (ii) above, ONE HUNDRED MILLION United States Dollars (US $100,000,000).

ARTICLE 16 - OWNERSHIP OF DOCUMENTS AND WRITTEN INFORMATION CONFIDENTIALITY/PUBLIC STATEMENTS

16.1 Title to all documents, data, and written information furnished to CUSTOMER by ARIANESPACE or its Associates during the performance of this Agreement shall remain exclusively with ARIANESPACE.

16.2 Title to all documents, data, and written information furnished to ARIANESPACE by CUSTOMER or its Associates during the performance of this Agreement shall remain exclusively with CUSTOMER or with said Associates as to their respective documents, data, and written information.

16.3 Each Party shall use the documents, data, and written information supplied to it by the other Party or the other Party's Associates solely for the performance of this Agreement and any activities directly related thereto.

16.4 To the extent necessary for the performance of this Agreement, each Party shall be entitled to divulge to its own Associates the documents, data, and written information received from the other Party or from the other Party's Associates in connection herewith, provided that such receiving person shall have first agreed to be bound by the nondisclosure and use restrictions of this Agreement.

16.5 Subject to the provisions of Paragraph 16.4, neither Party shall divulge any documents, data, or written information that it receives from the other Party or the other Party's Associates, but shall protect all such documents and written information that are marked with an appropriate and valid proprietary or confidentiality legend from unauthorized disclosure except as provided herein, in the same manner as the receiving Party protects its own confidential information; provided, however, that each Party shall have the right to use and duplicate such documents, data, and written information for any Party purpose subject to the nondisclosure requirements and use restrictions provided herein.

If the information disclosed by one Party to the other Party or by or to their respective Associates is deemed confidential by the disclosing Party or Associate and is verbal, not written, such verbal confidential information shall be identified prior to disclosure as confidential and, after acceptance by and disclosure to the receiving Party, shall be reduced to writing promptly, labeled confidential, but in no event later than TWENTY (20) days thereafter, and delivered to the receiving Party in accordance with this Paragraph.

16.6 The obligation of the Parties to maintain the confidentiality of documents, data, and written information shall not apply to documents, data, and written information that:

- are not properly marked as confidential or proprietary;
- are in the public domain;
- shall come into public use, by publication or otherwise, and due to no fault of the receiving Party;
- the receiving Party can demonstrate were legally in its possession at the time of receipt;

- are rightfully acquired by the receiving Party from Third Parties;

- are commonly disclosed by ARIANESPACE or its Associates;

- are inherently disclosed in any product or provision of any service marketed by ARIANESPACE or its Associates;

- are independently developed by the receiving Party;

- are approved for release by written authorization of the disclosing Party; or

- are required, but only to the extent necessary, to be disclosed pursuant to governmental or judicial order, in which event the Party concerned shall notify the other Party of any such requirement and the information required to be disclosed prior to such disclosure.

16.7 The provisions of this Article 16 shall survive the completion of performance of Services under this Agreement and shall remain in full force and effect for a period of FIVE (5) years after the term of this Agreement. However, each Party shall be entitled to destroy documents, data, and written information received from the other Party, or to return such documents, data, or written information to the other Party, at any time after Launch.

16.8 This Agreement and each part hereof shall be considered to be confidential by both Parties. Except when disclosed to Associates, any disclosure of the same by one Party shall require the prior written approval of the other Party, which approval shall not be unreasonably withheld or delayed.

Each Party shall obtain the prior written approval of the other Party only through such Party's authorized representative concerning the content and timing of news releases, articles, brochures, advertisements, speeches, and other information releases concerning the work performed or to be performed hereunder by either Party and/or its Associates. Each Party agrees to give the other Party reasonable advance notice for review of any material submitted to the other Party for approval under this Paragraph.

16.9 Nothing contained herein shall be deemed to prohibit either Party from disclosing this Agreement, in whole or in part, or information relating thereto (i) as may be required by the rules and regulations of a government agency with jurisdiction over the disclosing Party or a stock exchange on which the disclosing Party’s shares are then listed, (ii) as may be required by a subpoena or other legal process (iii) in any action to enforce its rights under this Agreement, (iv) to its lenders under appropriate assurances of confidentiality for the benefit of the disclosing Party or (v) to its auditors, attorneys and other professional advisors in the ordinary course, provided that such auditors, attorney and advisors have contractual or professional obligations to maintain the confidentiality of the disclosed material. The disclosing Party shall use reasonable efforts to disclose only such information as it believes in good faith it is legally required to disclose pursuant to clauses (i) or (ii), above, and will seek, to the extent reasonably available under applicable rules, to obtain confidential treatment for any information either Party reasonably considers trade secrets and that is required to be disclosed. For the purpose of herein above items (i) through (v), the disclosing Party shall provide the other Party with a reasonable opportunity in advance of disclosure to request redactions or deletions of specific terms and provisions of the Agreement and shall accommodate those requests to the extent reasonably consistent with applicable confidential treatment rules.

ARTICLE 17 - PERMITS AND AUTHORIZATIONS - GROUND STATIONS

17.1 The obligations of ARIANESPACE are limited to the Services set forth in this Agreement. CUSTOMER shall be obligated to obtain all required permits, authorizations, or notices of non-opposition from all national or international, public or private authorities having jurisdiction over the Satellites and the Satellite Mission.

17.2 CUSTOMER shall also be obligated to obtain all required government permits and authorizations for delivery of the Satellites and all equipment, devices and software to be provided by CUSTOMER on the Launch Site in order to prepare the Satellite for launch, from its country of origin to the Launch Site, and, the use of the Satellite's ground stations. ARIANESPACE shall make its reasonable efforts to inform CUSTOMER of any specifically required government permits and authorizations and shall assist CUSTOMER in obtaining such documentation.

17.3 ARIANESPACE agrees to assist and support CUSTOMER and its Associates, at no expense, with any administrative matters related to the importation to the Launch Site of the Satellites and all equipment, devices and software to be provided by CUSTOMER on the Launch Site in order to prepare the Satellites for launch, and their storage and possible return, as well as to the entry, stay, and departure of CUSTOMER and its Associates.

ARTICLE 18 - TERMINATION BY CUSTOMER

18.1 CUSTOMER shall have the right to terminate ("Termination for Convenience") any particular Launch or Services, in whole or in part, under this Agreement at any time, for any reason whatsoever, prior to the Launch concerned. CUSTOMER's right is not subject to any condition, and shall cover termination situations for reasons of convenience as well as those of delay or impossibility of performance in which one of the Parties may find themselves. Notice of Termination for Convenience shall be given by registered letter or prepaid international courier service, with confirmation of receipt, and termination shall take effect THIRTY (30) days from receipt of such letter by ARIANESPACE. In case of such termination, ARIANESPACE shall immediately stop Services as directed in the notice of termination and make its reasonable best efforts to mitigate costs.

18.2 In case of Termination for Convenience by CUSTOMER, ARIANESPACE shall be entitled for the Launch Services terminated to the following termination fees, which shall be the sole remedy available to ARIANESPACE for any and all impacts associated with such termination.

The Parties agree that the Termination Fees are liquidated damages which are intended to compensate ARIANESPACE for its damages, which are difficult or impossible to estimate, and that the Termination Fees are reasonable measures of ARIANESPACE's damages.

18.2.1 Basic termination fees for the Firm Launches depending of the date of termination as follows:

Effective Date of Termination	**Termination Fees Percentage of Launch Services Price for each Launch referred to in Sub-paragraph 8.1 (A) of Article 8 of this Agreement**
On or before C-21 months	[*]%
From C-21 to C-18 months	[*]%
From C-18 to C-15 months	[*]%
From C-15 to C-10 months	[*]%
From C-10 to C-7 months	[*]%
After C-7 months (*)	[*]% ([*]%) (*)

Where:

For the Firm Launches, C means the first day of the provisional Launch Period for Firm Launch N° 1, 2, 3, and/or 4 as defined in Paragraphs 6.2.1 (A) (ii) and 6.2.1 (B) (ii), whichever is applicable, as may be adjusted by the aggregate duration of postponements requested by ARIANESPACE in accordance with Paragraph 11.3 to the actual Launch Period, Launch Slot or Launch Day as defined in accordance with Paragraphs 6.2, 6.3, 6.4 or 6.5.

(*) with respect to Firm Launch N° 4 only, the percentage of termination fees applicable after C-7 months shall be [*]%.

18.2.2 Basic termination fees for the Optional Launch depending of the date of termination as follows:

Effective Date of Termination	Termination Fees Percentage of Launch Services Price for the Optional Launch referred to in Sub-paragraph 8.1 (B) and 8.2 of Article 8 of this Agreement
On or before C-21 months	[*]%
From C-21 to C-18 months	[*]%
From C-18 to C-15 months	[*]%
From C-15 to C-10 months	[*]%
From C-10 to C-7 months	[*]%
After C-7 months	[*]%

Where:

C means the first day of the provisional Launch Period as defined in Paragraph 6.2.2, as may be adjusted by the aggregate duration of postponements requested by ARIANESPACE in accordance with Paragraph 11.3 to the actual Launch Period, Launch Slot or Launch Day as defined in accordance with Paragraphs 6.2, 6.3, 6.4 or 6.5.

18.2.3 Plus (i) any other amount(s) due including, without limitation, late payment interest under the Agreement at the effective date of termination, and (ii) the price of those Associated Services provided, at CUSTOMER's cost, which have actually been performed as of the date of termination.

18.2.4 Termination fees are due by CUSTOMER to ARIANESPACE as of the effective date of termination and payable within THIRTY (30) days of receipt by CUSTOMER of the corresponding invoice from ARIANESPACE. Any sums paid by CUSTOMER (to the exclusion of interest for late payment) prior to the effective date of termination of the launch concerned shall be credited to the above termination fees amount. Any amount paid by CUSTOMER in excess of said termination fees shall be refunded by ARIANESPACE to CUSTOMER.

18.3 In the event that the aggregate of all postponements requested by ARIANESPACE under Sub-paragraph 11.3.1 of Article 11 of this Agreement should result in ARIANESPACE delaying any one CUSTOMER's Launch Services under this Agreement by more than TWELVE (12) months, CUSTOMER shall have the right, upon THIRTY (30) days prior written notice to ARIANESPACE to terminate (“Termination for Cause”) the Launch Services concerned.

In such a case, ARIANESPACE shall promptly refund to CUSTOMER all payments made by CUSTOMER for said Launch Services and such right of refund shall be the CUSTOMER’s sole and exclusive remedy on account of such termination. In such an event, CUSTOMER shall be liable only for the payment of Associated Services performed, at CUSTOMER's cost, prior to the date of termination.

However, postponements resulting from (i) events of Force Majeure; and/or (ii) any replacement launch performed or to be performed by ARIANESPACE; and/or (iii) any damage caused by CUSTOMER and/or its Associates to the property of ARIANESPACE and/or the property of its Associates; and/or (iv) any bodily injury (including death) caused by CUSTOMER and/or its Associates to ARIANESPACE and/or its Associates shall not be taken into account for the computation of the above mentioned TWELVE (12) month period.

ARTICLE 19 - TERMINATION BY ARIANESPACE

19.1 In the event that CUSTOMER fails to comply with its payment obligations pursuant to the payment schedule and other payment dates set forth in this Agreement for the Launch Services under this Agreement, and does not pay within SEVEN (7) days after the date of receipt of a written notice to that effect issued after expiry of the total SIXTY (60) days late payment period referred to in Paragraph 10.4 of Article 10, ARIANESPACE shall be entitled to terminate the Launch Services or the Launch Service Agreement by registered letter or prepaid international courier service, with confirmation of receipt.

19.2 In the event of termination by ARIANESPACE pursuant to the provisions of this Article 19, the Termination Fees set forth in Paragraph 18.2 of Article 18 of this Agreement shall apply. Any sums paid by CUSTOMER (to the exclusion of interest for late payment) prior to the effective date of termination of the launch concerned shall be credited to the above referred termination fees amount. Any amount paid by CUSTOMER in excess of said termination fees shall be refunded by ARIANESPACE to CUSTOMER.

ARTICLE 20 - APPLICABLE LAW

This Agreement shall govern the relationship between the Parties as to the subject of this Agreement. To the extent the Parties have failed to address any question arising hereunder, or in the event of the need for any interpretation of any term of this Agreement, the laws of France shall be applied, unless the resulting interpretation is contrary to the explicit terms or the underlying common intentions of the Parties.

ARTICLE 21 - ARBITRATION

In the event of any dispute arising out of or relating to this Agreement, the Parties shall use their best efforts to reach an amicable settlement within THIRTY (30) days of one Party notifying the other of a dispute. If an amicable settlement cannot be achieved, the dispute shall be referred to the Chief Executive Officer of ARIANESPACE and of CUSTOMER, who will use their best efforts to reach a settlement within THIRTY (30) days. Should an amicable settlement fail to be resolved within SIXTY (60) days of one Party notifying the other of a dispute, the dispute shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce ("I.C.C.") in Geneva by ONE (1) arbitrator appointed in accordance with the then existing rules of the I.C.C.. The arbitration shall be conducted in the English language. The award of the arbitrator shall be final, conclusive and binding, and the execution thereof may be entered in any court having jurisdiction.

ARTICLE 22 - COMPLIANCE WITH U.S. LAWS AND DIRECTIVES

22.1 General

Each Party shall, at its expense, perform its obligations hereunder in accordance with all applicable laws, regulations, and policies of the United States and the conditions of all applicable United States Government approvals, permits, or licenses.

22.2 Compliance with U.S. Export Control Laws

ARIANESPACE shall, at its expense, perform the Services in accordance with all applicable export control laws, regulations, and policies of the United States and the conditions of all applicable United States Government approvals, permits, and licenses.

Any obligation of ARIANESPACE hereunder to perform the Services, including deliverable data, other technical information, technical/defense services, or any access to ARIANESPACE or its subcontractor facilities shall be subject to applicable U.S. Government export control and security laws, regulations, policies and license conditions. The Parties shall work cooperatively and in good faith to implement this Agreement in compliance with such laws, regulations, policies and license conditions, including without limitation, U.S. Government-approved export agreement(s). ARIANESPACE shall promptly notify CUSTOMER of any occurrence or change in circumstances of which it becomes aware that is relevant to or affects such export licenses, agreements and approvals.

In particular Technical Assistance Agreement (DTC Case TA [*], and all subsequent amendments), as approved by the U.S. Department of State shall have over-riding authority in the implementation of this Agreement.

ARTICLE 23 - MISCELLANEOUS

23.1 Working language

All communications between the Parties and between CUSTOMER and its Associates on the Launch Site, and between ARIANESPACE and its Associates on the Launch Site with CUSTOMER's personnel and that of its Associates, shall be made in English.

ALL COMMUNICATIONS BETWEEN THE ARIANESPACE AND THE CUSTOMER SHALL BE IN ENGLISH. This includes all contractual exchanges, program documentation released to the Customer, technical interchange meetings, contractual program reviews, meeting minutes, action items and responses, etc. As required, Arianespace shall provide English translation services.

All written communications to the Customer which involve the Russian partner(s) shall be written in English. Notwithstanding, the final released versions of the Mission Analysis Reports will be in dual English and Russian format.

For all meetings with the Customer which involve the participation of the Russian partner(s), Arianespace shall provide English translation services.

English shall be the working language from the effective date of contract through completion of the final launch service.

23.2 Notices

Unless expressly provided otherwise under this Agreement, all communications and notices to be given by one Party to the other in connection with this Agreement shall be in writing and in the language of this Agreement and shall be sent by registered mail or electronic mail or by pre-paid international courier service, with confirmation of receipt, to the following addresses (or to such address as a Party may designate by written notice to the other Party):

ARIANESPACE	**CUSTOMER**
Boulevard de l’Europe – BP 177 91006 EVRY- COURCOURONNES Cedex - FRANCE	Globalstar, Inc. 461 South Milpitas Blvd. Milpitas, CA 95035 U.S.A.
Attention: [*] Telephone: [*] E-mail: [*]	Attention: [*] Telephone: [*] E-mail: [*]

23.3 Waiver

Waiver on the part of either ARIANESPACE or CUSTOMER of any term, provision, or condition of this Agreement shall only be valid if made in writing and accepted by the other Party. Said acceptance shall not obligate the Party in question to waive its rights in connection with any other previous or subsequent breaches of this Agreement.

23.4 Headings

The headings and sub-headings used in this Agreement are provided solely for convenience of reference, and shall not prevail over the content of the Articles of this Agreement.

23.5 Assignment

Neither Party shall be entitled to assign its rights and obligations under this Agreement, in whole or in part, without the prior written consent of the other Party. Such consent may not be unreasonably withheld or withdrawn.

Notwithstanding the foregoing, either Party shall have the right to assign, in whole and not in part, its rights, title and interest on and to this Agreement to a wholly-owned subsidiary, or to a qualified successor in case of merger, consolidation or reorganization or transfer of all of its assets without the other Party's prior consent,(i) provided such successor shall not be a competitor to or comprise among its significant shareholders a competitor to the other Party (ii) and provided that (a) it can be demonstrated to the reasonable satisfaction of the other party that such assignee has the financial capacity and willingness to meet all contractual obligations to the other Party and (b) the assignee has expressly assumed all the obligations of said Party and all terms and conditions applicable to said Party under this Agreement.

Notwithstanding the above, CUSTOMER shall not be permitted, without Arianespace's consent, to assign its rights, title, interests or obligations under this Agreement with respect to Optional Launches to any other entity than whom the entire Agreement is assigned.

23.6 Entire Agreement and Modifications

This Agreement constitutes the entire understanding between the Parties, and supersedes all prior and contemporaneous discussions between the Parties with respect to the subject matter of this Agreement. Neither Party shall be bound by the conditions, warranties, definitions, statements, or documents previous to the execution of this Agreement, unless this Agreement makes express reference thereto. Any actions subsequent to the execution of this Agreement undertaken pursuant to an agreement shall be in writing and signed by duly authorized representatives of each of the Parties, which agreement shall expressly state that it is an amendment to this Agreement.

23.7 Registration of CUSTOMER's Satellites

CUSTOMER shall be responsible to ensure that the Satellites are properly registered by a state of registry in accordance with the Convention on Registration of Objects Launched into Outer Space of 1974.

ARTICLE 24 - EFFECTIVE DATE

This Amended and Restated Launch Services Agreement shall enter into force upon signature by the TWO (2) Parties with retroactive effect on September 5th, 2007. This Amended and Restated Launch Services Agreement includes all amendments through 24 June 2009.

Executed in TWO (2) originals on 09 March 2010.

ARIANESPACE Name: Jean-Yves LE GALL Title: Chairman and Chief Executive Officer	**GLOBALSTAR, INC.** Name: Anthony J. NAVARRA Title: President
Signature /s/ Jean-Yves LE GALL	Signature /s/ Anthony J. NAVARRA

ANNEX

Commercial in Confidence

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked "[*]" in this document; they have been filed separately with the Commission.

AMENDMENT NO. 4

TO

CONTRACT NUMBER GINC-C-08-0390

BETWEEN

GLOBALSTAR, INC.

AND

HUGHES NETWORK SYSTEMS, LLC

FOR

RADIO ACCESS NETWORK (RAN)
AND USER TERMINAL SUBSYSTEM

This Amendment No. 4 ("Amendment") is entered into effective as of March 24, 2010 ("Effective Date"), by and between Hughes Network Systems, LLC, a limited liability company organized under the laws of Delaware (hereinafter referred to as the "Contractor") with its principal place of business at 11717 Exploration Lane Germantown, Maryland 20876 USA, and Globalstar, Inc., a company incorporated under the laws of Delaware with its principal place of business at 461 South Milpitas Boulevard, Milpitas, California 95035 (hereinafter referred to as "Globalstar" or "Customer"). As used herein, Contractor and Globalstar may be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, the Parties entered into Contract No. GINC-C-08-0390 for the delivery of the Radio Access Network (“RAN”) and the User Terminal Subsystem ("UTS") ("Contract");

WHEREAS, the Parties entered into a Letter Agreement, dated September 22, 2008, for the deferral of payment of certain Payment Milestones ("Deferred Payments") under the Contract, subject to interest;

WHEREAS, the Parties entered into Amendment No. 1, dated June 16, 2009, to the Contract for the payment of the Deferred Payments with interest, the PDR Payment Milestone and advance payments;

WHEREAS, the Parties entered into Amendment No. 2, dated August 28, 2009, to the Contract to extend the schedule of the RAN and UTS program by fifteen (15) months and to revise certain payment milestones and program milestones to reflect the revised program timeline;

WHEREAS, the Parties entered into Amendment No. 3, dated September 21, 2009, to the Contract to supersede Exhibit A, Statement of Work (Revision A) with Exhibit A, Statement of Work (Revision B) dated September 18, 2009 that revised the program management schedule;

WHEREAS, the Parties have agreed to implement certain Contract Change Notices submitted by Contractor pertaining to new features for the RAN and UTS via Authorization To Proceed ("ATP"), Globalstar Letter PJR0110-001 dated 25 January 2010 and pertaining to changes to Exhibit B, Technical Specifications, and now desire to issue this Amendment to formally incorporate the ATP and the Exhibit B, Technical Specifications into the Contract;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and intending to be legally bound hereby, the Parties agree to amend the Contract as follows:

1. Exhibit A, Statement of Work (Revision B), dated September 18, 2009, shall be deleted and replaced in its entirety by a new Exhibit A, Statement of Work (Revision C), dated March 24, 2010.

2. Exhibit B1, System Technical Specifications (Revision A), dated May 1, 2008, shall be deleted and replaced in its entirety by a new Exhibit B1, System Technical Specifications (Revision B), dated March 24, 2010.

3. Exhibit B2, RAN Technical Specifications (Revision A), dated May 1, 2008, shall be deleted and replaced in its entirety by a new Exhibit B2, RAN Technical Specifications (Revision B), dated March 24, 2010.

4. Exhibit B3, UTS Technical Specifications (Revision A), dated May 1, 2008, shall be deleted and replaced in its entirety by a new Exhibit B3, UTS Technical Specifications (Revision B), dated March 24, 2010.

5. Exhibit C, Pricing Schedule and Payment Plan (Revision C), dated August 28, 2009, shall be deleted and replaced in its entirety by a new Exhibit C, Pricing Schedule and Payment Plan (Revision D), dated March 24, 2010.

6. The text in Article 4. Price is replaced in its entirety by the following new text:

The total Contract Value shall be a firm fixed-price One Hundred Three Million Seven Hundred Thirty Nine Thousand Six Hundred Eighty Eight and Sixty Two Cents ($103,739,688.62) United States Dollars for the Work which may be amended from time to time in accordance with this Contract. The pricing details and payment plan are set forth in Exhibit C hereto, entitled Pricing Schedule and Payment Plan.

7. Article 27(A) is replaced in its entirety by the following new Article 27(A):

A. The Contractor has identified the Key Personnel for the following positions to perform the services and staff the Work, working until successful completion of the Work performed hereunder (individually a "Key Person" and collectively the "Key Personnel") as follows:

Position	Name
Principal RAN System Architect	[*]
Principal Radio Channel System (RCS) Architect	[*]
Principal Radio Network Control (RNC) Architect	[*]

8. Articles 28(A) and 28(B) are replaced in their entirety by the following new Articles 28(A) and 28(B):

A. [*] is assigned as Globalstar's Program Manager with authority to issue technical direction within the scope of this Contract. [*] is assigned as Contractor's Program Manager with authority to accept such direction. Notwithstanding Article 27(A), the foregoing Program Managers are authorized (i) to initial the Exhibits and any modifications thereto (except Exhibit C), and (ii) to execute the waivers of technical compliance with the specifications in the Exhibits.

B. All contractual correspondence to Globalstar will be addressed to (with copy to the Program Manager):

[*]
Globalstar, Inc.
461 South Milpitas Blvd.
Milpitas, CA 95035
Tel: [*]
Email: [*]

All technical correspondence to Globalstar will be addressed to:

[*]
Globalstar, Inc.
461 South Milpitas Blvd.
Milpitas, CA 95035
Tel: [*]
Email: [*]

All contractual correspondence to Contractor will be addressed to (with copy to the Program Manager):

[*]
Senior Counsel
Hughes Network Systems, LLC
11717 Exploration Lane
Germantown, MD 20876
Tel: [*]
Email: [*]

All technical correspondence to Contractor will be addressed to:

[*]
Hughes Network Systems, LLC
11717 Exploration Lane
Germantown, MD 20876
Tel: [*]
Email: [*]

9. This Amendment supersedes Authorization To Proceed ("ATP"), Globalstar Letter PJR0110-001 dated 25 January 2010.

10. This Amendment shall be governed by and interpreted according to the laws of the state of New York.

11. This Amendment may be signed in counterparts and each original counterpart shall be deemed binding on each Party collectively and individually.

12. Except as amended herein, all terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have signed this Amendment in duplicate.

GLOBALSTAR, INC.	HUGHES NETWORK SYSTEMS, LLC
BY: /s/ Fuad Ahmad	BY: /s/ Sean Fleming
Name: Fuad Ahmad	Name: Sean Fleming
Title: SVP and CFO	Title: Senior Counsel
Date: March 24, 2010	Date: March 24, 2010

H36750

RADIO ACCESS NETWORK (RAN)
AND USER TERMINAL SUBSYSTEM (UTS)

EXHIBIT A: STATEMENT OF WORK

Revision C

March 24, 2010

[*]

H36750

RADIO ACCESS NETWORK (RAN)
AND USER TERMINAL SUBSYSTEM (UTS)

EXHIBIT B1: SYSTEM TECHNICAL SPECIFICATIONS

Revision B

March 24, 2010

[*]

H36750

RADIO ACCESS NETWORK (RAN)
AND USER TERMINAL SUBSYSTEM (UTS)

EXHIBIT B2: RAN TECHNICAL SPECIFICATIONS

Revision B

March 24, 2010

[*]

H36750

RADIO ACCESS NETWORK (RAN)
AND USER TERMINAL SUBSYSTEM (UTS)

EXHIBIT B3: UTS TECHNICAL SPECIFICATIONS

Revision B

March 24, 2010

[*]

H36750

RADIO ACCESS NETWORK (RAN)
AND USER TERMINAL SUBSYSTEM (UTS)

EXHIBIT C: PRICING SCHEDULE AND PAYMENT PLAN

Revision D

March 24, 2010

[*]

Exhibit 10.3

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked "[*]" in this document; they have been filed separately with the Commission.

Globalstar, Inc.

Ericsson Federal Inc.

Amendment No. 2 to Core Network Contract GINC-C-08-0400

Support of Hughes Network Systems, LLC for RAN Testing

Amendment No. 2

This Amendment No.2 to Contract Number # GINC-C-08-0400 (the “Contract” or the “Core Network Contract”) effective as of March 30, 2010 (“Amendment No. 2 Effective Date”) is entered into by and between Ericsson Federal Inc., a Delaware corporation (“Ericsson”) with a place of business at 1895 Preston White Dr., Suite 300, Reston, VA 20191 and Globalstar, Inc., a Delaware corporation (“Globalstar”) with its principal place of business at 461 South Milpitas Boulevard, Milpitas, California 95035 (each a “party” and collectively the “parties”).

WHEREAS, the parties entered into the Contract for the delivery of Products and Services with respect to Globalstar’s Second Generation Gateway Core Network Development dated October 1, 2008;

WHEREAS, the parties amended the Contract effective December 1, 2009 to include schedule changes to the original work under contract and to add Lawful Intercept, Session Border Gateway (SBG) Node, Signaling Compression (SigComp), Emergency Services Location (ESL) for Europe and High Penetration Alert (HPA) features as well as Support of Hughes Network Systems, LLC (“Hughes”) Testing (“Amendment No. 1”); and

WHEREAS, the parties desire to amend the Contract to make laboratory equipment available and provide associated support services for the Hughes RAN Testing effort;

NOW, THEREFORE, the following changes and/or additions to the Contract are hereby agreed to by the parties:

With respect to Article 5, Statement of Work of the Contract, the Work that Ericsson shall deliver under the Contract is amended to include equipment that Ericsson shall make available as set forth below. Further, Section 5.5, Support of Hughes Network Systems for RAN/CN Integration & Test in Exhibit D-1 of the Contract is augmented to include the following:

a. Ericsson shall make the equipment in Ericsson’s laboratory and listed on Exhibit 1 (“Equipment”) hereto available for use by Globalstar and Hughes for a period of [*] months, beginning on [*] and ending on [*];

b. Such use shall be by remote connection and it shall be Globalstar’s responsibility to provide such connectivity to the Equipment in the Ericsson laboratory;

c. Ericsson shall provide the following associated support services (“Services”) during the [*] months that Globalstar and Hughes uses the Equipment:

[*] weeks of Engineering Support to be provided on request based on availability throughout the [*] months of laboratory use;

d. Globalstar and Hughes shall have the right to use the Equipment for a total of [*] months in [*] week minimum increments during the [*] months that the Equipment is available. If Globalstar and Hughes suspends use of the Equipment, Globalstar shall provide Ericsson with a minimum of [*] weeks prior written notice before restarting use of the Equipment and the associated Services; and

e. Ericsson shall invoice Globalstar for the total amount of [*] at the completion of the [*] months of use of the Equipment, but in no event later than [*].

2. With respect to Article 10, Prices and Fees of the Contract, the Total Purchase Price is amended to be a firm-fixed price of Twenty Seven Million Eight Hundred Eighty Five Thousand Four Hundred Eighty Four United States Dollars (US$27,885,484).

Except as amended herein, all terms and conditions of the Contract as may have been previously amended shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties to this Amendment No. 2 have caused their authorized representatives to execute this Amendment No. 2 as of the Amendment No. 2 Effective Date.

ERICSSON FEDERAL INC.		GLOBALSTAR, INC.	
By:	/s/ David Thompson	By:	/s/ Paul Rosati
Name:	David Thompson	Name:	Paul Rosati
Title:	CFO	Title:	Contracts Manager

Exhibit 1

Equipment

[*]

Exhibit 10.4

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

Amendment No. 8
To
QUALCOMM Globalstar Satellite Products Supply Agreement
Agreement No. 04-QC/NOG-PRODSUP-001
(NOG-C-04-0137)

This Amendment No. 8 ("Amendment") is effective as of August 12, 2009 ("Amendment Effective Date") by and between **QUALCOMM Incorporated**, a Delaware corporation ("Qualcomm") and **Globalstar, Inc.,** a Delaware corporation ("Buyer"), and **Globalstar Canada Satellite Company** ("GCSC") a Nova Scotia Corporation and wholly owned subsidiary of Buyer, with respect to the below stated facts.

This Amendment must be signed by **August 18, 2009**; otherwise, this Amendment offer is no longer valid.

RECITALS

A. Qualcomm and Buyer executed the Qualcomm Globalstar Satellite Products Supply Agreement No. 04-QC/NOG-PRODSUP-001 dated April 13, 2004, as amended (the "Agreement"), pursuant to which Qualcomm agreed to sell to Buyer, and Buyer agreed to purchase, Globalstar products from time to time for resale to customers under such Supply Terms and Conditions.

B. Qualcomm and Buyer executed Amendment No. 1 dated May 25, 2005 to the Agreement, pursuant to which Qualcomm agreed to modify the Globalstar GSP-1600 Tri-Mode Satellite Phone to replace the LCD ("GSP-1600") and make available a limited quantity of GSP-1600s and other Globalstar products to Globalstar for resale to its customers.

C. Qualcomm and Buyer executed Amendment No. 2 dated May 25, 2005 to the Agreement, pursuant to which QUALCOMM agreed to manufacture, sell and deliver New Products to Globalstar for resale to its customers.

D. Qualcomm and Buyer executed Amendment No. 3 dated September 30, 2005 to the Agreement pursuant to which Qualcomm agreed to sell to Buyer additional GSP-1600s and other Globalstar products for resale to its customers.

E. Qualcomm and Buyer executed Amendment No. 4 dated August 15, 2006 pursuant to which Buyer agreed to undertake to performance of the final packaging of the GCK-1700 Car Kit and SDVM, including procurement of such packaging materials and antenna(s), and accordingly, (i) Buyer will no longer be required to deliver production GCK-1700 Car Kit and/or SDVM Antennas and applicable documentation to Qualcomm as set forth in Section 27 of the Agreement, and (ii) QUALCOMM will deliver GCK-1700 Car Kits and SDVMs, without antennas, as provided for in Section 26 of the Agreement.

F. Qualcomm, Buyer and GCSC executed the Assignment and Performance Guarantee Agreement No. 06-QC/Globalstar-AA-001 GINC-C-06-0306 dated October 11, 2006 by which Globalstar assigned its rights, title and interests in and to Amendment 2 to the Agreement, including all rights and obligations arising under Purchase Orders issued pursuant to Amendment 2 to GCSC.

G. Qualcomm, Buyer and GCSC executed Amendment No. 5, pursuant to which the parties agreed to further extend the Term and revise the Delivery Schedule and pricing terms for New Products and other terms and set forth therein.

H. Qualcomm, Buyer and GCSC executed Amendment No. 6 pursuant to which the parties agreed to amend the Agreement to provide for indemnification for Qualcomm as it relates to the use of any non-conforming battery with the GSP-1700 handset.

I. Qualcomm, Buyer and GCSC executed Amendment No. 7 pursuant to which the parties revised the delivery schedule of New Products to reflect a suspension in deliveries for a period of eighteen (18) months with deliveries scheduled to resume in April, 2010.

J. Buyer has requested, and Qualcomm has agreed subject to certain terms and conditions set forth herein, to extend the term and to revise the delivery schedule of New Products to reflect an extension of the suspension in deliveries for an **additional six (6) months** with deliveries scheduled to resume in **October 2010** as set forth in the Fourth Revised Delivery Schedule, attached hereto as Exhibit A. Buyer and Qualcomm have further agreed that the provisions concering resumption of the New Products Delivery Schedule and associated pricing conditions for resumption are also modified accordingly as set forth herein.

Finally, this Amendment 8 modifies the Tier 3 Hotline Support pricing and establishes a final shut down date of **September 30, 2009** as set forth in the Master Ordering Agreement (For Services) For the Globalstar Program #04-QC/NOG-MOA-001 (Revised Task Order #1).

By this Amendment, Qualcomm, Buyer and GCSC agree to further amend the Agreement as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereby modify the Agreement as set forth herein.

1. Section 30, Term Extension, is hereby modified as follows:

"30. **Term Extension**. The Term of the Agreement is hereby extended five (5) additional months from September 30, 2011 **to February 28, 2012**, unless otherwise terminated as provided for in this Amendment No. 8 and the Agreement."

2. Section 32. **Special Provisions for Suspended New Products Delivery Schedule** is hereby modified as follows:

"32.1 **Suspended New Products Delivery Schedule**. As of the Amendment Effective Date, the delivery schedule as set forth in Attachment 1(a) to Amendment No. 2, as amended in Amendments No. 5 and No. 7, is further amended to reflect a suspension of deliveries of an **additional six (6) months, for a total of a twenty four (24) month suspension** for delivery for New Products as reflected in the Exhibit A hereto ("**Fourth Revised Delivery Schedule**").

32.2 **<u>Resumption of New Products Delivery Schedule</u>**. As a condition of further suspending deliveries as set forth herein, Buyer must now provide written notification to Qualcomm **<u>no later than January 29, 2010</u>** (in lieu now of August 15, 2009**)** of either (i) its desire to resume taking deliveries of and making payment for the New Products as set forth in the **<u>Fourth Revised Delivery Schedule</u>** or (ii) provide notice of discontinuation as set forth in Section 32.3 below. All units of the remaining New Products must be included in Buyer's selection of (i).

32.3 **<u>Fourth Revised Delivery Schedule Pricing</u>**. Both parties acknowledge and agree that due to the delivery suspension, the pricing of the New Products may increase due to parts obsolescence, supplier issues and other manufacturing costs associated with re-start-up costs. If Qualcomm determines that the costs to re-start and manufacture the New Products will increase, Buyer agrees to pay an increase in the current GSP-1700 price of no more than [*] per GSP-1700 for the remaining delivery quantity.

Qualcomm will provide written notice to Buyer of any increase in price for the GSP-1700 **<u>by January 14, 2010</u>** (in lieu now of August 1, 2009**)**. If the price increase is greater than [*] per GSP-1700, Buyer can either (A) accept the increase in price ("Option A"), or (B) terminate the Agreement for discontinuance and must (i) purchase all available Finished Goods for all New Products in inventory at the current price ("Finished Goods" is defined as all New Products in inventory at the -10 level or above), and (ii) purchase all components or any other parts on order and purchased by Qualcomm in support of the current delivery schedule at Qualcomm's cost; and (iii) negotiate in good faith a license and license fee and ASIC Supply Agreement from Qualcomm to allow a third party manufacturer to manufacture the New Products on behalf of Buyer, all as set forth in Section 32.4.2 (collectively "Option B"). Buyer must provide written notice of either Option A or Option B **<u>no later than January 29, 2010</u>** <u>(in lieu now of August 15, 2009)</u> otherwise Qualcomm shall have the right to terminate the Agreement as set forth in Section 32.4.1 below.

32.4 **<u>Additional Termination Provisions</u>**

32.4.1 **<u>By Qualcomm</u>**. In addition to the termination provisions and rights set forth in the Agreement, Buyer's failure to confirm in writing its agreement to either (i) resume taking all outstanding deliveries of the New Products as set forth in the **<u>Fourth Revised Delivery Schedule</u>**, (ii) timely selection of Option A, or Option B, or (iii) Buyer's failure to comply with the terms of this Agreement, including (a) failure to make timely payments for all outstanding invoices, (b) failure to make timely payments for all New Products and parts or components purchased by Qualcomm in support of the current delivery schedule in inventory or committed to by Qualcomm with suppliers that cannot be canceled at the time of termination, or (c), failure to enter into a License Agreement for a third party manufacturer within ninety (90) days of Agreement termination, shall constitute a material default under this Agreement and Qualcomm shall deliver written notice of its intent to terminate for breach. If a material default is not cured within thirty (30) calendar days after the date of notice, or if Qualcomm, in its sole discretion, determines it cannot support resumption of the delivery schedule due to resource availability, costs or any other business reason, Qualcomm shall have the right to (1) terminate the Agreement, and (2) cancel any undelivered portions of the Purchase Order for New Products, subject to all termination rights set forth in the Agreement, including but not limited to Termination Charges defined in Section 1, and Sections 3.3 and 16 of the Supply Terms and other termination fees set forth in Section 20.1, as amended in Amendment No. 5 and (3) immediately terminate the Master Ordering Agreement, including all Task Orders for Hotline/Help Desk Support **<u>unless earlier terminated by the parties</u>**, upon written notice to Buyer.

32.4.2 **Discontinuation By Buyer**. In the event Qualcomm determines that the price of the GSP-1700 will increase more than [*] per phone as a result of the cost analysis by Qualcomm, Buyer may discontinue this Agreement subject to the following conditions:

1. Buyer agrees to take delivery within forty five (45) days of termination, and to pay within ninety (90) days of termination the following:

- All available Finished Goods for all New Products in inventory at the time of termination at the New Product current price.
- All components and parts purchased by Qualcomm in support of the current delivery schedule that are in inventory or committed to with a supplier that can not be canceled, at Qualcomm's cost, plus any cancellation or other fees, including restocking fees imposed by suppliers due as a result of termination.

2. Buyer and Qualcomm will negotiate in good faith a technology license and an ASIC Supply Agreement to enable a third-party manufacturer to manufacture and sell phones on behalf of Buyer. The License must be executed within ninety (90) days of the date of termination."

3. **Attachment.**

A. **Attachment**. Attachment No. 1(a) to Amendment No. 2, Revised Delivery Schedule for New Products as amended in Amendments No. 5 and No. 7 is further amended to reflect the suspension of all New Product deliveries **for a total of twenty four (24) months,** beginning with the October 2008 delivery. Deliveries of New Products will resume **October 2010** as provided for in this Exhibit A, **Fourth Revised Delivery Schedule.**

4. Exhibit A, **Qualcomm Supply Terms and Conditions** is hereby revised as follows:

Section 9.7, **Payment Offset** remains unchanged and is as follows:

"9.7 **Payment Offset**. Any payments made by Buyer and/or GCSC to Qualcomm, pre-paid or otherwise, may be used by Qualcomm to offset any outstanding amounts owed by Buyer and/or GCSC to Qualcomm, under this Agreement or any other agreement. Notwithstanding Qualcomm's right to offset in this section, Buyer and/or GCSC must continue to make all payments in a timely manner as required under this agreement. "

5. **Hotline Support**. Both parties agree that the Master Ordering Agreement (For Services) For the Globalstar Program #04-QC/NOG-MOA-001, as amended ("MOA")and Revised Task Order #1 for Tier 3 Hotline/Help Desk Support Under the Master Ordering Agreement (for Services) For the Globalstar Program #04-QC/NOG-MOA-001 (Revised Task Order #1) shall be amended as follows:

The parties agree that the term of the Hotline/Help Desk Support **shall cease on September 30, 2009**. Further, the fixed price for Hotline/Help Desk Support for the remainder of the term shall be as follows:

November 1, 2008 – May 31, 2009	[*] per month (payments received)
June 1, 2009 – July 31, 2009	[*] per month
August 1, 2009 - September 30, 2009	[*] **per month**

6. As a condition of this Amendment, Buyer and/or GCSC must pay all outstanding amounts due Qualcomm under this Agreement or any other agreement as of the Amendment Effective Date no later than five days from the Amendment Effective Date. These amounts may not be offset by Buyer and/or GCSC against prior payments made to Qualcomm, prepaid or otherwise.

EFFECTIVENESS. Except as modified by this Amendment No.8 as of the Amendment Effective Date, the Agreement shall remain in full force and effect. No modification, amendment or other change may be made to this Amendment No. 8 or any part thereof unless reduced to writing and executed by authorized representatives of both parties.

IN WITNESS THEREOF, the parties have executed this Amendment No. 8 as of the Amendment Effective Date.

QUALCOMM Incorporated

By: /s/ Scott J. Becker

Name: Scott J. Becker

Title: Sr. Vice President, Finance
Qualcomm Enterprise Services

Globalstar Canada Satellite Company

By: /s/ William F. Adler

Name: William F. Adler

Title: Secretary

Globalstar, Inc.

By: /s/ William F. Adler

Name: William F. Adler

Title: VP – Legal & Regulatory

EXHIBIT A

Fourth Revised Delivery Schedule for New Products
October 2008 – January 2012

Schedule Ship Date	GSP-1700	GIK-1700 Car Kit	GSP-1720 SDVM	Car Power Adapter
		[*]		

Exhibit 10.5

CONFIDENTIAL TREATMENT

Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such Portions are marked "[*]" in this document; they have been filed separately with the Commission.

Amendment No. 9
To
QUALCOMM Globalstar Satellite Products Supply Agreement
Agreement No. 04-QC/NOG-PRODSUP-001
(NOG-C-04-0137)

This Amendment No. 9 ("Amendment") is effective as of February 24, 2010 ("Amendment Effective Date") by and between **QUALCOMM Incorporated**, a Delaware corporation ("Qualcomm") and **Globalstar, Inc.,** a Delaware corporation ("Buyer"), and **Globalstar Canada Satellite Company** ("GCSC") a Nova Scotia Corporation and wholly owned subsidiary of Buyer, with respect to the below stated facts.

This Amendment must be signed by February 24, 2010; otherwise, this Amendment offer is no longer valid.

RECITALS

A. Qualcomm and Buyer executed the Qualcomm Globalstar Satellite Products Supply Agreement No. 04-QC/NOG-PRODSUP-001 dated April 13, 2004, as amended (the "Agreement"), pursuant to which Qualcomm agreed to sell to Buyer, and Buyer agreed to purchase, Globalstar products from time to time for resale to customers under such Supply Terms and Conditions.

B. Qualcomm and Buyer executed Amendment No. 1 dated May 25, 2005 to the Agreement, pursuant to which Qualcomm agreed to modify the Globalstar GSP-1600 Tri-Mode Satellite Phone to replace the LCD ("GSP-1600") and make available a limited quantity of GSP-1600s and other Globalstar products to Globalstar for resale to its customers.

C. Qualcomm and Buyer executed Amendment No. 2 dated May 25, 2005 to the Agreement, pursuant to which QUALCOMM agreed to manufacture, sell and deliver New Products to Globalstar for resale to its customers.

D. Qualcomm and Buyer executed Amendment No. 3 dated September 30, 2005 to the Agreement pursuant to which Qualcomm agreed to sell to Buyer additional GSP-1600s and other Globalstar products for resale to its customers.

E. Qualcomm and Buyer executed Amendment No. 4 dated August 15, 2006 pursuant to which Buyer agreed to undertake to performance of the final packaging of the GCK-1700 Car Kit and SDVM, including procurement of such packaging materials and antenna(s), and accordingly, (i) Buyer will no longer be required to deliver production GCK-1700 Car Kit and/or SDVM Antennas and applicable documentation to Qualcomm as set forth in Section 27 of the Agreement, and (ii) QUALCOMM will deliver GCK-1700 Car Kits and SDVMs, without antennas, as provided for in Section 26 of the Agreement.

F. Qualcomm, Buyer and GCSC executed the Assignment and Performance Guarantee Agreement No. 06-QC/Globalstar-AA-001 GINC-C-06-0306 dated October 11, 2006 by which Globalstar assigned its rights, title and interests in and to Amendment 2 to the Agreement, including all rights and obligations arising under Purchase Orders issued pursuant to Amendment 2 to GCSC.

G. Qualcomm, Buyer and GCSC executed Amendment No. 5, pursuant to which the parties agreed to further extend the Term and revise the Delivery Schedule and pricing terms for New Products and other terms and set forth therein.

H. Qualcomm, Buyer and GCSC executed Amendment No. 6 pursuant to which the parties agreed to amend the Agreement to provide for indemnification for Qualcomm as it relates to the use of any non-conforming battery with the GSP-1700 handset.

I. Qualcomm, Buyer and GCSC executed Amendment No. 7 pursuant to which the parties revised the delivery schedule of New Products to reflect a suspension in deliveries for a period of eighteen (18) months with deliveries scheduled to resume in April, 2010.

J. Qualcomm, Buyer and GCSC executed Amendment No. 8 pursuant to which the parties revised the delivery schedule of New Products to reflect a suspension in deliveries for an additional period of six (6) months with deliveries scheduled to resume in October, 2010.

K. Buyer and Qualcomm have agreed subject to certain terms and conditions set forth herein, to again extend the term and to revise the delivery schedule of New Products to reflect an extension of the suspension in deliveries for an **additional eight (8) months** with deliveries scheduled to resume in June 2011 as set forth in the Fifth Revised Delivery Schedule, attached hereto as Exhibit A. Buyer and Qualcomm have further agreed that the provisions concerning resumption of the New Products Delivery Schedule and associated pricing conditions for resumption are also modified accordingly as set forth herein.

By this Amendment, Qualcomm, Buyer and GCSC agree to further amend the Agreement as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereby modify the Agreement as set forth herein.

1. Section 30, Term Extension, is hereby modified as follows:

“30. **Term Extension**. The Term of the Agreement is hereby extended thirteen (13) additional months from February 28, 2012 **to March 28, 2013**, unless otherwise terminated as provided for in this Amendment No. 9 and the Agreement.”

2. Section 32. **Special Provisions for Suspended New Products Delivery Schedule** is hereby modified as follows:

“32.1 **Suspended New Products Delivery Schedule**. As of the Amendment Effective Date, the delivery schedule as set forth in Attachment 1(a) to Amendment No. 2, as amended in Amendments No. 5, 7, and 8 is further amended to reflect a suspension of deliveries of an **additional eight (8) months, for a total of a thirty two (32) month suspension** for delivery for New Products as reflected in the Exhibit A hereto **(“Fifth Revised Delivery Schedule**”).

32.2 **<u>Resumption of New Products Delivery Schedule</u>**. As a condition of further suspending deliveries as set forth herein, Buyer must now provide written notification to Qualcomm **<u>no later than September 1, 2010</u>** (in lieu now of January 29, 2010**)** of either (i) its desire to resume taking deliveries of and making payment for the New Products as set forth in the **<u>Fifth Revised Delivery Schedule</u>** or (ii) provide notice of discontinuation as set forth in Section 32.3 below. All units of the remaining New Products must be included in Buyer's selection of (i).

32.3 **<u>Fifth Revised Delivery Schedule Pricing</u>**. Both parties acknowledge and agree that due to the delivery suspension, the pricing of the New Products may increase due to parts obsolescence, supplier issues and other manufacturing costs associated with re-start-up costs. If Qualcomm determines that the costs to re-start and manufacture the New Products will increase, Buyer agrees to pay an increase in the current GSP-1700 price of no more than [*] per GSP-1700 for the remaining delivery quantity. Qualcomm's proposal will separately price, for Globalstar's acceptance and funding, an engineering effort to redesign the board to replace the end of life flash, and any other effort required to replace other end of life components.

Qualcomm will provide written notice to Buyer of any increase in price for the GSP-1700 **<u>by August 16, 2010</u>** (in lieu now of January 14, 2010**)**. If the price increase is greater than [*] per GSP-1700, Buyer can either (A) accept the increase in price ("Option A"), or (B) terminate the Agreement for discontinuance and must (i) purchase all available Finished Goods for all New Products in inventory at the current price ("Finished Goods" is defined as all New Products in inventory at the -10 level or above), and (ii) purchase all components or any other parts on order and purchased by Qualcomm in support of the current delivery schedule at Qualcomm's cost; and (iii) negotiate in good faith a license and license fee and ASIC Supply Agreement from Qualcomm to allow a third party manufacturer to manufacture the New Products on behalf of Buyer, all as set forth in Section 32.4.2 (collectively "Option B"). Buyer's selection of Option A includes Buyer's acceptance to fund any engineering efforts required for to redesign the board to replace the end of life flash and such efforts for other end of life components. Buyer must provide written notice of either Option A or Option B **<u>no later than September 1, 2010</u>** <u>(in lieu now of January 29, 2010)</u> otherwise Qualcomm shall have the right to terminate the Agreement as set forth in Section 32.4.1 below.

32.4 **<u>Additional Termination Provisions</u>**

32.4.1 **<u>By Qualcomm</u>**. In addition to the termination provisions and rights set forth in the Agreement, Buyer's failure to confirm in writing its agreement to either (i) resume taking all outstanding deliveries of the New Products as set forth in the **<u>Fifth Revised Delivery Schedule</u>**, (ii) timely selection of Option A, or Option B, or (iii) Buyer's failure to comply with the terms of this Agreement, including (a) failure to make timely payments for all outstanding invoices, (b) failure to make timely payments for all New Products and parts or components purchased by Qualcomm in support of the current delivery schedule in inventory or committed to by Qualcomm with suppliers that cannot be canceled at the time of termination, or (c), failure to enter into a License Agreement for a third party manufacturer within ninety (90) days of Agreement termination, shall constitute a material default under this Agreement and Qualcomm shall deliver written notice of its intent to terminate for breach. If a material default is not cured within thirty (30) calendar days after the date of notice, or if Qualcomm, in its sole discretion, determines it cannot support resumption of the delivery schedule due to resource availability, costs or any other business reason, Qualcomm shall have the right to (1) terminate the Agreement, and (2) cancel any undelivered portions of the Purchase Order for New Products, subject to all termination rights set forth in the Agreement, including but not limited to Termination Charges defined in Section 1, and Sections 3.3 and 16 of the Supply Terms and other termination fees set forth in Section 20.1, as amended in Amendment No. 5 and (3) immediately terminate the Master Ordering Agreement, including all Task Orders for Hotline/Help Desk Support unless earlier terminated by the parties, upon written notice to Buyer.

32.4.2 **Discontinuation By Buyer**. In the event Qualcomm determines that the price of the GSP-1700 will increase more than [*] per phone as a result of the cost analysis by Qualcomm, Buyer may discontinue this Agreement subject to the following conditions:

1. Buyer agrees to take delivery within forty five (45) days of termination, and to pay within ninety (90) days of termination the following:

- All available Finished Goods for all New Products in inventory at the time of termination at the New Product current price.
- All components and parts purchased by Qualcomm in support of the current delivery schedule that are in inventory or committed to with a supplier that can not be canceled, at Qualcomm's cost, plus any cancellation or other fees, including restocking fees imposed by suppliers due as a result of termination.

2. Buyer and Qualcomm will negotiate in good faith a technology license and an ASIC Supply Agreement to enable a third-party manufacturer to manufacture and sell phones on behalf of Buyer. The License must be executed within ninety (90) days of the date of termination.

3. **Attachment.**

A. Attachment. Attachment No. 1(a) to Amendment No. 2, Revised Delivery Schedule for New Products as amended in Amendments No. 5, 7 and 8 is further amended to reflect the suspension of all New Product deliveries **for a total of thirty two (32) months,** beginning with the October 2008 delivery. Deliveries of New Products will resume **June 2011** as provided for in this Exhibit A, **Fifth Revised Delivery Schedule.**

4. Exhibit A, **Qualcomm Supply Terms and Conditions** is hereby revised as follows:

Section 9.7, **Payment Offset** remains unchanged and is as follows:

> "9.7 **Payment Offset**. Any payments made by Buyer and/or GCSC to Qualcomm, pre-paid or otherwise, may be used by Qualcomm to offset any outstanding amounts owed by Buyer and/or GCSC to Qualcomm, under this Agreement or any other agreement. Notwithstanding Qualcomm's right to offset in this section, Buyer and/or GCSC must continue to make all payments in a timely manner as required under this agreement. "

EFFECTIVENESS. Except as modified by this Amendment No.9 as of the Amendment Effective Date, the Agreement shall remain in full force and effect. No modification, amendment or other change may be made to this Amendment No. 9 or any part thereof unless reduced to writing and executed by authorized representatives of both parties.

IN WITNESS THEREOF, the parties have executed this Amendment No. 9 as of the Amendment Effective Date.

QUALCOMM Incorporated	**Globalstar, Inc.**
By: /s/ Scott J. Becker	By: /s/ Fuad Ahmad
Name: Scott J. Becker	Name: Fuad Ahmad
Title: Sr. Vice President, Finance Qualcomm Enterprise Services	Title: CFO

Globalstar Canada Satellite Company

By: /s/ Fuad Ahmad

Name: Fuad Ahmad

Title: Treasurer

EXHIBIT A

Fifth Revised Delivery Schedule for New Products
October 2008 – February 2013

Schedule Ship Date	GSP-1700	GIK-1700 Car Kit	GSP-1720 SDVM	Car Power Adapter
		[*]		

Exhibit 31.1

Certification of Chief Executive Officer

I, Peter J. Dalton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Globalstar, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2010

By: /s/ Peter J. Dalton
Peter J. Dalton
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer

I, Fuad Ahmad, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Globalstar, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2010

By: /s/ Fuad Ahmad

Fuad Ahmad
Chief Financial Officer

Exhibit 32.1

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

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

This quarterly report on Form 10-Q for the quarter ended March 31, 2010 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2010

By: /s/ Peter J. Dalton
Peter J. Dalton
Chief Executive Officer

Dated: May 7, 2010

By: /s/ Fuad Ahmad
Fuad Ahmad
Chief Financial Officer