



One Discovery Square 12010 Sunset Hills Rd. • Suite 900 • Reston, VA 20190

December 11, 2008

FILED ELECTRONICALLY

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., S.W.
Washington, DC 20554

Re: Performance bond (E070098)

Dear Ms. Dortch:

TerreStar Networks Inc. has complied with the performance bond requirement associated with its gateway earth station license. *See* FCC File No. SES-LIC-20070530-00732, Special and General Provisions, condition 486. A copy of TerreStar's performance bond is attached.

Please direct any questions concerning this filing to the undersigned.

Sincerely,

/s/ Douglas I. Brandon
Douglas I. Brandon
Vice President, Regulatory Affairs

cc: Fern Jarmulnek, FCC
Andrea Kelly, FCC
Scott Kotler, FCC

Bond No. 2093929

License and/or Permit Continuous Bond

KNOW ALL PERSONS BY THESE PRESENTS, That TerreStar Networks Inc. (hereinafter called the "Principal"), and **North American Specialty Insurance Company, Inc.**, a New Hampshire corporation (hereinafter called the "Surety"), are held and firmly bound unto the United States Treasury (hereinafter called the "Obligee"), in the maximum penal sum of SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00) to the payment of which sum, well and truly be made, the Principal and Surety bind themselves, and each of their heirs, administrators, executors and assigns, jointly and severally, firmly by these presents. Regardless of the number of years this bond may be in force, the aggregate liability of the Surety payable under this bond shall not be cumulative and is limited to the stated maximum penal sum.

WHEREAS, the Federal Communications Commission ("FCC") has issued a license to the Principal to operate a gateway earth station, E070098; and

WHEREAS, it is a condition of the gateway earth station license (the "Gateway License") that the Principal file a payment bond with the FCC within 30 days of the issuance of the license.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall well and truly perform each and every obligation set forth below at the time and in the manner specified during the term of this bond, then this obligation shall be void, but otherwise shall remain in full force and effect.

PROVIDED, HOWEVER, that this bond is subject to the following conditions:

1. The TerreStar-1 satellite that is the subject of an authorization issued by the FCC under call sign S2633, as modified from time to time ("TerreStar-1 Authorization"), must be launched and placed into operation in accordance with the technical parameters and terms and conditions of the authorization by the time period-milestone specified below or such extended time period-milestone as the FCC may authorize. By way of example and not limitation, this condition shall survive any transfer of control of the holder of the TerreStar-1 Authorization and/or the Gateway License and shall survive any assignment of the TerreStar-1 Authorization and/or the Gateway License to any entity controlling, controlled by, under the same control as the Principal.

Launch and begin operations by August 30, 2009

2. In the event of a Notice of Default (*i.e.*, an order or public notice revoking the TerreStar-1 Authorization) issued by the FCC to the Principal and the Surety regarding the performance of the milestone specified above during the term of this bond, the Surety shall be liable only up to the maximum penal sum amount. It is also understood and unconditionally agreed that upon receipt of such Notice of Default, the sole remedy under this bond will be the tender of payment of the current outstanding maximum penal sum of the bond within thirty (30) business days of such Notice of Default.


Any such Notice of Default made under this bond shall be made in writing and shall be given a personal delivery or expedited delivery service, postage pre-paid, addressed to the parties at the addresses specified below:

To the Surety: North American Specialty Insurance Company
Attn: Surety Claims
1200 Arlington Heights Road,
Suite 400
Itasca, IL 60143


To the Principal: TerreStar Networks Inc.
Attn: Vincent Loiacono
12010 Sunset Hills Rd Ste 600
Reston, VA 20190

Signed, sealed and dated the 10th day of December, 2008

Principal: TerreStar Networks Inc.

By: 
Name: *Vincent Loiacono*
Title: *Principal Financial Officer*

*Surety: North American Specialty
Insurance Company*

By: 
Name: Lois Jean Blinn
Title: Attorney-in-Fact

NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Itasca, Illinois, each does hereby make, constitute and appoint:

LOIS JEAN BLINN, KAY A. HULL

BRIAN PASSOLT, YASMIN A. PATEL AND TERI SISSEL

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

TWENTY-FIVE MILLION (\$25,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 24th of March, 2000:

"RESOLVED, that any two of the Presidents, any Managing Director, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By [Signature]

Steven P. Anderson, President & Chief Executive Officer of Washington International Insurance Company & Senior Vice President of North American Specialty Insurance Company



By [Signature]

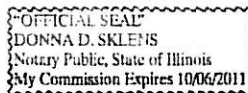
David M. Layman, Senior Vice President of Washington International Insurance Company & Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 30th day of September, 2008.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Du Page ss:

On this 30th day of September, 2008, before me, a Notary Public personally appeared Steven P. Anderson, President and CEO of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and David M. Layman, Senior Vice President of Washington International Insurance Company and Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



[Signature]
Donna D. Sklens, Notary Public

I, James A. Carpenter, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 10th day of December, 2008.

[Signature]

James A. Carpenter, Vice President & Assistant Secretary of Washington International Insurance Company & North American Specialty Insurance Company