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November 27, 2001

VIA HAND DELIVERY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

Re: Iridium U.S., L.P. Applications for Assignment of Licenses
Lead File No. SAT-ASG-20010319-00025

Dear Ms. Salas:

Iridium Satellite LLC ("Iridium Satellite") and Iridium Carrier Services LLC ("Iridium Carrier") (collectively with their subsidiaries and parent companies, "New Iridium"), by their undersigned counsel, hereby submit the following supplemental minor amendment to the above-referenced applications. This minor amendment primarily responds to an October 11, 2001, International Bureau letter requesting supplemental information.[1]

The supplemental information set forth below has been certified by Gino O. Picasso, the Chief Executive Officer and President of both Iridium Carrier and Iridium Satellite.[2] For convenience, this supplemental information has been numbered to correspond to the question numbers in the October 11 Letter to which it responds.

In response to the general concerns expressed by the Commission staff in a meeting held on October 11, 2001, *see* Iridium Holdings LLC Ex Parte Notice filed October 15, 2001, the respective ownership percentages in Iridium Carrier Holdings have been revised. Specifically, Baralonco has reduced its capital commitment from $178,000 to $97,366,

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1 *See* Letter to Thomas P. Van Wazer, Counsel for Iridium Satellite LLC and Iridium Carrier Services LLC, from Jacquelynn Ruff, Associate Chief, Telecommunications Division, International Bureau dated October 11, 2001 (hereinafter the "October 11 Letter"). A copy of that letter is attached hereto as Exhibit 1.

2 A copy of Mr. Picasso's certification immediately follows this letter.

representing a decrease of just under 10 percent. The Syncom entities, Millport and Bareena have slightly increased their capital commitments in order to maintain the initial capitalization of Iridium Carrier Holdings at $500,000. New Iridium also issued Class B units representing a 4.5 percent ownership interest in both Iridium Carrier Holdings and Iridium Holdings to Baralonco on October 31, 2001.

Finally, New Iridium expects to issue additional Class B units representing a 1.25 percent ownership interest in both companies to Motorola for various assets used in the operation of the IRIDIUM System.[3] A chart outlining the current and anticipated ownership of both companies is attached as Exhibit 2.

1. Sections 6.2(b) and 6.2(c) of the Iridium Carrier Holdings LLC Agreement.

In response to the questions raised in the October 11, 2001 Letter, Iridium Carrier Holdings has revised, *inter alia*, sections 6.2(b) and 6.2(c) of the Iridium Carrier Holdings LLC Agreement. A copy of the Amended and Restated Iridium Carrier Holdings Limited Liability Company Agreement is attached hereto as Exhibit 3. A blacklined version of the LLC Agreement highlighting the various changes made to the original LLC Agreement is attached hereto as Exhibit 4.

Section 6.2(b) has been revised to require the approval of only Class A members holding two-thirds of the total number of Class A units outstanding for any action undertaken by the Company that materially affects the capitalization or financial structure of the Company. The earlier version of this section required unanimous consent of all the Class A members for such actions. A review of the revised capitalization of the Company demonstrates that no class A unit holder will have the ability to veto any proposed action single-handedly. *See* Exhibit 2.

Section 6.2(c) has been modified to require the unanimous consent of all the Class A members before the Company enters into a contract with any entity not controlled by the Company or Iridium Holdings that is (i) outside the ordinary course of business or (ii) would require payments by the Company in excess of $1 million in the aggregate. The earlier version of this section required unanimous consent of all Class A members before the Company could enter into *any* contract with any entity not affiliated with the Company or Iridium Holdings.

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[3] New Iridium disclosed to the Commission in its initial ownership exhibit that it would use Class B non-voting units "to facilitate acquisitions from Motorola and other foreign gateway owners of certain assets used in the operation of the old IRIDIUM system. *See* Exhibit B at 7-8. On November 15, 2001, New Iridium filed a section 1.65 amendment advising the FCC that it had issued class B units representing a 1.1 percent ownership interest to VRT Telecommunications GmbH & Co. ("VRT"), a German company. *See* Letter to Magalie Roman Salas from Thomas P. Van Wazer dated November 15, 2001.

2. Ownership of Quadrant Australia Limited ("Quadrant")

Quadrant has issued 117.9 million shares of stock. Of this total, 38.5 million are tradable on the Australian stock exchange. Quadrant has over 2,600 shareholders. The vast majority of these shareholders have no influence or control over the operation of the company. As demonstrated below and in exhibits 5 & 6, Quadrant's registered shareholders with non-WTO addresses, when evaluated under the FCC's five-factor home market test, account for less than 0.01 percent of the issued shares. Nonetheless, to be conservative, we have used 1.0 percent for non-WTO ownership in the attached ownership charts.

2(i) & (ii): The top-20 shareholders of Quadrant collectively own 103,711,168 million shares, representing 87.96 percent of the issued shares. As discussed with the Commission staff, detailed answers to question 2 (i) and (ii) have been provided for the top-20 shareholders only. A list of the top-20 shareholders, including the number of shares owned, ownership percentage and nationality of the shareholder is attached hereto as Exhibit 5.

The domicile of the remaining shareholders of Quadrant and the number of shares held by those shareholders are summarized in Exhibit 7.

2(iii): Quadrant has six shareholders who are registered in non-WTO countries. Of those, Bartongate Limited and Embudo Limited hold by far the largest interests, with Bartongate Limited holding 12.3 percent and Embudo Limited holding 5.1 percent of the issued shares. *See* Exhibit 5. Under the five-factor home-market test, Bartongate's and Embudo Limited's home markets should be considered WTO-friendly. Bartongate is wholly-owned by a British citizen and the location of its tangible personal property is Australia. Embudo is wholly-owned by a U.S. citizen and the location of its tangible personal property is also Australia. *See Global Crossing Ltd.*, 14 FCC Rcd. 15911 (1999).

The four remaining non-WTO shareholders collectively own 9,951 shares. Two of these shareholders are citizens of Taiwan and collectively they hold 5,311 shares (representing less than one-hundredth of 1 percent of the total Quadrant shares). Another shareholder is registered in the Channel Islands and holds 4,500 shares (representing less than one-one hundredth of 1 percent of total Quadrant shares), while the remaining shareholder is registered in Isle of Man holding 140 shares. The details about these shareholders are set forth in Exhibit 6.

3. Control of Quadrant

Michael Boyd has retained control of Quadrant after the merger with Bareena. Mr. Boyd directly or indirectly owns 50 percent of the Quadrant shares issued. *See* Exhibit 5.

Through this ownership, Mr. Boyd exercises *de facto* control over Quadrant. He has appointed all four of Quadrant's directors. These directors, considered "direct associates" of Michael Boyd under Australian law, control another 5.15 percent of Quadrant shares. The combined ownership of Mr. Boyd and his appointed directors (collectively representing 55.15 percent) gives Mr. Boyd *de jure* control of Quadrant.

4. Non-WTO Investors in Motorola

According to a standard shareholder survey dated October 12, 2001 performed by Motorola's transfer agent, Computershare Investor Services, less than 0.01 percent of Motorola's stock is held by shareholders with addresses in non-WTO countries. The breakdown of this Motorola shareholder information is as follows:

Total No. of Shares Outstanding	2,242,760,830
Total No. of Accounts	111,304
Total No. of Shares (Non-U.S.)	1,790,898
Total No. of Accounts (Non-U.S.)	1,478
Total No. of Shares (Non-WTO)	163,569
Total No. of Accounts (Non-WTO)	56

5. Other Telecommunications Investments.

None of the following individuals or entities own any direct or indirect interests of 10 percent or more in any firm that provides telecommunications services in, to or from the United States: Dan Colussy; Michael Boyd; Quadrant Australia Limited; Baralonco N.V. or Khalid bin Abdullah bin Abdulrahman.

6. Date of Exercise of Syncom, Baralonco and Millport Options

The option rights of the Syncom entities, Baralonco and Millport, which were disclosed in Exhibit B of New Iridium's original application, *see* Exhibit B at 8, were exercised on April 5, 2001.

Please direct any questions regarding this material to the undersigned.

Sincerely,

R. Clark Wadlow
Thomas P. Van Wazer

Attachments

cc: Philip Malet, Steptoe & Johnson
William D. Wallace, Crowell & Moring LLP
James G. Lovelace, Federal Bureau of Investigation
Richard P. Salgado, U.S. Department of Justice

CERTIFICATION TO AMENDMENT

I, Gino O. Picasso, under penalty of perjury, do hereby certify that the information contained in the attached Amendment to the Applications for Assignment of Licenses, Lead File No. SAT-ASG-20010319-00025, by assignor Iridium U.S. LP, and its affiliates, and assignee Iridium Satellite LLC, and its affiliates, is true and correct to the best of my knowledge, information, and belief.

Gino O. Picasso

Gino O. Picasso Date
President and Chief Executive Officer,
Iridium Carrier Services LLC, and
Iridium Satellite LLC

November 27, 2001

Exhibit 1

Federal Communications Commission
Washington, DC 20554

International Bureau

Via Hand Delivery and Telefax

October 11, 2001

Thomas P. Van Wazer, Esq.
Counsel for Iridium Carrier Services LLC
and Iridium Satellite LLC
Sidley & Austin
1722 Eye Street, N.W.
Washington, DC 20006

Re: Iridium U.S., L.P. Applications for Assignment of Licenses, Lead File No. SAT-ASG-20010319-00025

Dear Applicants:

On March 19, 2001, the Commission received applications to assign common carrier and non-common carrier licenses from wholly-owned subsidiaries and affiliates of Motorola, Inc. to wholly-owned subsidiaries of Iridium Carrier Holdings LLC and Iridium Holdings LLC ("Applications"). On September 25, 2001, Commission staff issued a written request that you provide additional information clarifying aspects of your application ("September 25 Letter"). You responded by letter on October 1, 2001.[1]

Based on our review of your response and the new information it presents, we are stopping the 180-day clock for our review of these Applications, effective Monday, October 1, 2001, the date of your response. Furthermore, in order for the Commission to complete its analysis and make the necessary public interest findings under section 310(b)(4) of the Communications Act, we request, pursuant to section 308(b) of the Act,[2] that you provide written responses to the questions set forth below. Your responses should be filed with

[1] *See* Letter from Thomas P. Van Wazer, Counsel for Iridium Carrier Services LLC and Iridium Satellite LLC to Magalie Roman Salas, Secretary, Federal Communications Commission, October 1, 2001 ("Iridium October 1 Response").

[2] 47 U.S.C. §308(b); *see also* 47 C.F.R. §1.65.

Magalie Roman Salas, Secretary, Federal Communications Commission and reference Lead File No. SAT-ASG-20010319-00025.

1. In your response to Question 3 of the September 25, 2001 Letter you represented that Baralonco N.V. ("Baralonco") holds a 20 percent voting interest in Iridium Carrier Holdings. You further represented that "[c]ertain typically extraordinary actions specified in Section 6.2 [of the Iridium Carrier Holdings LLC Agreement ("LLC Agreement")] require the unanimous consent of all the Carrier Holdings' Class A members."[3]

As you know, under the *Foreign Participation Order*, the Commission "will deny an application if we find that more than 25 percent of the ownership of an entity that controls a common carrier radio licensee is attributable to parties whose principal place(s) of business are in non-WTO Member countries that do not offer effective competitive opportunities to U.S. investors . . . , unless other public interest considerations outweigh that finding."[4] Therefore, we question whether the provisions of sections 6.2 (b) and (c) of the LLC Agreement—which require unanimous consent for corporate actions that materially affect the capitalization and financial structure of the company (including borrowing) and for corporate decisions to enter into *any* contract with non-affiliated entities—are consistent with this standard, as the provisions appear to afford Baralonco 100 percent negative voting control over certain day-to-day operations.

Please explain how the provisions of sections 6.2 (b) and (c) of the LLC Agreement operate. In addition, please address whether sections 6.2 (b) and (c) of the LLC Agreement conform to Commission precedent concerning acceptable investor protections, citing relevant case law as appropriate.

2. Your response to Question 5 of the September 25 Letter indicates for the first time that the merger between Bareena Holdings Pty, Ltd. and Quadrant Australia Limited closed in June, 2001. Consequently, please provide the following information for each of Quadrant's shareholders, to the extent practicable:[5]

(i) the identity and percentage voting and equity interests of any non-U.S. investors in Quadrant, as well as any non-U.S. investment in those entities;

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[3] Iridium October 1 Response, at 3.

[4] *See Foreign Participation Order*, at para. 131.

[5] *See Foreign Participation Order*, at para. 115 (noting that "we decline . . . to disregard investments by non-carriers held as publicly traded securities. We accept the concerns of Executive Branch agencies that even small investments in publicly traded securities could, if aggregated, nevertheless create a degree of control or influence over a licensee that would be contrary to U.S. national security or law enforcement interests. When applications and licensees seek Commission approval under Section 310(b)(4) for a particular amount of indirect foreign ownership, they should indicate how much of that amount is attributable to each identified shareholder and how much of that amount is an allowance for fluctuations in publicly traded shares." (footnotes omitted)).

(ii) the investors' nationality (in the case of individual investors), or the principal place of business (in the case of institutional investors), using the five-factor test for determining the nationality or "home market" of foreign investors as set forth in the *Foreign Carrier Entry Order*;[6] and

(iii) the non-U.S. investors, if any, that are from non-WTO member countries, and, if such ownership interests, when aggregated with other ownership interests in Iridium Carrier Holdings attributable to non-WTO members, would exceed 25 percent, information that would allow the Commission to conduct the required effective competitive opportunities analysis.

3. In connection with the Bareena/Quadrant merger, you stated in your application that, "Michael Boyd would retain overall control of the merged company and would own a majority of Quadrant stock." Please confirm whether these assertions remain accurate.

4. In Exhibit 3 of your response to the September 25, 2001 Letter, you indicated that Motorola (INA) now has an equity interest in Iridium Carrier Holdings. Accordingly, please identify any foreign investors in Motorola that are not from WTO member countries. In addition, if such ownership interests, when aggregated with other ownership interests in Iridium Carrier Holdings attributable to non-WTO member countries, would exceed 25 percent, provide information that would allow the Commission to conduct the required effective competitive opportunities analysis.

5. Please describe, in detail, any direct or indirect interest of 10 percent or more in any firm that provides telecommunications service in, to, or from the United States held by any of the following: Baralonco N.V., Khalid bin Abdullah bin Abdulrahman, Michael Boyd, Quadrant Australia Ltd., and Dan A. Colussy.

6. Please identify the date or dates on which the Syncom companies, Baralonco and Millport, increased their capital commitments to Iridium Carrier Holdings LLC through the options referenced in Exhibit B of the space station assignment application.

Given the new information and material clarifications provided in your response to the September 25 Letter, we draw your attention to section 1.65 of the Commission's rules, which states in pertinent part that each "applicant is responsible for the continuing accuracy and *completeness* of information furnished in a pending application or in a Commission proceeding involving a pending application."[7] Consequently, we encourage you to thoroughly and periodically review the factual assertions in the Applications and the amendments thereto, to ensure that they remain accurate and to remedy any failures to

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[6] *See Market Entry and Regulation of Foreign Affiliated Entities*, Report and Order, 11 FCC Rcd 3873, 3948-52, paras. 199-208 (1995); *see also Global Crossing Ltd. And Frontier Corporation*, 14 FCC Rcd 15911, 159918-19, para 15-17 (WTB, IB and CCB 1999) (applying the five-factor "principal place of business" test).

[7] 47 C.F.R. §1.65.

provide or update relevant information. In this regard, we specifically note your continuing obligation to disclose *any* additional direct or indirect foreign ownership, including foreign government ownership, which may be relevant to the determination required under section 310(b)(4) of the Act and a principal place of business showing for these investors.

Finally, we note that under Commission rules this is a restricted proceeding and therefore any written communications must be made part of the record and served on all parties.

Sincerely,

Jacquelynn Ruff
Associate Chief, Telecommunications Division
International Bureau

cc: Philip Malet, Steptoe & Johnson
William D. Wallace, Crowell & Moring LLP
James G. Lovelace, Federal Bureau of Investigation
Richard P. Salgado, U.S. Department of Justice

Exhibit 2

Ownership of Iridium Carrier Holdings LLC
REVISED - As of November 1, 2001

	Iridium Carrier Holdings		
	Capital Committed	No. Units	Percentage
Class A Units:			
Syncom-Iridium Holdings Corp.	128,817	158,102	19.896%
Syndicated Communications, Inc.	64,408	79,050	9.948%
Baralonco, N.V.	97,366	119,500	15.038%
Millport Associates, S.A.	64,408	79,050	9.948%
Bareena Holdings Pty, Ltd.	135,939	166,841	20.996%
Dan A. Colussy	4,531	5,562	0.700%
Tyrone Brown	4,531	5,562	0.700%
Class A Units (total)	500,000	613,667	77.225%
Class B Units:			
Motorola (INA)	-	4,967	0.625%
Motorola (projected additional interest)	-	9,933	1.250%
Baralonco, N.V.	-	35,759	4.500%
Dan A. Colussy	-	39,732	5.000%
Gino O. Picasso	-	31,786	4.000%
Tyrone Brown	-	10,330	1.300%
VRT	-	8,741	1.100%
Iridium LLC	-	39,732	5.000%
Class B Units (total)	-	180,980	22.775%
Total (Class A + Class B)	500,000	794,647	100.000%

Iridium Carrier Holdings Non-WTO Interests:	Non-WTO Portion	Percentage Interest	Effective Percentage
Class A:			
Baralonco, N.V.	100.000%	15.038%	15.038%
Bareena Holdings Pty, Ltd.	1.000%	20.996%	0.210%
Class B:			
Motorola (INA)	0.010%	0.625%	0.000%
Motorola (projected additional interest)	0.010%	1.250%	0.000%
Baralonco, N.V.	100.000%	4.500%	4.500%
Total Effective Non-WTO Ownership			*19.748%*

Exhibit 3

IRIDIUM CARRIER HOLDINGS LLC

AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

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IRIDIUM CARRIER HOLDINGS LLC

AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT is made and intended to be effective as of the 15th day of March, 2001, by and among the persons identified in ***Exhibit A*** hereto as of the date hereof (the "**Initial Members**") and each other person who subsequently becomes a party to this Limited Liability Company Agreement as hereinafter provided.

EXPLANATORY STATEMENT

Substantially all of the parties hereto have heretofore organized a limited liability company known as Iridium Carrier Holdings LLC (the "**Company**") pursuant to the Delaware Limited Liability Company Act (the "**Act**") and, in connection therewith, entered into an LLC Agreement dated as of March 15, 2001. The parties wish to amend and restate that Agreement in its entirety as of its original date and to continue the Company upon the terms and conditions set forth in this Amended and Restated Agreement.

AGREEMENTS

In consideration of the mutual promises of the parties herein contained, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound agree as follows:

Section 1. DEFINITIONS.

Except as otherwise expressly set forth herein, the following terms have the meanings set forth in this section:

1.1. "**Agreement**" or "**Limited Liability Company Agreement**" means this Amended and Restated Limited Liability Company Agreement.

1.2. "**Affiliate**" of a Member means any person Controlling, Controlled By, or Under Common Control With such Member.

1.3. "**Bankruptcy**" of a Member means:

(a) the Member's making an assignment for the benefit of creditors, or filing a voluntary petition in bankruptcy, or being adjudged bankrupt or insolvent or having entered against it an order of relief in any bankruptcy or insolvency proceeding;

(b) the Member's filing a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, or similar relief under any statute, law, or regulation;

(c) the Member's filing an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of such nature;

(d) the Member's seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or liquidator for himself or for all or any substantial part of its properties; or

(e) the continuation of any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, or similar relief under any statute, law, or regulation for one hundred and twenty (120) days after the commencement thereof or the appointment of a trustee, receiver, or liquidator for the Member or for all or any substantial part of its assets without its agreement or acquiescence, which appointment is not vacated or stayed for one hundred and twenty (120) days or, if such appointment is stayed, for one hundred and twenty (120) days after the expiration of the stay during which period the appointment is not vacated.

1.4. "**Board of Directors**" has the meaning ascribed thereto in section 6.1.

1.5. "**Certificate**" means the original certificate of formation and any amendments thereto duly filed with the Secretary of State of the State of Delaware as provided under the Act.

1.6. "**Change in Control**" means any change in Control of a Class A Member who, at the time of the change, has the right to appoint one or more Directors to the Board of Directors.

1.7. "**Class A Member**" means any person owning Class A Units.

1.8. "**Class B Member**" means any person owning Class B Units.

1.9. "**Class A Units**" means units of interest in the Company the holders of which have with respect thereto the rights, obligations, powers, and privileges specified in this Agreement as attaching to or embodied in Class A Units, including, but not limited to, the right to appoint one or more Directors to the Board of Directors pursuant to section 6.1 and the right to receive the preferred return of Capital Contributions pursuant to section 5.

1.10. "**Class B Units**" means units of interest in the Company the holders of which have with respect thereto the rights, obligations, powers, and privileges specified in this Agreement as attaching to or embodied in Class B Units, which rights, powers, and privileges expressly exclude any right to vote or to appoint a Director or, until such time as the Class A Members have received in full the return of their Capital Contributions, to receive any distributions from the Company.

1.11. "**Code**" means the United States Internal Revenue Code of 1986, as amended, or corresponding provisions of future laws.

1.12. "**Control**" The term "Control" (including the terms "Controlling", "Controlled By" and "Under Common Control With") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract, or otherwise.

1.13. "**Covered Person**" means a Member (acting in its capacity as a Member), any officer, director, member, partner, shareholder, or employee of a Member, or any officer, Director, or employee of the Company.

1.14. "**Event of Withdrawal**" with respect to a Member (other than Iridium, and its successors and assigns) means: (i) the Member's Bankruptcy or resignation or withdrawal from the Company (whether or not permitted by this Agreement); (ii) the Member's death or Incompetence if a natural person; (iii) the dissolution of such Member or the revocation of its charter if a corporation; or (iv) the dissolution and commencement of winding up or other cessation of legal existence of such Member if a separate partnership or limited liability company; and "**Date of Withdrawal**" means the date upon which an Event of Withdrawal occurs.

1.15. "**Director**" means an individual who is a member of the Board of Directors.

1.16. "**Incompetence**" of a Member means the adjudication of the Member by a court of competent jurisdiction as incompetent to manage his person or his property.

1.17. "**Iridium**" means Iridium LLC, a Delaware limited liability company and debtor-in-possession in bankruptcy.

1.18. "**Iridium Asset Purchase Agreement**" means the Asset Purchase Agreement dated November 16, 2000 between Iridium and its subsidiaries named therein and Iridium Satellite LLC, as amended.

1.19. "**Iridium Convertible Note**" means the Senior Convertible Promissory Note in the initial principal amount of $18.5 million to be issued to Iridium by Satellite in partial payment of the purchase price under the Iridium Asset Purchase Agreement.

1.20. "**Iridium Holdings**" means Iridium Holdings LLC, a Delaware limited liability company.

1.21. "**Member**" means any of the Class A Members or Class B Members, including any person who subsequently becomes a Class A Member or Class B Member of the Company in accordance with the terms of this Agreement. "**Members**" refers, collectively, to some or all of the Members, as the context may permit or require.

1.22. "**Percentage Interest**," when used with respect to any Class A Member or Class B Member, means the percentage determined by dividing the number of Class A Units or Class B Units, as the case may be, held by such Member by the total number of Class A Units and Class B Units then outstanding.

1.23. "**Profit**" and "**Loss**" mean, for each fiscal year of the Company (or other fiscal period for which Profit or Loss must be computed) the Company's taxable income or loss determined in accordance with section 703(a) of the Code, with the following adjustments:

(a) All items of income, gain, loss, and deduction required to be stated separately pursuant to section 703(a)(1) of the Code shall be included in computing Company taxable income or loss;

(b) Any tax-exempt income of the Company not otherwise taken into account in computing Profit and Loss shall be included in computing Company taxable income or loss; and

(c) Any expenditures of the Company described in section 705(a)(2)(b) of the Code (or treated as such pursuant to section 1.704-1(b)(2)(iv)(i) of the Regulations) and not otherwise taken into account in computing Profit or Loss shall be subtracted from taxable income or loss.

1.24. "**Regulations**" means the Treasury Regulations now or hereafter promulgated under the Code.

1.25. "**Satellite**" means Iridium Satellite LLC, a Delaware limited liability company.

1.26. "**Secretary**" means the Secretary of State of the State of Delaware.

1.27. "**Transfer**" means, as the context requires, (i) to sell, exchange, assign, pledge, give, or otherwise dispose of, whether voluntarily or by operation of law or (ii) a sale, exchange, assignment, gift, or other disposition, whether voluntary or by operation of law.

1.28. "**Units**" means, as the context requires, either (i) Class A Units or Class B Units or (ii) both Class A Units and Class B Units taken together.

Section 2. FORMATION AND NAME; OFFICE; PURPOSE; TERM.

2.1. *Formation*. The Initial Members hereby consent to the formation of the Company under the Act and hereby agree to organize and operate the Company for the purpose and upon the terms and conditions set forth in this Agreement. The rights and obligations of the Members shall be as provided in the Act, except as otherwise expressly provided herein. In the event of any inconsistency between any terms and conditions contained in this Agreement and any provisions of the Act, the terms and conditions contained in this Agreement shall govern to the extent permitted or not prohibited by the Act. The Initial Members hereby ratify and affirm the filing with the Secretary by Michael L. Quinn as their authorized agent of the Certificate of Formation attached hereto as ***Exhibit B***.

2.2. *Name and Place of Business; Principal Office and Resident Agent*.

(a) Name. The Company shall be conducted under the name **Iridium Carrier Holdings LLC** or under such other, fictitious names as the Board of Directors shall from time to time designate.

(b) Principal Office. The principal office of the Company in the State of Delaware shall be 1013 Centre Road, Wilmington, Delaware 19805.

(c) Principal Place of Business. The principal place of business of the Company in the United States shall be as the Board of Directors from time to time designates.

(d) Registered Agent. The resident agent of the Company in the State of Delaware shall be Corporation Service Company, 1013 Centre Road, Wilmington, Delaware 19805.

(e) Change of Principal Office or Registered Agent. The Company may, at any time upon concurrence of the Board of Directors, designate another principal office or resident agent or both by filing a notice or certificate of change in accordance with the Act.

2.3. *Purpose, etc*.

(a) Purpose. The purpose of the Company shall be to engage, either directly or through one or more subsidiary entities or joint ventures with others, in the provision of satellite communication services and equipment, as a common carrier authorized under the United States Communications Act of 1934, as amended (the "**Communications Act**"), or otherwise, and to do any and all things necessary, convenient, or incidental to the foregoing.

(b) Powers. The purpose of the Company as herein set forth is not intended as a limitation on the powers of the Company, and the Company shall have the power to do all acts necessary or appropriate in carrying out its business as permitted by law and may exercise all of the powers and privileges conferred upon limited liability companies formed under the Act.

2.4. *Term*. The Company shall commence as of the date of this Agreement and shall continue until such time as the Company is terminated by agreement of the Members and its assets and properties are distributed as hereinafter provided.

Section 3. CAPITAL; CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS

3.1. *Initial Capital and Issuance of Units*.

(a) Class A Units.

(i) The initial Class A Members shall contribute to the capital of the Company, in cash, the amounts set forth in ***Exhibit A***, at the time or times therein specified (each such amount a "**Capital Contribution**"), and shall receive for their respective Capital Contributions the number of Class A Units set forth in ***Exhibit A***. In the sole discretion of

the Board of Directors, the Capital Contributions of the initial Class A Members may be paid in one or more installments, in such amounts and on such dates as may be determined by the Board of Directors. Payment of any Capital Contribution so payable in installments shall be secured by a letter of credit or other collateral acceptable to the Board of Directors. Any payment of a Class A Member's Capital Contribution so deferred may only be called by the Board of Directors on a proportionate basis with all other deferred Class A Member Capital Contributions. Unless and until the Board of Directors authorizes a call for the payment of any deferred Capital Contribution or installment thereof, a Class A Member shall have no personal obligation to make such payment, and neither the Company nor any creditor of the Company shall be entitled to make such call or collect on any letter of credit or other collateral security pledged to secure such deferred obligation.

(ii) The Company may from time to time issue additional Class A Units on such terms and for such consideration (including cash or other assets) as the Class A Members unanimously agree.

(b) Class B Units.

(i) Effective as of the date hereof, the Company shall issue to Iridium such number of Class B Units as shall constitute immediately after such issuance five percent (5%) of the total number of Units then issued and outstanding. Such Units shall be issued for a deemed capital contribution of One Dollar ($1.00). Upon the issuance of additional Units at any time thereafter, the number of Class B Units deemed issued to Iridium (or its permitted transferees) shall automatically be increased so that the number of Class B Units held by Iridium (or its permitted transferees) immediately thereafter shall constitute five percent (5%) of the total number of Units then issued and outstanding.

(ii) Effective as of the date hereof, the Company shall issue to Dan A. Colussy such number of Class B Units as shall constitute immediately after such issuance five percent (5%) of the total number of Units then issued and outstanding. Such Units shall be issued for a deemed capital contribution of One Dollar ($1.00). Upon the issuance of additional Units at any time thereafter, the number of Class B Units deemed issued to Colussy shall automatically be increased so that the number of Class B Units held by him immediately thereafter shall constitute five percent (5%) of the total number of Units then issued and outstanding. Notwithstanding the foregoing, in the event that Colussy ceases to be Chairman of Iridium Holdings (for any reason other than death or disability) at any time during the two-year period ending December 11, 2002, then Colussy shall be deemed to have forfeited the Nonvested Portion of the Class B Units issued to him under this paragraph. For such purpose, "Nonvested Portion" means fifty percent times the number of days remaining in such two-year period as of the date that Colussy ceases to be Chairman of the Company divided by seven hundred thirty (730).

(iii) Effective as of the date hereof, the Company shall issue to Tyrone Brown such number of Class B Units as, when added to the number of Class A Units held by him as of the date hereof, shall constitute immediately after such issuance two percent (2%) of the total number of Units then issued and outstanding. Such Class B Units shall be issued for a deemed capital contribution of One Dollar ($1.00). Upon the issuance of additional Units at any time thereafter, the number of Class B Units deemed issued to Brown shall automatically be increased so that the number of Class B Units held by Brown immediately thereafter shall, when

added to the 4,806 Class A Units held by him as of the date hereof, constitute two percent (2%) of the total number of Units then issued and outstanding.

(iv) The Board of Directors may from time to time issue additional Class B Units (either outright or subject to vesting and other conditions or pursuant to option agreements) to officers or employees of or consultants to the Company or for such other purposes as the Board of Directors from time to time unanimously deems appropriate, all on such terms as the Board of Directors may unanimously determine. Any person receiving Class B Units shall make such contribution to the capital of the Company as the Board of Directors may unanimously approve.

(c) Iridium Convertible Debt. Effective as of the closing date under the Iridium Asset Purchase Agreement and in partial consideration for the assets acquired by Satellite thereunder, Satellite issued to Iridium the Iridium Convertible Note. Pursuant to the provisions of the Iridium Convertible Note and on the terms and subject to the conditions therein set forth, Iridium (or its permitted assignees) has the option to convert all or a portion the principal amount of the Iridium Convertible Note (but not any interest accrued but unpaid thereon) into Class A Units of Iridium Holdings. Upon the effectiveness of the exercise of such conversion option, Iridium (or its permitted assignees, in the aggregate): (i) shall become a Class A Member of the Company, (ii) shall be deemed to have acquired Class A Units constituting the same proportionate interest in the Company as of such date as Iridium has acquired in Iridium Holdings by virtue of its exercise of such conversion option, (iii) shall be deemed to have made (or to have become obligated to make) a Capital Contribution proportionate to the Capital Contributions made by the initial Class A Members, and (iv) shall be entitled to appoint, remove, and replace a number of Directors proportionate to the numbers of Directors that the initial Class A Members are, as of the date hereof, entitled to appoint, remove, and replace.

3.2. *Additional Contributions*. Except as they may otherwise from time to time agree in writing, the Members shall be under no obligation to make any capital contributions to the Company.

3.3. *Withdrawal of Capital; Interest on Capital*. No Member shall be entitled to withdraw all or any part of the Member's Capital Account or to receive any distribution from the Company except as provided in section 5. No Member shall be entitled to receive interest on amounts contributed to the capital of the Company.

3.4. *Capital Accounts*

(a) Basic Rules. A Capital Account shall be maintained for each Member in accordance with the provisions of this section 3.4. Each Member's Capital Account: (i) shall be *increased* by (1) the amount of money contributed or deemed contributed by the Member to the Company and (2) the fair market value of any property contributed by the Member to the Company (net of any liabilities secured by such property that the Company is considered to assume or take subject to under section 752 of the Code) and (3) allocations to the Member of Company Profit (or items or components thereof) and (ii) shall be *decreased* by (4) the amount of money distributed to the Member by the Company and (5) the fair market value of any property distributed to the Member by the Company (net of any liabilities secured by such property that the Member is

considered to assume or take subject to under section 752 of the Code) and (6) allocations to the Member of expenditures of the Company described in section 705(a)(2)(B) of the Code and (7) allocations to the Member of Company Loss (or items or components thereof).

(b) Additional Rules. It is the intent of the Members that the Members' Capital Accounts shall be maintained and adjusted in accordance with, and that the rules prescribed in section 3.4(a) shall be applied consistently with, section 1.704-1(b)(2)(iv) of the Regulations, the provisions of which are hereby incorporated herein by reference.

3.5. *Distributions in Kind*. Any property distributed in kind, whether in liquidation of the Company or a Member's interest therein or otherwise, shall be valued and treated as though the property was sold at its fair market value and the cash proceeds were distributed. The difference between the fair market value of the property distributed in kind and its book value shall be treated as a gain or loss on the sale of the property and shall be credited or charged to the Members in accordance with section 4 and reflected in the Members' Capital Accounts as provided in section 3.4.

Section 4. ALLOCATIONS OF PROFITS AND LOSSES.

4.1. *In General*. Except as otherwise provided herein, Company Profit or Company Loss, as the case may be, for any Company fiscal year shall be allocated among the Members as follows:

(a) If there is a Loss for the fiscal year, such Loss shall be allocated as follows:

(i) to each of the Members to the extent of (1) the aggregate amount of Profit allocated to such Member for prior fiscal years reduced by (2) the aggregate amount of Loss allocated to such Member pursuant to this subparagraph (a) in prior fiscal years (the "**Net Profit for Prior Years**"), in proportion to the aggregate Net Profit for Prior Years of all the Members; then

(ii) to each of the Members having a positive Capital Account balance to the extent of and in proportion to such balances; and

(iii) thereafter, in accordance with the Members' respective Percentage Interests.

(b) If there is a Profit for the fiscal year, such Profit shall be allocated:

(i) to each of the Members to the extent of (1) the aggregate amount of Loss allocated to such Member in prior fiscal years reduced by (2) the aggregate amount of Profit allocated to such Member pursuant to this subparagraph (b) in prior fiscal years (the "**Net Loss for Prior Years**"), in proportion to the aggregate Net Loss for Prior Years of all of the Members; and

(ii) thereafter, in accordance with the Members' respective Percentage Interests.

4.2. *Member Loans, Etc.* Any interest paid on loans made by the Members and all compensation, fees, and other amounts (if any) paid to any Member (to the extent determined without regard to the income of the Company) shall, to the extent permitted under section 707 of the Code, be deducted from gross income for Company book and tax purposes.

4.3. *Qualified Income Offset*. Notwithstanding section 4.1, if for any year a Member unexpectedly receives any adjustment, allocation, or distribution described in section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, then such Member shall be allocated items of income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) in an amount and manner sufficient to eliminate the deficit balance in such Member's Capital Account (excluding from each Member's deficit Capital Account balance any amount that such Member is obligated to restore within the meaning of section 1.704-1(b)(2)(ii)(c) of the Regulations, but subject to any reduction in the obligation to restore pursuant to section 1.704-1(b)(2)(ii)(f) of the Regulations) created by such adjustment, allocation, or distribution as quickly as possible.

4.4. *Minimum Gain Chargeback*. Notwithstanding section 4.1, if there is a net decrease in Company Minimum Gain during a Company taxable year, all Members shall be allocated, before any other allocation is made under section 704(b) of the Code of Company items for such year, items of income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of Company Minimum Gain. For purposes of the preceding sentence, the rules set forth in section 1.704-2(e) shall apply as though set forth herein. For purposes hereof, "**Company Minimum Gain**" has the meaning set forth in section 1.704-2(d) of the Regulations; and a "**Member's Share of Company Minimum Gain**" means the amount determined in accordance with section 1.704-2(g) of the Regulations.

4.5. *Distributive Shares*. For purposes of sections 702 and 704 of the Code or any similar tax law of any state or jurisdiction, each Member's distributive share of Company income, gain, loss, deduction and credit (and items thereof) shall be as set forth in this section 4.

Section 5. DISTRIBUTIONS.

5.1. *In General*. Any available cash flow of the Company, whether derived from the ordinary operations of the Company, from capital transactions, or otherwise (net of such amounts as the Board of Directors from time to time reasonably determines should be retained in the Company for operation or future expansion of the Company's business), shall be distributed at such times as the Class A Members unanimously agree, but only in accordance with the following priorities:

(a) to the return to the Class A Members of their Capital Contributions not theretofore returned, in proportion to the aggregate amount then remaining unreturned; and

(b) after the Capital Contributions of the Class A Members have been returned in full, to all of the Members, in accordance with their Percentage Interests.

5.2. *Distributions in Respect of Taxes*. Amounts withheld pursuant to the Code or any provision of any state or local law with respect to any payment, distribution, or allocation to the Company or the Members shall be treated as amounts distributed to the Members pursuant to this section 5 for all purposes of this Agreement. The Board of Directors is authorized to withhold from distributions that would otherwise be made to, or in respect of allocations to, the Members and to pay over to any federal, state, or local government any amounts required to be so withheld pursuant to the Code or any provision of any other federal, state, or local law and shall allocate such amounts to those Members with respect to which such amounts were withheld; *provided*, however, that the Board of Directors shall provide usual and customary opportunity to the Members to provide documentation to establish exemption from such withholding requirements in accordance with applicable law.

5.3. *Upon Liquidation and Winding Up of the Company*. The net proceeds of a liquidation of the Company's assets and properties in connection with the winding up of the Company shall be applied as follows:

(a) to payment of the debts and liabilities of the Company (including those owed to Members) and the expenses of liquidation;

(b) to the setting up of such reserves as the person charged with winding up the Company's affairs may reasonably deem necessary for any contingent liabilities or obligations of the Company, *provided* that any such reserves shall be paid over by such person to an independent escrow agent to be held by such agent or its successor for such period as such person shall deem advisable for the purpose of applying such reserves to the payment of such liabilities or obligations, and, at the expiration of such period, the balance of such reserves, if any, shall be distributed as hereinafter provided;

(c) to the return to the Class A Members of their Capital Contributions not theretofore returned, in proportion to the aggregate amount then remaining unreturned; and then

(d) to the Members in the proportionate reduction and elimination of their positive Capital Accounts.

Section 6. MANAGEMENT.

6.1. *In General; Board of Directors*.

(a) Except as otherwise provided in this Agreement, the overall authority and responsibility for the conduct of the business and affairs of the Company shall be vested in its Board of Directors. The powers of the Board of Directors shall include, without limitation, all matters that may be granted or delegated to a "manager" or to a member under the Act.

(b) Each Class A Member shall be entitled at any time and from time to time to appoint, remove, or replace the number of Directors specified in ***Exhibit A***., each of whom shall be entitled to cast one (1) vote. In no event, however, shall any Director appointed by a Class A Member be entitled to cast any vote while any portion of such Class A Member's Capital Contribution otherwise due and payable remains unpaid, and such Director shall be ignored in determining whether a quorum exists for the transaction of any business by the Board of Directors for as long as such default continues.

(c) Dan Colussy is hereby appointed Chairman of the Board of Directors and as such shall be deemed a Director entitled as such to cast one (1) vote.

(d) The Board of Directors shall have exclusive responsibility and authority for the conduct of the Company's business, except to the extent that certain matters may be expressly reserved by law or this Agreement to the Members. Except as otherwise provided in this Agreement, the Board of Directors shall act by majority of those present and entitled to vote. The Board of Directors shall meet as frequently as is reasonably necessary but no less frequently than quarterly. An individual appointed to serve on the Board of Directors shall do so at the pleasure of the Class A Member appointing him or her and may be removed and replaced by such Class A Member at any time. A Class A Member may, from time to time, designate an alternate Director who may vote or act for a Director appointed by that Class A Member. Any vacancy occurring on the Board of Directors shall be filled by the Class A Member who appointed the individual to the position which has become vacant. All decisions of the Board of Directors shall (except as otherwise provided herein) be by majority vote and shall be documented in such manner as the Board of Directors from time to time determines. A Director may vote by proxy. The Board of Directors may take action by meeting in person, by telephone conference, by written action in lieu of a meeting, or in such other manner as is determined by the Board of Directors. At any meeting of the Board of Directors (whether in person, by telephone conference, by written action in lieu of a meeting, by proxy or otherwise) the presence of Directors entitled to cast at least a majority of the total number of votes entitled to be cast by all of the Directors shall constitute a quorum sufficient to take action.

(e) The Class B Members, in their capacities as Class B Members, shall have no right or authority to appoint, remove or replace a Director.

6.2. *Certain Decisions*. Notwithstanding any other provision of this Agreement, no action shall be taken or funds expended or obligations incurred by or on behalf of the Company with respect to any of the following without the approval of all of the Class A Members or such lesser proportion as is provided in this section:

(a) any expansion of the business of the Company or entry into new business ventures outside the scope of the Company's then-existing business;

(b) any action materially affecting the capitalization or financial structure of the Company, including but not limited to borrowing or entering into financing arrangements for the Company or its subsidiaries or the issuance of equity interests (including Units) in the Company or its subsidiaries (other than as specifically contemplated by section 3.1(b)),

except with the approval of Class A Members holding Class A Units that constitute in the aggregate at least two-thirds of the total number of Class A Units held by all of the Class A Members;

(c) any entry into a contract with an entity not Controlled by the Company or Iridium Holdings that (i) is outside the ordinary course of business or (ii) requires payments by the Company in excess of $1 million in the aggregate;

(d) any filing of a petition for relief under the federal bankruptcy laws or any assignment of the assets of the Company in trust for creditors or on the assignee's promise to pay the debts of the Company; or

(e) any sale or other disposition (directly or indirectly) of all or a substantial portion of the Company's assets or goodwill of the Company's business or merger or consolidation of the Company with or into any other person.

6.3. *Rights, Powers, and Responsibilities of Officers*. Subject to section 6.2, the Board of Directors may from time to time delegate authority over and responsibility for the management and operation of the Company to one or more individuals, any of whom may be designated as the president, a vice president or other officer of the Company. If and to the extent so designated, such individual (except as the Board of Directors may otherwise specify) shall have the authority and responsibility typically confided in a similarly-titled officer of a corporation.

6.4. *Limitations on Authority of Members*. No Member is an agent of or otherwise has any authority to act for the Company solely by virtue of being a Member. Except as otherwise specifically set forth in this Agreement, Members shall have no voice in the management, conduct, or control of the business of the Company or any right or authority to act for or to bind the Company. The Members recognize and agree that the management and agency authority granted to the Board of Directors in this section 6 supersedes any agency authority granted to the Members pursuant to the Act. If a Member takes any action or binds the Company in violation of this section, such Member shall be responsible for any loss or expense incurred by such unauthorized action and shall indemnify and hold the Company and the other Members harmless from and against such loss or expense.

Section 7. TRANSFER OF INTERESTS; OPTION TO ACQUIRE ADDITIONAL INTEREST.

7.1. *General Restriction*.

(a) Except as provided in section 7.1(c) below, but subject to any further restrictions on transferability imposed by federal or state law (including but not limited to the Communications Act), no Member shall have the right to Transfer all or any part of such Member's interest in the Company (including but not limited to the right to receive any distributions hereunder), and no transferee shall be entitled to become a substituted Member or to exercise any of the rights of a Member, except with the unanimous consent of all of the Class A Members, which consent may be granted or withheld in the sole discretion of each Class A Member. For purposes of the foregoing, a Change in Control of a Class A Member shall be deemed a Transfer and upon any such Transfer: (i) such Member shall be deemed to have become a transferee with no right to designate any Director or otherwise vote as a Class A Member hereunder and (ii) any Director(s)

previously designated by such Member shall not be entitled to cast any vote and shall be ignored in determining whether a quorum exists for the transaction of business by the Board of Directors unless and until such Member shall have obtained the consent of all of the remaining Class A Members.

(b) The Members acknowledge that the Transfer of a Member's interest in the Company may be subject to the approval or consent of or review or authorization by the Federal Communications Commission ("**FCC**") or otherwise restricted under United States telecommunications laws and specifically agree that any Transfer of an interest in the Company shall at all times be expressly conditioned on the receipt of all such approvals, consents, and authorizations ("**Government Approvals**").

(c) Subject to any restrictions imposed by the FCC or United States telecommunications laws and the receipt of all required Government Approvals, a Member may freely Transfer its interest in the Company to an Affiliate without the prior consent of the Class A Members; *provided*, however, that for purposes of this section 7.1(c), a Transfer to an Affiliate which is a publicly-traded company shall be permitted without the consent of the Class A Members as long as the Member making such Transfer continues to control the Affiliate after the Transfer.

7.2. *Requirements for Transfer and Substitution*. No Transfer of all or any portion of a Member's interest in the Company otherwise made in accordance with section 7.1 shall become effective and no transferee of the whole or a portion of a Member's interest shall have the right to become a substituted Member in place of its transferor unless and until all of the following conditions are satisfied:

(a) The transferor and transferee shall have executed, acknowledged, and delivered to the Company such instruments as the Board of Directors may reasonably deem necessary or desirable to effect or evidence such transfer; and

(b) With respect to the substitution of a transferee as a Member, the transferee shall have executed, acknowledged, and delivered to the Company a written instrument evidencing the transferee's unconditional agreement to be bound by the provisions of this Agreement as a substituted Member; and

(c) The Company shall have received a written opinion from counsel to the transferor or the transferee (which opinion and counsel shall be reasonably acceptable to counsel for the Company) to the effect that the transfer may be made without registration under, and otherwise will be in compliance with, United States federal and state securities and telecommunications laws.

7.3. Right of First Refusal.

(a) If a Class A Member or Class B Member (the "**Transferor**") receives a bona fide written offer (the "**Transferee Offer**") from any other Person (the "**Transferee**") to purchase all or any portion of or any interest or rights in the Units held by the Transferor (the "**Offered Interest**") that the Transferor wishes to accept, then, before any Transfer of the Offered Interest, the Transferor shall give to each of the Class A Members (or each of the

other Class A Members, as the case may be) (the "**Remaining Members**") written notice (the "**Transfer Notice**") containing each of the following:

(i) the Transferee's identity;

(ii) a true and complete copy of the Transferee Offer; and

(iii) the Transferor's offer (the "**Offer**") to sell the Transferor Interest to the Remaining Members for a total price equal to the price set forth in the Transferee Offer (the "**Transfer Price**"), which shall be payable on the terms of payment set forth in the Transferee Offer.

(b) The Offer shall be and remain irrevocable for a period (the "**Offer Period**") ending at 11:59 P.M. local time at the Company's principal office, on the thirtieth (30th) day following the date the Transfer Notice is given to the Remaining Members. At any time during the Offer Period, a Remaining Member may accept the offer by notifying the Transferor in writing that the Remaining Member intends to purchase all, but not less than all, of the Offered Interest. If two (2) or more Remaining Members desire to accept the Offer, then, in the absence of an agreement between or among them, each such Remaining Member shall purchase the Offered Interest in the proportion that such Remaining Member's Percentage Interest bears to the total Percentage Interests of all of the Remaining Members who desire to accept the Offer.

(c) If one or more Remaining Members accept the Offer, then (i) the parties shall consummate the purchase on the tenth (10^{th}) day following the date as of which all necessary Government Approvals have been obtained but in no event earlier than ten (10) days nor later than nine (9) months after the date the Transfer Notice was given (the "**Transfer Closing Date**") and (ii) the Transfer Price shall be paid in immediately available funds on the Transfer Closing Date in accordance with the payment terms set forth in the Transferee Offer. If the purchase has not been consummated within the foregoing time period because of the failure to receive one or more Government Approvals, then the Transferor shall be free for a period of thirty (30) days after the end of such period to Transfer the Offered Interest to the Transferee (subject to the receipt within such period of all required Government Approvals), for the same or greater price and on the same terms and conditions as set forth in the Transfer Notice.

(d) If no Remaining Member accepts the Offer (within the time and in the manner specified in this section), then the Transferor shall be free for a period of thirty (30) days after the expiration of the Offer Period to Transfer the Offered Interest to the Transferee (subject to the receipt within such period of all required Government Approvals), for the same or greater price and on the same terms and conditions as set forth in the Transfer Notice. If the Transferor does not consummate the Transfer of the Offered Interest within such thirty-day period, the Transferor's right to Transfer the Offered Interest pursuant to this section shall cease and terminate.

(e) Any purported Transfer by the Transferor other than in strict compliance with the terms, provisions, and conditions of this section and the other terms, provisions, and conditions of this Agreement shall be null and void and of no force or effect.

(f) The Transfer of Class B Units or interests therein shall be subject to the provisions of this section, but no Class B Member (in its capacity as such) shall have any right to acquire all or any portion of an Offered Interest.

(g) The provisions of this section shall not apply to (i) a transfer by Iridium of Units pursuant to the liquidation of Iridium's bankruptcy estate to Persons holding interests in such estate and (ii) transfers permitted under section 7.1(c).

7.4. *Option to Acquire Additional Interest*.

(a) The Members hereby agree that Baralonco N.V. shall have an option to acquire from the Company at a price per Class A Unit equal to that contributed to the capital of the Company by the other holders of Class A Units, exercisable by Baralonco N.V. at any time by written notice to the Company subject only to the conditions and restrictions set forth in subsection (b), such number of Class A Units in the Company as will result, immediately after such acquisition, in Baralonco's Percentage Interest being equal to its then Percentage Interest in Iridium Holdings (as defined in the Limited Liability Company Agreement of Iridium Holdings).

(b) The exercise of the foregoing option shall at all times be subject to any conditions or restrictions imposed by the FCC or United States telecommunications laws and the receipt of all required Government Approvals, and, without limiting the generality of the foregoing, the express condition that neither such exercise nor the acquisition of an additional interest in the Company pursuant thereto will result in the loss or suspension of the common carrier authorizations or licenses (or other authorizations or licenses as to which status as a common carrier is a requirement) granted to the Company or any of its subsidiaries under United States telecommunications laws.

Section 8. LIABILITY AND INDEMNIFICATION

8.1. *Liability*. Except as otherwise expressly provided by the Act, the debts, obligations, and liabilities of the Company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Covered Person.

8.2. *Exculpation*.

(a) No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage, or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed by such Covered Person to be within the scope of authority conferred on such Covered Person by or in accordance with this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's breach of this Agreement or willful misconduct.

(b) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person as to matters the Covered Person reasonably

believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports, or statements as to the value and amount of the assets, liabilities, Profits, Losses or net cash flow of the Company or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

8.3. *Fiduciary Duty*. To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any Member for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the parties to replace such other duties and liabilities of such Covered Person.

8.4. *Indemnification*. To the fullest extent permitted by applicable law, the Company shall indemnify, defend, and hold harmless a Covered Person for any loss, damage, or claim incurred by such Covered Person by reason of any act performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by or in accordance with this Agreement, except that no Covered Person shall be entitled to be indemnified, defended, or held harmless in respect of any loss, damage, or claim incurred by such Covered Person by reason of such Covered Person's breach of this Agreement or willful misconduct with respect to such acts or omissions; *provided*, however, that any indemnity under this section 8.4 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof.

8.5. *Expenses*. To the fullest extent permitted by applicable law, expenses (including reasonable legal fees) incurred by a Covered Person in defending any claim, demand, action, suit, or proceeding shall, from time to time, be advanced by the Company before the final disposition of such claim, demand, action, suit, or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in section 8.4 hereof.

Section 9. EVENTS OF WITHDRAWAL.

No Member shall be entitled to withdraw as a Member of the Company. Upon the occurrence of any Event of Withdrawal with respect to a Member, the Company shall nevertheless continue. Effective as of the Date of Withdrawal, any individual or individuals appointed to the Board of Directors by the withdrawing Member pursuant to section 6.1 shall automatically be deemed to have resigned, and from and after the Date of Withdrawal the withdrawing Member shall have no further right to participate directly or indirectly in the management of the Company (including but not limited to any right to designate individuals as members of the Board of Directors). The withdrawing Member (or the withdrawing Member's successor in interest) shall have no right to transfer all or any portion of its interest in the Company other than as provided in section 7.1 or to designate any other person as a Member in the withdrawing Member's place. The withdrawing Member (or the withdrawing Member's successor in interest) shall have only the right to receive distributions (at such times and in such

amounts) to which the withdrawing Member would have been entitled under this Agreement had he not withdrawn, reduced, in the case of a voluntary withdrawal, by any damages to the Company proximately caused by such withdrawal. In no event shall the Company or any other Member be obligated to redeem or purchase the interest of the withdrawing Member.

Section 10. LIQUIDATION AND WINDING UP.

10.1. *Gain or Loss Upon Liquidation*. Upon the liquidation and winding up of the Company, any gain or loss on the disposition of Company property shall be credited or charged to the Members in accordance with section 4.

10.2. *Restoration of Deficit Capital Accounts*. Except as provided in the following sentence, upon the liquidation and winding up of the Company, no Member shall have any obligation to restore a negative balance in such Member's Capital Account. Notwithstanding the preceding sentence, in the event any Member has guaranteed any debt or obligation of the Company and such debt or obligation remains outstanding at the date of liquidation of the Company, such Member hereby agrees to (a) waive its rights of subrogation with respect to such guaranty; and (b) restore the lesser of (i) the amount of such guaranty or (ii) the negative balance, if any, in such Member's Capital Account, no later than the end of the Company's taxable year in which the liquidation of the Company (or such Member's interest) occurs (or, if later, within 90 days after the date of such liquidation). Nothing contained herein shall be deemed to waive any rights of contribution a guarantor may have against any other guarantor.

10.3. *Final Tax Returns, Etc*. Upon the liquidation and winding up of the Company, the Board of Directors shall promptly cause to be filed all outstanding and final tax returns with the appropriate government authorities and a certificate of cancellation or such other documents as are necessary to effectuate the termination of the Company's existence under the Act.

Section 11. BOOKS AND RECORDS; ACCOUNTING AND REPORTS; TAX MATTERS.

11.1. *Bank Accounts*. A bank account or accounts shall be maintained in such bank or banks as may from time to time be determined by the Board of Directors. All funds of the Company shall be deposited in the name of the Company in such account or accounts, and all checks thereon and withdrawals therefrom shall be signed by such individuals as are from time to time authorized by the Board of Directors.

11.2. *Availability*. At all times during the existence of the Company the Board of Directors shall cause to be kept full and true books of account in accordance with the accounting method followed by the Company for federal income tax purposes and otherwise in accordance with generally accepted accounting principles and procedures applied in a consistent manner ("**GAAP**") as shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. Such books of account, together with a copy of this Agreement and the Articles, shall at all times be maintained at the principal office of the Company. Each Member or its duly authorized representative shall have the right at any time to inspect and copy such books and documents during normal business hours upon reasonable notice.

11.3. *Financial Reports*.

(a) The Board of Directors shall cause the Company to prepare and deliver to each Member within forty-five (45) days after the end of each fiscal quarter of the Company (a) an internally-prepared income statement reflecting in reasonable detail the results of operations of the Company for such quarter and the fiscal year to date and a balance sheet reflecting the financial position of the Company as of the end of such quarter, which income statement and balance sheet shall be prepared in accordance with GAAP (except for the omission of footnotes and normal recurring year-end adjustments); (b) a schedule setting forth distributions to the Members during such quarter and for the fiscal year to date; and (c) a statement of any fees or other amounts paid by the Company to any Member or to any Affiliate of any Member during such quarter and for the fiscal year to date and the goods provided or services rendered by such Member or person therefor.

(b) The independent accountants of the Company, as shall be selected by the Board of Directors, shall within 90 days after the end of each fiscal year of the Company prepare and deliver to each Member (a) an audited financial report of the Company for such period, including an income statement reflecting in reasonable detail the results of operations of the Company for such fiscal year and a balance sheet reflecting the financial position of the Company as of the end of such year, which income statement and balance sheet shall be prepared in accordance with GAAP; (b) a schedule of distributions to the Members allocating to the Members each item of taxable income, gain, loss, deduction, credit and item of tax preference; (c) all necessary tax reporting information required by the Members for preparation of their respective income tax returns; (d) a copy of the tax returns (federal, state, and local, if any) of the Company for each fiscal year; (e) a statement of any fees or other amounts paid by the Company to any Member or to any Affiliate of any Member and the goods provided or services rendered by such Member or person therefor; and (f) such other matters as the Board of Directors may reasonably deem material to the operations of the Company.

11.4. *Accounting Decisions and Tax Elections*. All decisions as to accounting matters and tax elections required or permitted to be made by the Company shall be made by the Board of Directors consistent with the Company's method of accounting and otherwise in accordance with GAAP applied on a consistent basis as the Board of Directors may in its reasonable discretion determine.

11.5. *Taxable Year*. The Company's taxable and fiscal years shall be the calendar year.

11.6. *Tax Matters Partner*. The Chairman of the Company, as appointed by the Board of Directors from time to time, shall be the Company's Tax Matters Partner ("**TMP**") under the Code. The TMP shall have the right to resign by giving thirty (30) days' written notice to the Members. Upon the resignation, dissolution or Bankruptcy of the TMP, a successor TMP shall be elected by the Board of Directors. The TMP shall employ experienced tax counsel to represent the Company in connection with any audit or investigation of the Company by the Internal Revenue Service ("**IRS**") and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The fees and expenses of such, and all expenses incurred by the TMP in serving as the TMP, shall be Company expenses and shall be paid by the Company.

Notwithstanding the foregoing, it shall be the responsibility of the Members, at their expense, to employ tax counsel to represent their respective separate interests. If the TMP is required by law or regulation to incur fees or expenses in connection with tax matters not affecting each of the Members, then the Board may, in its sole discretion, seek reimbursement from or charge such fees and expenses to the Members on whose behalf such fees and expenses were incurred. The TMP shall keep the Members informed of all administrative and judicial proceedings, as required by section 6223(g) of the Code and shall furnish a copy of each notice or other communication received by the TMP from the IRS to each Member, except such notices or communications as are sent directly to such Member by the IRS. The relationship of the TMP to the Members is that of a fiduciary, and the TMP has a fiduciary obligation to perform his duties as TMP in such manner as will serve the best interests of the Company and all of the Company's Members. To the fullest extent permitted by law, the Company agrees to indemnify the TMP and his agents and save and hold them harmless from and in respect to all (i) reasonable fees, costs and expenses in connection with or resulting from any claim, action or demand against the TMP or the Company that arise out of or in any way relate to the TMP's status as TMP for the Company and (ii) all such claims, actions and demands and any losses or damages therefrom, including amounts paid in settlement or compromise of any such claim, action or demand; *provided* that this indemnity shall not extend to conduct by the TMP adjudged (i) not to have been undertaken in good faith to promote the best interests of the Company or (ii) to have constituted recklessness or intentional wrongdoing by the TMP.

11.7. *Taxation as Partnership*. It is the intention of the Members that the Company not be treated as an association or a corporation for income tax purposes but instead, pursuant to Treasury Regulation section 301.7701-3, be treated as a partnership for income tax purposes. In furtherance of the foregoing, each Member agrees that it will file its own federal, state and local income, franchise and other tax returns and otherwise act in a manner that is consistent with such tax treatment and not make any election to treat the Company as an association or a corporation for income tax purposes. The Board of Directors shall use its best efforts to avoid taking any action that would cause the Company to be classified other than as a partnership for federal income tax purposes.

Section 12. MISCELLANEOUS.

12.1. *Notices*. All notices, demands, requests, consents, or other communications required or permitted to be given or made under this Agreement shall be in writing and signed by the party giving the same and shall be deemed to have been given or made when delivered to the intended recipient (including delivery by commercial courier) to the intended recipient at the address set forth in ***Exhibit A*** or at any other address of which prior written notice has been given; *provided*, however, that any notices to be sent outside of the United States shall be sent by fax or by recognized international courier services and that such notice shall be deemed given on the fourth business day following dispatch. Any notice period shall commence on the day such notice is deemed given.

12.2. *Limitation of Liability*. In no event shall a Member be liable hereunder to any other Member or to the Company for special, incidental, consequential, or punitive damages, including loss of profits or overhead, whether the claim is based upon contract, warranty, tort, negligence, or strict liability theories, or otherwise relates to a breach of representation or

warranty set forth in this Agreement or a breach of a covenant or agreement under this Agreement; *provided*, that nothing herein shall be deemed to limit the obligation, if any, of a Member to indemnify, defend, and hold harmless the other Members or the Company for any special, incidental, consequential, or punitive damages if and to the extent such special, incidental, consequential, or punitive damages are recovered by a third person.

12.3. *Titles and Headings*. Titles or headings contained in this Agreement are inserted only as a matter of convenience of reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provisions hereof.

12.4. *Person and Gender*. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders and the word "person" shall include a corporation, firm, partnership, or other form of association.

12.5. *Binding Agreement*. Subject to the restrictions on assignment herein contained, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, estates, heirs, and legatees of the respective Members.

12.6. *Applicable Law*. The validity, construction, and enforcement of the terms and provisions of this Agreement shall be governed by the laws of the State of Delaware (without regard to any provision that would result in the application of the laws of any other state or jurisdiction).

12.7. *No Agency Intended; Other Activities*. Nothing herein contained shall be construed to constitute any Member the agent of another Member, except as expressly provided herein, or in any manner to limit the Members in the carrying on of their own businesses or activities.

12.8. *Amendment of Agreement*. This Agreement (and any exhibits to this Agreement) may be amended only with the written consent of Directors entitled to cast two-thirds of the total number of votes entitled to be cast by all of the Directors. No amendment shall, however, (i) enlarge the obligations of any Member under this Agreement without the written consent of such Member, (ii) dilute the relative interest of any Member in Company Profit, Company Loss, or distributions by or capital of the Company without the written consent of such Member (except such dilution as may result from (x) additional capital contributions from the Members or the admission of additional Members or the issuance of additional Units as specifically permitted pursuant to this Agreement, (y) a termination or withdrawal of a Member, or (z) otherwise as is explicitly permitted in this Agreement), or (iii) alter or waive the terms of this section 12.8 or of section 8.1. The Board of Directors shall promptly furnish copies of any amendments to this Agreement and the Company's Certificate to all Members.

12.9. *Agreement in Counterparts*. This Agreement may be executed in several counterparts and all so executed shall constitute one Agreement, binding on all parties hereto, notwithstanding that all the parties are not signatories to the original or the same counterpart.

12.10. *Incorporation of Recitals and Exhibits*. Each of the recitals and exhibits to this Agreement is by this reference incorporated into and made a part of this Agreement.

12.11. *Entire Agreement*. This Agreement constitutes the entire agreement of the Members and supersedes all prior agreements among the Members with respect to the Company.

12.12. *Arbitration*. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration before a single arbitrator in Baltimore, Maryland, in accordance with the commercial arbitration rules then in effect of the American Arbitration Association. Any award shall be final, binding and conclusive upon the parties. The arbitrator shall be empowered to award the costs of the arbitration and reasonable attorneys' fees to the party substantially prevailing in the arbitration as the arbitrator determines is just and appropriate. A judgment upon the award rendered may be entered in any court having jurisdiction thereof.

12.13. *Disclosure*. No material confidential information concerning the Company that has been learned by a Member by virtue of its representation on the Board of Directors or otherwise and that is not otherwise publicly available through no fault of such Member shall be disclosed without the consent of the Board of Directors, which shall not be unreasonably withheld.

12.14. *Effective Date; Execution by Class B Members*. This Agreement shall be effective on and as of the date set forth in the first paragraph of this Agreement, notwithstanding that it has not been executed by all of the Class B Members. In the event that a Class B Member has not executed this Agreement, such Class B Member shall not be entitled to enjoy any of the rights and privileges afforded a Class B Member hereunder (including but not limited to the right to receive any distributions that would otherwise be made to the Class B Member) or under the Act until such time as the Class B Member executes a counterpart of this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

CLASS A MEMBERS:

ATTEST/WITNESS

SYNCOM-IRIDIUM HOLDINGS CORP.

_____

By:_____(SEAL)
Name: Herbert P. Wilkins, Sr.
Title: President

ATTEST/WITNESS

SYNDICATED COMMUNICATIONS INC.

_____

By:_____(SEAL)
Name: Herbert P. Wilkins, Sr.
Title: Chairman

ATTEST/WITNESS:

BARALONCO N.V.

_____

By:_____(SEAL)
Name:_____
Title: _____

ATTEST/WITNESS:

MILLPORT ASSOCIATES, S.A.

_____

By:_____(SEAL)
Name:_____
Title: _____

ATTEST/WITNESS:

BAREENA HOLDINGS PTY, LTD.

_____

By:_____(SEAL)
Name:_____
Title: _____

[SIGNATURES CONTINUED ON NEXT PAGE]

ATTEST/WITNESS:

_____ _____(SEAL)
Dan A. Colussy

ATTEST/WITNESS:

_____ _____(SEAL)
Tyrone Brown

CLASS B MEMBERS:

ATTEST/WITNESS: IRIDIUM LLC

_____ By:_____(SEAL)
Name:_____
Title: _____

ATTEST/WITNESS:

_____ _____(SEAL)
Dan A. Colussy

ATTEST/WITNESS:

_____ _____(SEAL)
Tyrone Brown

[SIGNATURES CONTINUED ON NEXT PAGE]

ATTEST/WITNESS:

BARALONCO N.V.

_____

By:_____(SEAL)
Name:_____
Title: _____

ATTEST/WITNESS:

MOTOROLA, INC.

_____

By:_____(SEAL)
Name:_____
Title: _____

ATTEST/WITNESS:

VR TELECOMMUNICATIONS GMBH & CO.

_____

By:_____(SEAL)
Name:_____
Title: _____

IRIDIUM CARRIER HOLDINGS LLC

LIMITED LIABILITY COMPANY AGREEMENT

EXHIBIT A

	Total Capital Contribution	Number of Units	Number of Directors
CLASS A MEMBERS:			
Syncom-Iridium Holdings Corp. 8401 Colesville Road #300 Silver Spring, MD 20910	$		1
Syndicated Communications, Inc. 8401 Colesville Road #300 Silver Spring, MD 20910	$		0
Baralonco N.V. c/o Amaco (Curacao) N.V. Kaya W.F.G. (Iombi) Mensing 36 P.O. Box 3141 Curacao, Netherlands Antilles	$		1
Millport Associates, S.A. Av. Joao Gualberto 570 Alto da Gloria Curitiba – PR Brazil 80030-000	$		1
Bareena Holdings Pty, Ltd. 12 Alfred Street Kew, Victoria 3101 Australia	$		1
Dan A. Colussy 20 St. Thomas Drive Palm Beach Gardens, FL 33418	$		1
Tyrone Brown 2731 Unicorn Lane, N.W. Washington, D.C. 20015	$		0
Total Class A Members	$ 0	0	5

	Total Capital Contribution	Number of Units	Number of Directors
CLASS B MEMBERS:			
Iridium LLC c/o Alvarez and Marsal 599 Lexington Avenue, Suite 2700 New York, NY 10022	$1		0
Dan A. Colussy 20 St. Thomas Drive Palm Beach Gardens, FL 33418	$1		0
Tyrone Brown 2731 Unicorn Lane, N.W. Washington, D.C. 20015	$1		0
Baralonco N.V. c/o Amaco (Curacao) N.V. Kaya W.F.G. (Iombi) Mensing 36 P.O. Box 3141 Curacao, Netherlands Antilles	$1		0
Motorola, Inc. 1303 East Algonquin Road Schaumburg, IL 60196	$1		0
VR Telecommunications GmbH & Co. E.on Platz 1 40479 Düsseldorf Germany	$1		0
Total Class B Members	$6	0	0
GRAND TOTAL	$500,006		5

The Capital Contributions of the initial Class A Members set forth above shall be made at such time as the Class A Members unanimously agree.

IRIDIUM CARRIER HOLDINGS LLC

LIMITED LIABILITY COMPANY AGREEMENT

EXHIBIT B

Certificate of Formation

Attached.