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

FORM 10-Q

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

For the quarterly period ended March 31, 2018

OR

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 001-35176

GLOBAL EAGLE ENTERTAINMENT INC.

(Exact name of registrant as specified in its charter)

Delaware	**27-4757800**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
6100 Center Drive, Suite 1020 Los Angeles, California	**90045**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (310) 437-6000

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

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

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

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

(Class)	**(Outstanding as of May 10, 2018)**
COMMON STOCK, $0.0001 PAR VALUE	91,057,616 SHARES*

* Excludes 3,053,634 shares held by a wholly-owned subsidiary of the registrant.

GLOBAL EAGLE ENTERTAINMENT INC.
FORM 10-Q
FOR THE FISCAL QUARTER ENDED MARCH 31, 2018

TABLE OF CONTENTS

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

	March 31, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 168,931	$ 48,260
Restricted cash	3,388	3,608
Accounts receivable, net	102,264	113,545
Inventories	32,593	28,352
Prepaid expenses	13,888	13,486
Other current assets	14,431	20,923
TOTAL CURRENT ASSETS:	335,495	228,174
Content library	9,523	8,686
Property, plant and equipment, net	189,970	195,029
Goodwill	159,654	159,696
Intangible assets, net	112,019	122,582
Equity method investments	138,495	137,299
Other non-current assets	9,815	9,118
TOTAL ASSETS	$ 954,971	$ 860,584
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 196,967	$ 205,036
Deferred revenue	8,602	6,508
Current portion of long-term debt	16,656	20,106
Other current liabilities	7,996	7,785
TOTAL CURRENT LIABILITIES:	230,221	239,435
Deferred revenue, non-current	1,081	1,079
Long-term debt	719,427	598,958
Deferred tax liabilities	9,028	16,247
Other non-current liabilities	30,256	30,340
TOTAL LIABILITIES	990,013	886,059
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT:		
Preferred stock, $0.0001 par value; 1,000,000 shares authorized, 0 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	—	—
Common stock, $0.0001 par value; 375,000,000 shares authorized, 93,896,772 and 93,834,805 shares issued, 90,843,138 and 90,781,171 shares outstanding, at March 31, 2018 and December 31, 2017, respectively	10	10
Treasury stock, 3,053,634 shares at March 31, 2018 and December 31, 2017	(30,659)	(30,659)
Additional paid-in capital	807,355	779,565
Subscriptions receivable	(584)	(578)
Accumulated deficit	(811,142)	(773,791)
Accumulated other comprehensive loss	(22)	(22)
TOTAL STOCKHOLDERS' DEFICIT	(35,042)	(25,475)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 954,971	$ 860,584

* See Note 2. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GLOBAL EAGLE ENTERTAINMENT INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2018	**2017**
Revenue:		
Licensing and services	$ 146,526	$ 143,643
Equipment	9,971	8,949
Total revenue	156,497	152,592
Cost of sales:		
Licensing and services	112,414	102,872
Equipment	6,082	7,668
Total cost of sales	118,496	110,540
Gross margin	38,001	42,052
Operating expenses:		
Sales and marketing	9,654	11,012
Product development	8,358	7,649
General and administrative	38,285	35,321
Provision for legal settlements	516	475
Amortization of intangible assets	10,747	11,008
Goodwill impairment	—	78,000
Total operating expenses	67,560	143,465
Loss from operations	(29,559)	(101,413)
Other (expense) income:		
Interest expense, net	(15,597)	(10,964)
Loss on extinguishment of debt	—	(14,389)
Income from equity method investments	1,161	1,539
Change in fair value of derivatives	564	2,920
Other (expense) income, net	438	(488)
Loss before income taxes	(42,993)	(122,795)
Income tax (benefit) expense	(4,709)	2,816
Net loss	$ (38,284)	$ (125,611)
Net loss per share – basic and diluted	$ (0.42)	$ (1.47)
Weighted average shares outstanding – basic and diluted	90,792	85,440

* See Note 2. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GLOBAL EAGLE ENTERTAINMENT INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(In thousands)

	Three Months Ended March 31,	
	2018	**2017**
Net loss	$ (38,284)	$ (125,611)
Other comprehensive income (loss):		
Unrealized foreign currency translation adjustments	—	56
Other comprehensive income	—	56
Comprehensive loss	$ (38,284)	$ (125,555)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GLOBAL EAGLE ENTERTAINMENT INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT (UNAUDITED)
(In thousands)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Subscriptions Receivable	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount					
Balance at December 31, 2017	93,835	$ 10	(3,054)	$(30,659)	$779,565	$ (578)	$ (773,791)	$ (22)	$ (25,475)
Adoption of ASC 606 - Cumulative Adjustment	—	—	—	—	—	—	933	—	933
Equity warrants issued in connection with Second Lien Notes	—	—	—	—	24,196	—	—	—	24,196
Restricted stock units vested and distributed, net of tax	62	—	—	—	(50)	—	—	—	(50)
Stock-based compensation	—	—	—	—	3,644	—	—	—	3,644
Interest income on subscription receivable	—	—	—	—	—	(6)	—	—	(6)
Other comprehensive income	—	—	—	—	—	—		—	—
Net loss	—	—	—	—	—	—	(38,284)	—	(38,284)
Balance at March 31, 2018	93,897	$ 10	(3,054)	$(30,659)	$807,355	$ (584)	$ (811,142)	$ (22)	$ (35,042)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GLOBAL EAGLE ENTERTAINMENT INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Three Months Ended March 31,	
	2018	**2017**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (38,284)	$ (125,611)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization of property, plant, equipment and intangibles	23,250	20,720
Amortization of content library	2,400	4,622
Non-cash interest expense, net	1,877	1,212
Change in fair value of derivatives	(564)	(2,920)
Stock-based compensation	3,644	1,852
Impairment of goodwill	—	78,000
Loss (gain)on disposal of fixed assets	(525)	452
Loss on extinguishment of debt	—	14,389
Earnings from equity method investments	(1,161)	(1,539)
Distributions from equity method investments	—	2,445
Provision for bad debts	(326)	595
Deferred income taxes	(7,230)	(351)
Other	(325)	(734)
Changes in operating assets and liabilities:		
Accounts receivable	10,068	(6,581)
Inventories	(5,246)	(6,099)
Prepaid expenses and other current assets	6,084	5,668
Content library	(2,627)	(6,405)
Other non-current assets	1,255	(4,484)
Accounts payable and accrued liabilities	1,267	(10,515)
Deferred revenue	2,279	381
Other current liabilities	211	(471)
NET CASH USED IN OPERATING ACTIVITIES	(3,953)	(35,374)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(15,244)	(20,182)
NET CASH USED IN INVESTING ACTIVITIES	(15,244)	(20,182)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of Second lien notes and equity warrants	150,000	485,000
Issuance costs	(6,968)	(12,313)
Repayments of EMC indebtedness	—	(412,400)
Proceeds from borrowings	—	50,000
Repayments of long-term debt	(3,414)	(171)
NET CASH PROVIDED BY FINANCING ACTIVITIES	139,618	110,116
Effects of exchange rate changes on cash and cash equivalents	30	250
Net increase in cash and cash equivalents	120,451	54,810
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD[1]	51,868	68,678
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD[1]	$ 172,319	$ 123,488
SIGNIFICANT NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Purchase consideration for equipment included in accounts payable	$ —	$ 28,500

[1] March 31, 2017 figures have been recast to include the impact of the adoption of ASU 2016-18. See Note 2. Basis of Presentation and Summary of Significant Accounting Policies.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GLOBAL EAGLE ENTERTAINMENT INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Business

Global Eagle Entertainment Inc. is a Delaware corporation headquartered in Los Angeles, California. Global Eagle (together with its subsidiaries, "Global Eagle" or the "Company", "we", "us" or "our") is a leading provider of media and satellite-based connectivity to fast-growing, global mobility markets across air, land and sea. Global Eagle offers a fully integrated suite of rich media content and seamless connectivity solutions that cover the globe. As of March 31, 2018, its business was comprised of two operating segments: Media & Content and Connectivity. See Note 13. Segment Information for further discussion on the Company's reportable segments.

Prior to the Company's acquisition (the "EMC Acquisition") of Emerging Markets Communications ("EMC") on July 27, 2016 (the "EMC Acquisition Date"), the Company's business consisted of two operating segments: Content and Connectivity. (EMC was a communications services provider that offered land-based sites and marine vessels globally a multimedia platform delivering communications, Internet, live television, on-demand video, voice, cellular and 3G/LTE services. Following the EMC Acquisition, the acquired EMC business became our then third operating segment called Maritime & Land Connectivity, and we renamed our other two segments to be Media & Content and Aviation Connectivity. However, in the second quarter of 2017, we reorganized our business from three operating segments back into two operating segments—Media & Content and Connectivity. Our chief operating decision maker determined this was appropriate based on the similarities and synergies between the Aviation Connectivity and Maritime & Land Connectivity segments relating to satellite bandwidth and equipment used in those businesses as well as on our restructured reporting lines across all of our business departments. However, we will continue to have three separate reporting units for purposes of our goodwill impairment testing. See below and Note 13. Segment Information for a further discussion of our reportable segments.

Media & Content

The Media & Content operating segment selects, manages, provides lab services and distributes wholly-owned and licensed media content, video and music programming, advertising, applications and video games to the airline, maritime and other "away from home" non-theatrical markets.

Connectivity

The Connectivity operating segment provides its customers, including their passengers and crew, with (i) Wi-Fi connectivity via L, C, Ka and Ku-band satellite transmissions that enable access to the Internet, live television, on-demand content, shopping and travel-related information and (ii) operational solutions that allow customers to improve the management of their internal operations. The segment consists of our former Maritime & Land Connectivity segment and Aviation Connectivity segment, which were combined into a single Connectivity operating segment in the second quarter of 2017.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies consistently applied in the preparation of the accompanying condensed consolidated financial statements.

Basis of Presentation

In the opinion of the Company's management, the unaudited interim condensed consolidated financial statements have been prepared on the same basis as the Company's audited consolidated financial statements for the year ended December 31, 2017, and include all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the Company's interim unaudited condensed consolidated financial statements for the three months ended March 31, 2018. The results for the three months ended March 31, 2018 are not necessarily indicative of the results expected for the full 2018 year. The consolidated balance sheet as of December 31, 2017 has been derived from the Company's audited balance sheet included in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on April 2, 2018 (the "2017 Form 10-K").

The interim unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with the instructions to SEC Form 10-Q and Article 10 of SEC Regulation S-X. They do not include all of the information and footnotes required by GAAP for complete audited financial statements. Therefore, these financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's 2017 Form 10-K.

These financial statements have been prepared on the basis of the Company having sufficient liquidity to fund its operations for at least the next twelve months from the issuance of these consolidated financial statements in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 205-40 ("ASC Topic 205-40"), *Presentation of Financial Statements—Going Concern*. The Company's principal sources of liquidity have historically been its debt and equity issuances and its cash and cash equivalents (which cash and cash equivalents amounted to $168.9 million as of March 31, 2018, and $48.3 million as of December 31, 2017, respectively). The Company's internal plans and forecasts indicate that it will have sufficient liquidity to continue to fund its business and operations for at least the next twelve months in accordance with ASC Topic 205-40.

The assessment by the Company's management that the Company will have sufficient liquidity to continue as a going concern is based on its completion on March 27, 2018 of a second lien notes issuance (as discussed in Note 8. Financing Arrangements) which provided net cash proceeds of approximately $143.0 million and on underlying estimates and assumptions, including that the Company: (i) timely files its periodic reports with the SEC; (ii) services its indebtedness and complies with the covenants (including the financial-reporting covenants) in the agreements governing its indebtedness; and (iii) remains listed on The Nasdaq Stock Market ("Nasdaq"), including maintaining a minimum stock price pursuant to Nasdaq's listing rules.

If the Company is unable to satisfy the covenants and obligations contained in its senior secured credit agreement dated January 6, 2017 (as amended, the "2017 Credit Agreement") the securities purchase agreement governing its second lien notes due June 30, 2023 (the "Second Lien Notes") or the indenture governing its 2.75% convertible senior notes due 2035 (the "convertible notes"), in each case, or obtain waivers thereunder (if needed), then the debtholders and noteholders could have the option to immediately accelerate the outstanding indebtedness, which the Company may not have the ability to repay. In addition, if the Company is unable to remain in compliance with Nasdaq's listing requirements, then Nasdaq could determine to delist the Company's common stock from Nasdaq, which would in turn constitute a "fundamental change" under the terms of the indenture governing the convertible notes. This would give the convertible noteholders the option to require the Company to repurchase all or a portion of their convertible notes at a repurchase price equal to 100% of the principal amount thereof. In this event, the Company may not have the ability to repurchase the tendered notes.

The events in the foregoing paragraph, if they occurred, could materially and adversely affect the Company's operating results, financial condition, liquidity and the carrying value of the Company's assets and liabilities. The Company intends to satisfy its current and future debt service obligations with its existing cash and cash equivalents. However, the Company may not have sufficient funds or may be unable to arrange for additional financing to pay the amounts due under its existing debt instruments in the event of an acceleration event or repurchase event (as applicable). In this event, funds from external sources may not be available on acceptable terms, if at all.

Reclassifications

Certain reclassifications have been made to the condensed consolidated financial statements of the prior year and the accompanying notes to conform to the current year presentation. Effective January 1, 2018, we adopted ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)* and as a result we reclassified the presentation of our statement of cash flows for the three months ended March 31, 2017 to conform with the new restricted cash guidance. Refer to section *Adoption of New Accounting Pronouncements* below.

Revenue Recognition

On January 1, 2018, we adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09" or "Topic 606") and all related amendments and applied the concepts to all contracts which were not completed as of January 1, 2018 using the modified retrospective method, recognizing the cumulative effect of applying the new standard as an adjustment to the opening balance of accumulated deficit. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with our historical accounting policies.

We recorded a net reduction to an opening accumulated deficit of $0.9 million as of January 1, 2018 due to the cumulative impact of adopting Topic 606, with the impact primarily related to the capitalization of contract costs previously expensed and the recognition of deferred revenue as of December 31, 2017 through accumulated deficit relating to time-based software licenses offset by the deferral of revenues for usage based licenses that were previously recognized upfront. The impact to revenues for the quarter ended March 31, 2018 was a net decrease of $0.7 million and a net decrease in cost of goods sold of $0.4 million primarily relating to revenues in our Media & Content segment as a result of applying Topic 606.

The Company accounts for a contract with a customer when an approved contract exists, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and the collectability of substantially all of the consideration is probable. Revenue is recognized as the Company satisfies performance obligations by transferring a promised good or service to a customer.

The Company's revenue is principally derived from the following sources:

Media & Content

The Company curates and manages the licensing of content to the airline, maritime, and non-theatrical industries globally and provides associated services, such as technical services, delivery of digital media advertising, the encoding of video and music products, development of graphical interfaces and the provision of materials. Media & Content licensing and service revenue is principally generated through the sale or license of media content and the associated management services, video and audio programming, applications and video games to customers in the aviation, maritime and non-theatrical markets.

Licensing Revenues

- *Film, Audio, and Television licensing* - The Company selects, procures, manages, and distributes video and audio programming, and provides similar applications to the airline, maritime and other "away from home" non-theatrical markets. The Company delivers content compatible with Global Eagle systems as well as compatible with a multitude of third-party in-flight entertainment ("IFE") systems. The Company acquires non-theatrical licenses from major Hollywood, independent and international film and television producers and distributors, and licenses the content to airlines, maritime companies, non-theatrical customers, and other content service providers. In addition to the content licenses, the Company provides the content literature for the seat-back inflight magazine, trailers for the website, and metadata for the Inflight Entertainment systems ("IFE systems"). Revenue recognition is dependent on the nature of the customer contract. Content licenses to customers are typically categorized into usage-based or flat fee-based fee structures. For usage-based fee structures, revenue is recognized as the usage occurs. For flat-fee based structures revenue is recognized upon the available date of the license, typically at the beginning of each cycle, or straight-line over the license period.

- *Games and applications licensing* - The Company produces games customized to suit the in-flight environment. The Company acquires multi-year licenses from reputable game publishers to adapt third-party-branded games and concepts for in-flight use. The Company also licenses applications for use on airline customer's IFE systems. These applications allow airlines the ability to present information and products to its customers (i.e., passengers) such as their food and beverage menu offerings, magazine content, and flight locations. Games and applications licenses are operated under usage or flat fee-based fee structures. Revenue recognition is dependent on the nature of the customer contract. Content licenses to customers are typically categorized into usage-based or flat fee-based fee structures. For usage-based fee structures, revenue is recognized as the usage occurs. For flat fee-based structures revenue is recognized upon the available date of the license, typically at the beginning of each cycle, or straight-line over the license period.

Services Revenues

- *Advertising Services* - The Company sells airline advertisement spots to customers through the use of insertion orders which normally range between one and six months. The Company typically prices advertisements based on a total guaranteed number of impressions within a predetermined play cycle for the advertisement. Pricing is also dependent on the type of advertisement (e.g., pop-up, banner, etc.) and on which media platform it will be displayed (e.g., airport lounge or in-flight entertainment system). The

total number of impressions are estimated upfront, based on reported flight levels and passenger data supplied by airlines. The Company acquires these advertising distribution rights from airlines via supplier agreements. These supplier agreements with airlines are normally revenue-share arrangements which provide the Company with exclusive distribution rights of the airline advertising spots and can also include a minimum guarantee payment from the Company to the airline. These agreements with airlines are generally for one to three year terms. Revenue is recognized over time as the advertisements are played and/or when the committed advertisement impressions have been delivered, which is generally evenly throughout the term and often the Company continues to display the advertisement after the minimum number of impressions is met. When the Company enters into revenue-sharing arrangements with the airlines, the Company evaluates whether it is the principal or agent in the arrangement with the airline. When the Company is considered the principal, the Company reports the underlying revenue on a gross basis in its Consolidated Statements of Operations, and records these revenue-sharing payments to the airline in service costs. In circumstances where the Company acts as an agent in the arrangement, the associated revenues are recorded net.

- *Lab Services* - The Company addresses a variety of technical customer needs relating to content regardless of the particular IFE system being used. Content acquired from studios and producers is normally provided to the Company in certain languages, aspect ratios, and file sizes. The Company's customers (e.g., airlines) have IFE systems requiring certain aspect ratios and file sizes. In addition, the customers request additional languages for their global passenger base. These technical services include encoding, editing and metadata services, as well as language subtitle and dubbing services, and are generally performed in-house in the Company's technical facilities (collectively considered "Lab Services"). Lab Services are typically priced on a flat fee per month, ad hoc basis, or included in the content pricing. Revenue is recognized when the Lab Services performance obligation is complete and the underlying content has been accepted by and is available to the customer, typically on the license available date of the respective content.

- *Ad Hoc Services* - The Company may perform additional non-recurring implementation, configuration, interactive development or other ad hoc services connected with the games and applications delivery. These services include embedding of customer logo(s) and population of content within applications (e.g., food and beverage content within the Company's eMealMenu application).

Connectivity

Aviation Services Revenue - Services revenue for Connectivity includes satellite-based Internet services and related technical and network operational support and management services and live television. The connectivity services provide airlines with the capability to provide its passengers' wireless access to the Internet, which allows passengers to web-surf, email, text, and access live television. The connectivity experience also permits passengers to enjoy inflight entertainment, such as streaming for non-live television, and movies and video-on-demand, delivered through a web-based framework for an initial "landing page". The revenue is recognized over time as control is transferred to the customer (i.e. the airline), which occurs continuously as customers receive the bandwidth/ connectivity services.

Aviation Equipment Revenue - Equipment revenue is recognized when control passes to the customer, which is at the later of shipment of the equipment to the customer or obtaining the Supplemental Type Certificates ("STC"), as applicable. In determining whether an arrangement exists, the Company ensures that a binding arrangement is in place, such as a purchase order or a fully executed customer-specific agreement. The Company generally believes the acceptance clauses in its contracts are perfunctory and will recognize revenue upon shipment provided that all other criteria have been met, including delivery of the STCs. In certain cases where the Company sells its equipment to an aviation customer on a stand-alone basis, it may charge a fee for obtaining STCs from the relevant aviation regulatory body, which permits the Company's equipment to operate on certain model/type of aircraft. An STC is highly interrelated with the Connectivity services as it is often required for new equipment and/or for new types of aircrafts prior to the airlines installing the equipment. When an STC is required it would not be sold separately as it has no value to the customer without the equipment and vice versa. As such, in such circumstances, the Company does not consider an STC separate from the equipment. To the extent that the Company contracts to charge STC fees in equipment-only sales, the Company will record these fees as revenue at the later of shipment of the equipment to the customer or obtaining the STC, as applicable.

Maritime and Land Service Revenue - The Maritime business provides satellite telecommunications services ("connectivity services") through the Company's private network that utilizes very small aperture terminal ("VSAT") satellite technology for cruise ships and ferries, commercial shipping companies, yachts, and offshore drilling platforms.

The technology enables voice and data capabilities to customers with ocean-going vessels or ocean-based environments. For certain cruise ship customers, the Company also offers maritime live television services ("TV services"). The service offerings cover a wide range of end-to-end network service combinations for customers' point-to-point and point-to-multipoint telecommunications needs. These offerings range from simple connections to customized private network solutions through a network that uses "multiple channel per carrier" or "single channel per carrier" technology with bandwidth satellite capacity and fiber optic infrastructure. The business also offers teleport services through its proprietary teleports located in Germany and the US. In conjunction with the Connectivity services, the Company also provides equipment as part of the service for which the Company retains ownership of the equipment throughout the term of the service. Revenue is recognized over time in accordance with the transfer of control, which is continuously as the customer receives the bandwidth/ connectivity services. Certain of the Company's contracts involve a revenue sharing or reseller arrangement to distribute the connectivity services. The Company assesses these services under the principal versus agent criteria and determined that the Company acts in the role of an agent and accordingly records such revenues on a net basis.

Maritime and Land Installation Revenue - To service its marine and land-based customers, the Company operates a network of global field-support centers for installation and repair services. The Company has field support centers in several locations worldwide, several of which offer a spare parts inventory, a network operations center open 24/7, certified technicians, system integration and project management. These field centers provide third-party antenna and shipbased system integration, global installation support, and repair services. Revenue is recognized in accordance with the transfer of control, i.e., over-time as the installation services are provided based on labor hours incurred.

Maritime and Land Equipment Revenue - Equipment revenue is recognized when control passes to the customer, which is generally upon shipment or arrival/ acceptance at destination depending on the contractual arrangement with the customer. Maritime and land equipment is generally priced as a one-time upfront payment at its standalone selling prince ("SSP").

Significant Judgments

Judgment is required to determine the SSP for each distinct performance obligation under contracts where the Company provides multiple deliverables. In instances where SSP is not directly observable, such as when the Company does not sell the product or service separately, the Company determines the SSP using information that may include adjusted market assessment approach, expected cost plus margin approach, or the residual approach. For the Media & Content business, management sets prices for each performance obligation using an adjusted market assessment approach when entering into contracts. Contract prices reflect the standalone selling price. As such, the Company uses the stated contract price for SSP allocation of the transaction price.

Topic 606 requires the Company to estimate variable consideration. Service Level Agreement ("SLA") or service issue/outage credits that are considered variable consideration (*i.e.*, customer credits) and require estimation including the use of historical credit levels. These credits have historically not been material in the context of the customer contracts for the Maritime & Land or Media & Content businesses.

Valuation of Goodwill and Intangible Assets

The Company performs valuations of assets acquired and liabilities assumed on each acquisition accounted for as a business combination, and allocates the purchase price of each acquired business to its respective net tangible and intangible assets and liabilities. Acquired intangible assets principally consist of technology, customer relationships, backlog and trademarks. Liabilities related to intangibles principally consist of unfavorable vendor contracts. The Company determines the appropriate useful life by performing an analysis of expected cash flows based on projected financial information of the acquired businesses. Intangible assets are amortized over their estimated useful lives using the straight-line method, which approximates the pattern in which the majority of the economic benefits are expected to be consumed. Intangible liabilities are amortized into cost of sales ratably over their expected related revenue streams over their useful lives.

Goodwill represents the excess of the cost of an acquired entity over the fair value of the acquired net assets. The Company does not amortize goodwill but evaluates it for impairment at the reporting unit level annually during the fourth quarter of each fiscal year (as of October 1 of that quarter) or when an event occurs or circumstances change that indicates the carrying value may not be recoverable. During the first quarter of 2017, the Company adopted ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Accounting for Goodwill Impairment.* Under the then newly adopted guidance, the optional qualitative assessment, referred to as "Step 0", and the first step of the quantitative assessment ("Step 1") remained unchanged versus the prior accounting standard. However, the requirement under the prior standard to complete the second step ("Step 2"), which involved determining the implied fair value of goodwill and comparing it to the carrying amount of that goodwill

to measure the impairment loss, was eliminated. As a result, Step 1 will be used to determine both the existence and amount of goodwill impairment. An impairment loss will be recognized for the amount by which the reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill in that reporting unit.

The Company periodically analyzes whether any indicators of impairment have occurred. As part of these periodic analyses, the Company compares its estimated fair value, as determined based on its stock price, to its net book value.

For the quarter ended March 31, 2017, the Company identified an event triggering a goodwill impairment assessment (a "triggering event") due to a significant decline in the market capitalization of the Company. Accordingly, the Company assessed the fair value of its three reporting units as of March 31, 2017 and recorded a goodwill impairment charge of $78.0 million related to its Maritime & Land Connectivity reporting unit. This impairment was primarily due to lower than expected financial results of the reporting unit during the three months ended March 31, 2017 due to delays in new maritime installations, slower than originally estimated execution of EMC Acquisition-related synergies and other events that occurred in the first quarter of 2017. Given these indicators, the Company then determined that there was a higher degree of uncertainty in achieving its financial projections for this unit and as such, increased its discount rate, which reduced the fair value of the unit.

Income Taxes

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of assets and liabilities and the amounts that are reported in the income tax returns. Deferred taxes are evaluated for realization on a jurisdictional basis. The Company records valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized. In making this assessment, management analyzes future taxable income, reversing temporary differences and ongoing tax planning strategies. Should a change in circumstances lead to a change in judgment about the realizability of deferred tax assets in future years, the Company will adjust related valuation allowances in the period that the change in circumstances occurs, along with a corresponding increase or charge to income.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the Company's position. The tax benefit recognized in the financial statements for a particular tax position is based on the largest benefit that is more likely than not to be realized. The amount of unrecognized tax benefits (UTBs) is adjusted as appropriate for changes in facts and circumstances, such as significant amendments to existing tax laws, new regulations or interpretations by the taxing authorities, new information obtained during a tax examination, or resolution of an examination. The Company recognizes both accrued interest and penalties associated with uncertain tax positions as a component of Income tax (benefit) expense in the condensed consolidated statements of operations.

In December 2017, the United States enacted new U.S. federal tax legislation known as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act significantly revises the U.S. corporate income tax regime by, among other things, lowering corporate income tax rates, implementing a territorial tax system and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries.

The Tax Act also adds many new provisions including changes to bonus depreciation, the deduction for executive compensation and interest expense, a tax on global intangible low-taxed income (GILTI), the base erosion anti-abuse tax (BEAT) and a deduction for foreign-derived intangible income (FDII). Many of these provisions, including the tax on GILTI, the BEAT and the deduction for FDII do not apply to the Company until 2018. As such, the Company is continuing to assess the impact these provisions may have on the Company's future earnings.

On December 22, 2017, Staff Accounting Bulletin No. 118 ("SAB 118") was issued to address the application of generally accepted accounting principles in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act.

In accordance with SAB118, we have estimated the impacts of the Tax Act using information known at this time, including an income tax benefit of $4.6 million in the year ended December 31, 2017 reflecting the revaluation of our net deferred tax liability based on a U.S. federal tax rate of 21 percent and no estimated tax impact related to the estimated repatriation toll charge of $18.5 million, fully offset by the current year net operating loss and corresponding release of valuation allowance. Our management is still evaluating the effects of the Tax Act provisions, and the assessment does not purport to disclose all change of the Tax Act that could have material positive or negative impacts on our current or future tax positions.

Fair Value Measurements

The accounting guidance for fair value establishes a framework for measuring fair value and establishes a three-level valuation hierarchy for disclosure of fair value measurement. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1: Observable quoted prices in active markets for identical assets and liabilities.
- Level 2: Observable quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models, and similar techniques.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The assets and liabilities that are fair valued on a recurring basis are described below and contained in the following tables. In addition, on a non-recurring basis, the Company may be required to record other assets and liabilities at fair value. These non-recurring fair value adjustments involve the lower of carrying value or fair value accounting and write-downs resulting from impairment of assets.

The following tables summarize our financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2018, and December 31, 2017, respectively (dollar values in thousands, other than per-share values):

	March 31, 2018	Quotes Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Liabilities:				
Earn-out liability [1]	$ 114	$ —	$ —	$ 114
Contingently issuable shares [3]	904	—	—	904
Total	$ 1,018	$ —	$ —	$ 1,018

	December 31, 2017	Quotes Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Liabilities:				
Earn-out liability [1]	$ 114	$ —	$ —	$ 114
Liability Warrants [2]	20	—	—	20
Contingently issuable shares [3]	1,448	—	—	1,448
Total	$ 1,582	$ —	$ —	$ 1,582

(1) Represents aggregate earn-out liabilities assumed in business combinations for the year ended December 31, 2015.

(2) Includes 6,173,228 Public SPAC Warrants (as defined below) outstanding at December 31, 2017, which expired on January 31, 2018 and are no longer exercisable.

(3) In connection with the Sound-Recording Settlements, (as described below in Note 9. Commitments and Contingencies) the Company is obligated to issue to UMG (as defined in that Note) 500,000 shares of its common stock when and if the closing price of the Company's common stock exceeds $10.00 per share and an additional 400,000 shares of common stock when and if the closing price of the Company's common stock exceeds $12.00 per share. Such contingently issuable shares are classified as liabilities and are re-measured to fair value each reporting period.

Public SPAC Warrants. Through the quarter ended March 31, 2018, the fair value of the Company's publicly-traded warrants (the "Public SPAC Warrants") issued in the Company's initial public offering in 2011 (which were recorded as derivative warrant liabilities) was determined by the Company using the quoted market prices for the Public SPAC Warrants traded over the counter. For the three months ended March 31, 2018 and 2017, due to the change in the fair value of these warrants, the Company recorded income of less than $0.1 million and $0.4 million, respectively. The Public SPAC Warrants expired on January 31, 2018 and are no longer exercisable. The change in value of these Public SPAC warrants is included in Change in fair value of derivatives in the condensed consolidated statements of operations.

The following table presents the fair value roll-forward reconciliation of Level 3 assets and liabilities measured at fair value basis for the three months ended March 31, 2018 (in thousands):

	Liability Warrants	Contingently Issuable Shares	Earn-Out Liabilities
Balance as of December 31, 2017	$ 20	$ 1,448	$ 114
Change in value	(20)	(544)	—
Balance as of March 31, 2018	$ —	$ 904	$ 114

The following table shows the carrying amounts and the fair values of our long-term debt in the condensed consolidated financial statements at March 31, 2018 and December 31, 2017, respectively (in thousands):

	March 31, 2018		December 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Senior secured term loan facility, due January 2023 (+)(1)	487,500	504,563	490,625	486,945
Senior secured revolving credit facility, due January 2022 (+)(2)	78,000	78,000	78,000	78,000
2.75% convertible senior notes due 2035 (1) (3)	82,500	52,594	82,500	43,313
Second Lien Notes, due June 2023	124,626	120,527	—	—
Other debt (4)	8,823	8,823	9,075	9,075
Unamortized bond discounts and issue costs	(45,366)	—	(41,136)	—
	736,083	764,507	619,064	617,333

(+) This facility is a component of the 2017 Credit Agreement.

(1) The estimated fair value is classified as Level 2 financial instrument and was determined based on the quoted prices of the instrument in a similar over-the-counter market.

(2) This facility is a component of the 2017 Credit Agreement. The estimated fair value is considered to approximate carrying value given the short-term maturity and is classified as Level 3 financial instruments.

(3) The fair value of the 2.75% convertible senior notes due 2035 is exclusive of the conversion feature therein, which was originally allocated for reporting purposes at $13.0 million, and is included in the condensed consolidated balance sheets within "Additional paid-in capital" (see Note 11. Common Stock, Stock-Based Awards and Warrants). The principal amount outstanding of the 2.75% convertible senior notes due 2035 was $82.5 million as of March 31, 2018, and the carrying amounts in the foregoing table reflect this outstanding principal amount net of debt issuance costs and discount associated with the equity component.

(4) The estimated fair value is considered to approximate carrying value given the short-term maturity and is classified as Level 3 financial instruments.

Adoption of New Accounting Pronouncements

On January 1, 2018, we adopted ASU 2014-09 and all related amendments and applied the concepts to all contracts using the modified retrospective method, recognizing the cumulative effect of applying the new standard as an adjustment to the opening balance of retained earnings. The 2017 comparative information has not been restated and continues to be reported under the accounting standards in effect for those prior periods. See Note. 3 Revenue.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which requires that a statement of cash flows explains the change during the period

in cash, cash equivalents, and amounts generally described as restricted cash. Amounts generally described as restricted cash should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The standard is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. We adopted the standard effective January 1, 2018 and as a result we reclassified the presentation of our statement of cash flows for the three months ended March 31, 2017 for restricted cash balances. For the three months ended March 31, 2017, adopting the standard resulted in an increase to our beginning-of-period and end-of-period cash, cash equivalents and restricted cash of $18.0 million and $18.1 million in the condensed consolidated statements of cash flows, respectively. In addition, removing the change in restricted cash from operating activities in the condensed consolidated statements of cash flows resulted in a decrease of $0.1 million in our cash used in operating activities for the three months ended March 31, 2017.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*, which requires the recognition of income tax effects of intra-entity transfers of assets other than inventory when the transfer occurs. Prior GAAP standards prohibited the recognition of those tax effects until the asset had been sold to an outside party. We adopted the standard effective January 1, 2018. The adoption of this standard did not have a material impact on our condensed consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments ("ASU 2016-15")*, which amends Accounting Standards Codification ("ASC") 230, Statement of Cash Flows, the FASB's standards for reporting cash flows in general-purpose financial statements. The amendments address the diversity in practice related to the classification of certain cash receipts and payments including contingent consideration payments made after a business combination and debt prepayment or debt extinguishment costs. ASU 2016-15 is effective for fiscal years, and interim periods within, beginning after December 15, 2017. We adopted the standard effective January 1, 2018. The adoption of this standard did not have a material impact on our condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). This update will require lease assets and lease liabilities to be recognized on the balance sheet and disclosure of key information about leasing arrangements. ASU 2016-02 must be adopted using a modified retrospective transition, and provides for certain practical expedients. We have decided to adopt ASU 2016-02 effective in the first quarter of 2019. We are currently evaluating the impact of this standard on our condensed consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded effects resulting from the Tax Cuts and Jobs Act. The ASU is effective for the Company beginning January 1, 2019, with early adoption permitted. We intend to adopt the ASU effective January 1, 2019. Management is currently evaluating the impact of this standard on our condensed consolidated financial statements.

Note 3. Revenue

On January 1, 2018, we adopted ASU 2014-09 using the modified retrospective method and applied it to contracts which were not completed as of January 1, 2018. The following table presents the effect of the adoption of ASU 2014-09 on our consolidated balance sheet as of March 31, 2018 (in thousands):

	March 31, 2018		
	Without ASC 606 Adoption	*Effect of change Increase/ (Decrease)*	As Reported
Cash and cash equivalents	168,931		168,931
Restricted cash	3,388		3,388
Accounts receivable, net	104,440	(2,176)	102,264
Inventories	32,593		32,593
Prepaid expenses	13,888		13,888
Other current assets	14,431		14,431
TOTAL CURRENT ASSETS	337,671	(2,176)	335,495
Content library	9,523		9,523
Property, plant and equipment	189,970		189,970
Goodwill	159,654		159,654
Intangible assets, net	112,019		112,019
Equity method investments	138,495		138,495
Other non-current assets	8,712	1,103	9,815
TOTAL ASSETS	956,044	(1,073)	954,971
Accounts payable and accrued liabilities	198,798	(1,831)	196,967
Deferred revenue	8,736	(134)	8,602
Current portion of long-term debt	16,656		16,656
Other current liabilities	7,996		7,996
TOTAL CURRENT LIABILITIES	232,186	(1,965)	230,221
Deferred revenue, non-current	1,081		1,081
Long-term debt	719,427		719,427
Deferred tax liabilities	9,028		9,028
Other non-current liabilities	30,256		30,256
TOTAL LIABILITIES	991,978	(1,965)	990,013
Preferred stock	—		—
Common stock	10		10
Treasury stock	(30,659)		(30,659)
Additional paid-in capital	807,355		807,355
Subscriptions receivable	(584)		(584)
Prior year accumulated deficit	(773,791)	933	(772,858)
Current year retained deficit	(38,243)	(41)	(38,284)
Accumulated other comprehensive loss	(22)		(22)
TOTAL STOCKHOLDERS' DEFICIT	(35,934)	892	(35,042)
TOTAL LIABILTIES & STOCKHOLDERS' DEFICIT	956,044	(1,073)	954,971

The following table presents the effect of the adoption of ASU 2014-09 on our condensed consolidated statements of operations for the three months ended March 31, 2018 (in thousands, except per share amounts):

	March 31, 2018		
	Without ASC 606 Adoption	*Effect of change Increase/ (Decrease)*	As Reported
Revenue:			
Licensing and services	147,182	(656)	146,526
Equipment	9,971	—	9,971
Total revenue	157,153	(656)	156,497
Cost of Sales			
Cost of sales:			
Licensing and services	112,856	(442)	112,414
Equipment	6,060	22	6,082
Total cost of sales	118,916	(420)	118,496
Gross Margin	38,237	(236)	38,001
Operating expenses:			
Sales and marketing	9,676	(22)	9,654
Product development	8,531	(173)	8,358
General and administrative	38,285	—	38,285
Provision for legal settlements	516	—	516
Amortization of intangible assets	10,747	—	10,747
Total operating expenses	67,755	(195)	67,560
Loss from operations	(29,518)	(41)	(29,559)
Other income (expense):		—	
Interest expense, net	(15,597)	—	(15,597)
Income from equity method investments	1,161	—	1,161
Change in fair value of derivatives	564	—	564
Other expense, net	438	—	438
Loss before income taxes	(42,952)	(41)	(42,993)
Income tax benefit	(4,709)	—	(4,709)
Net loss	(38,243)	(41)	(38,284)
Net loss per share – basic and diluted	(0.42)		(0.42)
Weighted average shares outstanding – basic and diluted	90,792		90,792

The following table represents a disaggregation of our revenue from contracts with customers for the three months ended March 31, 2018 and 2017 (in thousands):

	Three Months Ended March 31,	
	2018	2017
Revenue:		
Media & Content		
Licensing & Services	$ 74,915	$ 76,380
Total Media & Content	74,915	76,380
Connectivity		
Aviation Services	29,325	28,195
Aviation Equipment	7,598	6,563
Maritime & Land Services	$ 42,286	39,068
Maritime & Land Equipment	2,373	2,386
Total Connectivity	81,582	76,212
Total revenue	$ 156,497	$ 152,592

Contract Assets and Liabilities

Aviation connectivity contracts involve performance obligations primarily consisting of connectivity equipment and connectivity services. The connectivity equipment can be provided at a discount and is delivered upfront while the connectivity services are rendered and paid over time. Revenue is allocated based upon the SSP principal. Where the SSP exceeds the revenue allocation, the revenue to which the Company is entitled is contingent on performing the ongoing connectivity services and we record a contract asset accordingly. The balance as of March 31, 2018 and December 31, 2017 of contract contingent revenue was not material.

For some customer contracts we may invoice upfront for services recognized over time or for contracts in which we have unsatisfied performance obligations. Payment terms and conditions vary by contract type, although terms generally include payment terms of 30 to 45 days. In the above circumstances where the timing of invoicing differs from the timing of revenue recognition, we have determined our contracts do not include a significant financing component.

The following table summarizes the significant changes in the contract liabilities balances during the period to March 31, 2018 (in thousands);

	Contract Liabilities
Balance as of December 31, 2017	7,587
Adjustments as a result of cumulative catch-up adjustment	(190)
Revenue recognized that was included in the contract liability balance at the beginning of the period	(2,544)
Increase due to cash received, excluding amounts recognized as revenue during the period	4,830
Balance as of March 31, 2018	9,683
Deferred revenue, current	8,602
Deferred revenue, non-current	1,081
	$ 9,683

As of March 31, 2018, we had $1.1 billion of remaining performance obligations, which we also refer to as total backlog. We expect to recognize approximately 19% of our remaining performance obligations as revenue in 2018, an additional 32% by 2020 and the balance thereafter.

Accounts Receivable, net

The Company extends credit to its customers from time to time. An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of the Company's customers to make required payments. Management analyzes the age of customer balances, historical bad debt experience, customer creditworthiness and changes in customer payment terms when making estimates of the collectability of the Company's accounts receivable balances. If the Company determines that the financial condition of any of its customers has deteriorated, whether due to customer specific or general economic issues, an increase in the allowance may be made. After all attempts to collect a receivable have failed, the receivable is written off.

Accounts receivable consist of the following (in thousands):

	March 31, 2018	December 31, 2017
Accounts receivable, gross	$ 108,188	$ 122,225
Less: Allowance for doubtful accounts	(5,924)	(8,680)
Accounts receivable, net	$ 102,264	$ 113,545

Movements in the balance for bad debt reserve and sales allowance for the three months ended March 31, 2018 and 2017 are as follows (in thousands):

	March 31,	
	2018	2017
Beginning balance	$ 8,680	10,091
(Recovery) additions charged to statements of operations	(326)	595
Less: Bad debt write offs	(2,430)	(426)
Ending balance	**$ 5,924**	**$ 10,260**

Capitalized Contract Costs

Certain of our sales incentive programs meet the requirements to be capitalized as incremental costs of obtaining a contract. We recognize an asset for the incremental costs if we expect the benefit of those costs to be longer than one year and amortize those costs over the expected customer life. We apply a practical expedient to expense costs as incurred for costs to obtain a contract when the amortization period would have been one year or less.

Additionally, we capitalize assets associated with costs incurred to fulfill a contract with a customer. For example, we capitalize the costs incurred to obtain necessary STC or other customer specific certifications for our aviation, maritime and land customers.

The following table summarizes the significant changes in the contract assets balances during the period to March 31, 2018 (in thousands);

	Contract Assets		
	Costs to Obtain	Costs to Fulfill	Total
Balance as of December 31, 2017	—	—	—
Increases as a result of cumulative catch-up adjustment	120	810	930
Capitalization during period	30	173	203
Amortization	(7)	(22)	(29)
Balance as of March 31, 2018	142	961	1,103

Contract assets are included within Other current assets on our condensed consolidated balance sheet.

Practical Expedients, Policy Elections and Exemptions

In circumstances where shipping and handling activities occur subsequent to the transfer of control, we have elected to treat shipping and handling as a fulfillment activity rather than a service to the customer.

We have made a policy election to exclude from the measurement of the transaction price all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by the entity from a customer (*e.g.*, sales, use, value added, and some excise taxes).

We apply a practical expedient to expense costs as incurred for incremental costs to obtain a contract when the amortization period would have been one year or less and did not evaluate contracts of one year or less for variable consideration.

The Company does not believe the impact of electing to use such practical expedients have a material impact on the financial statements.

Note 4. Property, Plant and Equipment, net

Property, plant and equipment, net consisted of the following (in thousands):

	March 31, 2018	December 31, 2017
Leasehold improvements	$ 6,639	$ 6,869
Furniture and fixtures	2,144	2,187
Equipment	130,395	128,046
Computer equipment	11,484	10,661
Computer software	33,302	31,518
Automobiles	309	311
Buildings	6,744	6,744
Albatross (Company-owned aircraft)	447	447
Satellite transponder	80,432	79,097
Construction in-progress	3,760	3,370
Total property, plant and equipment	275,656	269,250
Accumulated depreciation	(85,686)	(74,221)
Property, plant and equipment, net	$ 189,970	$ 195,029

Depreciation expense, including software amortization expense, by classification consisted of the following (in thousands):

	Three Months Ended March 31,	
	2018	2017
Cost of sales	$ 8,067	$ 6,214
Sales and marketing	788	831
Product development	686	577
General and administrative	3,127	2,701
Total depreciation expense	$ 12,668	$ 10,323

Note 5. Goodwill

The changes in the carrying amount of goodwill by segment were as follows (in thousands):

	Aviation Connectivity Reporting Unit	Maritime & Land Connectivity Reporting Unit	Media & Content	Total
Balance as of December 31, 2017				
Gross carrying amount	$ 98,037	$ 209,130	$ 83,529	$ 390,696
Accumulated impairment loss	(44,000)	(187,000)	—	(231,000)
Balance at December 31, 2017, net	54,037	22,130	83,529	159,696
Impairment loss	—	—	—	—
Foreign currency translation adjustments	(16)	—	(26)	(42)
Balance as of March 31, 2018	$ 54,021	$ 22,130	$ 83,503	$ 159,654
Balance as of March 31, 2018				
Gross carrying amount	98,021	209,130	83,503	390,654
Accumulated impairment loss	(44,000)	(187,000)	—	(231,000)
Balance at March 31, 2018, net	$ 54,021	$ 22,130	$ 83,503	$ 159,654

Goodwill Impairments

For the quarter ended March 31, 2017, the Company identified a triggering event due to a significant decline in the market capitalization of the Company. Accordingly, the Company assessed the fair value of its three reporting units as of March 31, 2017 and recorded a goodwill impairment charge of $78.0 million related to its Maritime & Land Connectivity reporting unit. This impairment was primarily due to lower than expected financial results of the reporting unit during the three months ended March 31, 2017 due to delays in new maritime installations, slower than originally estimated execution of EMC Acquisition-related synergies and other events that occurred in the first quarter of 2017. Given these indicators, the Company then determined that there was a higher degree of uncertainty in achieving its financial projections for this unit and as such, increased its discount rate, which reduced the fair value of the unit.

For the quarter ended December 31, 2017, we again identified a triggering event due to a further decline in our market capitalization, which we believe was driven by investor uncertainty around our liquidity position and our then delinquent SEC filing status. Consequently, we performed another assessment of the fair value of our three reporting units as of December 31, 2017. In performing that reassessment, we adjusted the assumptions used in the impairment analysis and increased the discount rate used in the impairment model, which negatively impacted the fair value of the Maritime & Land Connectivity and Aviation Connectivity reporting units. Following this analysis, we determined that the fair value of the Media & Content reporting unit exceeded its carrying value, while the fair value of the Maritime & Land Connectivity and Aviation Connectivity reporting units were below their carrying values. As such, we recorded impairment charges of $45.0 million and $44.0 million in our Maritime & Land Connectivity and Aviation Connectivity reporting units, respectively, during the fourth quarter of 2017. The key assumptions underlying our valuation model used for accounting purposes, as described above, were updated to reflect the delays in realizing anticipated EMC Acquisition-related synergies previously discussed that impacted both the Maritime & Land Connectivity and Aviation Connectivity reporting units. Additionally, network expansion to meet current and anticipated new customer demand caused a step-up in bandwidth costs in our Maritime & Land and Aviation Connectivity reporting units. Our total goodwill impairment recorded for the full year ended December 31, 2017 was $167.0 million.

As of March 31, 2018 we completed a qualitative impairment assessment and concluded that no impairment trigger existed and no impairment to our goodwill balance was required at that time. Our Maritime & Land reporting unit, which is included in our Connectivity segment, had negative carrying amounts of assets. As of March 31, 2018, remaining goodwill allocated to this reporting unit was $22.1 million.

Note 6. Intangible Assets, net

As a result of historical business combinations, the Company acquired finite-lived intangible assets that are primarily amortized on a straight-line basis and the values of which approximate their expected cash flow patterns. The Company's finite-lived intangible assets have assigned useful lives ranging from 2.0 to 10.0 years (weighted average of 6.9 years).

Intangible assets, net consisted of the following (dollars in thousands):

		March 31, 2018		
	Weighted Average Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Existing technology -- software	4.8	$ 42,999	$ 22,800	$ 20,199
Existing technology -- games	5.0	12,331	12,331	—
Developed technology	8.0	7,317	4,116	3,201
Customer relationships	7.9	170,716	91,056	79,660
Backlog	3.0	18,300	10,167	8,133
Other	4.5	2,746	1,920	826
Total		$ 254,409	$ 142,390	$ 112,019

		December 31, 2017		
	Weighted Average Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Existing technology -- software	4.8	$ 42,999	$ 20,209	$ 22,790
Existing technology -- games	5.0	12,331	12,125	206
Developed technology	8.0	7,317	3,887	3,430
Customer relationships	7.9	170,716	85,160	85,556
Backlog	3.0	18,300	8,642	9,658
Other	4.5	2,746	1,804	942
Total		$ 254,409	$ 131,827	$ 122,582

We expect to record amortization of intangible assets as follows (in thousands):

Year ending December 31,	Amount
2018 (remaining nine months)	$ 27,879
2019	28,647
2020	22,263
2021	13,824
2022	7,907
Thereafter	11,499
Total	$ 112,019

We recorded amortization expense of $10.7 million and $11.0 million for the three months ended March 31, 2018 and 2017, respectively.

Note 7. Equity Method Investments

In connection with the EMC Acquisition, the Company acquired 49% equity interests in each of WMS and Santander (which interests EMC owned at the time of the EMC Acquisition). These investments are accounted for using the equity method of accounting, under which our results of operations include our share of the income of WMS and Santander in Income from equity method investments in our condensed consolidated statements of operations. Following is (1) the summarized balance sheet information for these equity method investments on an aggregated basis as of March 31, 2018 and December 31, 2017, and (2) results of operations information for these equity method investments on an aggregated basis for the three months ended March 31, 2018 (in thousands):

	March 31, 2018	December 31, 2017
Current assets	$ 37,520	$ 35,859
Non-current assets	21,025	21,009
Current liabilities	17,068	15,151
Non-current liabilities	1,012	1,056

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Revenue	$ 36,211	$ 34,429
Net income	5,899	6,449

The carrying values of the Company's equity interests in WMS and Santander as of March 31, 2018 and December 31, 2017 were as follows (in thousands):

	March 31, 2018	December 31, 2017
Carrying value in our equity method investments	138,495	137,299

During the fourth quarter of 2017, in accordance with ASC 323, Investments—Equity Method and Joint Ventures, we completed an assessment of the recoverability of our equity method investments. We determined that the fair value of our investment in Santander exceeded the carrying value; however, the carrying value of our interest in our WMS joint venture exceeded the estimated fair value of our interest and accordingly we recorded an impairment charge of $16.7 million relating to our WMS equity investment. This WMS impairment was primarily as a result of lower than expected financial results for WMS for the year ended December 31, 2017 due to the loss of a WMS roaming partner. This resulted in a decline in revenue and margin which is not expected to recover in the foreseeable future, causing us to reduce our financial projections for the WMS business for 2018 and beyond.

As of March 31, 2018 there was an aggregate difference of $116.4 million between the carrying amounts of these investments and the amounts of underlying equity in net assets in these investments. The difference was determined by applying the acquisition method of accounting in connection with the EMC Acquisition and is being amortized ratably over the life of the related acquired intangible assets. The weighted-average life of the intangible assets at the time of the EMC Acquisition in total was 14.9 years.

Note 8. Financing Arrangements

A summary of our outstanding indebtedness as of March 31, 2018 and December 31, 2017 is set forth below (in thousands):

	March 31, 2018	December 31, 2017
Senior secured term loan facility, due January 2023[(+)]	487,500	490,625
Senior secured revolving credit facility, due January 2022[(+)(2)]	78,000	78,000
2.75% convertible senior notes due 2035[(1)]	82,500	82,500
Second Lien Notes, due 2023	124,626	—
Other debt	8,823	9,075
Unamortized bond discounts, fair value adjustments and issue costs, net	(45,366)	(41,136)
Total carrying value of debt	736,083	619,064
Less: current portion, net	(16,656)	(20,106)
Total non-current	$ 719,427	$ 598,958

[(+)] This facility is a component of the 2017 Credit Agreement.
[(1)] The principal amount outstanding of the 2.75% convertible senior notes due 2035 as set forth in the foregoing table was $82.5 million as of March 31, 2018, and is not the carrying amounts of this indebtedness (*i.e.*, outstanding principal amount net of debt issuance costs and discount associated with the equity component).
[(2)] In the second quarter of 2018, we used a portion of the proceeds of the issuance of our Second Lien Notes to repay the full $78 million principal balance on our revolving credit facility, following which the full $85 million facility (reduced for approximately $6.2 million in letters of credit outstanding thereunder) became (and remains) available.

Senior Secured Credit Agreement (2017 Credit Agreement)

On January 6, 2017, we entered into a senior secured credit agreement ("2017 Credit Agreement") that provides for aggregate principal borrowings of up to $585 million, consisting of a $500 million term-loan facility (the "2017 Term Loans") maturing January 6, 2023 and a $85 million revolving credit facility (the "2017 Revolving Loans") maturing January 6, 2022. We used the proceeds of borrowings under the 2017 Credit Agreement to repay the then outstanding balance under a former EMC credit facility assumed in the EMC Acquisition and terminated the former credit facility assumed from EMC. In connection with this January 2017 refinancing, we recorded a loss on extinguishment of debt in the amount of $14.5 million during the first quarter of 2017.

The 2017 Term Loans initially bore interest on the outstanding principal amount thereof at a rate per annum equal to (i) the Eurocurrency Rate (as defined in the 2017 Credit Agreement) plus 6.00% or (ii) the Base Rate (as defined in the 2017 Credit Agreement) plus 5.00% or (iii) the Eurocurrency Rate (as defined in the 2017 Credit Agreement) for each Interest Period (as defined in the 2017 Credit Agreement) plus 6.00%. The 2017 Credit Agreement initially required quarterly principal payments equal to 0.25% of the original aggregate principal amount of the 2017 Term Loans, with such payments reduced for prepayments in accordance with the terms of the 2017 Credit Agreement. The 2017 Revolving Loans initially bore interest at a rate per annum equal to (i) the Base Rate plus 5.00% or (ii) the Eurocurrency Rate or EURIBOR (as defined in the 2017 Credit Agreement) plus 6.00% until the delivery of financial statements for the first full fiscal quarter ending after January 6, 2017, the closing date of the 2017 Credit Agreement. Now that we have delivered those financial statements, the 2017 Revolving Loans bear interest at a rate based on the Base Rate, Eurocurrency Rate or EURIBOR (each as defined in the 2017 Credit Agreement) plus an interest-rate spread thereon that varies based on the Consolidated First Lien Net Leverage Ratio (as defined in the 2017 Credit Agreement). The spread thereon initially ranged from 4.50% to 5.00% for the Base Rate and 5.50% to 6.00% for the Eurocurrency Rate and EURIBOR. In May 2017 and October 2017, the interest rates and required quarterly principal payments for the 2017 Term Loans and the interest rates and interest-rate spreads for the 2017 Revolving Loans were amended.

The 2017 Credit Agreement also provides for the issuance of letters of credit in the amount equal to the lesser of $15.0 million and the aggregate amount of the then-remaining revolving loan commitment. As of March 31, 2018, we had outstanding letters of credit of $6.2 million under the 2017 Credit Agreement.

Certain of our subsidiaries are guarantors of our obligations under the 2017 Credit Agreement. In addition, the 2017 Credit Agreement is secured by substantially all of our tangible and intangible assets, including a pledge of all of the outstanding capital stock of substantially all of our domestic subsidiaries and 65% of the shares or equity interests of foreign subsidiaries, subject to certain exceptions.

The 2017 Credit Agreement contains various customary restrictive covenants that limit our ability to, among other things: create or incur liens on assets; make any investments, loans or advances; incur additional indebtedness, engage in mergers, dissolutions, liquidations or consolidations; engage in transactions with affiliates; make dispositions; and declare or make dividend

payments. The 2017 Credit Agreement requires us to maintain compliance with a maximum consolidated first lien net leverage ratio, as set forth in the 2017 Credit Agreement. One of the conditions to drawing on the revolving credit facility is confirmation that the representations and warranties in the 2017 Credit Agreement are true on the date of borrowing, and if we are unable to make that confirmation, including that no material adverse effect has occurred, we will be unable to draw down further on the revolver. As of March 31, 2017, we were not in compliance with reporting covenants relating to the delivery of financial statements and other information. However, we have obtained waivers from our lenders that extended the deadlines for delivery thereof, and we have not at any time been in default under the 2017 Credit Agreement.

2.75% Convertible Senior Notes due 2035

In February 2015, we issued an aggregate principal amount of $82.5 million of convertible senior notes due 2035 (the "Convertible Notes") in a private placement. The Convertible Notes were issued at par, pay interest semi-annually in arrears at an annual rate of 2.75% and mature on February 15, 2035, unless earlier repurchased, redeemed or converted pursuant to the terms of the Convertible Notes. In certain circumstances and subject to certain conditions, the Convertible Notes are convertible at an initial conversion rate of 53.9084 shares of common stock per $1,000 principal amount of notes (which represents an initial conversion price of approximately $18.55 per share), subject to adjustment. Holders of the Convertible Notes may convert their Convertible Notes at their option at any time prior to the close of business on the business day immediately preceding November 15, 2034, only if one or more of the following conditions has been satisfied: (1) during any calendar quarter beginning after March 31, 2015 if the closing price of our common stock equals or exceeds 130% of the respective conversion price per share during a defined period at the end of the previous quarter, (2) during the five consecutive business day period immediately following any 5 consecutive trading day period in which the trading price per $1,000 principal amount of Convertible Notes for each trading day was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; (3) if specified corporate transactions occur, or (4) if we call any or all of the Convertible Notes for redemption, at any time prior to the close of business on the second business day immediately preceding the redemption date. On or after November 15, 2034, until the close of business on the second scheduled trading day immediately preceding the maturity date, a holder may convert all or a portion of its Convertible Notes at any time, regardless of the foregoing circumstances.

On February 20, 2022, February 20, 2025 and February 20, 2030 and if we undergo a "fundamental change" (as defined in the indenture governing the Convertible Notes (the "Indenture")), subject to certain conditions, a holder will have the option to require us to repurchase all or a portion of its Convertible Notes for cash at a repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus any accrued and unpaid interest, if any, to, but excluding, the relevant repurchase date. If our common stock ceases to be listed or quoted on Nasdaq, this would constitute a "fundamental change," as defined in the Indenture, and the holders of the Convertible Notes would have the right to require us to repurchase all or a portion of their convertible notes at a repurchase price equal to 100% of the principal amount of our convertible notes to be repurchased. In addition, upon the occurrence of a "make-whole fundamental change" (as defined in the Indenture) or if we deliver a redemption notice prior to February 20, 2022, we will, in certain circumstances, increase the conversion rate for a holder that converts its Convertible Notes in connection with such make-whole fundamental change or redemption notice, as the case may be.

The Company may not redeem the Convertible Notes prior to February 20, 2019. The Company may, at its option, redeem all or part of the Convertible Notes at any time (i) on or after February 20, 2019 if the last reported sale price per share of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide written notice of redemption and (ii) on or after February 20, 2022 regardless of the sale price condition described in clause (i), in each case, at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. Upon conversion of any Convertible Note, we shall pay or deliver to the converting noteholder cash, shares of common stock or a combination of cash and shares of our common stock, at our election.

The Company separated the Convertible Notes into liability and equity components. The carrying amount of the liability component of $69.5 million was calculated by measuring the fair value of similar liabilities that do not have an associated convertible feature. The carrying amount of the equity component was calculated to be $13.0 million, and represents the conversion option which was determined by deducting the fair value of the liability component from the principal amount of the notes. This difference represents a debt discount that is amortized to interest expense over the term of the Convertible Notes. The equity component is not remeasured as long as it continues to meet the conditions for equity classification.

In accounting for the direct transaction costs (the "issuance costs") related to the Convertible Notes, we allocated the total amount of issuance costs incurred to the liability and equity components based on their relative values. We recorded issuance costs of $1.8 million and $0.3 million to the liability and equity components, respectively. Issuance costs, including fees paid to the initial purchasers who acted as intermediaries in the placement of the Convertible Notes, attributable to the liability component are presented in the condensed consolidated balance sheets as a direct deduction from the carrying amount of the debt instrument and are amortized to interest expense over the term of the Convertible Notes in the condensed consolidated statements of operations. The issuance costs attributable to the equity component are netted with the equity component and included within Additional paid-in capital in the condensed consolidated balance sheets. Interest expense related to the amortization expense of the issuance costs associated with the liability component was not material during the three months ended March 31, 2018.

As of March 31, 2018 and December 31, 2017, the outstanding principal on the Convertible Notes was $82.5 million, and the outstanding Convertible Notes balance, net of debt issuance costs and discount associated with the equity component, was $69.9 million and $69.7 million, respectively. As of March 31, 2018, the equity component of the Convertible Notes was $13.0 million. Subsequent to March 31, 2017, we became non-compliant with our obligations under the Indenture relating to the delivery to the Indenture trustee of our 2016 annual financial statements and interim financial statements for the quarters ended March 31, June 30 and September 30, 2017, and such non-compliance constituted an Event of Default (as defined in the Indenture) under the Indenture. As a result, immediately after the occurrence of the Event of Default and through such time as the noncompliance was continuing, we incurred additional interest on the Convertible Notes at a rate equal to (i) 0.25% per annum of the principal amount of the Convertible Notes outstanding for each day during the first 90 days after the occurrence of each Event of Default and (ii) 0.50% per annum of the principal amount of the Convertible Notes outstanding from the 91st day until the 180th day following the occurrence of each such Event of Default. (The Company cured its non-compliance relating to the delivery of the 2016 annual financial statements by filing its 2016 Annual Report on Form 10-K on November 17, 2017 and its interim financial statements by filing its Quarterly Reports on Form 10-Q for the first three quarters of 2017 on January 31, 2018.) However, the maximum additional interest was capped at 0.50% per annum irrespective of how many Events of Default were in existence at any time for our failure to deliver any required financial statements. The aggregate penalty interest incurred during this period of non-compliance was approximately $0.2 million.

Second Lien Notes due 2023 and Warrants

On March 27, 2018 (the "Closing Date") we issued to Searchlight II TBO, L.P. ("Searchlight") $150.0 million in aggregate principal amount of its Second Lien Notes, and to Searchlight II TBO-W L.P. warrants to acquire an aggregate of 18,065,775 shares of the Company's common stock, par value $0.0001 per share (the "Common Stock"), at an exercise price of $0.01 per share (the "Penny Warrants"), and warrants to acquire an aggregate of 13,000,000 shares of Common Stock at an exercise price of $1.57 per share (the "Market Warrants" and, together with the Penny Warrants, the "Warrants"), for aggregate price of $150.0 million.

The Second Lien Notes mature on June 30, 2023. Interest on the Second Lien Notes will initially be payable in kind (compounded semi-annually) at a rate of 12.0% per annum. Interest will automatically convert to accruing cash pay interest at a rate of 10.0% per annum upon the earlier of (i) March 15, 2021 and (ii) the last day of the most recently ended fiscal quarter of the Company for which financial statements have been delivered for which the Company's "total net leverage ratio" has decreased to 3.39 to 1.0. Our "total net leverage ratio" is as defined in the purchase agreement relating to the Second Lien Notes (the "Purchase Agreement"), and uses a "Consolidated EBITDA" definition from the Purchase Agreement that is different than the "Adjusted EBITDA" figure that we publicly report to our investors.

Each of the Company's subsidiaries that guarantees the Company's obligations under its 2017 Credit Agreement guarantee the Second Lien Notes (the "Guarantors") pursuant to a guaranty agreement (the "Guaranty"). The Second Lien Notes and the guarantees thereof are subordinated in right of payment to the obligations of the Company and the Guarantors under the 2017 Credit Agreement and are secured by the same assets securing the obligations of the Company and the Guarantors under the 2017 Credit Agreement on a second lien basis, subject to the terms of an intercreditor and subordination agreement (the "Intercreditor Agreement") among the Company, the Guarantors, the Administrative Agent and the collateral agent.

Prior to the third anniversary of the Closing Date, the Company may redeem the Second Lien Notes at a price equal to 100.0% of the principal amount of the Second Lien Notes to be redeemed, plus a "make-whole" premium and accrued and unpaid interest, if any, to (but excluding) the date of redemption. Thereafter, each Note will be redeemable at 105.0% of the principal amount thereof from the third anniversary of the Closing Date until (and excluding) the fourth anniversary of the Closing Date, at 102.5%

of the principal amount thereof from the fourth anniversary of the Closing Date until (and excluding) the fifth anniversary of the Closing Date, and thereafter at 100.0% of the principal amount thereof, plus, in each case, accrued and unpaid interest thereon, if any, to (but excluding) the redemption date. Upon a "change of control" (as defined in the Purchase Agreement), the Company must offer to purchase the Second Lien Notes at a price in cash equal to 101% of the principal amount of such Second Lien Notes, plus accrued and unpaid interest, if any, to (but excluding) the date of purchase.

The Purchase Agreement contains affirmative and negative covenants of the Company and its subsidiaries consistent with those in the 2017 Credit Agreement (including limitations on the amount of first lien indebtedness that may be incurred) and contains customary events of default, upon the occurrence and during the continuance of which the majority holders of the Second Lien Notes may declare all obligations under the Second Lien Notes to become immediately due and payable. There are no financial "maintenance covenants" in the purchase agreement for the Second Lien Notes.

On the Closing Date, the Company and the Guarantors entered into a security agreement with the Collateral Agent (the "Security Agreement"). Under the Security Agreement, each of the Company and the Guarantors granted and pledged to the Collateral Agent, to secure the payment and performance in full of all of the obligations under the Notes, a security interest in substantially all of its respective assets, and all proceeds and products and supporting obligations in respect thereof, subject to customary limitations, exceptions, exclusions and qualifications, and the Security Agreement is subject to the terms of the Intercreditor Agreement.

Searchlight will not be permitted to transfer its Second Lien Notes before January 1, 2021, except to its controlled affiliates.

The Warrants

The Warrants vest and are exercisable at any time and from time to time after the Vesting Date (as defined below) until on or prior to the close of business on the tenth anniversary of the Closing Date. The Warrants vest and become exercisable on January 1, 2021 (the "Vesting Date"), if the 45-day volume-weighted average price of our common stock (as reported by Nasdaq) is at or above (i) $4.00, in the case of the Penny Warrants, and (ii) $2.40, in the case of the Market Warrants, in each case at any time following the Closing Date.

The holders of the Warrants cannot exercise the Warrants if and to the extent, as a result of such exercise, either (i) such holder's (together with its affiliates) aggregate voting power on any matter that could be voted on by holders of the Common Stock would exceed 19.9% of the maximum voting power outstanding or (ii) such holder (together with its affiliates) would beneficially own more than 19.9% of our then outstanding common stock, subject to customary exceptions in connection with public sales or the consummation of a specified liquidity event described in the Warrants.

The Warrants also include customary anti-dilution adjustments.

Pursuant to the terms of a Warrantholders Agreement between us and Searchlight II TBO-W L.P., entered into on the Closing Date, the Company increased the size of its board of directors (the "Board") to eleven members, and appointed each of Eric Zinterhofer and Eric Sondag as Class III directors (as such term is used in the Company's certificate of incorporation) of the Board, with a term expiring in 2020. For so long as Searchlight and its controlled affiliates beneficially own at least 25% of the number of Penny Warrants issued on the Closing Date (and/or the respective shares of our common stock issued in connection with the exercise of the Penny Warrants), Searchlight shall have the right to nominate a number (rounded up to the nearest whole number) of individuals for election to the Board equal to the product of the following (such individuals, the "Searchlight Nominees"):

- the number of directors then serving on the Board, multiplied by
- a fraction, the numerator of which is the total number of outstanding shares of our common stock underlying the Penny Warrants beneficially owned by Searchlight (after giving effect to the exercise of the Penny Warrants) and the denominator of which is the sum of (A) the total number of outstanding shares of our common stock plus (B) the number of shares of our common stock underlying the Penny Warrants that have not yet been exercised;

Searchlight will not be entitled to nominate more than one individual to the Board if it beneficially owns less than 50% of the Penny Warrants (or the underlying shares of common stock) issued or issuable on the Closing Date. In no event will Searchlight be entitled to nominate more than two individuals to the Board.

Searchlight's rights to Board representation terminate if Searchlight and its affiliates have an employee, member or partner (other than a limited partner who is an investor in Searchlight) who is a director or executive officer of a competitor of the Company, or if Searchlight has a portfolio company that is a competitor of the Company.

Stock Buy-back Restriction

Until the earlier of (i) the date on which Searchlight no longer beneficially owns at least 25% of the number of Market Warrants issued on the Closing Date (and/or the respective shares of Common Stock issued in connection with the exercise of the Market Warrants) and (ii) January 1, 2021, without the prior consent of Searchlight, the Company will not directly or indirectly redeem, purchase or otherwise acquire any equity securities of the Company for a consideration per share (plus, in the case of any options, rights, or securities, the additional consideration required to be paid to the Company upon exercise, conversion or exchange) greater than the market price (as defined in the Warrants) per share of common stock immediately prior to the earlier of (x) the announcement of such acquisition or (y) such acquisition.

Warrant Transfer Restrictions

Searchlight is not permitted to transfer its Warrants prior to January 1, 2021, except to its controlled affiliates or in connection with certain tender offers, exchange offers, mergers or similar transactions. The Warrants and the underlying shares of common stock are freely transferable by Searchlight on and after January 1, 2021.

Registration Rights

Searchlight has customary shelf, demand and piggyback registration rights with respect to the common stock (including shares of common stock underlying the Warrants) that it holds, including demand registrations and underwritten "shelf takedowns," subject to specified restrictions, thresholds and the Company's eligibility to use a registration statement on Form S-3.

Participation Rights

Until the earlier of (i) the fifth anniversary of the Closing Date and (ii) the date Searchlight no longer holds at least 50% of the Penny Warrants (or the respective shares of common stock underlying such Penny Warrants), Searchlight has participation rights with respect to issuances of common equity securities by the Company, subject to exceptions. These rights entitle Searchlight to opt to participate in future issuances by the Company of common equity or common equity-linked securities, subject to customary exceptions.

Standstill

Until the earlier of (i) the 18-month anniversary of the Closing Date and (ii) the date on which Searchlight owns less than 10% of the outstanding common stock (directly or on an as-exercised basis), neither Searchlight nor its affiliates may (unless invited by the Company's Board) (a) acquire any voting equity securities or material assets of the Company if Searchlight (together with its affiliates) would beneficially hold in the aggregate more than 9.9% of the Company's 2.75% convertible senior notes due 2035 or 9.9% of the Company's common stock, (b) acquire all or a material part of the Company or its subsidiaries, (c) make, or in any way participate in any "proxy contest" or other solicitation of proxies, (d) form, join or in any way participate in a "group" (within the meaning of Section 13 (d) (3) of the Securities Exchange Act of 1934, as amended) with respect to any voting securities of the Company or any of its subsidiaries, (e) seek to influence or control the Company's management or policies, (f) directly or indirectly enter into any discussions, negotiations, arrangements or understandings with any other person with respect to any of the foregoing activities, (g) advise, assist, encourage, act as a financing source for or otherwise invest in any other person in connection any of the foregoing activities or (h) publicly disclose any intention, plan or arrangement inconsistent with any of the foregoing.

Amendment to Senior Secured Credit Agreement

In connection with the issuance of the Second Lien Notes, on March 8, 2018, the Company entered into the Sixth Amendment to the 2017 Credit Agreement (the "Sixth Amendment"), among the Company, the Guarantors, the lenders party thereto and the Administrative Agent. The Sixth Amendment amends the terms of the 2017 Credit Agreement, in part, by:

- resetting the non-call period by modifying the definition of the "Relevant Call Date" to mean June 30, 2020;
- modifying the mandatory prepayments provision therein to require the Company, following the filing of its Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and the delivery of a budget and certain projections for the 2018 fiscal year to Searchlight, to repay all then outstanding revolving credit loans outstanding under the 2017 Credit Agreement, including outstanding interest thereon;
- modifying the debt covenant therein to permit the incurrence of indebtedness in connection with the issuance of $150,000,000 in aggregate principal amount of the Second Lien Notes and any refinancing thereof and adding a corresponding exception to the lien covenant; and
- modifying the junior-debt-prepayments covenant therein to prohibit the Company from making interest payments in respect of the Second Lien Notes in cash prior to the earlier of (i) March 15, 2021 and (ii) such time as the Company's "total net leverage ratio" has decreased to 3.39 to 1.0.

The Company did not pay the lenders any fees in connection with the Sixth Amendment.

The aggregate contractual maturities of all borrowings due subsequent to March 31, 2018 are as follows (in thousands):

Years Ending December 31,	**Amount**
2018 (remaining nine months)	$ 16,656
2019	22,413
2020	25,416
2021	25,046
2022	103,047
Thereafter	588,871
Total	$ 781,449

Note 9. Commitments and Contingencies

Movie License and Internet Protocol Television ("IPTV") Commitments

In the ordinary course of business, we have long-term commitments, such as license fees and guaranteed minimum payments owed to content providers. In addition, we have long-term arrangements with service and television providers to license and provide content and IPTV services that are subject to future guaranteed minimum payments from us to the licensor.

The following is a schedule of future minimum commitments under movie and IPTV arrangements as of March 31, 2018 (in thousands):

Years Ending December 31,	Amount
2018 (remaining nine months)	$ 51,376
2019	17,947
2020	6,283
2021	750
2022	750
Thereafter	—
Total	$ 77,106

Operating Lease Commitments

The Company leases its operating facilities under non-cancelable operating leases that expire on various dates through 2025. Some of our operating leases provide us with the option to renew for additional periods. Where operating leases contain escalation clauses, rent abatements, and/or concessions, such as rent holidays and landlord or tenant incentives or allowances, we apply them in the determination of straight-line rent expense over the lease term. Some of our operating leases require the payment of real estate taxes or other occupancy costs, which may be subject to escalation. The Company also leases some facilities and vehicles under month-to-month arrangements.

The following is a schedule of future minimum lease payments under operating leases as of March 31, 2018 (in thousands):

Years Ending December 31,	Amount
2018 (remaining nine months)	$ 4,666
2019	4,994
2020	3,513
2021	3,413
2022	2,981
Thereafter	5,107
Total	$ 24,674

Total rent expense for the three months ended March 31, 2018 and 2017 was $2.0 million and $1.8 million, respectively.

Capital Leases

The Company leases certain computer software and equipment under capital leases that expire on various dates through 2020. The current portion and non-current portion of capital lease obligations are included in Current portion of long-term debt and Long-term debt, respectively, on the condensed consolidated balance sheets. As of March 31, 2018, future minimum lease payments under these capital leases were as follows (in thousands):

Year Ending December 31,	Amount
2018 (remaining nine months)	$ 774
2019	731
2020	371
Total minimum lease payments	1,875
Less: amount representing interest	(225)
Present value of net minimum lease payments	1,650
Less: current portion	(679)
Capital lease obligation, non-current	$ 971

Satellite Capacity Commitments

The Company maintains agreements with satellite service providers to provide for satellite capacity. The Company expenses these satellite fees in the month the service is provided as a charge to licensing and services cost of sales.

The following is a schedule of future minimum satellite costs as of March 31, 2018 (in thousands):

Years Ending December 31,	Amount
2018 (remaining nine months)	$ 83,497
2019	96,341
2020	70,395
2021	38,785
2022	34,276
Thereafter	116,672
Total	$ 439,966

Other Commitments

In the normal course of business, the Company enters into future purchase commitments with some of its connectivity vendors to secure future inventory for its customers and the development pertaining to engineering and antenna projects. At March 31, 2018, the Company also had outstanding letters of credit in the amount of $6.8 million, of which $6.2 million were issued under the letter of credit facility under the 2017 Credit Agreement. See Note 8. Financing Arrangements.

Contingencies

We are subject to various legal proceedings and claims that have arisen in the ordinary course of business and that have not been fully and finally adjudicated. We record accruals for loss contingencies when our management concludes it is probable that a liability has been incurred and the amount of the related loss can be reasonably estimated. On a regular basis, our management evaluates developments in legal proceedings and other matters that could cause an increase or decrease in the amount of the liability that has been accrued previously. While it is not possible to accurately predict or determine the eventual outcomes of these matters, an adverse determination in one or more of these matters could have a material adverse effect on our consolidated financial position, results of operations or cash flows. Some of our legal proceedings as well as other matters that our management believes could become significant are discussed below:

- *Music Infringement and Related Claims*. On May 6, 2014, UMG Recordings, Inc., Capitol Records, Universal Music Corp. and entities affiliated with the foregoing (collectively, “UMG”) filed suit in the United States District Court for the Central District of California against us and Inflight Productions Ltd. (“IFP”) for copyright infringement and related claims and unspecified money damages. IFP is a direct subsidiary of Global Entertainment AG (formally AIA) and as such is our indirect subsidiary. In August 2016, we entered into settlement agreements with major record labels and publishers, including UMG, to settle music copyright infringement and related claims

(the "Sound Recording Settlements"). As a result of the Sound Recording Settlements, we paid approximately $18.0 million in cash and issued approximately 1.8 million shares of our common stock to settle lawsuits and other claims. Under the settlement agreement with UMG, we paid UMG an additional $5.0 million in cash in March 2017 and agreed to issue 500,000 additional shares of our common stock when and if our closing price of our common stock exceeds $10.00 per share and 400,000 additional shares of our common stock when and if the closing price of our common stock exceeds $12.00 per share.

In 2016, we received notices from several other music rights holders and associations acting on their behalf regarding potential claims that we infringed their music rights and the rights of artists that they represent. To date, none of these rights holders or associations has initiated litigation against us, except for BMG Rights Management (US) LLC ("BMG") as described in the following paragraph. We believe that a loss relating to these matters is probable, but we believe that it is unlikely to be material and therefore have accrued an immaterial amount for these loss contingencies. If initiated however, we intend to vigorously defend ourselves against these claims.

On May 3, 2018, BMG filed suit in the United States District Court for the Central District of California against us and IFP for copyright infringement and related claims and unspecified money damages. The Court has not yet set a trial date. We believe that a material loss relating to this matter is reasonably possible, but we are currently unable to estimate the amount of the potential loss at this time due to the lack of specificity in the complaint; the fact that we have not yet completed our internal investigation; the speculative nature of the claimed damages; and the varying theories and wide range of statutory damages under which damages could be measured. As such, we have not accrued any amount for this loss contingency. We intend to vigorously defend ourselves against this claim.

- *SwiftAir Litigation.* On August 14, 2014, SwiftAir, LLC filed suit against our wholly owned subsidiary Row 44 and Southwest Airlines for breach of contract, quantum meruit, unjust enrichment and similar claims and money damages in the Superior Court of California for the County of Los Angeles. SwiftAir and Row 44 had a contractual relationship whereby Row 44 agreed to give SwiftAir access to its Southwest Airlines portal so that SwiftAir could market its destination deal product to Southwest's passengers. In 2013, after Southwest Airlines decided not to proceed with SwiftAir's destination deal product, Row 44 terminated the contract. In its lawsuit, SwiftAir seeks approximately $9 million in monetary damages against Row 44 and Southwest Airlines. The Court has scheduled the trial for this matter in September 2018. We believe that a material loss relating to this matter is reasonably possible, but we are currently unable to estimate the amount of the potential loss at this time due to the speculative nature of the claimed damages and the varying theories under which damages could be measured, and as such have not accrued any amount for this loss contingency. We intend to vigorously defend ourselves against this claim. In addition, even if we are successful in our defense of this claim, we potentially may owe an obligation to indemnify Southwest Airlines if they are not successful in this litigation.

- *STM Litigation*. On April 12, 2016, STM Atlantic N.V. and STM Group, Inc. (jointly, the "STM Sellers") filed a breach-of-contract action in Delaware Superior Court against EMC relating to EMC's 2013 acquisition of STM Norway AS, STMEA (FZE), Vodanet Telecomuniçacões Ltda. and STM Networks from the STM Sellers. The STM Sellers alleged, among other things, that EMC breached earn-out provisions in the purchase agreement by failing to develop and sell sat-link technology following the acquisition closing. We believed that a material loss relating to this matter was reasonably possible, but we were previously unable to estimate the amount of such loss, and as such did not accrue a reserve for this loss contingency. In February 2018, EMC settled the lawsuit with STM Sellers, and pursuant to the purchase agreement whereby we purchased the EMC business, the seller of the EMC business indemnified us in full for this claim and all related legal expenses.

- *Securities Class Action Litigation.* On February 23, 2017 and on March 17, 2017, following our announcement that we anticipated a delay in filing our Annual Report for the year ended December 31, 2016 (or "2016 Form 10-K") and that our former CEO and former CFO would separate from us, three putative securities class action lawsuits were filed in United States District Court for the Central District of California. These lawsuits alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against us, our former CEO and two of our former CFOs. The plaintiffs voluntarily dismissed two of these lawsuits. The third lawsuit, brought by putative stockholder M&M Hart Living Trust and Randi Williams (the "Hart complaint"), alleged that we and the other defendants made misrepresentations and/or omitted material information about the EMC Acquisition, our projected financial performance and synergies following that acquisition, and the impact of that acquisition on our internal controls over financial reporting. The plaintiffs sought unspecified damages, attorneys' fees and costs. On November 2, 2017, the Court granted our and the other defendants'

motion to dismiss the Hart complaint, and dismissed the action with prejudice. On November 30, 2017, the plaintiffs filed a motion to alter or amend the Court's previous judgment of dismissal to permit them to file a further amended complaint. On January 8, 2018 the Court denied the plaintiffs' motion to alter or amend the previous judgment. On January 29, 2018, the plaintiffs appealed to the United States Court of Appeals for the Ninth Circuit from the Court's denial of the plaintiffs' motion to alter or amend the judgment. We expect the Ninth Circuit to hear the appeal in late 2018 or early 2019. We believe that a loss relating to this matter is probable, but we believe that it is unlikely to be material and therefore have accrued an immaterial amount related to this loss contingency. We intend to vigorously defend ourselves against this claim.

In addition, from time to time, we are or may be party to various additional legal matters incidental to the conduct of our business. Some of the outstanding legal matters include speculative claims for indeterminate amounts of damages, for which we have not recorded any contingency accrual. Additionally, we have determined that other legal matters are likely not material to our financial statements, and as such have not discussed those matters above. Although we cannot predict with certainty the ultimate resolution of these speculative and immaterial matters, based on our current knowledge, we do not believe that the outcome of any of these matters will have a material adverse effect on our financial statements.

Note 10. Related Party Transactions

Loan Agreement with Lumexis

On February 24, 2016, we entered into a loan agreement (the "Loan Agreement") with Lumexis Corporation ("Lumexis"), a company that provided in-flight entertainment systems to airlines. Lumexis was at the time majority-owned by PAR Investment Partners, L.P. ("PAR"), which is our largest stockholder. When we entered into the Loan Agreement, Mr. Shapiro, our then Board Chair and now our Board's Lead Independent Director, was also a Managing Partner of PAR and a member of Lumexis's board of directors.

The Loan Agreement provided for extensions of credit by us to Lumexis of up to $5.0 million. After due consideration, our Board determined that it was appropriate and in our best interests and our stockholders to enter into the Loan Agreement given (x) Lumexis' position as a key supplier to flydubai (one of our connectivity customers), (y) Lumexis's position as a key supplier to another then-potential connectivity customer of our company and (z) Lumexis's future M&A prospects. Our Board further determined that the parties' relationships did not give rise to any material conflict of interest (including Mr. Shapiro) in entering into the Loan Agreement. Mr. Shapiro recused himself from our Board's decision to approve the transaction.

The Loan Agreement qualifies Lumexis as our variable interest entity. In accordance with ASC 810, *Consolidation*, we were not deemed to be the primary beneficiary of Lumexis because we did not hold any power over Lumexis's activities that most significantly impacted its economic performance. Therefore, Lumexis was not subject to consolidation into our financial reporting. The maximum exposure to loss as a result of the Loan Agreement was the outstanding principal balance of the loan and any accrued interest thereon.

The borrowings under the Loan Agreement were evidenced by a senior secured promissory note (the "Note") and bore interest at a per annum rate of 15%. The outstanding principal and accrued interest thereon were payable in full on December 31, 2016. As a result of information provided by Lumexis in June 2016 as to the note's collectability and Lumexis's insolvency, we wrote off the Note during the three months ended June 30, 2016 and discontinued accruing interest receivable.

On December 5, 2016, we, Lumexis and PAR entered into a Partial Cancellation of Debt and Acceptance of Collateral, which provided a transfer of certain assets in the amount of $0.2 million to us in partial satisfaction of the Lumexis' principal amount of the outstanding debt. On January 6, 2017, we—as the senior-most secured creditor of Lumexis—then foreclosed on substantially all of Lumexis's remaining assets pursuant to a public foreclosure auction. During the third quarter of 2017, the Company entered into an arrangement with flydubai to sell to flydubai certain of the assets acquired. The arrangement resulted in a recovery of approximately $0.2 million during the three months ended September 30, 2017 and a further $0.1 million during the three months ended March 31, 2018.

Due from WMS

In connection with the EMC Acquisition, the Company acquired a 49% equity interest in WMS. The Company accounts for its interest in WMS using the equity method and includes the Company's share of WMS's profits or losses in Income from equity method investments in the condensed consolidated statements of operations. During the three months ended March 31, 2018 and March 31, 2017, sales to WMS (for the Company's services provided to WMS for WMS's onboard cellular equipment) were approximately $0.2 million and $0.3 million under the terms of the WMS operating agreement and an associated master services agreement with WMS. These sales are included in Revenue in the condensed consolidated statements of operations. As of March 31, 2018 and December 31, 2017, we had a balance due from WMS of $0.1 million and $0.1 million, respectively, included in Accounts receivable, net in the condensed consolidated balance sheets.

Note Payable to WMS

In December 2017, the Company entered into a demand promissory note with WMS (as an advance against future dividends that WMS may pay the Company) for approximately $6.4 million and concurrently signed an agreement to waive future dividends or other such distributions by WMS to the Company until such time as the outstanding principal on the demand promissory note has been repaid in full. The outstanding demand promissory note will be reduced dollar-for-dollar by any such distribution amounts waived. The Company may prepay the promissory note at any time without prepayment penalty. The unpaid principal of the promissory note bears interest at 2.64%, and all interest calculated under the promissory note commences upon the occurrence of an "Event of Default," which includes, for example, the Company's breach of the promissory note or the WMS operating agreement, Company insolvency events and material judgments against the Company. The entire principal balance of the promissory note together with all accrued but unpaid interest shall be due on the earliest to occur of (i) demand by the holder, (ii) December 31, 2019 and (iii) the date of acceleration of the promissory note as a result of the occurrence of an event of default. The principal amount of the outstanding note was $6.4 million as of March 31, 2018 and has been included within current portion of long-term debt in the condensed consolidated balance sheet as of March 31, 2018.

Due to Santander

Also in connection with the EMC Acquisition, the Company acquired a 49% equity interest in Santander. The Company accounts for its interest in Santander using the equity method and includes our share of Santander's profits or losses in Income from equity method investments in the condensed consolidated statements of operations. During the three months ended March 31, 2018 and March 31, 2017 the Company purchased approximately $1.4 million and $0.3 million from Santander for their Teleport services and related network operations support services. As of March 31, 2018 and December 31, 2017 the Company owed Santander approximately $1.3 million and $0.9 million, respectively, which is included in Accounts payable and accrued liabilities in the condensed consolidated balance sheets for their teleport services and related network operations support services.

Transactions with TRIO Connect, LLC and its Affiliates

In July 2015 (prior to our acquisition of EMC in July 2016), EMC divested its interest in TRIO Connect ("TRIO"), one of EMC's joint ventures formed to commercialize EMC's ARABSAT Ka Band contract, such that following the divestiture EMC no longer had any ownership in TRIO and TRIO was instead owned by funds affiliated with ABRY Partners and EMC's other former stockholders. (ABRY is currently one of our significant stockholders.) We did not acquire the TRIO business in connection with our acquisition of EMC.

Prior to our acquisition of the EMC business, EMC and its subsidiaries had collectively made various loans to TRIO and its affiliated entities in an aggregate amount equal to approximately $6.5 million. Also prior to the EMC acquisition, STMEA (FZE), a wholly-owned subsidiary of TRIO, had made sales of equipment and provided employee payroll services to EMC and its subsidiaries in an aggregate amount equal to approximately $5.7 million. After netting the then-outstanding trade payables for the equipment sales and payroll services against the then-outstanding loan amounts, TRIO and its affiliates collectively owed EMC and its subsidiaries approximately $0.8 million at the time we acquired EMC, and we inherited this receivable in the acquisition.

Between October 2016 and August 2017, we made payments to a TRIO affiliate totaling $0.4 million for equipment purchases and service fees in connection with servicing various customer contracts. In September 2017, we made additional equipment

purchases from TRIO's affiliate totaling $0.4 million for customer orders and for inventory purposes. We believe that all of these purchase transactions were on arms'-length pricing and terms, and our Audit Committee approved them.

ABRY Partners divested its interest in our TRIO counterparty's operations in November 2017, such that the TRIO counterparty is no longer a related party of the Company.

ABRY Board Nomination Right

ABRY, through its affiliate EMC HoldCo 2 B.V., had a right under a nomination letter agreement (the "ABRY Nomination Agreement") that we entered into in connection with the EMC acquisition to nominate one individual for election to our Board. This right was due to terminate when (i) ABRY held less than 5% of our outstanding common stock, (ii) ABRY or its affiliates consummated a transaction involving a company or business that competed with any business then engaged in (or contemplated to be engaged in) by us, (iii) any partner, member or employee of ABRY or any of its affiliates became a director, board observer or executive officer of any competitor of ours, (iv) we sold all or substantially all of our assets, (v) we participated in a merger, consolidation or similar transaction in which our stockholders immediately prior to the consummation of the transaction held less than 50% of all of the outstanding common stock or other securities entitled to vote for the election of directors of the surviving entity in such transaction or (vi) ABRY gave written notice to us that it desired to terminate its nomination right. The ABRY Nomination Agreement also required that, subject to exceptions, ABRY and its affiliates would be subject to a "standstill" provision. This provision prohibited ABRY and its affiliates from taking actions to influence or control us (including by acquiring additional securities) until six months after the termination of ABRY's nomination right.

ABRY Partners irrevocably forfeited its nomination right in February 2018. The "standstill" provision described above remains in effect through August 2018.

Subscription Receivable with Former Employee

A former employee is party to a Secured Promissory Note dated July 15, 2011, pursuant to which the former employee agreed to pay the Company (as successor to Row 44, Inc., which is a Company subsidiary) a principal sum of approximately $0.4 million, plus interest thereon at a rate of 6% per annum. The former employee granted the Company a security interest in shares of Row 44 held by him (which Row 44 shares were subsequently converted into 223,893 shares of the Company's common stock) to secure his obligations to repay the loan. As of March 31, 2018 and December 31, 2017, the balance of the note (with interest) was approximately $0.6 million, which is presented as a subscription receivable. We recognize interest income on the note when earned (using the simple interest method) but have not collected any interest payments since the origination of the note. Interest income recognized by the Company during the three months ended March 31, 2018 and March 31, 2017 was not material. The Company makes ongoing assessments regarding the collectability of this note and the subscription receivable balance.

masFlight Earn-Out

In connection with our acquisition of masFlight on August 4, 2015 (the "masFlight Closing Date"), we agreed that if, prior to the second anniversary of the masFlight Closing Date, we terminated Josh Marks (formerly CEO of masFlight and now our CEO) without "cause" or he resigned with "good reason," we would pay a $10 million accelerated earnout payment to Mr. Marks and the other masFlight sellers. We did not terminate Mr. Marks prior to this date, and so Mr. Marks' acceleration right has expired.

Registration Rights Agreement

When we consummated our business combination in January 2013 with Row 44 and Advanced Inflight Alliance AG, we entered into an amended and restated registration rights agreement with PAR, entities affiliated with Putnam Investments, Global Eagle Acquisition LLC (the "Sponsor") and our then and current Board members Harry E. Sloan and Jeff Sagansky, who were affiliated with the Sponsor. Under that agreement, we agreed to register the resale of securities held by them (the "registrable securities") and to sell those registrable securities pursuant to an effective registration statement in a variety of manners, including in underwritten offerings. We also agreed to pay the securityholders' expenses in connection with their exercise of their registration rights.

During 2017, Putnam Investments was a beneficial owner of more than 5% of our outstanding common stock. According to a Schedule 13G/A filed on February 7, 2018, Putnam Investments no longer holds more than 5% of our outstanding common stock, and as such has ceased to be a related party. PAR and Messrs. Sloan and Sagansky continue to be related parties.

Note 11. Common Stock, Share-Based Awards and Warrants

Common Stock

Issuance of Common Stock

The Company issued approximately 5.5 million shares of its common stock to the EMC seller on July 27, 2016 in connection with the EMC Acquisition. On the first anniversary of the EMC Acquisition, on July 27, 2017, the Company issued to the EMC seller an additional approximately 5.0 million shares of the Company's common stock. Pursuant to the EMC purchase agreement, 50% of the newly issued shares was valued at $8.40 per share, and 50% was valued at the volume-weighted average price of a share of Company common stock measured two days prior the first anniversary date.

Furthermore, in August 2016, the Company issued approximately 1.8 million shares of its common stock as partial consideration for the Sound-Recording Settlements. The Company is obligated to issue an additional 500,000 shares of its common stock to UMG in connection with the litigation when and if the share price of the Company's common stock exceeds $10.00 per share and an additional 400,000 shares of its common stock when and if the closing price exceeds $12.00 per share (together, the "Supplemental Shares") at any time in the future if the share price reaches these price thresholds. In lieu of issuing the Supplemental Shares of the Company's common stock upon exceeding the respective share price thresholds, the Company may pay the equivalent in cash at its sole discretion. If the Company were to experience a liquidation event, as defined in the settlement documentation, and if the equivalent liquidation price per share at that time exceeds one or both of the share price thresholds, the Company is obligated to pay the equivalent liquidation price per share in cash in lieu of issuing the Supplemental Shares. See Note 9. Commitments and Contingencies for a further description of the Sound-Recording Settlements.

2013 Equity Plan

Under our 2013 Amended and Restated Equity Incentive Plan (as amended, the "2013 Equity Plan"), the Administrator of the Plan, which is the Compensation Committee of our Board, was able to grant up to 11,000,000 shares (through stock options, restricted stock, restricted stock units ("RSUs")) (including both time-vesting and performance-based RSUs) and other incentive awards) to employees, officers, non-employee directors, and consultants. We ceased using the 2013 Equity Plan for new equity issuances in December 2017 upon receiving stockholder approval of our new 2017 Omnibus Long-Term Incentive Plan, although we continue to have outstanding previously granted equity awards issued under the 2013 Equity Plan. See "2017 Equity Plan" immediately below.

2017 Equity Plan

On December 21, 2017, our stockholders approved a new 2017 Omnibus Long-Term Incentive Plan (the "2017 Omnibus Plan"). We had 2,097,846 shares remaining shares available for issuance under the 2013 Equity Plan (as of that date) and those shares rolled into the 2017 Omnibus Plan and are now available for grant thereunder. The 2017 Omnibus Plan separately made available 6,500,000 shares of our common stock for new issuance thereunder, in addition to those rolled over from the 2013 Equity Plan. The Administrator of the 2017 Omnibus Plan, which is the Compensation Committee of our Board, may grant share awards thereunder (through stock options, restricted stock, RSUs (including both time-vesting and performance-based RSUs) and other incentive awards) to employees, officers, non-employee directors, and consultants. In connection with its upcoming 2018 annual meeting of stockholders, the Company is requesting stockholder approval of its Amended and Restated 2017 Omnibus Long-Term Incentive Plan, which amends and restates the 2017 Omnibus Plan to add an additional two million shares to the number of shares that may be granted as awards under such plan.

Stock Repurchase Program

In March 2016, the Company's Board authorized a stock repurchase program under which the Company may repurchase up to $50.0 million of its common stock. Under the stock repurchase program, the Company may repurchase shares from time to time

using a variety of methods, which may include open-market purchases and privately negotiated transactions. The extent to which the Company repurchases its shares, and the timing and manner of such repurchases, will depend upon a variety of factors, including market conditions, regulatory requirements and other corporate considerations, as determined by management. The Company measures all potential buybacks against other potential uses of capital that may arise from time to time. The repurchase program does not obligate the Company to repurchase any specific number of shares, and may be suspended or discontinued at any time. The Company expects to finance any purchases with existing cash on hand, cash from operations and potential additional borrowings. The Company did not repurchase any shares of its common stock during the three months ended March 31, 2018 and 2017. As of March 31, 2018 the remaining authorization under the stock repurchase plan was $44.8 million.

Stock-Based Compensation Expense

Stock-based compensation expense related to all employee and, where applicable, non-employee stock-based awards for the three months ended March 31, 2018 and 2017 was as follows (in thousands):

	Three Months Ended March 31,	
	2018	2017
Cost of services	$ 179	$ 87
Sales and marketing	194	175
Product development	311	171
General and administrative	2,960	1,419
Total	$ 3,644	$ 1,852

Warrants Issued in Connection with Second Lien Notes

The Company's penny warrants and market warrants issued in connection with the Searchlight investment qualify for classification in stockholders' equity, as they are indexed to the Company's own stock and meet all additional criteria to be classified in stockholders' equity. They are considered freestanding, equity-classified instruments that are initially measured at fair value and recorded at their allocated value, with no remeasurement required as long as the contract continues to be classified in equity.

The following is a summary of the penny and market warrants outstanding as of March 31, 2018:

	Number of Warrants (in thousands)	Weighted Average Exercise price	Weighted Average Remaining Contractual Term (in years)
Penny Warrants	18,065,775	$ 0.01	10.0
Market Warrants	13,000,000	$ 1.57	10.0

Public SPAC Warrants

The following is a summary of Public SPAC Warrants (which were exercisable for shares of our common stock) for the three months ended March 31, 2018, with the "Number of Warrants" in the table below indicating the shares of our common stock underlying the Public SPAC Warrants:

	Number of Warrants (in thousands)	Weighted Average Exercise price	Weighted Average Remaining Contractual Term (in years)
Outstanding at January 1, 2018	6,173	$ 11.50	
Expired	(6,173)	—	
Outstanding and exercisable at March 31, 2018	—	$ —	0.0

The Company accounted for its 6,173,228 Public SPAC Warrants as derivative liabilities. During the three months ended March 31, 2018 and 2017, the Company recorded income of less than $0.1 million and $0.4 million, respectively, in the condensed consolidated statement of operations as a result of the marked to fair value adjustment of these warrants at the respective balance sheet dates. The fair value of Public SPAC Warrants issued by the Company were estimated using the Black-Scholes option pricing model. The Public SPAC Warrants had a five-year term that expired on January 31, 2018, and are no longer exercisable.

Warrant Repurchase Program

During the year ended December 31, 2014, the Board authorized the Company to repurchase Public SPAC Warrants for an aggregate purchase price, payable in cash and/or shares of common stock, of up to $25.0 million (inclusive of prior warrant purchases). In August 2015, the Board increased this amount by an additional $20.0 million. As of March 31, 2018, $16.7 million remained available for warrant repurchases under this Warrant Repurchase Program. The amount the Company spends (and the number of Public SPAC Warrants repurchased) varies based on a variety of factors, including the warrant price. The Company did not repurchase any warrants during the three months ended March 31, 2018 and 2017.

Note 12. Income Taxes

The Company recorded an income tax benefit of $4.7 million and a provision of $2.8 million for the three months ended March 31, 2018 and 2017, respectively. In general, the effective rate for the three months ended March 31, 2018 differs from the federal income tax rate due to the effects of foreign tax rate differences, foreign withholding taxes, and changes in valuation allowance. In general, the effective rate for the three months ended March 31, 2017 differs from the federal income tax rate due to the effects of foreign tax rate differences, changes in unrecognized tax benefits, changes in valuation allowance, and deferred tax expense on amortization of indefinite-lived intangible assets.

Due to uncertainty as to the realization of benefits from the Company's U.S. and certain international net deferred tax assets, including net operating loss carryforwards, the Company has a full valuation allowance reserved against such net deferred tax assets. The Company intends to continue to maintain a full valuation allowance on certain jurisdictions' net deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of these allowances.

As of March 31, 2018 and December 31, 2017, the liability for income taxes associated with uncertain tax positions was $8.5 million and $8.7 million, respectively. As of March 31, 2018 and December 31, 2017, the Company had accrued $6.7 million and $6.5 million, respectively, of interest and penalties related to uncertain tax positions. It is reasonably possible that the amount of the unrecognized benefit with respect to certain of the Company's unrecognized tax positions may significantly decrease within the next 12 months. This change may be the result of settlement of ongoing foreign audits.

In December, 2017, the United States enacted new U.S. federal tax legislation known as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act significantly revises the U.S. corporate income tax regime by, among other things, lowering corporate income tax rates, implementing a territorial tax system and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries.

In accordance with SAB 118, we have estimated the impacts of the Tax Act using information known at this time, including an income tax benefit of $4.6 million in the year ended December 31, 2017 reflecting the revaluation of our net deferred tax liability based on a U.S. federal tax rate of 21 percent and are expecting no tax impact related to the estimated repatriation of net taxable income of $18.5 million, which will be fully offset by the net operating loss generated in 2017. As of March 31, 2018, our management is still evaluating the effects of the Tax Act provisions, and our assessment does not purport to disclose all changes relating to the Tax Act that could have material positive or negative impacts on our current or future tax positions.

Note 13. Segment Information

During the first quarter of 2017, the Company reported its operations through three reportable segments: Media & Content, Aviation Connectivity and Maritime & Land Connectivity. Prior to the EMC Acquisition in the third quarter of 2016, the Company operated through two operating segments: Media & Content and Connectivity. Following the EMC Acquisition, because the Company had acquired a significant number of new customers in different markets and geographic areas of operations and given a then-new management structure and corresponding organizational changes, the Company re-evaluated its reportable segments and concluded that a change to its reportable segments was appropriate and consistent with how its chief operating decision maker ("CODM") would manage the Company's operations for purposes of evaluating financial performance and allocating resources. As such, during the fourth quarter of 2016, as a result of the EMC Acquisition, the Company formed a Maritime & Land Connectivity segment.

In the second quarter of 2017 however, following changes in our senior management (including our CODM) and organizational changes across our business, we reorganized our business from three operating segments back into two operating segments—Media & Content and Connectivity—primarily through integrating the business and operations of our former Aviation Connectivity segment with that of our former Maritime & Land Connectivity segment. Our CODM determined this was appropriate based on the similarities and synergies between these two segments relating to satellite bandwidth and equipment used in those businesses as well as on our restructured organizational reporting lines across our business departments.

The CODM evaluates financial performance and allocates resources by reviewing revenue, costs of sales and contribution profit separately for our various segments. Total segment gross margin provides the CODM a measure to analyze operating performance of each of the Company's operating segments and its enterprise value against historical data and competitors' data, although historical results may not be indicative of future results, as operating performance is highly contingent on many factors, including customer tastes and preferences. All other financial information is reviewed by the CODM on a consolidated basis.

The following table summarizes revenue and gross margin by our reportable segments for the three months ended March 31, 2018 and 2017 (in thousands):

	Three Months Ended March 31,	
	2018	2017
Revenue:		
Media & Content		
Licensing and services	$ 74,915	$ 76,380
Connectivity		
Services	71,611	67,263
Equipment	9,971	8,949
Total	81,582	76,212
Total revenue	$ 156,497	$ 152,592
Cost of sales:		
Media & Content		
Licensing and services	$ 54,471	$ 54,255
Connectivity		
Services	57,943	48,617
Equipment	6,082	7,668
Total	64,025	56,285
Total cost of sales	$ 118,496	$ 110,540
Gross Margin:		
Media & Content	$ 20,444	$ 22,125
Connectivity	17,557	19,927
Total Gross Margin	38,001	42,052
Other operating expenses	67,560	143,465
Loss from operations	$ (29,559)	$ (101,413)

The Company's total assets by segment were as follows (in thousands):

	March 31, 2018	December 31, 2017
Media & Content	$ 397,250	$ 362,216
Connectivity	523,564	479,714
Total segment assets	920,814	841,930
Corporate assets	34,157	18,654
Total assets	$ 954,971	$ 860,584

Note 14. Concentrations

Concentrations of Credit and Business Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents and accounts receivable.

As of March 31, 2018 and 2017, the Company's cash and cash equivalents were maintained primarily with major U.S. financial institutions and foreign banks. Deposits with these institutions at times exceed the federally insured limits, which potentially subjects the Company to concentration of credit risk. The Company has not historically experienced any losses related to these balances and believes that there is minimal risk of any such losses.

As of March 31, 2018, approximately $21.1 million of our total cash and cash equivalents of $168.9 million was held by our foreign subsidiaries. If these funds were repatriated for use in our U.S. operations, we may be required to pay income taxes in the U.S. on the repatriated amount at the tax rates then in effect, reducing the net cash proceeds to us after repatriation. In the event we elect to repatriate any of these funds we believe we have sufficient net operating losses for the foreseeable future to offset any repatriated income. As a result, we do not expect any such repatriation would create a tax liability in the U.S. or have a material impact on our effective tax rate.

Customer Concentration

A substantial portion of our revenue is generated through arrangements with Southwest Airlines, Inc. ("Southwest Airlines"). As of March 31, 2018 and 2017, the percentage of revenue generated through this customer was as follows:

	Three Months Ended March 31,	
	2018	**2017**
Southwest Airlines as a percentage of total revenue	18%	18%
Southwest Airlines as a percentage of Connectivity revenue	33%	36%

No other customer accounted for greater than 10% of total revenue for the periods presented. Accounts receivable from Southwest Airlines represented 9% and 10% of the total accounts receivable as of March 31, 2018 and December 31, 2017, respectively.

Note 15. Net Loss Per Share

Basic loss per share ("EPS") is computed using the weighted-average number of common shares outstanding during the period. Diluted loss per share is computed using the weighted-average number of common shares and the dilutive effect of contingent shares outstanding during the period. Potentially dilutive contingent shares, which consist of stock options, restricted stock units (including performance stock units), liability warrants, warrants issued to third parties and accounted for as equity instruments, convertible senior notes and contingently issuable shares, have been excluded from the diluted loss per share calculation when the effect of including such shares is anti-dilutive.

The following table sets forth the computation of basic and diluted net loss per share of common stock (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2018	**2017**
Net loss (numerator):		
Net loss – basic and diluted	$ (38,284)	$ (125,611)
Shares (denominator):		
Weighted-average shares – basic and diluted	90,792	85,440
Loss per share - basic and diluted	$ (0.42)	$ (1.47)

The following weighted average common equivalent shares are excluded from the calculation of the Company's net loss per share as their inclusion would have been anti-dilutive (in thousands):

	Three Months Ended March 31,	
	2018	2017
Employee stock options	6,240	6,602
Restricted stock units (including performance stock units)	2,194	1,581
Equity warrants (1)	—	1,072
Public SPAC Warrants (2)	2,143	6,173
2.75% convertible senior notes due 2035	4,447	4,447
EMC deferred consideration (3)	—	4,834
Contingently issuable shares (4)	900	900
Searchlight Penny Warrants (5)	803	—
Searchlight Market Warrants (5)	578	—

(1) These are Legacy Row 44 warrants originally issuable for Row 44 common stock and Row 44 Series C preferred stock, which later became issuable for our Common Stock. During the six months ended June 30, 2017, these Legacy Row 44 warrants expired.

(2) These were 6,173,228 Public SPAC Warrants which expired on January 31, 2018 and are no longer exercisable. See Note 11. Common Stock, Share-Based Awards and Warrants.

(3) In connection with the EMC Acquisition on July 27, 2016 (the "EMC Acquisition Date"), we were obligated to pay $25.0 million in cash or stock, at our option, on July 27, 2017, which we elected to settle in 5,080,049 newly issued shares of our common stock on that date. No remaining obligation remains outstanding as of March 31, 2018.

(4) In connection with a Sound Recording Settlement, we are obligated to issue 500,000 shares of our common stock when and if the closing price of our common stock exceeds $10.00 per share, and 400,000 shares of our common stock when and if the closing price of our common stock exceeds $12.00 per share. See Note 9. Commitments and Contingencies.

(5) On March 27, 2018 we sold $150.0 million in aggregate principal amount of our Second Lien Notes to Searchlight (and associated entities) and warrants to acquire an aggregate of 18,065,775 shares of the Company's common stock at an exercise price of $0.01 per share (the "Penny Warrants"), and warrants to acquire an aggregate of 13,000,000 shares of Common Stock at an exercise price of $1.57 per share (the "Market Warrants"). See Note 11. Common Stock, Share-Based Awards and Warrants.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used herein, "Global Eagle Entertainment," "Global Eagle," the "Company," "our," "we," or "us" and similar terms include Global Eagle Entertainment Inc. and its subsidiaries, unless the context indicates otherwise.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q (this "Form 10-Q") may constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements regarding our business outlook, industry, business strategy, plans, goals and expectations concerning our market position, international expansion, future technologies, future operations, margins, profitability, future efficiencies, capital expenditures, liquidity and capital resources and other financial and operating information. When used in this discussion, the words "anticipate," "assume," "believe," "budget," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "future" and the negative of these or similar terms and phrases are intended to identify forward-looking statements in this Form 10-Q.

Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Although we believe the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others, the following:

- our ability to remediate material weaknesses in our internal control over financial reporting and to complete such remediation in a timely manner, and the effect of those weaknesses on our ability to report and forecast our operations and financial performance;
- our ability to maintain effective disclosure controls and internal control over financial reporting;
- our efforts to remediate our material weaknesses in our internal control over financial reporting may divert management's attention from our business, reduce our liquidity and have an adverse effect on our financial performance;
- any future restructuring activities may prove detrimental to our operations and sales;
- our dependence on the travel industry;
- future acts or threats of terrorism;
- our ability to obtain new customers and renew agreements with existing customers, and particularly our dependence on our existing relationship with Southwest Airlines;
- our customers may be unable to pay us for our services;
- our ability to retain and effectively integrate and train key members of senior management;
- our ability to recruit, train and retain highly skilled technical employees, particularly in our finance and IT functions;
- our ability to receive the anticipated cash distributions or other benefits from our investment in the Wireless Maritime Services joint venture;
- the effect of a variety of complex U.S. and foreign tax laws and regimes due to the global nature of our business;
- our ability to continue to be able to make claims for investment tax credits in Canada;
- our exposure to foreign currency risks and a lack of a formalized hedging strategy;
- our dependence on our existing relationship and agreement with Southwest Airlines;
- our need to invest in and develop new broadband technologies and advanced communications and secure networking systems, products and services and antenna technologies as well as their market acceptance;
- increased demand by customers for greater bandwidth, speed and performance and increased competition from new technologies and market entrants;
- customer attrition due to direct arrangements between satellite providers and customers;
- our reliance on "sole source" service providers and other third parties for key components and services that are integral to our product and service offerings;
- the potential need to materially increase our investments in product development and equipment;
- our ability to expand our international operations and the risks inherent in our international operations;
- service interruptions or delays, technology failures, damage to equipment or software defects or errors and the resulting impact on our reputation and ability to attract, retain and serve our customers;

- equipment failures or software defects or errors that may damage our reputation or result in claims in excess of our insurance coverage;
- satellite failures or degradations in satellite performance;
- our ability to integrate businesses or technologies we have acquired or may acquire in the future;
- our use of fixed-price contracts for satellite bandwidth and potential cost differentials that may lead to losses if the market price for that service declines relative to our committed cost;
- increased on-board use of personal electronic devices and content accessed and downloaded prior to travel and our ability to compete as a content provider against "over the top" download services and other companies that offer in-flight entertainment systems;
- pricing pressure from suppliers and customers in our Media & Content segment and a reduction in the industry's use of intermediary content service providers (such as us);
- a reduction in the volume or quality of content produced by studios, distributors or other content providers;
- a reduction or elimination of the time between our receipt of content and it being made available to the rental or home viewing market (*i.e.*, the "early release window");
- increased competition in the IFE and IFC system supply chain;
- our ability to plan expenses and forecast revenue due to the long sales cycle of many of our Media & Content segment's products;
- our use of fixed-price contracts in our Media & Content segment that may lead to losses in the future if the market price for that service declines relative to our committed cost;
- our ability to develop new products or enhance those we currently provide in our Media & Content segment;
- our ability to successfully implement a new enterprise resource planning system;
- our ability to protect our intellectual property;
- the effect of any cybersecurity attacks, data or privacy breaches, data or privacy theft, unauthorized access to our internal systems of Connectivity or Media & Content systems or phishing or hacking;
- the costs to defend and/or settle current and potential future civil intellectual property lawsuits (including relating to music and other content infringement) and related claims for indemnification;
- changes in regulations and our ability to obtain regulatory approvals to provide our services or to operate our business in particular countries or territorial waters;
- compliance with U.S. and foreign regulatory agencies, including the Federal Aviation Administration ("FAA") and Federal Communications Commission ("FCC") and their foreign equivalents in the jurisdictions in which we and our customers operate;
- changes in government regulation of the Internet, including e-commerce or online video distribution;
- our ability to comply with trade, export, anti-money laundering and foreign corrupt practices and data protection laws, especially the Foreign Corrupt Practices Act;
- uninsured or underinsured costs associated with stockholder litigation and any uninsured or underinsured indemnification obligations with respect to current and former executive officers and directors;
- limitations on our cash flow available to make investments due to our substantial indebtedness and our ability to generate sufficient cash flow to make payments thereon;
- our ability to repay the principal amount of our bank debt, Second Lien Notes and/or convertible notes at maturity, to raise the funds necessary to settle conversions of our convertible notes or to repurchase our convertible notes upon a fundamental change or on specified repurchase dates or due to future indebtedness;
- the conditional conversion of our convertible notes;
- the effect on our reported financial results of the accounting method for our convertible notes;
- the impact of the fundamental change repurchase feature and change of control repurchase feature of the securities purchase agreement governing our Second Lien Notes on our price or potential as a takeover target;
- the dilution or price depression of our common stock that may occur as a result of the conversion of our convertible notes and/or Searchlight warrants;
- our ability to meet the continued listing requirements of The Nasdaq Stock Market ("Nasdaq"), in particular given our recent history of delinquent periodic filings with the U.S. Securities and Exchange Commission ("SEC") and maintaining a minimum stock price pursuant to Nasdaq rules;
- our eligibility to use Form S-3 to register the offer and sale of securities, which Form we are not currently eligible to use;
- conflicts between our interests and the interests of our largest stockholders;
- volatility of the market price of our securities;
- anti-takeover provisions contained in our charter and bylaws;

- the dilution of our common stock if we issue additional equity or convertible debt securities; and
- other risks and factors listed under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017 as filed with the SEC on April 2, 2018 (the "2017 Form 10-K").

Overview of the Company

We are a leading provider of media and satellite-based connectivity to fast-growing, global mobility markets across air, sea and land. Our principal operations and decision-making functions are located in North America, South America and Europe. Prior to the EMC Acquisition, our business consisted of two operating segments: Content and Connectivity. Following the EMC Acquisition, the acquired EMC business became a third operating segment, which we called Maritime & Land Connectivity, and we renamed our other two segments as Media & Content and Aviation Connectivity. In the second quarter of 2017, we reorganized our business from three operating segments back into two operating segments: Media & Content and Connectivity. However, for purposes of our goodwill impairment testing, we continue to have three separate reporting units: Aviation Connectivity, Maritime & Land Connectivity and Media & Content. This Form 10-Q, including our financial results, reflects our revised segment structure consisting of these two operating segments: Media & Content and Connectivity. Accordingly, our results for the three months ended March 31, 2017 presented herein, as pertaining to segment information, have been recast to conform to the current segment presentation.

We generate revenue primarily through licensing and related services from our Media & Content segment and from the delivery of satellite-based Internet service and content to the aviation, maritime and land markets and the sale of equipment from our Connectivity segment. Our chief operating decision maker regularly analyzes revenue and profit on a segment basis, and our results of operations and pre-tax income or loss on a consolidated basis in order to understand the key business metrics driving our business.

For the three months ended March 31, 2018 and 2017, we reported revenue of $156.5 million and $152.6 million, respectively. For the three months ended March 31, 2018, our Media & Content and Connectivity segments accounted for 48% and 52% of our total revenue, respectively. For the three months ended March 31, 2017, our Media & Content and Connectivity segments accounted for 50% and 50% of our total revenue, respectively. For the three months ended March 31, 2018 and 2017, one airline customer, Southwest Airlines, Inc. ("Southwest Airlines"), accounted for 18% and 18%, respectively, of our total revenue.

Recent Developments

Changes to our Board of Directors and Management

Effective April 1, 2018, our Board appointed Jeffrey A. Leddy to the newly created position of Executive Chairman of the Company and appointed Joshua B. Marks to replace Mr. Leddy as CEO. Both Mr. Leddy, as Executive Chairman, and Mr. Marks, as CEO, report directly to the Board. Also effective on that date, Mr. Leddy became Chairman of the Board, and Mr. Marks joined our Board as a Class I director. As Chair of the Board, Mr. Leddy succeeded Edward L. Shapiro who became the Board's Lead Independent Director.

Pursuant to the terms of the Searchlight investment discussed below, the Company increased the size of its Board to eleven members, and appointed each of Eric Zinterhofer and Eric Sondag as Class III directors (as such term is used in the Company's certificate of incorporation) of the Board, with a term expiring in 2020.

Searchlight Capital Partners Investment

On March 27, 2018 we issued $150 million in aggregate principal amount of our second lien notes due 2023 to Searchlight Capital Partners, L.P. ("Searchlight"). Interest on the notes will initially be payable in kind (compounded semi-annually) at a rate of 12.0% per annum. Interest will automatically convert to accruing cash pay interest at a rate of 10.0% per annum upon the earlier of (i) March 15, 2021 and (ii) the last day of the most recently ended fiscal quarter of the Company for which financial statements have been delivered for which the Company's "total net leverage ratio" has decreased to 3.39 to 1.0. Our "total net leverage ratio" is as defined in the purchase agreement relating to the notes, and uses a "Consolidated EBITDA" definition that is different than the "Adjusted EBITDA" figure that we publicly report to our investors. In connection therewith, we issued to Searchlight a warrant to purchase approximately 18.1 million shares of our common stock for $0.01 per share. This warrant is not exercisable until January 1, 2021, and only then if the 45-day volume weighted average price of the Company's common stock has been at or above $4.00 per share following the closing. Searchlight also received a "market warrant" to purchase an additional 13.0 million shares

of our common stock for $1.57 per share. The market warrant is not exercisable until January 1, 2021, and only then if the 45-day volume-weighted average price of the Company's common stock has been at or above $2.40 per share following the closing. Searchlight may not transfer the notes, the warrants or the shares underlying the warrants to an unaffiliated third party before January 1, 2021. The net proceeds from the transaction were approximately $143.0 million, after payment of fees and expenses. In the second quarter of 2018, we used a portion of the proceeds to repay the full $78 million principal balance on our revolving credit facility, following which the full $85 million facility (reduced for approximately $6.2 million in letters of credit outstanding thereunder) became (and remains) available. We anticipate using the remaining proceeds of the issuance of the notes for growth initiatives and other general corporate purposes.

ASU 2014-09, Revenue from Contracts with Customers (Topic 606) Adoption

On January 1, 2018, we adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09" or "Topic 606") and all related amendments and applied the concepts to all contracts which were not completed as of January 1, 2018 using the modified retrospective method, recognizing the cumulative effect of applying the new standard as an adjustment to the opening balance of retained earnings. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with our historical accounting policies.

We recorded a net reduction to opening accumulated deficit of $0.9 million as of January 1, 2018 due to the cumulative impact of adopting Topic 606, with the impact primarily related to the recognition of our contract assets which had been expensed in the previous year. The impact to revenues for the quarter ended March 31, 2018 was a decrease of $0.7 million and a decrease in cost of goods sold of $0.4 million as a result of applying Topic 606.

Recent U.S. Tax Legislation

In December 2017, the United States enacted new U.S. federal tax legislation known as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act significantly revises the U.S. corporate income tax regime by, among other things, lowering corporate income tax rates, implementing a territorial tax system and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries.

The Tax Act also adds many new provisions including changes to bonus depreciation, the deduction for executive compensation and interest expense, a tax on global intangible low-taxed income (GILTI), the base erosion anti-abuse tax (BEAT) and a deduction for foreign-derived intangible income (FDII). Many of these provisions, including the tax on GILTI, the BEAT, and the deduction for FDII, do not apply to the Company until its 2018 tax year.

On December 22, 2017, Staff Accounting Bulletin No. 118 ("SAB 118") was issued to address the application of generally accepted accounting principles in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the 2017 Tax Act.

In accordance with SAB 118, we have estimated the impacts of the Tax Act using information known at this time, including an income tax benefit of $4.6 million in the year ended December 31, 2017 reflecting the revaluation of our net deferred tax liability based on a U.S. federal tax rate of 21 percent and no estimated tax impact related to the estimated repatriation toll charge of $18.5 million, fully offset by the current year net operating loss and corresponding release of valuation allowance. Our management is still evaluating the effects of the Tax Act provisions, and the assessment does not purport to disclose all change of the Tax Act that could have material positive or negative impacts on our current or future tax positions.

Opportunities, Challenges and Risks

We believe our operating results and performance are driven by various factors that affect the commercial travel industry and the mobility markets serving hard-to-reach places on land, sea and in the air. These include general macroeconomic trends affecting the mobility markets, such as travel and maritime trends affecting our target user base, regulatory changes, competition and the rate of customer adoption of our services as well as factors that affect Wi-Fi Internet service providers in general. Growth in our overall business is principally dependent upon the number of customers that purchase our services, our ability to negotiate favorable economic terms with our customers and partners and the number of travelers who use our services. Growth in our margins

is dependent on our ability to manage the costs associated with implementing and operating our services, including the costs of licensing and distributing content, equipment and satellite service. Our ability to attract and retain customers is highly dependent on our ability to timely implement our services and continually improve our network and operations as technology changes and we experience increased network capacity constraints.

As technology continues to evolve, we believe there are opportunities to expand our services by adding more content in a greater variety of formats. During 2016 and during the first quarter of 2017, our former Aviation Connectivity and Maritime & Land Connectivity segments and our Media & Content segment were separate platforms, which we reorganized in the second quarter of 2017 into our new Connectivity and Media & Content segments. We believe there is an opportunity to diversify our revenue by cross-leveraging the services of these segments, including offering a greater variety of premium paid content across our connectivity platform. For example, the EMC Acquisition expanded our connectivity offerings and offered us the ability to provide more content to the maritime and land mobility verticals. Conversely, the evolution of technology presents an inherent risk to our business because our current technology may become obsolete, too expensive and/or outdated.

Media & Content Segment

The growth of our Media & Content segment is dependent upon a number of factors, including the growth of in-flight entertainment ("IFE") systems, our customers' demand for content and games across global mobility markets, the general availability of content to license from our studio partners, pricing from our competitors and our ability to manage the underlying economics of content licensing by studio. Also, as mobility connectivity services become less costly and capable of faster speeds, the availability of "over the top" services like Netflix represents a potential source of future competition for our Media & Content segment. We believe that customer demand for content and games will continue to grow in the foreseeable future and we intend to capitalize on this opportunity, but our ability to do so in part depends on our ability to harness passenger data and analytics in order to improve and customize our offerings.

Connectivity Segment

In our Connectivity Segment, the use of our connectivity equipment on our customers' aircraft is subject to regulatory approvals, such as a Supplemental Type Certificate, or "STC," that are imposed by agencies such as the Federal Aviation Administration ("FAA"), the European Aviation Safety Agency ("EASA") and the Civil Aviation Administration of China ("CAAC"). The costs to obtain and/or validate an STC can be significant and vary by plane type and customer location. We have STCs to operate our equipment on several plane types, including Boeing's 737, 757, 767 and 777 aircraft families, and for the Airbus A320 aircraft family. While we believe we will be successful in obtaining STC approvals in the future as needed, there is a risk that the applicable regulatory agencies do not approve or validate an STC on a timely basis, if at all, which could negatively impact our growth, relationships and ability to sell our connectivity services. To partially address the risk and costs of obtaining STCs in the future, we signed an agreement with Boeing to offer our connectivity equipment on a "line-fit basis" for Boeing's 737 MAX and 787 models, and our connectivity equipment became available on a line-fit basis in August 2017 as an option on new Boeing 737 MAX airplanes. We also expect to undertake similar line-fit initiatives with other aircraft manufacturers such as Airbus, in the near term. As a result, we expect to continue to incur significant product development expenses in the foreseeable future as we invest in these long-term line-fit opportunities, which we believe will improve our long-term ability to onboard our connectivity equipment on new plane types in a more scalable and cost-effective manner.

Our Connectivity segment is significantly dependent on satellite-capacity providers for satellite bandwidth and certain equipment and servers required to deliver the satellite stream, rack space at the supplier's data centers to house the equipment and servers and network operations service support. Through the EMC Acquisition, we expanded the number of our major suppliers of satellite capacity and became a party to an agreement with Intelsat S.A. We also purchase radomes, satellite antenna systems and rings from key suppliers. Any interruption in supply from these important vendors could have a material impact on our ability to sell equipment and/or provide connectivity services to our customers. In addition, some of our satellite-capacity providers (many of whom are well capitalized) are now entering our markets and have begun competing with our service offerings, which has challenged our business relationships with them.

The growth of our Connectivity segment is dependent upon a number of factors, including the rates at which we increase the number of installed connectivity systems for new and existing customers, customer demand for connectivity services and the prices at (and pricing models under) which we can offer them, government regulations and approvals, customer adoption, take rates (or overall usage of our connectivity services by end-users), the general availability and pricing of satellite bandwidth globally,

pricing pressures from our competitors, general travel industry trends, new and competing connectivity technologies and our ability to manage the underlying economics of connectivity services on a global basis.

Our cost of sales, the largest component of our operating expenses, varies from period to period, particularly as a percentage of revenue, based upon the mix of the underlying equipment and service revenue that we generate. Cost of sales also varies period to period as we acquire new customers and to accommodate the growth of our Connectivity segment. During 2017 and 2018 we continued to increase our investment in satellite capacity over North America and the Middle East to facilitate the growth of our existing and new connectivity customer base, which included purchases of satellite transponders. Depending on the timing of our satellite expenditures, our cost of sales as a percentage of our revenue may fluctuate from period to period.

For the three months ended March 31, 2018, a substantial amount of our Connectivity segment's revenue was derived from Southwest Airlines, a U.S. based airline. In December 2016, we entered into a new contract with Southwest Airlines that extended the term of services through 2025, and includes a commitment from Southwest for live television services. Although not so stipulated under the new contract, we have continued to install our connectivity systems on additional Southwest Airlines aircraft. Under the new contract, we committed to deploy increased service capacity (and our patented technology) to deliver a significantly enhanced passenger experience. Starting on July 1, 2017, we transitioned to a "monthly recurring charge" revenue model with Southwest Airlines that provides us with long-term revenue visibility. The new contract also provides for additional rate cards for ancillary services and the adoption of a fleet management plan.

We plan to further expand our connectivity operations internationally to address opportunities in non-U.S. markets. As we expand our business further internationally in places such as the Middle East, Europe, Asia Pacific and Latin America, we will continue to incur significant incremental upfront expenses associated with these growth opportunities.

Material Weaknesses

We must expend significant time and resources remediating material weaknesses in our internal control over financial reporting. These weaknesses relate to our entity level control environment, financial statement close and reporting process, intercompany process, business combination, significant and unusual non-routine transactions, inventory, content library, internally developed software, long lived assets, goodwill impairment, accounts payable and accrued liabilities, revenue processes, license fee accruals, income taxes, payroll, stock-based compensation, treasury, and information technology processes. We may identify additional deficiencies that constitute material weaknesses as we continue to remediate our existing material weaknesses.

We are strongly committed to addressing these material weaknesses, which we believe will strengthen our business and we have commenced our remediation in this regard. However, we are uncertain as to our timing to complete that remediation, the extent to which such efforts will deplete our cash reserves and our ability to succeed in that remediation. If we are unable to establish and maintain effective internal control over financial reporting, we may be unable to timely file our periodic SEC reports or identify and forecast certain business trends and certain aspects of our financial performance, which could negatively impact our ability to focus on and achieve our business objectives.

Key Components of Consolidated Statements of Operations

There have been no material changes to our key components of our Condensed Consolidated Statements of Operations as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2017 Form 10-K.

Critical Accounting Policies

The preparation of our condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the notes to the financial statements. Some of those judgments can be subjective and complex, and therefore, actual results could differ materially from those estimates under different assumptions or conditions. A summary of our critical accounting policies is presented in Part II, Item 7, of our 2017 Form 10-K. On January 1, 2018, we adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09") and all related amendments. See Note 2. Basis of Presentation and Summary of Significant Accounting Policies. There were no other material changes to our critical accounting policies during the three months ended March 31, 2018.

Recent Accounting Pronouncements

See Note 2. Basis of Presentation and Summary of Significant Accounting Policies to the unaudited condensed consolidated financial statements (Part I, Item 1 of this Form 10-Q) for discussion.

Results of Operations

The following tables set forth our results of operations for the periods presented. The information in the tables below should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in Part I, Item 1 of this Form 10-Q. The period-to-period comparisons of financial results in the tables below are not necessarily indicative of future results.

Unaudited Condensed Consolidated Statement of Operations Data (in thousands):

	Three Months Ended March 31,	
	2018	2017
Revenue	$ 156,497	$ 152,592
Operating expenses:		
Cost of sales	118,496	110,540
Sales and marketing	9,654	11,012
Product development	8,358	7,649
General and administrative	38,285	35,321
Provision for legal settlements	516	475
Amortization of intangible assets	10,747	11,008
Goodwill impairment	—	78,000
Total operating expenses	186,056	254,005
Loss from operations	(29,559)	(101,413)
Other expense	(13,434)	(6,993)
Loss before income taxes	(42,993)	(122,795)
Income tax (benefit) expense	(4,709)	2,816
Net loss	$ (38,284)	$ (125,611)

The following table provides, for the periods presented, the depreciation expense included in the above line items (in thousands):

	Three Months Ended March 31,	
	2018	2017
Cost of sales	$ 8,067	$ 6,214
Sales and marketing	788	831
Product development	686	577
General and administrative	3,127	2,701
Total	$ 12,668	$ 10,323

The following table provides, for the periods presented, the stock-based compensation expense included in the above line items (in thousands):

	Three Months Ended March 31,	
	2018	2017
Cost of sales	$ 179	$ 87
Sales and marketing	194	175
Product development	311	171
General and administrative	2,960	1,419
Total	$ 3,644	$ 1,852

The following table provides, for the periods presented, our results of operations, as a percentage of revenue, for the periods presented:

	Three Months Ended March 31,	
	2018	2017
Revenue	100 %	100 %
Operating expenses:		
Cost of sales	76 %	72 %
Sales and marketing	6 %	7 %
Product development	5 %	5 %
General and administrative	24 %	23 %
Provision for legal settlements	— %	— %
Amortization of intangible assets	7 %	7 %
Goodwill impairment	— %	51 %
Total operating expenses	119 %	166 %
Loss from operations	(19)%	(66)%
Other expense	(9)%	(4)%
Loss before income taxes	(27)%	(80)%
Income tax (benefit) expense	(3)%	2 %
Net loss	(24)%	(82)%

Three Months Ended March 31, 2018 and 2017

Operating Segments

Segment revenue, expenses and gross margin for the three months ended March 31, 2018 and 2017 derived from each of our Media & Content and former Aviation Connectivity and Maritime & Land Connectivity segments were as follows (in thousands):

	Three Months Ended March 31,	
	2018	2017
Revenue:		
Media & Content		
Licensing and services	$ 74,915	$ 76,380
Connectivity		
Services	71,611	67,263
Equipment	9,971	8,949
Total	81,582	76,212
Total revenue	$ 156,497	$ 152,592
Gross margin:		
Media & Content	$ 20,444	$ 22,125
Connectivity	17,557	19,927
Total gross margin	38,001	42,052
Other operating expenses	67,560	143,465
Loss from operations	$ (29,559)	$ (101,413)

Revenue

Media & Content

Media & Content operating segment revenue for the three months ended March 31, 2018 and 2017 was as follows (in thousands):

	Three Months Ended March 31,		
	2018	2017	Change
Licensing and services	$ 74,915	$ 76,380	(2)%

Media & Content Licensing and Services Revenue

Media & Content licensing and services revenue decreased $1.5 million, or 2%, to $74.9 million for the three months ended March 31, 2018 as compared to $76.4 million for the three months ended March 31, 2017. The decline was primarily due to non-recurring advertising revenues recognized during the three months ended March 31, 2017 which did not repeat during the three months ended March 31, 2018.

Connectivity

Connectivity operating segment revenue for the three months ended March 31, 2018 and 2017 was as follows (in thousands):

	Three Months Ended March 31,		
	2018	2017	Change
Services	$ 71,611	$ 67,263	6%
Equipment	9,971	8,949	11%
Total	$ 81,582	$ 76,212	7%

Connectivity Service Revenue

Services revenue from our Connectivity operating segment increased $4.3 million, or 6%, to $71.6 million for the three months ended March 31, 2018, compared to $67.3 million for the three months ended March 31, 2017. The increase was predominantly from our maritime and land businesses of $3.3 million, driven by new customer wins and capacity increases across our service lines. The remainder of the increase was driven by an increase in the number of planes utilizing our Connectivity services.

Connectivity Equipment Revenue

Equipment revenue from our Connectivity operating segment increased $1.0 million, or 11%, to $10.0 million for the three months ended March 31, 2018, compared to $8.9 million for the three months ended March 31, 2017. The increase was primarily as a result of increased equipment sales to our aviation customers due to additional installations to our existing customers.

Cost of Sales

Media & Content

Media & Content operating segment cost of sales for the three months ended March 31, 2018 and 2017 was as follows (in thousands):

	Three Months Ended March 31,		
	2018	2017	Change
Licensing and services	$ 54,471	$ 54,255	—%

Media & Content cost of sales increased $0.2 million, or 0%, to $54.5 million for the three months ended March 31, 2018, compared to $54.3 million for the three months ended March 31, 2017. Cost of sales however increased as a proportion of Media & Content revenues to 73% for the three months ended March 31, 2018 compared to 71% for the three months ended March 31, 2017. The relatively higher cost of content (as percentage of revenue) was due to the commercial mix in our film library.

Connectivity

Cost of sales for our Connectivity segment for the three months ended March 31, 2018 and 2017 was as follows (in thousands):

	Three Months Ended March 31,		
	2018	2017	Change
Services	$ 57,943	$ 48,617	19 %
Equipment	6,082	7,668	(21)%
Total	$ 64,025	$ 56,285	14 %

Connectivity services cost of sales increased $9.3 million, or 19%, to $57.9 million for the three months ended March 31, 2018 compared to $48.6 million for the three months ended March 31, 2017. As a percentage of Connectivity service revenue, Connectivity service cost of sales increased to 81% during the three months ended March 31, 2018, as compared to 72% for the three months ended March 31, 2017. This increase was predominantly driven by increased bandwidth and backhaul costs. Additionally, depreciation increased principally as a result of our new transponders.

Connectivity equipment cost of sales decreased $1.6 million, or 21%, to $6.1 million for the three months ended March 31, 2018 compared to $7.7 million for the three months ended March 31, 2017. As a percentage of Equipment revenue, Connectivity equipment cost of sales decreased to 61% during the three months ended March 31, 2018, as compared to 86% for the three months ended March 31, 2017. The decrease was primarily driven by improved product mix.

Other Operating Expenses

Other operating expenses for the three months ended March 31, 2018 and 2017 were as follows (in thousands):

	Three Months Ended March 31,		
	2018	2017	Change
Sales and marketing	$ 9,654	$ 11,012	(12)%
Product development	8,358	7,649	9 %
General and administrative	38,285	35,321	8 %
Provision for legal settlements	516	475	9 %
Amortization of intangible assets	10,747	11,008	(2)%
Goodwill impairment	—	78,000	(100)%
Total	$ 67,560	$ 143,465	(53)%

Sales and Marketing

Sales and marketing expenses decreased $1.4 million, or 12%, to $9.7 million for the three months ended March 31, 2018 as compared to $11.0 million for the three months ended March 31, 2017. The decrease reflects synergies from integrating sales and marketing functions.

Product Development

Product development expense increased $0.7 million, or 9%, to $8.4 million for the three months ended March 31, 2018 compared to $7.6 million for the three months ended March 31, 2017. This increase was primarily a result of increased employee costs and hardware maintenance costs as a result of ongoing product development projects.

General and Administrative

General and administrative costs increased $3.0 million, or 8%, to $38.3 million during the three months ended March 31, 2018 compared to $35.3 million for the three months ended March 31, 2017. The increase was predominantly as a result of increased employee costs, including stock based compensation, as we continue to strengthen our team as well as increased professional service fees including audit related fees.

Provision for Legal Settlements

The provision for legal settlements remained consistent at $0.5 million during the three months ended March 31, 2018 compared to the three months ended March 31, 2017. See Note. 9 Commitments and Contingencies.

Amortization of Intangible Assets

Amortization expense decreased $0.3 million, or 2%, to $10.7 million during the three months ended March 31, 2018 as compared to $11.0 million for the three months ended March 31, 2017. The decrease was due to a portion of our acquired intangible assets from prior acquisitions becoming fully amortized during the period.

Goodwill Impairment

No goodwill impairment trigger was identified during the three months ended March 31, 2018.

During the first quarter of 2017 we assessed our goodwill for impairment due to several reasons including a significant decline in the market capitalization of the Company and lower than expected financial results in its Maritime & Land Connectivity reporting unit during the three months ended March 31, 2017. We determined that there was a higher degree of uncertainty in achieving our financial projections for this unit and as such, increased its discount rate, which reduced the fair value of the unit. We also adopted ASU 2017-04, *Intangibles-Goodwill and Others (Topic 350): Simplifying the Test for Goodwill Impairment*, effective January 1, 2017, which eliminated Step 2 from the goodwill impairment test, requiring a company to perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Applying this methodology, we recorded an impairment of $78.0 million in this reporting unit as of March 31, 2017.

Other Expense

Other expense for the three months ended March 31, 2018 and 2017 was as follows (in thousands):

	Three Months Ended March 31,		
	2018	2017	Change
Interest expense, net	$ (15,597)	$ (10,964)	42 %
Loss on extinguishment of debt	—	(14,389)	(100)%
Income from equity method investments	1,161	1,539	(25)%
Change in fair value of derivatives	564	2,920	(81)%
Other (income) expense, net	438	(488)	(190)%
Total	$ (13,434)	$ (21,382)	(37)%

Other expense decreased $7.9 million, or 37%, to $13.4 million for the three months ended March 31, 2018 compared to expense of $21.4 million for the three months ended March 31, 2017. The decrease was primarily as a result of the loss on extinguishment of debt of $14.4 million incurred during the three months ended March 31, 2017 arising as a result of the refinancing of the legacy EMC indebtedness into a larger credit facility. Additionally, the change in fair value of our derivative instruments resulted in income of $0.6 million during the three months ended March 31, 2018 compared to income of $2.9 million during the three months ended March 31, 2017—a decrease of $2.4 million. Partially offsetting this was an increase in interest expense of $4.6 million, or 42%, during the three months ended March 31, 2018 as a result of our increased long term debt balance.

Income Tax Expense

The Company recorded an income tax benefit of $4.7 million and provision of $2.8 million for the three months ended March 31, 2018 and 2017, respectively. The tax benefit for the three months ended March 31, 2018 is primarily attributable to the realizable benefit against the Company's deferred tax liabilities than can be reduced by the U.S. federal indefinite life net operating loss carryover that is no longer subject to expiration pursuant to the Tax Cuts and Jobs Act of 2017. The tax provision during the three months ended March 31, 2017 is primarily attributable to foreign income taxes and change in the valuation allowance.

Financial Condition, Liquidity and Capital Resources

Selected financial data for the periods presented below were as follows (in thousands):

	March 31, 2018	December 31, 2017
Cash and cash equivalents	$ 168,931	$ 48,260
Total assets	954,971	860,584
Current portion of long-term debt	16,656	20,106
Long-term debt	719,427	598,958
Total stockholders' deficit	(35,042)	(25,475)

Current Financial Condition

The following reflects the financial condition of our business and operations as of March 31, 2018 as well as certain developments relating thereto through the date of filing of this Form 10-Q:

As of March 31, 2018, our principal sources of liquidity were our cash and cash equivalents of $168.9 million, which primarily were invested in cash and money market funds in banking institutions in the U.S., Canada and Europe and to a lesser extent in Asia Pacific. Our cash position increased during the three months ended March 31, 2018 primarily due to the Searchlight investment which provided net proceeds of $143.0 million in exchange for $150.0 million in aggregate principal amount of our new Second Lien Notes combined with warrants to acquire an aggregate of 18,065,775 shares of our common stock, at an exercise price of $0.01 per share (the "Penny Warrants"), and warrants to acquire an aggregate of 13,000,000 shares of our common stock at an exercise price of $1.57 per share (the "Market Warrants"), as has been discussed in Note 8. Financing Arrangements. Our long term debt balance increased from $619.1 million at December 31, 2017 to $736.1 million at March 31, 2018. As of March 31, 2018, we had $538.5 million, net of discounts, in term and revolving loans outstanding; $150.0 million (aggregate principal amount) of outstanding Second Lien Notes; $82.5 million (aggregate principal amount) of outstanding convertible notes; and other debt outstanding of $8.8 million. Please see Note 8. Financing Arrangements to the unaudited condensed consolidated financial statements (Part I, Item 1 of this Form 10-Q) for a discussion of our indebtedness. We used the proceeds of this indebtedness to repay then-existing indebtedness, to fund our working-capital and capital-expenditure requirements and for general corporate purposes.

As of March 31, 2018, we had approximately $3.4 million of restricted cash (which amount is excluded from the $168.9 million of cash and cash equivalents noted in the table above) which primarily attached to letters of credit between our subsidiaries and certain customers.

Our cash flows from operating activities are significantly affected by our investments in operations, including working capital and corporate infrastructure to support our ability to generate revenue and conduct operations through cost of services, product development, sales and marketing, and general and administrative activities. Cash used in operations was $4.0 million and $35.4 million for the three months ended March 31, 2018 and 2017, respectively. Cash used in investing activities has historically been, and is expected to be, impacted significantly by our investments in our platform, our infrastructure and equipment for our business offerings and resources to remediate material weaknesses. Historically, cash used for financing activities included our common stock and warrant repurchases and the repayment of debt.

As of March 31, 2018, our consolidated unrestricted cash balance was approximately $168.9 million, of which approximately $21.1 million was held by our non-U.S. subsidiaries and our long term debt balance was approximately $736.1 million. As and if we decide to repatriate our non-U.S. cash holdings from time to time, then we may incur a tax liability under U.S. tax laws on any amount that we repatriate into the U.S. In the event we elect to repatriate any of these funds, we believe we have sufficient net operating losses for the foreseeable future to offset any U.S. tax owed on repatriated income. As a result, we do not expect any such repatriation would create a tax liability in the U.S. or have a material impact on our effective tax rate. On May 10, 2018, we paid down the full outstanding principal and interest of the revolving credit facility in the amount of approximately $78.8 million.

We expect our available cash balances and cash flows from operations (combined with any availability under the revolving credit facility under the 2017 Credit Agreement) to provide sufficient liquidity to fund our current obligations and projected

working-capital and capital-expenditure requirements for at least the next 12 months. To strengthen our current liquidity position and to fund our ongoing operations and/or enable us to invest in new business opportunities, we have implemented cost reduction initiatives and/or may raise additional funds through asset sales, commercial financings and new revolving and term-loan facilities and through the issuance of bonds, debentures and equity and equity-linked securities (in public or private offerings). However, market conditions, our future financial performance, our history of delays in filing our periodic SEC reports and our potential delisting from Nasdaq (if we fail to timely file our periodic SEC reports in the future), among other factors, may make it difficult or impossible for us to access debt or equity sources of capital, on favorable terms or at all, should we determine in the future to raise additional funds through these methods.

The assessment by the Company's management that the Company will have sufficient liquidity to continue as a going concern for at least the next 12 months is based on its completion on March 27, 2018 of a second lien notes issuance (as discussed in Note 8. Financing Arrangements) which provided net cash proceeds of approximately $143.0 million and on underlying estimates and assumptions, including that the Company: (i) timely files its periodic reports with the SEC; (ii) services its indebtedness and complies with the covenants (including the financial-reporting covenants) in the agreements governing its indebtedness; and (iii) remains listed on The Nasdaq Stock Market ("Nasdaq"), including maintaining a minimum stock price pursuant to Nasdaq's listing rules.

If the Company is unable to service its indebtedness or satisfy the covenants (including the financial reporting covenants) in the agreements governing its indebtedness (or obtain additional waivers (if needed)), then its lenders and noteholders have the option to immediately accelerate all outstanding indebtedness, which the Company may not have the ability to repay. The Company intends to satisfy its current debt service obligations with its existing cash and cash equivalents. However, the Company may not have sufficient funds or may be unable to arrange for additional financing to pay the future amounts due under its existing debt instruments in the event of an acceleration event or repurchase event (as applicable, in the event that the Company is delisted from Nasdaq in the future). In this event, funds from external sources may not be available on acceptable terms, if at all.

Cash and Cash Equivalents

Our cash and cash equivalents are maintained at several financial institutions. Deposits held may exceed the amount of insurance provided on such deposits. Generally, our deposits may be redeemed upon demand and are maintained with a financial institution of reputable credit and, therefore, bear minimal credit risk. Of our cash and cash equivalents as of March 31, 2018 and December 31, 2017 approximately $21.1 million and $19.7 million was held by our foreign subsidiaries, respectively. If these funds were repatriated for use in our U.S. operations, we may be required to pay income taxes in the U.S. on the repatriated amount at the tax rates then in effect, reducing the net cash proceeds to us after repatriation. In the event we elect to repatriate any of these funds we believe we have sufficient net operating losses for the foreseeable future to offset any repatriated income. As a result, we do not expect any such repatriation would create a tax liability in the U.S. or have a material impact on our effective tax rate.

Sources and Uses of Cash—Three Months Ended March 31, 2018 and 2017

A summary of our cash flow activities for the three months ended March 31, 2018 and 2017 was as follows (in thousands):

	Three Months Ended March 31,	
	2018	**2017**
Net cash used in operating activities	$ (3,953)	$ (35,374)
Net cash used in investing activities	(15,244)	(20,182)
Net cash provided by financing activities	139,618	110,116
Effects of exchange rate changes on cash and cash equivalents	30	250
Net increase in cash and cash equivalents	120,451	54,810
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD[1]	51,868	68,678
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD[1]	$ 172,319	$ 123,488

[1] March 31, 2017 figures have been recast to include the impact of the adoption of ASU 2016-18. See Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Cash Flows (Used in) Provided by Operating Activities

Three Months Ended March 31, 2018

Net cash used in our operating activities of $4.0 million primarily reflects our net loss of $38.3 million during the period, which included net non-cash charges of $21.0 million primarily related to depreciation and amortization expenses of $23.3 million and other items netting to a charge of $2.2 million.

The remainder of our sources of cash used in operating activities was as a result of net cash inflows of $13.3 million resulting from changes in working capital balances, predominantly driven by cash inflows as a result of a decrease in accounts receivables due to improved collections, and a decrease in other current assets. This was partially offset by an increase in inventory due to additional equipment purchased for new customers.

Cash Flows Used in Investing Activities

Three Months Ended March 31, 2018

Net cash used in investing activities during the three months ended March 31, 2018 of $15.2 million was due to purchases of property, plant and equipment, principally relating to the transponders purchased.

Cash Flows Provided by (Used in) Financing Activities

Three Months Ended March 31, 2018

Net cash provided by financing activities of $139.6 million was primarily due to net proceeds of $143.0 million received in connection with the Searchlight investment, as discussed in Note 8. Financing Arrangements. This was partially offset by repayments of principal in the amount of $3.4 million on our senior secured term loan facility.

Long-Term Debt

As of March 31, 2018 and December 31, 2017, our long-term debt consisted of the following (in thousands):

	March 31, 2018	December 31, 2017
Senior secured term loan facility, due January 2023(+)	487,500	490,625
Senior secured revolving credit facility, due January 2022(+)	78,000	78,000
Second lien notes, due 2023	124,626	—
2.75% convertible senior notes due 2035(1)	82,500	82,500
Other debt	8,823	9,075
Unamortized bond discounts, fair value adjustments and issue costs, net	(45,366)	(41,136)
Total carrying value of debt	736,083	619,064
Less: current portion, net	(16,656)	(20,106)
Total non-current	$ 719,427	$ 598,958

(+) This facility is a component of the 2017 Credit Agreement.

(1) The principal amount outstanding of the 2.75% convertible senior notes due 2035 as set forth in the foregoing table was $82.5 million as of March 31, 2017, and are not the carrying amounts of this indebtedness (*i.e.*, outstanding principal amount net of debt issuance costs and discount associated with the equity component).

The aggregate contractual maturities of all borrowings as of March 31, 2018 were as follows (in thousands):

Years Ending December 31,	Amount
2018 (remaining nine months)	$ 16,656
2019	22,413
2020	25,416
2021	25,046
2022	103,047
Thereafter	588,871
Total	$ 781,449

The foregoing table excludes earn-out liabilities of $0.1 million relating to our prior acquisitions in 2015, in which the Company agreed to future contingent earn-out obligations relating to future performance of those businesses. Potential payouts are expected on specified dates through 2020. Also excluded are future purchase commitments with some of our connectivity vendors to secure future inventory for our airline customers and commitments related to ongoing engineering and antenna projects. At March 31, 2018, we also had outstanding letters of credit in the amount of $6.8 million, of which $6.2 million was issued under the letter of credit facility under the 2017 Credit Agreement.

As of March 31, 2018, the principal balance on the Company's outstanding term loan under the 2017 Credit Agreement was $487.5 million, and we had drawn an aggregate of $78 million on the $85 million revolving line of credit under the 2017 Credit Agreement (with approximately $6 million of letters of credit issued against the facility). As such, our remaining available capacity under the revolving-credit facility was approximately $1 million. Subsequent to March 31, 2018, we paid off the outstanding amount on the revolving line of credit with the full $85 million facility (reduced by approximately $6.2 million for outstanding letters of credit) now remaining available to us.

Covenant Compliance Under 2017 Credit Agreement

Under the 2017 Credit Agreement, we are subject to a financial-reporting covenant ("Financial-Reporting Covenant") and a maximum leverage-ratio covenant (the "Leverage Ratio") (each of which we describe below), in addition to other customary covenants and restrictions set forth therein.

The Financial-Reporting Covenant requires us to furnish to our lenders our audited annual financial statements and unaudited interim financial statements by deadlines specified in the 2017 Credit Agreement.

The Leverage Ratio (which is tested at the end of each fiscal quarter) requires that we maintain a ratio of Consolidated First Lien Net Debt (as defined in the 2017 Credit Agreement) to Consolidated EBITDA (as defined in the 2017 Credit Agreement) for the trailing 12 months that is no greater than 4.5 to 1 through the quarter ending June 30, 2019, after which period the permitted Leverage Ratio steps down through the maturity date of the 2017 Credit Agreement as set forth therein.

As of March 31, 2018 we were in compliance with the Leverage Ratio, and based on our current projections, we expect to remain in compliance with the Leverage Ratio for at least the next 12 months.

You should also refer to the section titled "Risks Related to Our Indebtedness" in Part I, Item 1A. Risk Factors in our 2017 Form 10-K, for an explanation of the consequences of our failure to satisfy these covenants.

Contractual Obligations

For a discussion of movie license and Internet protocol television commitments, minimum lease obligations, satellite capacity, and other contractual commitments as of March 31, 2018 and for periods subsequent thereon, see Note 9. Commitments and Contingencies to the unaudited condensed consolidated financial statements (contained in Part I, Item 1 of this Form 10-Q).

Off -Balance Sheet Arrangements

As of March 31, 2018, we did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes during the three months ended March 31, 2018, to the information provided in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” of our Annual Report on Form 10-K for the year ended December 31, 2017.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

As of the end of the period covered by this Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) pursuant to Rule 13a-15 of the Exchange Act. Based upon that evaluation, as a result of the material weaknesses in internal control over financial reporting identified in our 2017 Form 10-K, our Chief Executive Officer (who is our principal executive officer) and Chief Financial Officer (who is our principal financial officer) concluded that as of March 31, 2018—the end of the period covered by this Form 10-Q—the Company’s disclosure controls and procedures were not effective.

Notwithstanding the material weaknesses in our internal control over financial reporting, we have concluded that the condensed consolidated financial statements included in this Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America.

Changes in Internal Control Over Financial Reporting

We are in the process of implementing remediation initiatives to support the Company’s plan to remediate its material weaknesses as more fully described in our 2017 Form 10-K. In addition to these initiatives, management designed and implemented additional controls during the first quarter of 2018 in connection with the adoption of Topic 606. There have been no other changes in our internal control over financial reporting during the three months ended March 31, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Certain legal proceedings in which we are involved are discussed in Part I, Item 3 of our 2017 Form 10-K and in Note 9. Commitments and Contingencies, to the condensed consolidated financial statements included in this Form 10-Q.

There were no material updates to the legal proceedings disclosed in Part I, Item 3 of our 2017 Form 10-K, except as follows:

- *STM Litigation.* With respect to the lawsuit filed by STM Atlantic N.V. and STM Group, Inc. against EMC in Delaware Superior Court, in February 2018, EMC settled the lawsuit, and pursuant to the purchase agreement whereby we purchased the EMC business, the seller of the EMC business indemnified us in full for this claim all related legal expenses.
- *Music Infringement and Related Claims.* On May 3, 2018, BMG filed suit in the United States District Court for the Central District of California against us and IFP for copyright infringement and related claims and unspecified money damages. The Court has not yet set a trial date. We believe that a material loss relating to this matter is reasonably possible, but we are currently unable to estimate the amount of the potential loss at this time due to the lack of specificity in the complaint; the fact that we have not yet completed our internal investigation; the speculative nature of the claimed damages; and the varying theories and wide range of statutory damages under which damages could be measured. As such, we have not accrued any amount for this loss contingency. We intend to vigorously defend ourselves against this claim.

ITEM 1A. RISK FACTORS

Our risk factors are described in the "Risk Factors" section of our 2017 Form 10-K. There have been no material changes to our risk factors since the filing of the 2017 Form 10-K.

ITEM 5. OTHER INFORMATION

On May 10, 2018, Maritime Telecommunications Network, Inc. ("MTN"), one of the Company's wholly-owned subsidiaries, and New Cingular Wireless Services, Inc. f/k/a AT&T Wireless Services, Inc. ("AT&T"), as members ("Members") of the Company's Wireless Maritime Services, LLC ("WMS") joint venture, entered into an Amended and Restated Limited Liability Company Agreement of WMS (the "A&R LLC Agreement"). The A&R LLC Agreement amended the original LLC agreement to broaden the scope of WMS's business beyond cruise ships. Because MTN agreed to broaden the scope of the WMS's business, MTN and AT&T further agreed to remove the restrictions on their ability to compete with the WMS business and on the WMS business's ability to compete with them. WMS agreed to cooperate with MTN to jointly go to market on opportunities that include products and services that the Company and its subsidiaries offered as of May 10, 2018.

The Company believes that these amendments enable WMS to take advantage of a broader range of market opportunities, and agreed to negotiate them in good faith when WMS advanced to MTN $6.4 million in future WMS dividends (in the form of a demand promissory note) in December 2017.

The Company qualifies the foregoing description of the A&R LLC Agreement in its entirety by reference to the full text of such agreement, which is filed as Exhibit 10.4 to this Quarterly Report on Form 10-Q.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit No.	Exhibit Index	Incorporated by Reference				Filed Herewith
		Form	SEC File No.	Exhibit	Filing Date	
2.1	Agreement and Plan of Merger and Reorganization, dated as of November 8, 2012, by and among Global Eagle Acquisition Corp., EAGL Merger Sub Corp., Row 44, Inc. and PAR Investment Partners, L.P.	10-Q	001-35176	10.2	11/14/2012	
2.2	Stock Purchase Agreement, dated as of November 8, 2012, by and between Global Eagle Acquisition Corp. and PAR Investment Partners, L.P.	8-K	001-35176	10.2	11/14/2012	
2.3	Asset Purchase Agreement, dated as of May 8, 2013, by and among the Company and the other parties thereto.	8-K	001-35176	2.1	7/10/2013	
2.4	Letter Agreement, dated as of July 9, 2013, by and among the Company and the other parties thereto.	8-K	001-35176	2.2	7/10/2013	
2.5	Sale and Purchase Agreement by and among IFES Acquisition Corp. Limited, an English company, GCP Capital Partners LLP and certain individuals, dated October 18, 2013.	8-K	001-35176	2.1	10/21/2013	
2.6	Interest Purchase Agreement, dated May 9, 2016, by and between the Company and EMC Acquisition Holdings, LLC.	8-K	001-35176	2.1	5/13/2016	
3.1	Second Amended and Restated Certificate of Incorporation	8-K	001-35176	3.1	2/6/2013	
3.2	Amended and Restated Bylaws	8-K	001-35176	3.1	9/23/2016	
4.1	Specimen Common Stock Certificate	S-1/A#4	333-172267	4.2	5/11/2011	
4.2	Indenture (including the Form of Convertible Note), dated as of February 18, 2015, with respect to the Company's 2.75% Convertible Senior Notes due 2035, between the Company and U.S. Bank National Association, as Trustee.	8-K	001-35176	4.1	2/19/2015	
4.3	Second Lien Note, dated as of March 27, 2018, issued by Global Eagle Entertainment Inc.	8-K	001-35176	4.1	3/27/2018	
4.4	Guaranty, dated as of March 27, 2018, made by the guarantors listed therein, in favor of the holders of the Notes.	8-K	001-35176	4.2	3/27/2018	
4.5	Security Agreement, dated as of March 27, 2018, by and among the grantors party thereto and Cortland Capital Market Services LLC, as Collateral Agent.	8-K	001-35176	4.3	3/27/2018	
4.6	Securities Purchase Agreement, dated as of March 8, 2018, by and among Global Eagle Entertainment Inc., Searchlight II TBO, L.P. and Searchlight II TBO-W, L.P.	8-K	001-35176	10.1	3/9/2018	
4.7	Amended and Restated Registration Rights Agreement among the Company and certain holders party thereto, dated January 31, 2013.	8-K	001-35176	10.1	2/6/2013	
4.8	Amendment No. 1 to the Amended and Restated Registration Rights Agreement among the Company and certain holders party thereto, dated October 21, 2013.	8-K	001-35176	10.4	10/21/2013	
4.9	Consent to the Amended and Restated Registration Rights Agreement among the Company and certain holders thereto, dated April 20, 2018.					X
4.10	Settlement Agreement, dated August 9, 2016, between the Company and UMG Recordings, Inc., Capitol Records, LLC, Universal Music Corp. and entities affiliated therewith.	S-3	333-214065	4.5	10/11/2016	
4.11	Registration Rights Agreement, dated August 9, 2016, between the Company and UMG Recordings, Inc.	S-3	333-214065	4.5(B)	10/11/2016	
4.12	Registration Rights Agreement, dated as of July 27, 2016, by and among the Company, EMC Acquisition Holdings, LLC and the other holders party thereto.	8-K	001-35176	10.11	8/2/2016	
	OEM Purchase and Development Agreement, dated					

10.1+	October 12, 2009, by and between TECOM Industries, Inc. and Row 44, Inc., as amended on December 19, 2011, December 23, 2011, January 6, 2012 and January 18, 2012.	8-K/A#2	001-35176	10.8	5/16/2013	
10.2	Voting Rights Waiver Agreement between the Company and Putnam Investment Management, LLC, dated October 21, 2013.	8-K	001-35176	10.5	10/21/2013	
10.3+	Second Amended and Restated Supply and Services Agreement, dated December 13, 2016, by and between the Company and Southwest Airlines Co.	8-K	001-35176	10.1	12/13/2016	
10.4+	Amended and Restated Limited Liability Company Agreement of Wireless Maritime Services, LLC, dated as of May 10, 2018, by and between New Cingular Wireless Services, Inc. f/k/a AT&T Wireless Services, Inc. and Maritime Telecommunications Network, Inc.					X
10.5	Credit Agreement, dated as of January 6, 2017, by and among the Company, the subsidiary guarantors party thereto, Citibank, N.A., as the administrative agent, and the lenders from time to time party thereto.	8-K	001-35176	10.1	1/12/2017	
10.6	First Amendment and Limited Waiver to Credit Agreement dated as of May 4, 2017, among the Company, the guarantors party thereto, the lenders party thereto, and Citibank, N.A., as administrative agent.	8-K	001-35176	10.1	5/5/2017	
10.7	Amendment to First Amendment and Limited Waiver to Credit Agreement and Second Amendment to Credit Agreement, dated as of June 29, 2017, among the Company, the guarantors party thereto, the lenders party thereto, and Citibank, N.A., as administrative agent.	8-K	001-35176	10.1	6/30/2017	
10.8	Second Amendment to Limited Waiver to Credit Agreement, dated as of September 13, 2017, among the Company, the guarantors party thereto, the lenders party thereto, and Citibank, N.A., as administrative agent.	8-K	001-35176	10.1	9/14/2017	
10.9	Third Amendment to Limited Waiver to Credit Agreement and Third Amendment to Credit Agreement, dated as of October 2, 2017, among the Company, the guarantors party thereto, the lenders party thereto, and Citibank, N.A., as administrative agent.	8-K	001-35176	10.1	10/3/2017	
10.10	Extension Letter, dated as of October 6, 2017, among the Company and the lenders party thereto.	8-K	001-35176	10.1	10/12/2017	
10.11	Fourth Amendment to Limited Waiver to Credit Agreement and Fourth Amendment to Credit Agreement, dated as of October 31, 2017, among the Company, the guarantors party thereto, the lenders party thereto, and Citibank, N.A., as administrative agent.	8-K	001-35176	10.1	11/1/2017	
10.12	Extension Letter, dated as of November 15, 2017, among the Company and the lenders party thereto.	8-K	001-35176	10.1	11/16/2017	
10.13	Fifth Amendment to Limited Waiver to Credit Agreement and Fifth Amendment to Credit Agreement, dated as of December 22, 2017, among Global Eagle Entertainment Inc., the guarantors party thereto, the lenders party thereto, and Citibank, N.A., as administrative agent.	8-K	001-35776	10.1	12/27/2017	
10.14	Sixth Amendment, dated as of March 8, 2018, to Credit Agreement, among Global Eagle Entertainment Inc., the guarantors party thereto, the lenders party thereto and Citibank, N.A, as Administrative Agent.	8-K	001-35776	10.02	3/9/2018	
10.15	Security Agreement, dated as of January 6, 2017, by and among the Company, the grantors party thereto and Citibank, N.A., as the agent.	8-K	001-35176	10.2	1/12/2017	
10.16	Intercreditor and Subordination Agreement, dated as of March 27, 2018, by and among the grantors party thereto, Citibank, N.A., as administrative agent, and Cortland Capital Market Services LLC, as collateral agent.	8-K	001-35176	10.1	3/27/2018	
10.17	Penny Warrant, dated as of March 27, 2018, issued by Global Eagle Entertainment Inc. to Searchlight II TBO-W, L.P.	8-K	001-35176	10.2	3/27/2018	
10.18	Market Warrant, dated as of March 27, 2018, issued by Global Eagle Entertainment Inc. to Searchlight II TBO-W, L.P.	8-K	001-35176	10.3	3/27/2018	

10.19	Warrantholders Agreement, dated as of March 27, 2018, by and among Global Eagle Entertainment Inc. and Searchlight II TBO-W, L.P.	8-K	001-35176	10.4	3/27/2018	
10.20	~~ABRY Nomination Agreement~~, dated May 9, 2016, between the Company and EMC Holdco 2 B.V.	8-K/A	001-35176	10.1	5/16/2016	
10.21	Notice of Termination of Board Seat Right, dated February 12, 2018.					X
10.22*	Executive Employment Agreement, dated July 9, 2014, by and between the Company and David M. Davis.	8-K	001-35176	10.3	7/15/2014	
10.23*	Amendment No. 1 to the Executive Employment Agreement, dated April 12, 2015, by and between the Company and David M. Davis.	8-K	001-35176	10.1	4/16/2015	
10.24*	Amendment No. 2 to the Executive Employment Agreement, dated March 10, 2016, by and between the Company and David M. Davis.	10-K	001-35176	10.30	3/17/2016	
10.25*	Waiver of Claims, General Release and Non-Solicitation Agreement, dated February 20, 2017, between the Company and David M. Davis.	8-K	001-35176	10.2	2/21/2017	
10.26*	Consulting Agreement, dated as of February 21, 2017, between the Company and David M. Davis.	8-K	001-35176	10.3	2/21/2017	
10.27*	Employment Agreement, dated August 6, 2014, by and between the Company and Wale Adepoju.	10-K	001-35176	10.42	3/17/2016	
10.28*	Employment Agreement, dated March 11, 2016, by and between the Company and Stephen Ballas.	10-Q	001-35176	10.2	5/9/2016	
10.29*	Amended and Restated Employment Agreement, dated as of August 9, 2016, by and between the Company and Zant Chapelo.	10-Q	001-35176	10.17	8/9/2016	
10.30*	Amended and Restated Employment Agreement, dated as of August 9, 2016, by and between the Company and Kevin Trosian.	10-Q	001-35176	10.19	8/9/2016	
10.31*	Consulting Agreement, dated as of July 1, 2017, by and between the Company and Kevin Trosian.	10-K	001-35176	10.60	11/17/2017	
10.32*	Amended and Restated Employment Agreement, dated as of August 9, 2016, by and between the Company and Joshua Marks.	10-Q	001-35176	10.18	8/9/2016	
10.33*	Second Amended and Restated Employment Letter Agreement, dated March 23, 2018, between the Company and Joshua Marks.	10-K	001-35176	10.35	4/2/2018	
10.34*	Employment Agreement, dated August 25, 2016, between the Company and Thomas Severson.	8-K	001-35176	10.1	8/26/2016	
10.35*	Waiver of Claims and General Release Agreement, dated February 20, 2017, between the Company and Thomas Severson.	8-K	001-35176	10.4	2/21/2017	
10.36*	Special Change of Control Bonus Plan, dated as of June 13, 2016.	8-K	001-35176	10.1(C)	8/26/2016	
10.37*	Employment Letter Agreement, dated February 21, 2017, between the Company and Jeffrey A. Leddy.	8-K	001-35176	10.1	2/21/2017	
10.38*	Amended and Restated Employment Letter Agreement, dated March 29, 2018, between the Company and Jeffrey A. Leddy.	10-K	001-35176	10.36	4/2/2018	
10.39*	Employment Letter Agreement, dated April 7, 2017, between the Company and Paul Rainey.	8-K	001-35176	10.1	4/7/2017	
10.40*	Employment Letter Agreement, dated May 8, 2017, between the Company and Sarlina See.	8-K	001-35176	10.1	5/11/2017	
10.41*	Global Eagle Entertainment Inc. Amended and Restated 2013 Equity Incentive Plan.	DEF 14A	001-35176	Annex A	4/29/2016	
10.42*	Amendment No. 1 to the Global Eagle Entertainment Inc. Amended and Restated 2013 Equity Incentive Plan.	10-K	001-35176	10.29	11/17/2017	
10.43*	Form of Incentive Stock Option Agreement pursuant to The Global Eagle Entertainment Inc. 2013 Equity Incentive Plan.	8-K	001-35176	10.2	12/24/2013	
10.44*	Form of Nonstatutory Stock Option Agreement pursuant to The Global Eagle Entertainment Inc. 2013 Equity Incentive Plan.	8-K	001-35176	10.3	12/24/2013	
10.45*	Form of Stock Restriction Agreement pursuant to The Global Eagle Entertainment Inc. 2013 Equity Incentive Plan.	8-K	001-35176	10.4	12/24/2013	
	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors pursuant to The Global Eagle					

10.46*	Entertainment Inc. 2013 Equity Incentive Plan. Form of Restricted Stock Unit Award Agreement for	10-Q	001-35176	10.6	5/8/2015		
10.47*	Executives pursuant to The Global Eagle Entertainment Inc. 2013 Equity Incentive Plan.	10-Q	001-35176	10.7	5/8/2015		
10.48*	Form of Performance-Based Restricted Stock Unit Grant Notice and Award Agreement (TSR-Indexed).	8-K	001-35176	10.1	10/17/2016		
10.49*	Form of Restricted Stock Unit Grant Notice and Award Agreement (Employee Time Vesting).	10-Q	001-35176	10.5	11/9/2016		
10.50*	Form of Non-Statutory Stock Option Grant Notice and Award Agreement (Employee Time Vesting).	10-Q	001-35176	10.6	11/9/2016		
10.51*	Global Eagle Entertainment Inc. 2016 Inducement and Retention Stock Plan for EMC Employees.	8-K	001-35176	10.13	8/2/2016		
10.52*	Amendment No. 1 to the Global Eagle Entertainment Inc. 2016 Inducement and Retention Stock Plan for EMC Employees.	10-K	001-35176	10.31	11/17/2017		
10.53*	Global Eagle Entertainment Inc. Change in Control and Severance Plan for Senior Management.	8-K	001-35176	10.2	4/7/2017		
10.54*	Form of Designation Letter for the Global Eagle Entertainment Inc. Change in Control and Severance Plan for Senior Management.	8-K	001-35176	10.2(A)	4/7/2017		
10.55*	Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan	DEF 14A	001-35176	Annex B	11/28/2017		
10.56*	Amendment to Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan					X	
10.57*	Form of Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan Restricted Stock Unit Grant Notice.	10-Q	001-35176	10.22	1/31/2018		
10.58*	Form of Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan Performance-Based Restricted Stock Unit Grant Notice.	10-Q	001-35176	10.23	1/31/2018		
10.59*	Form of Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Non-Qualified Stock Option Grant Notice.	10-Q	001-35176	10.24	1/31/2018		
10.60*	Global Eagle Entertainment Annual Incentive Plan, adopted on December 11, 2017.	10-Q	001-35176	10.25	1/31/2018		
10.61*	Non-Employee Director Compensation Policy.	10-Q	001-35176	10.5	5/8/2015		
10.62*	Form Indemnity Agreement (for Directors and Executive Officers).	10-Q	001-35176	10.8	11/9/2016		
10.63*	Employment Letter Agreement, dated as of April 17, 2018, by and between the Company and Per Noren.						X
31.1	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).						X
31.2	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).						X
32.1	Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.						X
32.2	Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.						X
101.INS	XBRL Instance Document						X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document						X
101.SCH	XBRL Taxonomy Extension Schema Document						X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document						X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document						X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document						X
*	Management contract or compensatory plan or arrangement.						
+	Confidential treatment has been requested or granted for certain portions omitted from this Exhibit pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.						

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on May 15, 2018.

GLOBAL EAGLE ENTERTAINMENT INC.

By: /s/ PAUL RAINEY

Paul Rainey
Chief Financial Officer
(Principal Financial Officer)

CONSENT TO THE AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

This CONSENT TO THE AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this "Consent") is entered into on April 20, 2018, by and between Global Eagle Entertainment Inc., a Delaware corporation (the "Company"), and the party named on the signature pages hereto ("PAR").

W I T N E S S E T H:

WHEREAS, the Company and PAR, among others, entered into an Amended and Restated Registration Rights Agreement dated as of January 31, 2013 (as amended by Amendment No. 1 entered into on October 21, 2013, the "PAR Agreement");

WHEREAS, the Company and Searchlight II TBO-W, L.P. have entered into a warrantholders agreement, dated as of March 27, 2018 (the "Warrantholders Agreement");

WHEREAS, Section 2.9 to the PAR Agreement provides that the Company shall not enter into any agreement with any holder or prospective holder of any securities of the Company that would grant such holder registration rights on parity with or senior to those granted the Holders under the PAR Agreement without the written consent of the Holders of at least fifty-one percent (51%) of the Registrable Securities then outstanding; and

WHEREAS, the Company has requested that the undersigned Holder-which has represented and warranted to the Company that it holds the requisite number of Registrable Securities to provide such a consent-consent to the registration rights provided by Article V of the Warrantholders Agreement, and the undersigned Holder is willing to provide such consent.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants, promises and agreements hereinafter set forth, the mutual benefits to be gained by the performance thereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the parties to this Consent, intending to be legally bound, hereby agree as follows:

Section 1. Defined Terms. Capitalized terms used herein, unless otherwise defined herein, have the meanings ascribed to them in the PAR Agreement.

Section 2. Consent. The undersigned Holder hereby consents to the provisions of Article V of the Warrantholders Agreement relating to rights therein of any Holders (as defined in the Warrantholders Agreement) to the extent that such rights are on parity with or senior to the rights of the Holders under the PAR Agreement, provided, however, that the foregoing consent shall not be effective during any period in which the Company fails to maintain an effective Resale Shelf Registration Statement (if PAR has so requested one) for so long as the PAR Agreement requires such Resale Shelf Registration Statement.

Section 3. Effect of Consent. Except as explicitly modified by the terms of this Consent, the terms of the PAR Agreement shall remain in effect and are unchanged by this Consent.

[Signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Consent to be duly executed, all as of the day and year first above written.

COMPANY:

GLOBAL EAGLE ENTERTAINMENT INC.

DocuSigned by:

By: Stephen Ballas
522B75C3F255416...

Name: Stephen Ballas

Title: EVP & General Counsel

CONFIDENTIAL TREATMENT REQUESTED FOR PORTIONS OF THIS DOCUMENT. PORTIONS FOR WHICH CONFIDENTIAL TREATMENT IS REQUESTED HAVE BEEN MARKED WITH THREE ASTERISKS [***] AND A FOOTNOTE INDICATING "CONFIDENTIAL TREATMENT REQUESTED". MATERIAL OMITTED HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

This Exhibit 10.4 is a compilation of the Amended and Restated Limited Liability Company Agreement of Wireless Maritime Services, LLC, dated as of May 10, 2018, by and between New Cingular Wireless Services, Inc. f/k/a AT&T Wireless Services, Inc. and Maritime Telecommunications Network, Inc., and each of the amendments thereto, each of the exhibits thereto and each of the amendments to such exhibits.

AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

WIRELESS MARITIME SERVICES, LLC

BETWEEN

NEW CINGULAR WIRELESS SERVICES, INC. F/K/A AT&T WIRELESS SERVICES, INC.

AND

MARITIME TELECOMMUNICATIONS NETWORK, INC.

May 10, 2018

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF WIRELESS MARITIME SERVICES, LLC

This Amended and Restated Limited Liability Company Agreement of Wireless Maritime Services, LLC (this "**Agreement**") is made as of this tenth day of May, 2018 (the " **Amendment and Restatement Date** ") by and between New Cingular Wireless Services, Inc. f/k/a AT&T Wireless Services, Inc., a Delaware corporation (" **AT&T**"), and Maritime Telecommunications Network, Inc., a Colorado corporation ("**MTN**").

A. The Company was formed on February 19, 2004 (the "Effective Date") pursuant to the filing of the Certificate with the Office of the Secretary of State for the State of Delaware.

B. The original Limited Liability Company Agreement of Wireless Maritime Services, LLC, dated as of February 19, 2004 was previously amended by various amendments dated January 26, 2005, May 18, 2005, February 27, 2006, March 16, 2006, September 30, 2010, and July 2012.

C. [***][1].

D. In December 2017, the Company and MTN agreed to negotiate in good faith an amendment to the Original LLC Agreement that would modify the scope of business activities in which the Company could engage.

E. The parties now desire to amend and restate the Limited Liability Company Agreement of Wireless Maritime Services, LLC as set forth in this Agreement.

F. Accordingly, the parties hereto desire to enter into this Agreement to reflect the terms and conditions relating to ownership and management of the Company, while carrying forward as exhibits to this Agreement the exhibits to the Limited Liability Company Agreement of Wireless Maritime Services, LLC that were in effect immediately prior to the Amendment and Restatement Date (all of which exhibits are attached hereto).

Now, therefore, in consideration of the mutual covenants contained herein, the parties agree as follows:

Article 1: Definitions; Interpretation

1.1 Definitions. Capitalized terms used herein shall have the following meanings:

1.1.1 "**AAA**" is defined in Section 16.1.

1.1.2 "**Act**" means the Delaware Limited Liability Company Act, as provided in Title 6, Chapter 18 of the Delaware Code, § 101 et seq., as amended from time to time.

1.1.3 "**Additional Member**" is defined in Section 3.5.

1 Confidential treatment requested

1.1.4 "**Adjusted Deficit**" means, with respect to any Member, the deficit balance, if any, of such Member's Capital Account as of the end of the relevant Fiscal Year or other period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Member is obligated to contribute or restore to the Company or is deemed to be obligated to restore to the Company pursuant to the last sentence of Regulations Sections 1.704-2(g)(l) and 1.704-2(i)(5) and

(b) Debit to such Capital Account the items described in Regulations Sections 1.704-1 (b)(2)(ii)(d)(4), 1.704-1 (b)(2)(ii)(d)(5) and 1.704-l(b)(2)(ii)(d)(6).

The foregoing definition of "Adjusted Deficit" is intended to comply with the provisions of Regulations Section 1.704-1 (b)(2)(ii)(d) and shall be interpreted consistently therewith.

1.1.5 "**Affiliate**" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For purposes of this definition of "Affiliate," the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. An Affiliate of a Member shall also include any Person that is an officer, director, employee or trustee of such Member.

1.1.6 "**Agreement**" has the meaning set forth in the introductory paragraph and includes all exhibits attached hereto and any amendments hereto from time to time.

1.1.7 "**AT&T**" is defined in the introductory paragraph of this Agreement.

1.1.8 "**AT&T Competitor**" means any Person (and (i) any Affiliate of such Person, (ii) any other Person with an ownership interest in such Person greater than ten percent (10%) and less than or equal to twenty percent (20%) who is engaged in any management, operation or control of such Person, or (iii) any other Person with an ownership interest in such Person of greater than twenty percent (20%)) that is in the business of providing mobile voice and data communication services other than satellite services.

1.1.9 "**Bankruptcy**" means, with respect to a Member or the Company, the occurrence of any of the following: (a) the filing of a voluntary petition for relief under the U.S. Bankruptcy Code or an admission by such Person of such Person's inability to pay its debts as they become due, (b) the making by such Person of a general assignment for the benefit of creditors, (c) in the case of the filing of an involuntary petition in bankruptcy against such Person, the filing of an answer admitting the material allegations thereof or consenting to the entry of an order for relief, or a default in answering the petition, (d) the entry of an order for relief under the U.S. Bankruptcy Code against such Person, or (e) the entry of an order, judgment or decree of any court adjudicating such Person bankrupt or appointing a trustee or receiver for such Person's assets.

1.1.10 "**Board**" means the board of directors established in accordance with Section 6.4.

1.1.11 "**Budget**" means the then applicable annual budget for the Company prepared and adopted in accordance with Section 9.1.2.

1.1.12 "**Business**" means any legitimate business authorized by the Board from time to time or otherwise set forth in this definition. The Business will include providing: (1) in any jurisdiction from which the Manager has determined that the Company has obtained all required regulatory approvals, satellite-based wireless, cellular/PCS voice, SMS and data services, including GSM, CDMA, GPRS, EDGE, UMTS, WCDMA, CMRS and technologies migrating or evolving therefrom, and including, for avoidance of doubt, the provision of Wi-Fi Networks, and (2) VOIP services through a VOIP mobile application (which may include features or links to products and services as agreed by the Company and the Members), including intraship, ship-to-ship, ship-to-shore and shore-to-ship communications. For avoidance of doubt, nothing in clause (2) of the preceding sentence will be deemed to limit the scope of the Company's Business under clause (1) of the preceding sentence, which may include the provision of VOIP services or other Internet protocol (IP)-based services other than via a Wi-Fi network.

1.1.13 "**Business Plan**" means the then-applicable business plan for the Company prepared and adopted in accordance with Section 9.1.1, which shall include, at a minimum estimated operating and capital expenses, projected capital call schedules, and projected wholesale roaming pricing to wireless carriers.

1.1.14 "**Capital Account**" means the capital account to be determined and maintained for each Member pursuant to Section 3.4.

1.1.15 "**Capital Contribution**" means, with respect to any Member, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Company by such Member.

1.1.16 "**Certificate**" means the Certificate of Formation for the Company filed with the Office of the Secretary of State of the State of Delaware on February 19, 2004.

1.1.17 "**Code**" means the Internal Revenue Code of 1986, as amended, or any corresponding provision or provisions of any succeeding law, and any reference to a Section of the Code shall be deemed to include a reference to any successor provision thereto as well as any Regulations promulgated under such Section or successor provision.

1.1.18 "**Company**" means Wireless Maritime Services, EEC, the Delaware limited liability company formed pursuant to the Certificate.

1.1.19 "**Company Minimum Gain**" has the meaning of "partnership minimum gain" set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

1.1.20 "**Competing Business**" means any enterprise other than the Company that is engaged in the Business.

1.1.21 "**Competing Entity**" means any Person (and any Affiliate or Person that owns any ownership interest in such Person) other than the Company that is engaged in the Business.

1.1.22 "**Confidential Information**" is defined in Section 2.9.2.

1.1.23 "**Core Service Cure Period**" is defined in Section 9.2.2.

1.1.24 "**Corporate Transfer**" means a corporate reorganization, merger, consolidation, sale of stock or sale of substantially all assets of a Member.

1.1.25 "**Depreciation**" means, for each Fiscal Year or other period, an amount equal to the federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or cost recovery deductions for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to any such beginning Gross Asset Value using any reasonable method selected by the Manager.

1.1.26 "**Director**" means an individual appointed by a Member to serve on the Board pursuant to Section 6.4.

1.1.27 "**Disclosing Party**" is defined in Section 2.9.

1.1.28 "**Effective Date**" is defined in the recitals to this Agreement.

1.1.29 "**Estimated Tax Amount** " means, with respect to each Member, the amount equal to the highest statutory marginal tax rate for corporations imposed by applicable federal income tax laws for a given tax year multiplied by the Profits allocated to such Member for such taxable year as shown on the Company's U.S. federal income tax return.

1.1.30 "**Fiscal Year** " means (a) the period commencing on the date the Company was formed and ending on December 31. 2004, (b) any subsequent 12-month period commencing on January 1 and ending on December 31, or (c) any portion of the period described in clause (b) for which the Company is required to close its books and allocate Profits; Losses, and-other items of Company income, gain, loss or deduction pursuant to Article 4.

1.1.31 "**Gross Asset Value** " means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset; and

(b) The Gross Asset Values of Company assets shall be adjusted to equal their respective gross fair market values, as of the following times: (i) the acquisition of an additional Interest by any new or existing Member in exchange for a Capital Contribution; (ii) the distribution by the Company to a Member of Property as consideration for an Interest; and (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-l(b)(2)(ii)(g); provided, however, that the adjustments pursuant to clauses (i) and (it) above shall be made only if such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company.

The foregoing definition of Gross Asset Value is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(iv) and shall be interpreted and applied consistently therewith.

1.1.32 "**Initial Notice**" is defined in Section 9.2.2.

1.1.33 "**Interest**" means an ownership interest in the Company representing the Capital Contributions made by a Member pursuant to Article 3, including any and all benefits to which the holder of such an Interest may be entitled as provided in this Agreement, together with all obligations of such Member to comply with the terms and provisions of this Agreement

1.1.34 "**IRS**" means the Internal Revenue Service of the U.S. Department of the Treasury.

1.1.35 "**Liquidating Agent**" shall refer to the Manager or such other Person designated by the Manager to conduct and supervise the winding up and liquidation of the Company.in accordance with Section 5.3 and Article 13.

1.1.36 "**Major Carriers**" means (a) T-Mobile, Verizon Wireless, Sprint PCS and Nextel, (b) any Affiliate of either T-Mobile or Nextel, and (c) any entity controlled by Verizon Wireless or Sprint PCS.

1.1.37 "**Manager**" means AT&T or any other Person designated hereunder as "Manager."

1.1.38 "**Members**" means the parties to this Agreement or their respective successors and permitted assigns.

1.1.39 "**Member Nonrecourse Debt**" has the meaning of "partner nonrecourse debt" set forth in Regulations Section 1.704-2(b)(4).

1.1.40 "**Member Nonrecourse Debt Minimum Gain**" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability determined in accordance with Regulations Section 1.704-2(i)(3).

1.1.41 "**Member Nonrecourse Deductions**" means "partner nonrecourse deductions" set forth in Regulation Section 1.704-2(i)(2).

1.1.42 "**MTN**" is defined in the introductory paragraph to this Agreement.

1.1.43 "**MTN Competitor**" means any Person (and (i) any Affiliate of such Person, (ii) any other Person with an ownership interest in such Person greater than ten percent (10%) and less than or equal to twenty percent (20%) who is engaged in any management, operation or control of such Person, or (iii) any other Person with an ownership interest in such Person of greater than twenty percent (20%)) that is in the business of providing maritime communications services via satellite.

1.1.44 "**MTN Director**" is defined in Section 6.4.1.

1.1.45 "**Net Cash Flow**" means, for each Fiscal Year, the gross cash proceeds from Company operations, capital transactions, refinancings or recapitalizations for such year, less the cash expenditures incurred by the Company for such year or period, reduced by such amounts as the Board, in its reasonable discretion, decides to set aside for: (a) payment of debts and obligations of the Company as they come due, (b) future capital expenditures including capital replacement and improvement and reasonable reserves therefor, (c) taxes, (d) insurance, (e) contingent liabilities and reasonable reserves therefor, and (f) other reasonable amounts necessary to operate the Company's business in the ordinary course of business, consistent with sound business practices. For purposes of calculating the "Net Cash Flow" the gross cash proceeds from Company operations will not include: (i) cash or other amounts contributed by any Member as a Capital Contributions, (ii) cash or other amounts received in connection with any financing or refinancing of any Company assets, (iii) payments from insurance on account of casualty to any Company assets, (iv) security deposits paid under leases of any Company assets, or (v) similar items or transactions the proceeds of which under generally accepted accounting principles are deemed attributable to capital.

1.1.46 "**Noncontributing Membe**r" is defined in Section 3.2.2.

1.1.47 "**Nonperforming Member**" is defined in Section 9.2.2.

1.1.48 "**Nonrecourse Deductions**" has the meaning set forth in Regulations Section 1.704-2(b)(l).

1.1.49 "**Nonrecourse Liability**" has the meaning set forth in Regulations Section 1.704-2(b)(3).

1.1.50 "**Offer**" is defined in Section 11.8.1.

1.1.51 "**Offered Interest** "is defined in Section 11.8.1.

1.1.52 "**Offeree**" is defined in Section 11.8.1.

1.1.53 "**Officer**" means a Person appointed by the Manager pursuant to Section 6.5 to implement the management decisions of the Manager and handle the day-to-day operational affairs of the Company.

1.1.54 "**Percentage Interest**" means with respect to any Member, the percentage calculated by dividing the total Capital Contributions contributed by such Member by the total Capital Contributions contributed by all Members. The initial Percentage Interest of each Member is set forth opposite such Member's name on Exhibit A. Exhibit A may be amended from time to time in accordance with this Agreement.

1.1.55 "**Performing Member**" is defined in Section 9.2.2.

1.1.56 "**Person**" means any corporation, partnership, limited liability company, trust, association or other entity or organization, including any governmental authority, political subdivision or any agency or instrumentality thereof, and any individual.

1.1.57 "**Permitted Transfer**" is defined in Section 11.2.

1.1.58 "**Potential Acquiror**" is defined in Section 2.9.3.

1.1.59 "**Potential Lender**" is defined in Section 2.9.3.

1.1.60 "**Price**" is defined in Section 11.9.3.

1.1.61 "**Profits**" and "**Losses**" mean the net taxable income and net tax loss of the Company computed for each Fiscal Year or other relevant period, as determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-l(b)(2)(iv)(z) shall be subtracted from such taxable income or loss;

(c) If the Gross Asset Value of any Company asset is adjusted upon the occurrence of certain events as provided in this Agreement, the amount of such adjustment shall be treated as gain or loss arising from the disposition of such asset for purposes of computing Profits or Losses and adjusting the balance of each Member's Capital Account;

(d) Gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of the asset differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the terms hereof; and

(f) Notwithstanding any other provision herein, any items of income, gain, loss or deduction specially allocated pursuant to Section 4.3 shall not be taken into account in computing Profits or Losses.

1.1.62 "**Property**" means all real and personal property acquired by the Company and any improvements thereto, and shall include both tangible and intangible property.

1.1.63 "**Purchase Price**" is defined in Section 9.2.2(a).

1.1.64 "**Recipient**" is defined in Section 2.9.

1.1.65 "**Regulations**" means the income tax regulations promulgated under the Code, as such regulations are amended from time to time (including corresponding provisions of succeeding regulations).

1.1.66 "**Second Notice**" is defined in Section 9.2.2.

1.1.67 "**Selling Member**" is defined in Section 11.8.1.

1.1.68 "**Services**" is defined in Section 9.2.1.

1.1.69 "**Tax Matters Member**" is defined in Section 14.7(a).

1.1.70 "**Transfer**" means any sale, assignment, hypothecation, pledge or other disposition whether voluntary or by operation of law.

1.1.71 "**VOIP**" means communication protocols and transmission techniques for the delivery of voice communications and messaging (such as SMS (short message service) and MMS (multimedia message service)) over Internet Protocol (IP) networks, including two-way video communications, chat, instant messaging or other internet-based communications services which may include a voice component.

1.1.72 "**Wi-Fi Network**" means an onboard wireless local area network based on the IEEE 802.11 standards protocol (as defined by the LAN/MAN Committee of the Institute of Electrical and Electronics Engineers (IEEE) Standards Association).

1.2 Interpretation

1.2.1 Reference to a given Section, Subsection or Exhibit is a reference to a Section, Subsection or Exhibit of this Agreement, unless otherwise specified. The terms "hereof," "herein," "hereto," "hereunder" and "herewith" refer to this Agreement as a whole.

1.2.2 Except where otherwise expressly provided or unless the context otherwise necessarily requires: (i) references to a given law or rule are references to that law or rule as amended or modified as of the date on which the reference is made, (ii) reference to a given agreement or instrument is a reference to that agreement or instrument as originally executed, and as modified, amended, supplemented and restated through the date as of which reference is made

to that agreement or instrument, and (iii) accounting terms have the meanings given to them by GAAP applied on a consistent basis by the accounting entity to which they refer.

1.2.3 The singular includes the plural and the masculine includes the feminine and neuter, and *vice versa*. "Includes" or "including" means "including, without limitation."

Article 2: General Provisions

2.1 Name. The name of the Company shall be "Wireless Maritime Services, LLC." All business of the Company shall be conducted under such name and under such variations thereof as the Manager deems necessary or appropriate to comply with the requirements of law in any jurisdiction in which the Company may elect to do business.

2.2 Principal Place of Business; Registered Office and Agent .

2.2.1 The address and principal place of business of the Company shall be 3088 N. Commerce Parkway, Miramar, Florida, 33025 USA or at such other place within the United States as the Manager may from time to time determine.

2.2.2 The registered office of the Company in the State of Delaware is located at Corporation Trust Center, 1209 Orange Street, Wilmington; New Castle County, Delaware 19801. The registered agent of the Company to accept service of process at such address is Corporation Trust Company. The Manager shall have the right to change the registered office of the Company in the State of Delaware or the registered agent of the Company to accept service: of process from time to time.

2.3 Formation of Company; Certificate . The Company was formed under and pursuant to the Act by filing the Certificate with the Secretary of State of the State of Delaware. The Company shall exist under and be governed by, and this Agreement shall be construed in accordance with, the Act and other applicable laws of the State of Delaware. The Members shall make all filings and disclosures required by, and shall otherwise comply with, all such laws.

2.4 Term. The term of the Company commenced upon the filing of the Certificate with the Secretary of State of the State of Delaware and shall continue until terminated in accordance with Article 13.

2.5 Purpose.

2.5.1 General. The purpose of the Company is to engage in the Business and all other activities incidental or related thereto.

2.5.2 Activities. In connection with the Business, the Company shall provide, directly or through contracts with others, the full range of services and products required to fulfill its purpose, including, without limitation, feasibility studies, design, systems integration, development, financing, investment, product development, fabrication, manufacturing, construction, operation and maintenance services.

2.6 Title to Company Property. All Property owned by the Company shall be the property of the Company as an entity, and no Member, individually, shall have any ownership interest in any such Property.

2.7 Publicity. Neither the Company nor any Member may issue any public statement or press release that uses the name of the other Member without the prior consent of such other Member; provided that advance notice to the other Member but not consent will be required for disclosures made by a Member that are required by law or any competent governmental authority (including SEC periodic reporting).

2.8 Non-Solicitation; Cooperation.

2.8.1 Non-Solicitation of Member Customers by Company. The Company will not, without the applicable Member's consent, initiate the solicitation of any new potential customer for the Company's services if the Company knows such potential customer to be a then-current customer of such Member for substantially the same services; provided, however, that this Section 2.8.1 will not prevent the Company from responding to requests or inquiries by any such new potential customer or discussing, negotiating, executing, or performing contracts arising out of such customer requests or inquiries.

2.8.2 Non-Solicitation of Employees by Members. Each Member or former-Member, while such entity is a Member and for one (1) year after it ceases to be a Member, will refrain from inducing or attempting to induce any employee or independent contractor of the other Member to cease such employment or relationship.

2.8.3 [***][2].

2.9 Confidentiality.

2.9.1 Each-Member agrees: (a) to take all reasonable precautions and to use its best efforts to maintain the confidentiality of all Confidential Information that such Member (the "**Recipient**") obtains in respect to any other Member or the Company (the "**Disclosing Party**"); and (b) not to use or disclose such Confidential Information to any third parties other than with the written approval of the Disclosing Party or as permitted by Section 2.9(c).

2.9.2 For purposes of this Section 2.9, "**Confidential Information**" means all proprietary or confidential information owned or provided by a Disclosing Party, including the existence and terms of, and parties to, this Agreement and all exhibits and ancillary agreements hereto and the nature of the transactions contemplated hereby and thereby, provided that Confidential Information shall not include information that (i) was previously known to the Recipient or any of its Affiliates (other than from a Disclosing Party or an Affiliate thereof), or (ii) is available or, without the fault of the Recipient or any of its Affiliates (other than the Company), becomes available to the general public, or (iii) is lawfully received by the Recipient from a third party that, to the Recipient's knowledge, is not bound by any similar obligation of confidentiality. For purpose of

2 Confidential treatment requested

clarity, Confidential Information also includes that certain Master Services Agreement, dated February 14, 2004, entered into by and among the Company, AT&T, and MTN and the terms provided therein (the " **Master Services Agreement**").

2.9.3 The Recipient may (i) disclose Confidential Information to appropriate regulatory authorities, attorneys, accountants, and (ii) take any lawful action that it deems necessary to protect its interests or the interests of its Affiliates under, or to enforce compliance with the terms and conditions of, this Agreement; provided, however, that (A) only so much of the Confidential Information as is necessary to comply with the regulations of a regulatory authority, to allow the Recipient's attorneys and accountants to provide services to the Recipient or to allow the Recipient to take such lawful action is disclosed and (B) any Person who receives Confidential Information is informed of its confidential nature. A Recipient may disclose Confidential Information pursuant to an order of a court, administrative agency or other government authority; provided, however, that in the event that it appears that Recipient may become legally compelled to disclose any Confidential Information it will promptly consult with the Disclosing Party as to the reasons for such disclosure and will afford the Disclosing Party a reasonable opportunity to obtain a protective order as to such information and will use reasonable efforts to obtain reliable assurance that the information disclosed will be treated confidentially. A Member may disclose Confidential Information to any *bona fide* potential purchaser of such Member (other than a Competing Entity) (the "**Potential Acquiror**") who has expressed a written indication of interest to purchase such Member; provided, however, prior to disclosure of the Confidential Information to the Potential Acquiror, the Member must: (i) obtain the written agreement, in customary form, of the Potential Acquiror to protect Confidential Information from disclosure, not use the Confidential Information for any purpose other than to evaluate the potential purchase of Member, and to return or destroy the Confidential Information (and any copies or summaries thereof) upon the request of the Member; and (ii) notify in writing the other Member of the proposed disclosure of the Confidential Information and the identity of the Potential Acquiror. A Member may also disclose Confidential Information to any *bona fide* potential lender (the " **Potential Lender**") to any Member; provided, however, prior to disclosure of the Confidential Information to the Potential Lender, the Member must: (i) obtain the written agreement, in customary form, of the Potential Lender to protect the Confidential Information from disclosure, not use the Confidential Information for any purpose other than to evaluate the potential lending of funds to Member, and to return or destroy Confidential Information (and any copies or summaries thereof) upon the request of the Member; and (ii) notify in writing the other Member of the proposed disclosure of the Confidential Information and the identity of the Potential Lender. Notwithstanding the forgoing two sentences, MTN may not disclose Confidential Information to an AT&T Competitor without AT&T's prior written consent and AT&T may not disclose Confidential Information to a MTN Competitor without MTN's prior written consent. The Members agree not to use any Confidential Information other than for purposes of performing their obligations under this Agreement and in connection with the operation of the business of the Company.

2.9.4 The parties acknowledge that the Recipients' unauthorized disclosure or use of Confidential Information may result in irreparable harm. Notwithstanding Article 16, if there is a breach or threatened breach of this Section 2.9, the Disclosing Party may seek a temporary restraining order or injunction to protect its Confidential Information. If a bond or other security

is required in connection with such enforcement, the parties agree that a reasonable amount for such bond or other security is $5,000. This Section 2.9.4 does not alter any other remedies available to any party. The party who has breached or threatened to breach this Section 2.9 will not raise the defense of an adequate remedy at law.

2.9.5 The disclosure of Confidential Information shall not constitute any grant of license or any other rights nor generate any business arrangements unless specifically set forth herein or in another agreement The obligations of Recipients under this Section 2.9 shall remain in effect without limit as to time.

2.10 Liability of Members, Manager and Board to Third Parties . Except as otherwise provided in this Agreement or the Act, no Member, Manager or Director shall be personally liable to any third party for any debt, obligation or liability of the Company solely by reason of being a Member, Manager or Director of the Company.

Article 3: Capital

3.1 Initial Capital Contributions; Percentage Interests . The Members have made the initial Capital Contributions to the Company set forth on Exhibit A and will have the Percentage Interests set forth on Exhibit A. Except as provided in Section 3.2, no Member shall be required or permitted to contribute any additional capital to the Company.

3.2 Additional Capital Contributions; Consequence of Failure to Make Additional Capital Contributions.

3.2.1 Additional Capital Contributions. If the Board determines that additional Capital Contributions are necessary, the Members will make such additional Capital Contributions in proportion to their respective Percentage Interests at the times and in the amounts determined by the Board; provided that, unless the Members have otherwise consented, the Members will not be required to make additional Capital Contributions that, when aggregated with all contributions of all Members under this Section 3.2, would exceed Fifteen Million Dollars ($15,000,000) or such other, higher amount as may be established by the Members pursuant to Sections 3.2.2 and 6.2.2 (the "**Required Capital Contributions**"). The Board shall notify the Members in writing, no less than thirty (30) days before the due date for payment, of the amount or amounts of Capital Contributions so required and the intended use of the funds to be contributed.

3.2.2 Consequences of Failure to Make Additional Capital Contributions . If a Member (the "**Noncontributing Member**") does not make its respective share of any Required Capital Contribution on or before the date established by the Board, then: (i) the Manager shall give the Noncontributing Member written notice of the failure, and (ii) if the Noncontributing Member does not cure the failure within fifteen (15) days after receipt of the notice (or such later date as may be specified in the notice) and the other Member makes the contribution, then the Noncontributing Member's Percentage Interest will be reduced to a percentage calculated by dividing the total Capital Contribution of the Noncontributing Member by the total Capital Contribution of all Members and each other Member's Percentage Interest will be increased to the percentage calculated using the same formula. In such event, the Manager shall create a revised

Exhibit A reflecting the total Capital Contributions of all Members and each Member's respective adjusted Percentage Interest and attach the revised Exhibit A to this Agreement. In addition, the Noncontributing Member will thereafter not have any right to vote or be involved in any decision relating to financing or funding for the Company, whether debt or equity, and the Noncontributing Member waives any objection to and will be deemed to have consented to any decision by the Contributing Member to:

(a) admit new Members, determine the rights, obligations and Interest of new Members, and determine the amount of the Capital Contribution for new Members under Section 3.5;

(b) acquire or dispose of assets under Section 6.2.2(h);

(c) issue any Interests under Section 6.2.2(i);

(d) change the Manager under Section 6.2.2(j);

(e) increase the aggregate cap on Capital Contributions under Section 3/2/1 and 6.2.2(1); and

(f) apply for or obtain any additional funding or financing, whether debt or equity under Section 6.2.2(m).

If the Manager takes any of the actions described in Section 3.2.2(a) through (f) on behalf of the Company, the Manager agrees to do so on commercially reasonable terms.

If, as a result of the application of this Section, the Percentage Interest of MTN increases above fifty percent (50%), then, from and after such date and for so long as MTN's Percentage Interest remains greater than fifty percent (50%), MTN shall have the right to become the Manager in place of AT&T by delivering notice to AT&T of such election and upon delivery of such notice. AT&T, thereafter, will remain a Member pursuant to this Agreement.

3.3 No Withdrawal of Capital; No Interest on Capital . Except as specifically provided in this Agreement, no Member shall have the right to withdraw all or any part of its Capital Contribution from the Company, nor shall any Member have any right to demand and receive Property or cash of the Company as a return of its Capital Contribution. No Member shall have the right to receive interest on its Capital Contribution or its Capital Account.

3.4 Maintenance of Capital Accounts . A Capital Account shall be established and maintained for each Member in accordance with the following provisions:

3.4.1 Increases. Each Member's Capital Account shall be increased by (i) the amount of such Member's Capital Contributions, (ii) such Members allocable share of Profits and any items of the nature of income or gain that are specially allocated pursuant to Article 4, and (iii) the amount of any Company liabilities assumed by such Member or that are secured by any Property distributed to such Member.

3.4.2 Decreases. Each Member's Capital Account shall be decreased by (i) the amount of cash and the Gross Asset Value of any property distributed to such Member pursuant to any provision of this Agreement, (ii) such Member's allocable share of Losses and any items in the nature of expenses or losses that are specially allocable pursuant to Article 4, and (iii) the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company.

3.4.3 Modification and Adjustments. The Manager also shall make (a) any adjustments that are necessary or appropriate to maintain equality between (i) the Capital Accounts of the Members and (ii) the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-l(b)(2)(iv)(g) and (b) any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1,704-(b).

3.5 Additional Members. The Company may, with unanimous prior written consent of all Members, admit Additional Members (each, an "Additional Member) in the Company having such rights, obligations and an Interest as agreed upon by all Members and the newly admitted Member. The Additional Member shall make a Capital Contribution to the Company in an amount and pursuant to such terms as agreed upon by all Members and the newly admitted Member.

3.6 Loans. If the Board determines that the Company requires additional funds in excess of the aggregate cap on Capital Contributions under Section 3.2.1 and 6.2.2(1) and a Member will not consent to increase such cap, the Company may borrow up to $5 million of additional funds from any Person, including without limitation a Member upon the determination of the Board to borrow such funds, upon such terms and conditions that may be approved by the Board; provided, however, that (i) any such loan will be at a commercially reasonable, market based, interest rate, (ii) any such loan will have a maturity date that is a date on which the Company is reasonably expected to have sufficient Net Cash Flow to repay the principal and unpaid interest without adversely affecting the Company's operations, with extension of the initial maturity date available to the Company if the Company's actual Net Cash Flow at the initial maturity date is insufficient to repay the balance due on the loan and avoid adversely affecting the Company's operations; and (iii) the Company shall only accept such a loan to the extent that Net Cash Flow available for debt service (principal & interest) is sufficient based upon actual Net Cash Flow and reasonably projected Net Cash Flow over the term of the loan.

Article 4: Allocations

4.1 General. Subject to the limitation in Section 4.2 and after giving effect to the special allocations pursuant to Section 4.3, Profits and Losses for any Fiscal Year or other period shall be allocated among the Members in proportion to their respective Percentage Interests.

4.2 Loss Limitation. Notwithstanding the allocation of Losses pursuant to Section 4.1, the amount of Losses allocated to any Member shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Deficit at the end of any Fiscal Year or other period. In the event some but not all of the Members would have Adjusted Deficits as a consequence of an allocation of Losses pursuant to Section 4.1, the limitation set forth in this Section 4.2 shall be applied on a Member-by-Member basis so as to allocate the maximum permissible Losses to each Member under Regulations Section 1.704-l(b)(2)(ii)(d). To the extent Losses are subject to the limitation contained in this Section 4.2 and reallocated to other Members, items of income or gain shall be allocated to such other Members to the extent and in reverse order of the Losses so reallocated for the purpose of offsetting the effect of this Section 4.2.

4.3 Special Allocations.

4.3.1 Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding any other provision of this Article 4, if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Person's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1,704-2(f)(6) and 1,704-2(j)(2). This Section 4.3.1 is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

4.3.2 Member Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Article 4, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Person who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent fiscal years) in an amount equal to such Person's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704- 2(j)(2). This Section 4.3.2 is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

4.3.3 Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Regulations Section 1.704-l(b)

(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 4.3.3 shall be made only if and to the extent that such Member would have an Adjusted Deficit after all other allocations provided for in this Article 4 have been tentatively made as if this Section 4.3.3 were not in this Agreement.

4.3.4 Nonrecourse Deductions. Nonrecourse Deductions for any taxable year of the Company shall be allocated to the Members in proportion to their respective Percentage Interests.

4.3.5 Member Nonrecourse Deductions. Member Nonrecourse Deductions for any taxable year of the Company shall be allocated to the Member that made, or guaranteed or is otherwise liable with respect to the loan to which such Member Nonrecourse Deductions are attributable in accordance with principles under Regulations Section 1.704-2(i).

4.3.6 Curative Allocations. The allocations set forth in Section 4.2 and Section and 4.3.1 through Section 4.3.5 are intended to comply with certain regulatory requirements under Code Section 704(b). The Members intend that, to the extent possible, all allocations made pursuant to such Sections will, over the term of the Company, be offset either with other allocations pursuant to such Sections or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 4.3.6. Accordingly, the Manager is hereby authorized and directed to make offsetting allocations of Company income, gain, loss or deduction under this Section 4.3.6 in whatever manner the Manager determines is appropriate so that, after such offsetting special allocations are made (and taking into account the reasonably anticipated future allocations of income and gain pursuant to Sections 4.3.1 and 4.3.2 that are likely to offset allocations previously made under Sections 4.3.4 and 4.3.5), the Capital Accounts of the Members are, to the extent possible, equal to the Capital Accounts each would have if the provisions of Sections 4.2 and 4.3 were not contained in this Agreement and all Company income, gain, loss and deduction were instead allocated in accordance with the provisions of Sections 4.1.

4.4 Code Section 704(c) Allocations.

4.4.1 Contributed Property. In accordance with Code Section 704(c), income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Members, solely for federal income tax purposes, so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and the initial Gross Asset Value of the property as of the date of the Capital Contribution of the property to the Company in a manner consistent with Code Section 704(c) and Regulations Section 1.704-3(c).

4.4.2 Reverse 704(c) Allocations. In the event that the Gross Asset Value of Company assets is adjusted pursuant to the terms of this Agreement, subsequent allocations of income, gain, loss and deduction with respect to such asset shall consistently take into account any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in a manner consistent with Code Section 704(c) and Regulations Section 1,704-3(c).

4.5 Other Allocation Rules.

4.5.1 For purposes of determining the Profits or Losses or any other items allocable to any period, Profits, Losses or any other items shall be determined on a daily, monthly or other basis as determined by the Manager using any permissible method under Code Section 706 and the Regulations thereunder.

4.5.2 The allocations of the Profits and Losses and any items of income, gain, loss or deduction thereof pursuant to the terms of this Article 4 shall be made after taking into account all distributions to and Capital Contributions by the Members for the period to which such allocation relates.

Article 5: Distributions

5.1 Discretionary Distributions. Except as otherwise set forth in Section 5.2, cash or other assets in kind will be distributed only in such amounts and only at such times as the Board shall determine in its sole discretion. All distributions under this Section 5.1 will be in proportion to the respective Percentage Interest held by each Member at the time of distribution.

5.2 Mandatory Distributions.

5.2.1 Tax Distributions. Unless all Members agree otherwise, the Manager shall annually, on or before March 15 of each year, cause the Company to distribute to each Member an amount of cash equal to the Estimated Tax Amount with respect to the prior Fiscal Year. Solely for purposes of determining whether the Company has satisfied its distribution obligations under this Section 5.2.1, all cash and other distributions made during a Fiscal Year shall be treated as distributions made pursuant to this Section 5.2.1 except to the extent that such distributions were required to satisfy the obligations of the Company under this Section 5.2.1 in respect of one or more prior taxable years.

5.2.2 Other Distributions. If Net Cash Flow for a Fiscal Year exceeds all distributions made by the Company under Section 5.1 and 5.2.1, the Manager shall distribute the balance of the Net Cash Flow for such Fiscal Year to the Members on or before March 15th after the close of such Fiscal Year in proportion to their respective Percentage Interests.

5.3 Distributions in Liquidation.

5.3.1 Priority. Upon dissolution of the Company and the liquidation of the assets of the Company pursuant to Article 13, the Liquidating Agent shall wind up the affairs of the Company and liquidate the assets as promptly as is consistent with obtaining fair value therefor and cause the remaining assets of the Company, including proceeds of sales or other dispositions in liquidation of assets, to be applied in accordance with the following priorities:

(a) First, to payment of the debts and obligations of the Company to its creditors (other than a Member), including sales commissions and other expenses incident to any sale of the assets of the Company;

(b) Second, to the establishment of such reserves as the Liquidating Agent may deem reasonably necessary for any unliquidated contingent or unforeseen liabilities or obligations of the Company;

(c) Third, to the payment in full of loans (including for this purpose, accrued interest thereon through the date of payment) to the Company by the Members, *pro rata,* according to the relative amount of such unpaid loans (including for this purpose accrued interest thereon through the date of payment); and

(d) Fourth, to the Members having positive Capital Accounts *pro rata* in accordance with their relative positive Capital Accounts (as determined after taking into account all Capital Account adjustments for the Company's Fiscal Year during which such liquidation occurs), until all such positive Capital Accounts are reduced to zero.

The reserves established pursuant to clause (b) of this Section 5.3.1 shall be paid over by the Liquidating Agent to a bank or other financial institution to be held in escrow for the purpose of paying unliquidated, contingent or unforeseen liabilities or obligations and, at the expiration of such period as the Liquidating Agent deems advisable, such reserves shall be distributed to the Members or their assigns in the priority set forth in clauses (c) and (d) of this Section 5.3.1. Distributions to the Members pursuant to this Section 5.3.1 shall be made within the time period prescribed by Regulations Section 1.704-l(b)(2)(ii)(b).

5.3.2 Distributions In Kind; Procedures. In the event the Liquidating Agent determines that an immediate sale of part or all of the Company assets would cause undue loss to the Members, the Liquidating Agent, in order to avoid such loss, may either (a) defer liquidation of any assets of the Company for a reasonable time, except those assets necessary to satisfy Company debts and obligations, or (b) distribute the assets in kind to the Members. If any assets of the Company are to be distributed in kind, such assets shall be valued and shall be deemed sold at their fair market value and any gain or loss deemed realized shall be allocated to the Capital Accounts of the Members for purposes of applying this Section 5.3 as if such gain or loss had actually been fully realized. Any assets that are to be so distributed shall be distributed on the basis of the fair market value thereof and any Member entitled to an interest in such assets shall receive such interest therein as a tenant-in-common with all other Members so entitled. The fair market value of such assets shall be determined by an appraiser to be selected by the Liquidating Agent or by agreement of all the Members. In the event of such distribution in kind, the distributee Member shall not thereafter sell or otherwise Transfer or dispose of any interest in any assets so distributed which they hold as a tenant-in-common without first offering such interest in writing to the other tenants-in-common upon the same terms and conditions and for the same price as such proposed sale or Transfer. The other tenants-in-common shall have 30 days after the receipt of such offer within which to accept the same and, as between themselves, shall have the right to acquire such interest in proportion to their respective Percentage Interests held in the Company as of the date of liquidation of the Company (determined by excluding the Percentage Interest of the Member proposing to dispose of its interest in such property). If the other tenants-in-common shall fail to accept such offer within such period of time, such distributee Member shall be free to sell the interest in such

assets upon the terms and conditions described in the offer disclosed to the other tenants-in-common free of any further rights of first refusal.

5.4 Deficit Capital Accounts. Except as may otherwise be required by law or any other agreement to the contrary, notwithstanding anything to the contrary contained in this Agreement, to the extent that any Member has a deficit Capital Account balance upon dissolution of the Company, that deficit shall not be an asset of the Company and that Member shall not be obligated to contribute that amount to the Company to bring the balance of that Member's Capital Account to zero.

5.5 Waiver of Partition. No Member, either directly or indirectly, shall take any action to require partition of the Company or any of its assets or properties. Notwithstanding any provisions of applicable law to the contrary, each Member (and its successors and assigns) hereby irrevocably waives any and all right to maintain any action for partition or to compel any sale with respect to its Company Interest, or with respect to any assets or properties of the Company, except as expressly provided in this Agreement.

Article 6: Management

6.1 The Manager.

6.1.1 Appointment of Manager. Except as otherwise set forth in this Agreement, AT&T is designated to serve as its Manager until it resigns or as otherwise pursuant to this Agreement. Except as may be specifically provided in this Agreement or in any other written agreement, the Manager shall not receive any salary, fee or draw for services rendered to or on behalf of the Company.

6.1.2 Authority of Manager. Except as otherwise provided herein, the Manager shall be vested with complete management and control of the day-to-day affairs of the Company and have the power and authority to do all things necessary or proper to carry out the business of the Company. In its capacity as Manager, the Manager shall be specifically authorized to execute authorized instruments, documents, agreements, contracts and other undertakings on behalf and in the name of the Company. Persons dealing with the Company shall be entitled to rely on the authority of the Manager to execute such documents on behalf of the Company. Without limiting the foregoing, the Manager will from time to time as the Manager deems appropriate, represent the Company to international telecommunications bodies. The Board's and the Members' right and power to participate in the management of the Company will be limited to those matters specifically prescribed in this Agreement or otherwise required under applicable law. The Manager agrees to enforce the Company's rights in the event of a material breach by a Member providing services to the Company.

6.2 Limitations on the Authority of the Manager .

6.2.1 Matters Requiring Board Approval. Notwithstanding the provisions of Section 6.1.2, the Company will not take any of the following acts unless proposed by the Manager and approved by the Board or unless approved by the Board with or without proposal by the Manager:

(a) require any Capital Contributions other than those provided for in Section 1.1;

(b) make any distributions of cash or other assets (other than distributions under Section 5.2.1 and in liquidation) to any Member;

(c) adopt or revise any Business Plan; or

(d) take any other action that is expressly reserved as a power of the Board under the terms and provisions of this Agreement.

6.2.2 Matters Requiring Member Approval. Notwithstanding the provisions of Section 6.1.2, the Company will not take any of the following acts unless approved in writing by all Members who have a Percentage Interest of ten percent (10%) or more in advance of taking any such action:

(a) amend this Agreement or the Certificate in a manner that would adversely affect the rights or increase in any manner any obligation of a Member, subject to the Contributing Member's ability to make financing decisions and related amendments to this Agreement and the Certificate in accordance with Section 3.2.2;

(b) except as otherwise provided in Section 6.2.2(k), enter into any agreement, or modify or terminate an existing agreement, between the Company and any Member or any Affiliate of any Member; provided that the consent of the Members will not be required for: (i) any modification of any existing agreement that occurs automatically under the terms of such agreement including, without limitation, any modification to the price charged to AT&T by the Company for roaming services under any agreement(s) between AT&T and the Company that occurs as a result of lower pricing that is actually paid by a substantial portion of Major Carriers; or (ii) any modification approved by the Board of the roaming rates payable by AT&T to the Company;

(c) dissolve, liquidate or wind up the Company except pursuant to and in accordance with the terms of this Agreement;

(d) confess any judgment against the Company;

(e) make any general assignment of the Property of the Company for the benefit of creditors;

(f) consent to any involuntary bankruptcy filing or petition with respect to the Company;

(g) initiate or file any bankruptcy petition with respect to the Company;

(h) except as set forth in Section 3.2.2, issue any Interests at prices not applied equally to all Members;

(i) except as set forth in Section 3.2.2 or otherwise set forth in this Agreement, change the Manager;

(j) except as set forth in Section 3.2.2, dispose of any assets with fair market value in excess of twenty percent (20%) of the fair market value of the Property then owned by the Company except as contemplated by the Business Plan;

(k) except as set forth in Section 3.2.2, publish average end-user rates that result in user pricing in excess of the wholesale roaming price charged by the Company to AT&T by twenty five percent (25%) or more; provided that AT&T is entitled to the benefit of lower pricing that is actually paid by a substantial portion of the Major Carriers and the approval of the other Member will not be necessary in such instances. MTN acknowledges that AT&T may in its sole discretion revise end-user pricing from time to time as part of promotions, plan bolt-ons, variations and packaging, rebates or similar programs in the ordinary course of AT&T's business;

(l) except as set forth in Section 3.2.2, increase the aggregate cap on Capital Contributions under Section 3.2.1; or

(m) except as set forth in Section 3.2.2 and except for Capital Contributions under Section 3.2.1 and any loans under Section 3.6, apply for or obtain any additional funding or financing, whether debt or equity.

6.3 Steering Committee.

6.3.1 Appointment and Scope. The Company shall form a steering committee (the "**Steering Committee**") to:

(a) review the status and progress of the Business of the Company;

(b) review the performance of the parties' respective obligations under this Agreement and the Master Services Agreement; and

(c) review any recommendations, suggestions and proposals made by any party regarding the Business of the Company.

6.3.2 Composition. The Steering Committee will consist of the Manager of the Company and a reasonable number of individuals appointed or changed by each Member from time to time by giving the other parties and the Manager of the Company written notice and the contact information of the individual (including, but not limited to, the name, address, telephone numbers and email address).

6.3.3 Meetings of Steering Committee. Unless otherwise agreed by the Members, the Steering Committee will meet or have a telephone conference on the schedule determined by the Manager from time to time. Each respective Steering Committee meeting or telephone conference will be held at such location and on such date and time as the Manager may reasonably determine and inform all members of the Steering Committee reasonably in advance.

6.3.4 Information. Prior to any meeting of the Steering Committee, the Manager of the Company will circulate to all members of the Steering Committee an agenda for the meeting, as well as all other information prepared by the Company for the Steering Committee meeting. Furthermore, the Company shall provide to a member of the Steering Committee any information related to the agenda items of the meeting, any information which is reasonably requested by such member in order to assist him or her in making informed decisions and to contribute to the Steering Committee, and all information concerning the Company's monthly financial conditions or operations distributed to other members of the Steering Committee for purposes of performing the Steering Committee's functions. Each Member shall provide to the Manager of the Company any information that is necessary for the proper functioning of the Steering Committee, including, but not limited to, information related to the services provided by the Members to the Company under the Master Services Agreement.

6.3.5 Expenses. Unless otherwise mutually agreed by the Members in writing, each Member shall bear its own costs and expenses related to its participation on the Steering Committee.

6.4 The Board of Directors.

6.4.1 Constitution of the Board. The Board shall be composed of five (5) Directors. AT&T shall appoint three (3) Directors ("**AT&T Directors**") and MTN shall appoint two (2) Directors (" **MTN Directors**"). If, as the result of the application of Section 3.2.2, the Percentage Interest of MTN increases above fifty percent (50%), then, from and after such date and for so long as MTN's Percentage Interest remains greater than fifty percent (50%), MTN shall have the right to appoint three (3) Directors and AT&T shall appoint two (2) Directors. Each of AT&T and MTN shall designate, and notify the other party of, its initial Directors prior to the first meeting of the Board. AT&T and MTN may change any or all of their respective Directors at any time from time to time by providing written notice of the change to the other party. Directors will serve without compensation from the Company and shall serve until they are replaced or resign. Any vacancy occurring on the Board, whether due to death, disability, removal or other cause, may be filled by the Member that originally appointed such Director. Except as approved by the Manager or permitted by this Agreement, no Director shall have any right or authority to take any action on behalf of the Company.

6.4.2 Meetings of the Board. Regular meetings of the Board will be held at such times and places as determined by the Board, but must be held at least quarterly. Special meetings of the Board may be called by the Manager or by a quorum of Directors. All meetings of the Board shall be held at the principal place of business of the Company in Atlanta, Georgia or at such other place as shall be specified or fixed in the notices or waivers of notice thereof. Written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five (5) business days before the date of the meeting to the Directors. Directors may participate in a meeting of the Board by any means of communication by which all Directors participating in the meeting can hear each other during the meeting. Participation by such means shall constitute presence in person at a meeting. So long as written notice of a Board meeting is delivered to all Directors pursuant to this Section 6.4.2, the presence

of at least three (3) Directors (at least two (2) of whom are Directors appointed by the Member with a Percentage Interest greater than 50%) shall constitute a quorum (a "**Quorum**") for the transaction of business at any Board meeting. If written notice of a Board meeting is not delivered to all Directors pursuant to this Section 6.4.2, then at least one of the three Directors present must be an MTN Director in order to constitute a Quorum. If less than a Quorum is present at a meeting, the meeting shall be adjourned without further notice.

6.4.3 Voting. Each Director attending a Board meeting or taking any action contemplated by the last sentence of this Section 6.4.3 shall be entitled to one vote. The Board shall act upon the majority vote of a Quorum of its Directors properly attending a duly convened meeting of the Board and casting votes, and such majority vote shall constitute "approval", "consent", proper "action" or the "determination" or "decision" of the Board.

6.4.4 Action Without a Meeting. Any action that could be taken at a meeting of the Board may be taken without a meeting if one or more written consents setting forth the action so taken are signed by all Directors. Actions taken by written consent are effective when the last Director signs the consent, unless the consent specifies a later effective date.

6.4.5 Authority of the Board. The Board shall have the authority to cause the Company to do the things and take the actions described in Section 6.2.1. The Board shall have no power or authority to act for or on behalf of the Company or to be involved in the management or control of the Company other than as set forth in Section 6.2.1.

6.5 Officers.

6.5.1 Appointment. The Board may appoint one or more individuals to serve as Officers of the Company. The Company shall have such Officers as the Board may from time to time determine, which Officers may (but need not) include a Chief Executive Officer, President, Vice President, Secretary, or Treasurer. The same person may hold any two or more offices. Each Officer shall hold office at the pleasure of the Board until his or her successor is chosen or until earlier death, resignation, retirement or removal from office. Any Officer designated by the Board may be removed at any time by the Board for any reason, if the office of any Officer becomes vacant for any reason, the vacancy may be filled by the Board. The Board may abolish any office at any time.

6.5.2 Powers and Duties. Subject to the restrictions set forth in this Agreement and to the direction of the Manager and the Board, the Officers shall perform such duties and services and exercise such powers as may be provided by this Agreement or as the Manager or Board may from time to time determine or as may be assigned to them by any competent superior Officer. The Manager may also at any time limit or circumvent the enumerated duties, services and powers of any Officer. In addition to the designation of Officers and enumeration of their respective duties, services and powers, the Manager and Board may grant powers of attorneys to individuals to act as agent for or on behalf of the Company, to do any act which would be binding on the Company; to incur any expenditures on behalf of the Company or to execute, deliver and perform any agreements, acts, transactions or other matters on behalf of the Company. Such powers of attorney may be revoked or modified as deemed necessary by the Manager or Board, as applicable.

6.6 Related Party Transactions. The Company may transact business with any Manager or Member or Affiliate thereof; provided such transactions are entered into pursuant to this Agreement and the terms of those transactions have been approved in advance by the Board or the Members pursuant to Section 6.2.2(b) and, provided further, that the following transactions and the terms of the following agreements attached as exhibits to this Agreement and to be executed contemporaneously with this Agreement are hereby approved in advance:

(a) the Master Services Agreement between the Company, MTN and AT&T, attached hereto as Exhibit C;

(b) AT&T and the Company will enter into a trademark license substantially on the terms set forth in the Trademark License Agreement between the Company and AT&T attached hereto as Exhibit D. The Company shall pay up to $20,000 per annum of the license fees under the Trademark License Agreement. AT&T shall pay any license fees in excess of $20,000 per annum;

(c) the Manager may appoint employees to be seconded to the Company. Any such secondment will be substantially on the terms set forth in the Secondment Agreement between the Company and AT&T or MTN, respectively, attached hereto as Exhibit E, or any form otherwise agreed to by the parties from time to time; and

(d) with respect to GSM roaming, AT&T and the Company will enter into a rate agreement containing terms substantially similar to the terms set forth in the rate agreement attached hereto as Exhibit F.

Article 7: Rights, Obligations and Powers of the Members

7.1 Voting Rights of Members. No Member shall have any right to act for or on behalf of the Company or be involved in the management or control of the Company; except that a Member duly appointed as Manager may act in such capacity in accordance with this Agreement. In addition, no Member shall be entitled to vote on any matter with respect to the Company's business and affairs, unless specifically granted that right in this Agreement or unless such right is vested in the Member by the Act and cannot be waived by the Members.

7.2 Compensation of Members. Except as may be specifically provided in this Agreement or in any other written agreement that is entered into in accordance with this Agreement, no Member shall receive any salary, fee or draw for services rendered to or on behalf of the Company or in connection with the Business of the Company.

Article 8: Indemnification

8.1 Limitation on Liability. No Member, Manager or officer, shareholder, employee or agent thereof, or Director or Officer, employee or agent of the Company shall be liable, responsible or accountable in damages or otherwise to the Company or any Member for any act or omission by any such Person or by any employee or other agent of the Company if such Person acted in good faith and in a manner in which he, she or it believed to be in the best interests of the Company unless such conduct constitutes fraud, negligence, willful misconduct or a material breach of this Agreement.

8.2 Indemnification. To the fullest extent not prohibited by law, the Company shall indemnify and hold harmless each Member, Manager, each officer, shareholder, employee or agent thereof, and each Director, Officer, employee or agent of the Company from and against any and all losses, claims, demands, costs, damages, liabilities (joint and several), expenses of any nature (including attorneys' fees and disbursements), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which such Person may be involved or threatened to be involved, as a party or otherwise, arising out of or incidental to any business of the Company transacted or occurring while such Person was a Member, Manager, officer, shareholder, employee or agent thereof, or Director, Officer, employee or agent of the Company regardless of whether such Person continues in such capacity at the time any such liability or expense is paid or incurred, except for fraud, willful misconduct, bad faith or negligence on the part of such Person. The indemnification provided by this Section 8.2 shall be in addition to any other rights to which those indemnified may be entitled under any agreement, as a matter of law or equity, or otherwise, and shall continue as to a Person who has ceased to serve in their capacity, and shall inure to the benefit of the heirs, successors, assigns and administrators of the Person so indemnified, with respect to the satisfaction of any indemnification of the above-mentioned Persons, only assets of the Company shall be available therefor and no Member or Manager shall have any personal liability therefor. Any indemnification required hereunder to be made by the Company shall be made promptly as the liability, loss, damage, cost or expense is incurred or suffered. This indemnification shall apply only to a Person's acts when acting in the capacity of a party to this Agreement or when acting as a representative of a Person acting in the capacity of a party to this Agreement, and shall not apply when such Person is acting in the capacity as a vendor or independent contractor (or representative thereof) to the Company.

8.3 Indemnification Procedures.

8.3.1 If any party (the "**Indemnified Party**") shall notify the other party hereto with respect to any matter ("**Claim**") for which such Indemnified Party may be entitled to indemnification under this Article 8, the Indemnified Party shall have the right to defend itself against the Claim with counsel of its choice that is reasonably retained for such defense or to request that the Company defend it with counsel that the Manager reasonably retains for such purpose. The Indemnified Party or the Company, as the case may be, shall conduct the defense of the Claim actively and diligently.

8.3.2 In the event the Company is not conducting the defense of the Claim in accordance with this Section 8.3, the Indemnified Party will not consent to the entry of any judgment

or enter into any settlement with respect to the Claim without the prior written consent of the Company, which consent the Company shall not unreasonably withhold.

8.4 Advancement Of Expenses. The right to indemnification conferred in this Article 8 shall include, if approved by the Board, the right to be paid by the Company the expenses incurred in defending any proceeding in advance of its final disposition (hereinafter an "advancement of expenses"). An advancement of expenses shall be made upon delivery to the Company of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this subsection 8.3.

Article 9: Operations

9.1 Business Plans.

9.1.1 Adoption. The Manager shall, in consultation with both Members, prepare an annual Budget each year during the Term setting forth in reasonable detail the anticipated financial plan and budget for the Company.

9.1.2 Implementation. The Business Plan and Budget will be used as guidelines but are not binding on the Company, the Manager, the Board or any Member. Subject to the preceding sentence, the Business Plan and Budget shall be implemented by the Manager, Board and the Officers on behalf of the Company. The Company shall be authorized to make the expenditures and incur the obligations provided for in the Business Plan and Budget and shall be authorized to engage in the activities set forth in the Business Plan.

9.2 Provision of Services; Failure to Provide Services .

9.2.1 Provision of Services. The Members (or their Affiliates) shall provide the products and services (collectively, the "**Services**") set forth in one or more agreements that may be entered into by the Company and the Member, which agreements shall be negotiated by the Manager and subject to the approval of the Members. Services shall be provided for reimbursement of expenses by a Member in connection with providing the Services and no other fee or charge unless otherwise expressly agreed in the applicable contract.

9.2.2 Failure to Provide Certain Services . If, at any time while this Agreement is in effect (except as a result of a cause or condition beyond a Member's reasonable control (as set forth in Section 9.1 of the Master Services Agreement)), a Member in its capacity as a service provider under the Master Services Agreement (the "**Nonperforming Member**") does not deliver to the Company a Core Service (as defined in the Master Services Agreement) for more than 30 consecutive days, then the other Member (the "**Performing Member**") may provide written notice of such non-delivery to the Nonperforming Member (the "**Initial Notice**") in which case the Nonperforming Member shall have a 30 day period from receipt of the Initial Notice (or such later date as may be specified in such Initial Notice) to deliver the Core Service (the "**Core Service Cure Period**"). If the Nonperforming Member does not deliver the Core Service prior to expiration of

the Core Service Cure Period, then, upon written notice (the " **Second Notice**"), the Performing Member at its option may, effective as of the date of the Nonperforming Member's receipt of the Second Notice: (i) elect to terminate the Master Services Agreement, (ii) elect to become the Manager of the Company, if the Performing Member is not already the Manager and (iii) elect any one of the following remedies (in addition to any other remedies available to the Performing Member under this Agreement, the Master Services Agreement, law or equity):

(a) Purchase the Nonperforming Member's Interest for an amount equal to its fair market value on the date of such election (the "**Purchase Price**")**;** the Purchase Price shall be determined in the same manner as the Price is determined pursuant to Section 11.9.3. In the event the Performing Member elects to purchase the Nonperforming Member's Interest, the closing of the purchase and sale of the Nonperforming Member's Interest in the Company will take place at the offices of the attorneys for the buyer within thirty (30) days after the Purchase Price is determined. Upon closing of the purchase and sale of the Nonperforming Member's Interest, the Company and the Performing Member will have the exclusive right to continue to engage in the Business and the Nonperforming Member will, without limitation, continue to be bound by the provisions of Section 2.8. Notwithstanding the Act, the withdrawal and sale by the Nonperforming Member of its Interest in the Company will not result in the dissolution of the Company; or

(b) Cause the Company to be dissolved and liquidated in accordance with Section 13.2, and the Nonperforming Member will, without limitation, continue to be bound by the provisions of Section 2.8.

Article 10: Representations and Warranties

10.1 In General. As of the date hereof, each of the Members hereby makes each of the representations and warranties applicable to such Member as set forth in Section 10.2, and such warranties and representations shall survive the execution of this Agreement.

10.2 Representations and Warranties. Each Member hereby represents and warrants that:

10.2.1 Organization and Existence. Such Member is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and governance.

10.2.2 Power and Authority. Such Member has the full power and authority to execute, deliver and perform this Agreement, and to own and lease its properties and to carry on its business as now conducted and as contemplated hereby.

10.2.3 Authorization and Enforceability. The execution and delivery of this Agreement by such Member and the carrying out by such Member of the transactions contemplated hereby have been duly authorized by all requisite corporate actions and this Agreement has been duly executed and delivered by such Member and constitutes the legal, valid and binding obligation of such Member, enforceable against it in accordance with the terms hereof.

10.2.4 No Governmental Consents. No authorization, consent or approval of, notice to or filing with, any governmental authority, is required for the execution, delivery and performance by such Member of this Agreement.

10.2.5 No Conflict or Breach. None of the execution, delivery and performance by such Member of this Agreement, the compliance with the terms and provisions hereof, and the carrying out of the transactions contemplated hereby, conflicts or will conflict with or will result in a breach or violation of any of the terms, conditions or provisions of any law, governmental rule or regulation or the charter documents, as amended, or bylaws, as amended, if such Member or any order, writ, injunction, judgment or decree of any court of governmental authority against such Member or by which it or any of its proprieties is bound, or any loan agreement, indenture, mortgage, note, resolution, bond, or contract or other agreement or instrument to which such Member is a party or by which it or any of its properties is bound, or constitutes or will constitute a default thereunder or will result in the imposition of any lien upon any of its properties.

10.2.6 No Proceedings. There are no suits or proceedings pending, or to the knowledge of such Member, threatened in any court or before any regulatory commission, board or other governmental administrative agency against or affecting such Member that could have a material adverse effect on the business or operations of such Member, financial or otherwise, or on its ability to fulfill its obligations hereunder.

Article 11: Transfers of Company Interests

11.1 Restrictions on Transfer. Except as otherwise permitted by this Agreement, no Member shall Transfer all or any portion of its Interest without the prior written consent of all other Members, which consent may be withheld in the sole and absolute discretion of all other Members. Even with the consent of all other Members, no assignee shall become a substituted Member in the place of the assignor except as provided in Section 11.6. Any attempted Transfer by a Member of all or any portion of its Interest other than in accordance with this Article 11 shall be null and void *ab initio.*

11.2 Permitted Transfers.

11.2.1 After the First Contribution Date. Subject to the conditions and restrictions set forth in Section 11.3, the Member may Transfer its Interest only if:

(a) the transferring Member Transfers all of its Interest to an Affiliate of the transferor that is not a natural Person;

(b) the transferring Member Transfers all of its Interest in a Corporate Transfer; provided that if the Corporate Transfer is also an "involuntary transfer" as defined in Section 11.9.1 or if MTN proposes a Corporate Transfer to any Major Carrier, then the Corporate Transfer is not permitted under this Section 11.2.2(b) (but may be permitted under Section 11.2.2 (c)); or

(c) the transferring Member has provided the other Members with an Offer under Section 11.8 and the other Member has declined to purchase the Interest pursuant to that Section.

Any Transfer under Sections 11.2.2(a), (b) or (c) above is referred to in this Agreement as a " **Permitted Transfer**." Notwithstanding satisfaction of the conditions and restrictions set forth in Section 11.3, a transferee of a Permitted Transfer shall only be entitled to the rights of an unadmitted assignee pursuant to Section 11.5 until such time as the transferee is admitted as a substituted Member pursuant to Section 11.6.

11.3 Continuing Liability; Conditions to Permitted Transfers . With respect to any Transfer to an Affiliate of the transferor: (i) the transferor and transferee will be jointly and severally liable for all of the obligations of the transferor hereunder, and (ii) any event by which the transferee ceases to be an Affiliate of the transferor shall be deemed to be a Transfer of the transferor's Interest for purposes of this Article 11. A Transfer shall not be treated as a Permitted Transfer under Section 11.2 unless and until the following conditions are satisfied:

11.3.1 Required Documentation. Except in the cases of a Transfer involuntarily by operation of law or a Transfer by a Member of all of its Interest to its Affiliate, the transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be necessary or appropriate in the reasonable opinion of counsel to the Company to effect such Transfer and to confirm the agreement of the transferee to be bound by the provisions of this Agreement, including this Article 11. In the case of a Transfer of Interests involuntarily by operation of law, the Transfer shall be confirmed by presentation to the Company of legal evidence of such Transfer, in form and substance reasonably satisfactory to counsel to the Company. In the case of a Transfer by a Member of all of its Interest to its Affiliate, the transferor and transferee shall not be required to comply with the terms of this Section 11.3.1.

11.3.2 Reimbursement of Costs. In all cases, the Company shall be reimbursed by the transferor and/or transferee for all costs and expenses that it reasonably incurs in connection with such Transfer.

11.3.3 Legal Opinions. Except in the case of a Transfer involuntarily by operation of law, the transferor shall furnish to the Company an opinion of counsel, which counsel and opinion shall be reasonably satisfactory to the nontransferring Member, that (a) the Transfer will not cause the Company to terminate for federal income tax purposes and that such Transfer will not cause the application of the rules of Code Sections 168(g)(1)(B) and 168(h) (generally referred to as the "tax exempt entity leasing rules") or similar rules to apply to the Company, the Property, the Members or their Affiliates; (b) such Transfer will not cause the Company to become taxable as a corporation for federal income tax purposes, (c) such Transfer will not cause adverse tax consequences to the non-transferring Member from the authorization to make such a Transfer pursuant to the provisions of Section 11.3.5; (d) such Transfer will not violate any applicable securities laws and (e) without limiting the foregoing, such Transfer will not subject the Company, its Members or any Affiliate of the Company or its Members to additional regulation by, or to the

additional jurisdiction of, the Securities and Exchange Commission (or any successor agency)or the Federal Communications Commission (or any successor agency).

11.3.4 Tax Information. The transferor and transferee shall furnish the Company with the transferee's taxpayer identification number and any other information reasonably necessary to permit the Company to file all required federal and state tax returns .and other legally required information statements or returns.

11.4 Prohibited Transfers.

Any purported Transfer of an Interest that is not a Permitted Transfer or that is not consented to by the other Member pursuant to Section 11.1 shall be null and void and of no force or effect whatever; provided that, if the Company is required to recognize a Transfer that is not a Permitted Transfer (or if the Company, in its sole discretion, elects to recognize a Transfer that is not a Permitted Transfer), the Interest Transferred shall be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the transferred Interest, which allocations and distributions may be applied (without limiting any other legal or equity rights of the Company) to satisfy any debts, obligations or liabilities for damages that the transferor or transferee of such Interest may have to the Company.

In the case of a Transfer or attempted Transfer of an Interest that is not a Permitted Transfer or that is not consented to by the other Member pursuant to Section 11.1, the parties engaging or attempting to engage in such Transfer shall indemnify and hold harmless the Company and the nontransferring Member from all cost, liability and damage that any of such indemnified parties may incur (including, without limitation, incremental tax liabilities, lawyers' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

11.5 Rights of Unadmitted Assignees and Transferor .

11.5.1 Any Person who acquires an Interest, excluding atransferee in a Permitted Transfer, and who is not admitted as a substituted Member pursuant to Section 11.6, shall be entitled only to allocations and distributions with respect to such acquired Interest in accordance with this Agreement and shall have no right of any information or accounting of the affairs of the Company or its Business, shall not be entitled to inspect the books or records of the Company or its Business and shall not have any of the rights of a Member under the Act or this Agreement. Accordingly, the assignee shall have no authority to act for or bind the Company, to inspect the Company's books, or otherwise to be treated as a Member.

11.5.2 Following such a Transfer, the transferor (i) shall not be relieved of its liabilities and obligations as a Member of the Company under this Agreement and the Act, (ii) shall, with respect to any Permitted Transfer, continue to vote that portion of the Interest transferred to a permitted transferee unless such permitted transferee is admitted as a substituted Member pursuant to Section 11.6 in addition to that portion of the Interest (if any) retained by the transferor, (iii) shall, with respect to any Transfer other than a Permitted Transfer, be entitled to vote as a Member under this Agreement only with respect to that portion of the Interest (if any) retained by the transferor,

and (iv) shall, if the transferor transfers its entire Interest in the Company, have no authority to act on behalf of or to bind the Company in any way.

11.6 Admission of Substituted Members. Subject to the other provisions of this Article 11, a transferee of an Interest may be admitted to the Company as a substituted Member only upon satisfaction of the conditions set forth in this Section 11.6:

11.6.1 The other Member or Members unanimously consent to such admission, which consent may be given or withheld in the sole discretion of the other Member or Members;

11.6.2 The transferee becomes a party to this Agreement as a Member and executes such documents and instruments as the other Member or Members may reasonably request as may be necessary or appropriate to confirm such transferee as a Member in the Company and such transferee's agreement to be bound by the terms and conditions hereof and of the terms and conditions of the transferee's admission as a Member; and

11.6.3 The transferee pays or reimburses the Company for all reasonable legal, filing and publication costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the transferred Interest.

11.7 Specific Performance. Each of the Members acknowledges that the rights and obligations provided by this Article 11 are of unique value to it and the payment of monetary damages could not adequately compensate the other Members for any breach of the obligations set forth in this Article 11. Accordingly, the rights of the Members set forth in this Article 11 shall be specifically enforceable in accordance with their terms.

11.8 Right of First Offer.

11.8.1 Offer. In the event a Member (the "**Selling Member**") wishes to Transfer all of such Member's Interest in the Company and the contemplated Transfer would not otherwise qualify as a Permitted Transfer, the Selling Member shall give the other Member (the "**Offeree**") an offer (the "**Offer**") to purchase all of the Selling Member's Interest (the "**Offered Interest**") in the manner and pursuant to the terms in Section 11.8.2.

11.8.2 Exercise. If Selling Member wishes to Transfer Selling Member's Interest in the Company, Selling Member will obtain a *bona fide* written offer from the proposed transferee. The Selling Member shall thereupon give notice to the Offeree of such offer, setting forth the identity of the proposed transferee, the sale price (which shall be payable only in cash) and the terms and conditions on which the proposed transferee is willing to purchase the Offered Interest along with the Offer to purchase the Offered Interest on such terms and conditions. The Offeree shall then have sixty (60) days within which to give notice to the Selling Member that it wishes to acquire the Offered Interest for sale on such terms and conditions and to make any earnest money payments or deposits which may be specified in the notice. Such notice from the Offeree shall state a closing date not later than the closing date specified in the Offer from the proposed transferee or seventy-five (75) days after the date of such notice, whichever is later.

11.8.3 Failure to Exercise. If the Offeree shall not give notice within the sixty (60) day period following the initial notice from the Selling Member that it wishes to acquire the Offered Interest, or if it shall fail to make any required earnest money payments or deposits, the Selling Member may sell the Offered Interest to the proposed transferee during the period ending on the closing date set forth in initial notice from the Selling Member, or, if no closing date was set forth, within eighty (80) days of such initial notice, and only on terms and conditions no less favorable to the Selling Member than those set forth in the original offer provided. If the proposed sale does not occur within the time period specified in the previous sentence, or if any change is made in the terms of the offer, the proposed sale may not be made unless the Selling Member again notifies and permits the Offeree to exercise its rights under this Section 11.8.

11.9 Deemed Transfers.

11.9.1 Involuntary Transfers. Upon the involuntary transfer of all or any portion of a Member's Interest, such Member (or such Member's successor or assignee) shall immediately give written notice to the Company and the other Members. An "involuntary transfer" shall include, but not be limited to (i) a transfer by court proceedings on attachment, garnishment, bankruptcy, receivership or by execution on a judgment; (ii) a transfer because of a general assignment for the benefit of creditors; (iii) transfers upon the dissolution or liquidation of a Member or (iv) any court order or private divestiture not otherwise covered herein.

11.9.2 Effect of Notice. Upon receipt of such notice (or upon the Company otherwise receiving notice and confirmation of any such involuntary transfer), the Company and the non-transferring Members shall have an option to purchase all or part of the transferring Member's Interest as if it were an Offer to purchase an Offered Interest in the manner and pursuant to the terms specified in Section 11.8 but subject to the pricing and terms set forth in Sections 11.9.3 and 11.9.4.

11.9.3 Pricing. In the event the Offeree exercises its right to purchase the Offered Interest in accordance with this Article, the purchase price for such Offered Interest shall be its fair market value on the date of exercise, determined as provided herein (the "**Price**"). If the Selling Member or, if applicable, such Member's heirs, attorney-in-fact, executor, administrator or personal representative and the Offeree are able to reach agreement as to the Price, such Price shall govern. If Selling Member and Offeree cannot agree on a Price within forty-five (45) days after the giving of the last of the effective notices of exercise by the Offeree, the Price shall be determined by an independent appraiser appointed by the Selling Member and the Offeree within fifteen (15) days after the aforementioned deadline for agreeing on the Price. If the Selling Member and the Offeree cannot agree on an appraiser, the Price shall be determined jointly by an independent appraiser representing the Selling Member and an independent appraiser representing the Offeree. If the two appraisers are unable to agree on a Price, they shall select a third independent appraiser who shall determine the Price by arriving at a valuation either equal to that determined by one of the initial two appraisers or intermediate between both initial valuations. In determining the Price, the appraiser shall be required to take into account the lack of marketability and lack of control of the Offered Interest.

11.9.4 Other Terms. Unless the Selling Member and Offeree agree otherwise, the Price shall be paid at closing.

Article 12: Additional Members

12.1 Admission of Additional Member. A third party may be admitted as an Additional Member as provided herein in Section 3.5. Notwithstanding the foregoing, a third party shall not become an Additional Member unless and until such party becomes a party to this Agreement. Any Additional Member who becomes a Member shall be reflected on a revised Exhibit A that will be attached to this Agreement.

12.2 Accounting. No Additional Member shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. Upon the consent of the Members, the Company may at the time an Additional Member is admitted, close its books (as though the Company's tax year had ended) or make *pro rata* allocations of loss, income and expense deductions to an Additional Member for that portion of the Company's tax year in which such Additional Member was admitted in accordance with the provisions of Code Section 706(d) and the-Regulations thereunder.

12.3 Adjustments to Company Assets. In order to preserve the economic interests of each Member in the Company, the Manager may (but shall not be required to) adjust the book values of all Company assets to equal their respective gross fair market values, as determined by the Manager, immediately prior to the following times: (i) the acquisition of additional Interests in the Company by any new or existing Member, (ii) the distribution by the Company to a Member of more than a *de minimis* amount of Company property, (iv) the withdrawal of a Member, and (iii) the liquidation of the Company.

Article 13:Sale, Dissolution and Liquidation

13.1 Dissolution of the Company. The Company shall be dissolved on the earliest of the following:

(a) The passage of 90 days after the sale or other disposition of all or substantially all of the assets of the Company; and

(b) Any other event causing the dissolution of the Company under the Act.

In the event of the dissolution of the Company pursuant to clause (a) or (to the extent permitted by law) pursuant to clause (b) of this Section 13.1, Members shall have the option, upon the consent of all of them (other than any Member with respect to which a Bankruptcy shall have occurred or that shall have dissolved or withdrawn from the Company), to continue the Company.

13.2 Winding Up and Liquidation. Unless the Company or its business is to be continued pursuant to Section 13.1, upon the dissolution of the Company, the Company shall promptly wind up its affairs and liquidate and distribute its assets in accordance with Section 5.3 and this Section 13.2, unless the Members unanimously elect otherwise. The winding up of the Company's affairs and the liquidation of the Company's assets shall be conducted and supervised by the Liquidating Agent. The Liquidating Agent shall have all of the rights and powers with respect to the assets and liabilities of the Company, in connection with the winding up and liquidation of the Company, that the Members have with respect to the assets and liabilities of the Company during the term of the Company, and the Liquidating Agent is hereby expressly authorized and empowered to execute any and all documents necessary or desirable to effectuate the winding up and liquidation of the Company and the transfer of any Property of the Company.

13.3 Priority on Liquidation. The Liquidating Agent shall liquidate the assets of the Company as promptly as practicable. The proceeds of such liquidation shall be applied pursuant to Section 5.3.

Article 14: Accounting and Reports

14.1 Books and Records.

14.1.1 The Board shall implement standard procedures with respect to accounting, financial reporting and management information, including, without limitation, statements reflecting Company distributions of Net Cash Flow, earnings, Profits and Losses, residual value of Company Property and taxable income of the Company.

14.1.2 At all times during the term of the Company, the Manager shall keep or cause to be kept books of accounts at the principal office of the Company in which shall be entered fully and accurately each transaction of the Company. Each Member and its representatives shall have access to such books, records and documents during reasonable business hours and may inspect and make copies of any of them. The Manager may delegate to a third party or Officer the duty to maintain and oversee the preparation of such records and books of account.

14.1.3 In addition to its record-keeping requirements as provided herein, the Manager shall maintain records, as required, to demonstrate compliance with United States Foreign Corrupt Practices Act requirements, including lists reflecting the Company's use of agents.

14.2 Bank Accounts. The Company will maintain accounts for the deposit and disbursement of all funds of the Company at such banks as the Manager shall approve, consistent with prudent cash management practices. All funds of the Company will be deposited promptly in such accounts. The funds of the Company shall not be commingled with the funds of any other Person (other than any commingling that may result from the initial collection of funds by the Manager during the roaming settlement process and other than any commingling that may result from the payment by the Manager of certain accounts payable of the Company on behalf of the Company) and the Manager shall not employ, or permit any other Person to employ, such funds in any manner except for the benefit of the Company.

14.3 Accounting Method; Audited Financial Statements. The Company shall adopt the accrual method of accounting for financial reporting and federal and state income tax purposes. The financial reports of the Company shall be prepared on an accrual basis in accordance with United States generally accepted accounting principles consistently applied and audited by PriceWaterhouseCoopers (or another Big Four accounting firm selected by the Manager) on an annual basis and distributed to the Members on or before March 15th of the succeeding year.

14.4 Fiscal Year. The Company shall use the calendar year as both its Fiscal Year for financial reporting and its taxable year for federal and state income tax purposes.

14.5 Reports; Tax Returns. Copies of all accounts, reports and other writings pertaining to the Business of the Company furnished by a Member or the Company to any Member or regulatory agency shall contemporaneously be delivered to all Members. Copies of all reports, notices and other writings pertaining to the Company furnished to a Member by the accountants for the Company shall promptly be delivered to all the Members. The Manager shall cause to be prepared and filed, on the Company's behalf and at the Company's expense, all federal, state and other tax returns required to be filed, and shall submit the same to the Members for review and approval not less than 30 days prior to the respective due dates for such returns (including any extensions thereof), but, with respect to the Company's federal income tax information return, in no event later than June 15 of each year.

14.6 Required Governmental Filings. The Board shall cause the Company to file on or before the dates the same may be due, giving effect to extensions obtained, all reports, returns and applications that may be required by any governmental or quasi-governmental body having jurisdiction.

14.7 Tax Matters Member.

14.7.1 AT&T shall be the "tax matters partner" (the " **Tax Matters Member**") for the Company within the meaning of Code Section 6231(a)(7).

14.7.2 The Tax Matters Member shall notify and provide copies to the other Members within 5 business days (or as soon as reasonably practicable thereafter) of any communication received from any governmental authority regarding any proposed or existing audit, administrative or judicial proceeding, request for information, preliminary discussion or any other formal or informal communication regarding any tax matters pertaining to the Company, the

Company's Business or any Member. In addition to and not in limitation of the foregoing, the Tax Matters Member shall request, pursuant to Code Section 6223, that the other Members receive notice from the IRS regarding any proceedings or adjustments. The Tax Matters Member shall consult with the other Members concerning all tax matters and shall not take any action in connection with any audit or proceeding, or enter into any agreement with the IRS, that may adversely affect the other Members without their express prior written consent.

Article 15: Regulatory Matters

15.1 Prohibited Actions. Unless otherwise agreed upon by all Members, no Member or the Company shall engage in any transaction or activity that would cause the Company, either Member or any Affiliate of a Member or the Company to become subject to the jurisdiction of any agency pursuant to any similar local, state, federal or foreign law or regulation that in any way regulates, or requires disclosure of the Company's, Member's or their respective Affiliates' business dealings, ownership and management structure or capital structure. Notwithstanding any other provision in this Agreement, the Company, each Member or their Affiliates may take whatever lawful actions it deems necessary to avoid any such jurisdiction.

15.2 Political Contributions. The Company shall not spend any of its hands to make direct or indirect contributions to political candidates, nor make gifts or provide honoraria to elective or appointive governmental officials without prior Board approval. The Company shall timely report to the Board the making of such Contributions, gifts or honoraria. All such contributions, gifts or honoraria shall be made in accordance with applicable laws and regulations.

15.3 Compliance With Regulations. The Manager shall cause the Company to comply with all applicable laws, regulations and orders of any governmental or regulatory authority. Each Member and its Affiliates, in connection with their duties and activities with the Company and its projects, shall comply with all laws, regulations and orders of any governmental or regulatory authority applicable to such Person, including, without limitation, the United States Foreign Corrupt Practices Act. Each Member shall indemnify and hold harmless the Company and the other Member and its Affiliates from any costs incurred by them as a result of the failure of a Member or its Affiliates to comply with such applicable laws, regulations or orders.

Article 16: Dispute Resolution

16.1 General. In the event of any dispute, controversy or claim arising out of or relating to any provision of this Agreement or the interpretation, enforceability, performance, breach, termination or validity hereof, the parties hereto shall attempt in good faith to amicably resolve the dispute. If any dispute cannot be resolved within sixty (60) days from the date such dispute has arisen, either party shall have the right to cause the dispute to be submitted to, and resolved finally and exclusively by, arbitration in Atlanta, Georgia if the arbitration is commenced by AT&T, or in Fort Lauderdale, Florida if the arbitration is commenced by MTN, in accordance with the rules of the American Arbitration Association ("AAA") as in effect at the time of submission of the dispute to arbitration. Any arbitral award may be entered in any court of competent jurisdiction.

16.2 Selection of Arbitrators . Any dispute will be submitted to a panel of three (3) arbitrators. Each of AT&T and MTN shall designate one (1) arbitrator. The parties shall use their best efforts to agree upon a mutually acceptable third arbitrator within twenty (20) days after submission of the dispute under Section 16.1. If the parties are unable to agree upon a mutually acceptable third arbitrator, then any party may request AAA to supply a list of potential arbitrators satisfying the requirements of Section 16.3 and such other requirements as the parties may agree upon. Within ten (10) days after receipt of the list, the parties (in this case limited to AT&T and MTN) shall independently rank the proposed arbitrators, simultaneously exchange rankings, and select as the third arbitrator the individual receiving the highest combined ranking who is available to serve.

16.3 Qualifications of Mediator or Arbitrator . Any arbitrator under this Section 16 shall be impartial in fact and appearance, not an advocate of any party. The mediator or arbitrator shall not have:

(a) any direct or indirect financial or personal interest in the outcome of the mediation or arbitration; or

(b) any past, present or anticipated financial, business, professional, family, social or other relationship which is likely to affect impartiality or which might reasonably create the appearance of partiality or bias.

Any arbitrator under this Section 16 shall be required to disclose to each of the parties any such interest or relationship, and the parties may agree to waive the requirements of the preceding sentence as to any interest or relationship so disclosed.

16.4 Discovery. No party shall have any rights of discovery in connection with any mediation under this Section 16. In any arbitration, each party shall have:

(a) full access to the records of the other parties that pertain to the subject matter of the dispute;

(b) the power to call for the testimony of any director, officer, employee, agent or representative of the other parties; and

(c) such other rights of discovery as may be afforded by the rules of AAA or by the arbitrator.

16.5 Costs. In connection with any arbitration under this Section 16, costs of the arbitrators, AAA, court reporter, hearing rooms and other common costs shall be divided equally among the parties. Each party shall bear the cost and expense of preparing and presenting its own case (including, but not limited to, its own attorneys' fees and costs of witnesses); provided, that the arbitrators may require, as part of their decision, reimbursement of all or a portion of the prevailing party's costs and expenses by the other parties.

Article 17: General Provisions

17.1 Notices. Any notice, request, instruction or other document to be given hereunder by a Member to another Member hereto shall be in writing, delivered in person, mailed by certified or registered mail, return receipt requested, or sent by an internationally recognized express overnight courier with a reliable system for tracking delivery, in each case to the addressee's address set forth below (or such other address as the party changing its address specifies in a notice to the other parties):

Maritime Telecommunications Network, Inc.
c/o Global Eagle Entertainment Inc.
6100 Center Drive, Suite 1020
Los Angeles, CA 90045
Attn: Chief Executive Officer

with a copy to:

Maritime Telecommunications Network, Inc.
c/o Global Eagle Entertainment Inc.
6100 Center Drive, Suite 1020
Los Angeles, CA 90045
Attn: General Counsel

and

New Cingular Wireless Services, Inc.
208 South Akard St.
Dallas, TX 75202
Attn:

with a copy to:

New Cingular Wireless Services, Inc.
1025 Lenox Park Blvd, Suite C566
Atlanta, GA 30319
Attn:

Notices shall be deemed to have been given on the date of service, if served personally on the party to whom notice is to be given, on the fifth day after mailing, if mailed as set forth above, or upon delivery, if sent by courier as set forth above.

17.2 Consequential Damages; Affiliates. No Member or its Affiliates shall be liable to any other Member or its Affiliates for any indirect, incidental, special or consequential damages relating to a breach or an alleged breach of this Agreement, including, but not limited to, loss of revenue, cost of capital or loss of business reputation or opportunity whether such liability arises out of contract, tort (including negligence), strict liability or otherwise.

17.3 Waiver. No waiver of any breach of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Member against whom such waiver is claimed. No waiver of any breach shall be deemed to be a waiver of any other or subsequent breach.

17.4 Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

17.5 Further Assurances. Each Member shall execute such deeds, assignments, endorsements, evidences of transfer and other instruments and documents and shall give further assurances as shall be necessary to perform its obligations hereunder and shall execute such estoppel and other documents as are reasonably requested by any other Member regarding the status of the Company.

17.6 Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law provisions of the State of Delaware or any other jurisdiction. The parties and their successors and assigns hereby irrevocably consent to the nonexclusive jurisdiction of the state and federal courts located in Atlanta, Georgia and Broward County, Florida in connection with any legal action between the parties relating to this Agreement, and agree that venue will lie in such courts.

17.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

17.8 Limitation on Rights of Others. This Agreement is entered into by the Members for the exclusive benefit of the Company, its Members, and their successors and permitted assigns. This Agreement is not intended for the benefit of any creditor of the Company or any other Person. No creditor or third party shall have any rights under this Agreement or under any other agreement between the Company and any Member with respect to any contribution to the Company or otherwise.

17.9 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Members and their respective successors and permitted assigns.

17.10 Entire Agreement; Amendment. This Agreement and the exhibits hereto constitute

the entire agreement between the Members with respect to the subject matter hereof and supersedes all prior understandings, whether oral or written between the Members with respect to the subject matter hereof. Any oral representations or modifications concerning the Company's Business shall be of no force or effect unless contained in a subsequent written modification signed by the party to be charged. This Agreement may be amended only in writing signed by all of the Members.

17.11 Expenses. Except as otherwise provided herein or agreed to in writing by the Members or their Affiliates, each Member shall bear its own costs and expenses, including legal fees, associated with carrying on its business as a Member hereof.

17.12 Headings. The headings that appear within this Agreement have been inserted for convenience of reference only and in no way shall restrict or otherwise modify any of the terms or provisions hereunder.

17.13 Disclaimer of Agency. This Agreement does not create any entity or relationship beyond the scope set forth herein, and except as otherwise expressly provided herein, this Agreement shall not constitute any Member the legal representative or agent of the other, nor shall any Member or any Affiliate of a Member have the right or authority to assume, create or incur any liability or obligation, express or implied, against, in the name of or on behalf of any other Member, the Company or an Affiliate.

17.14 Currency of Payment. Payments to be made by or to any party hereunder shall be both denominated and payable in U.S. dollars.

In witness whereof, the parties hereto have executed this Agreement as of the Amendment and Restatement Date.

NEW CINGULAR WIRELESS SERVICES, INC.

By: /s/ George B. Sloan
Name: /s/ George B. Sloan
Title: VP – AT&T Global Connection Management

MARITIME TELECOMMUNICATIONS NETWORK, INC.

By: /s/ Jeffrey A. Leddy
Name: /s/ Jeffrey A. Leddy
Title: Authorized Signatory

EXHIBIT A

CAPITAL CONTRIBUTIONS AND PERCENTAGE INTERESTS

Member	Capital Contribution	Percentage Interest
AWS	$765,000	51%
MTN	735,000	49%

EXHIBIT B

TRIAL BUSINESS PLAN

[Copy unavailable.]

EXHIBIT C

MASTER SERVICES AGREEMENT

among

Wireless Maritime Services, LLC

and

AT&T Wireless Services, Inc.

and

Maritime Telecommunications Network, Inc.

February 14, 2004

TABLE OF CONTENTS

LIST OF EXHIBITS

MASTER SERVICES AGREEMENT

This Master Services Agreement ("**Agreement**"), dated as of February 14, 2004, ("**Effective Date**") is made and entered by and among Wireless Maritime Services, LLC, a Delaware limited liability company ("**Company**"), AT&T Wireless Services, Inc., Inc., a Delaware corporation ("**AWS**"), and Maritime Telecommunications Network, Inc. ("**MTN**"), a Colorado corporation. Capitalized terms used in this Agreement and not otherwise defined herein will have the meanings set forth in Exhibit A hereto. The Parties agree as follows:

1. The Services

(a) AWS Services

Subject to the terms of this Agreement, AWS shall perform and provide to Company the AWS Services as specified in Exhibit B. AWS shall be required to provide the Services identified as "Required" on Exhibit B and the Company shall not engage a Third Party to provide such Services. AWS shall provide the Services identified as "Optional" on Exhibit B from time to time as reasonably requested by the Company, but the Company may elect to engage a Third Party (including MTN if the specific Service is also listed on Exhibit C) to provide any such Services, so long as the Company determines that the same or more effective Service can be obtained from such party more efficiently or at a lower cost. AWS's provision of roaming network settlement as described on Exhibit B is its "Core Service".

(b) MTN Services

Subject to the tens of this Agreement, MTN shall perform and provide to Company the MTN Services as specified in Exhibit C. MTN shall be required to provide the Services identified as "Required" onExhibit C and the Company shall not engage a Third Party to provide such Services. MTN shall provide the Services identified as "Option" on Exhibit C from time to time as reasonably requested by the Company, but Company may elect to engage a Third Party (including AWS if the Service is also listed on Exhibit B) to provide any such Services. MIN's provision of satellite space segments as described on Exhibit C is its "Core Service."

(c) Additional Services

A Provider may provide Additional Services to or on behalf of the Company pursuant to a Work Order for such Services. Such Work Order must be signed by both the Company and the Provider and must be approved in writing by both AWS and MTN to become effective; provided, however, that if the Work Order is for less than $1,000 of fees or reimbursement per occurrence and is less than S5,000 in the aggregate in any Month, then the written approval of both AWS and MTN will not be necessary.

(d) Regulatory Services

Company is required to conduct the Business in accordance with all applicable regulatory requirements. Accordingly, in the event Company is obligated to meet a regulatory requirement arising from Services delivered or to be delivered by a Provider, Company may, at its option, request a Provider to perform Services pursuant to the issuance of a Work Order. Such Work Order must be signed by both the Company and the Provider and must be approved in writing by both AWS and MTN to become effective. Services for regulatory requirements under this Section 1.4 will also be deemed Additional Services.

(e) **Work Orders**

Each Work Order shall be in writing and, except as otherwise provided in paragraph 1.3, signed by the Company and the relevant Provider, and must be approved in writing by both AWS and MTN. Unless otherwise agreed, each Work Order shall be substantially in the form attached as Exhibit D (or such other form as may be agreed upon) and include, without limitation, the following with regard to the Services covered by such Work Order:

(a) a detailed description of the applicable Services;

(b) the compensation payable by Company to Provider for such Services and the toms for payment of such compensation;

(c) schedules for performance of any such Services;

(d) the specifications, standards and other requirements applicable to any such Services; and

(e) any equipment, computer programs, documentation, communications, specifications, data, information and other assets to be provided by Company in connection with any such Services.

(f) **Scope**

Except as otherwise specifically provided for in this Agreement or any applicable Work Order, Provider shall provide everything required to complete the Services in accordance with this Agreement and any applicable Work Orders, including, without limitation, the following: office space and other facilities; labor, supervision and other personnel; technical, professional and other services; equipment, components, parts, supplies, materials, tools and other goods; computer programs, documentation and other software; communications; plans, specifications, data, information and other items.

(g) **Documentation of Service Requirements**

The Parties shall consult and cooperate in order to properly document Company's specific requirements for the Services from time to time (including, without limitation, the preparation of detailed descriptions, specifications, manuals, reports, templates, scripts, flow charts, procedures and other documentation).

2. Performance of Services

(a) **Generally**

AWS shall perform the AWS Services in accordance with Exhibit B, the AWS Service Level Requirements and the other requirements of this Agreement. MTN shall perform the MTN Services in accordance with Exhibit C, the MTN Service Level Requirements and the other requirements of this Agreement. Each Provider will perform any Additional Services to be provided by such Provider in accordance with the applicable Work Order and the other requirements of this Agreement.

(b) **Coordination with Company's Operations and Performance of Others**

The Parties shall consult and cooperate to coordinate the Services with Company's other operations (e.g., to ensure compliance with all applicable regulatory requirements, that the Services do not interfere with Company's other operations, that Company's other operations do not interfere with the Services, and the effective, efficient, expeditious and orderly performance of the Services as part and in support of Company's other operations).

(c) **Schedule**

Provider shall perform the Services in accordance with any applicable schedules set forth in this Agreement or the Work Orders. If a schedule for performance of any Services is not set forth in this Agreement or any applicable Work Order, Provider shall perform such Services with reasonable diligence under the circumstances. Provider shall promptly notify Company of any delay in the performance of any Services, the reasons for the delay, the anticipated duration of the delay, and the action being taken by Provider to overcome or mitigate the delay.

(d) **Inspection and Tests**

Provider shall perform such inspections and tests of the Services as are required to ensure that the Services are being completed in accordance with this Agreement and any applicable Work Orders. Provider shall determine when it is necessary to perform, and shall perform, such inspections and tests, whether or not specified in the applicable Work Orders or requested by Company. Upon Company's request (or upon the request of the Provider that does not own a majority of the equity interests in the Company), Provider shall provide Company with access to inspect the Services. Company shall have the right, at any time during normal business hours, upon reasonable advance notice, to audit all books and records of Provider related to the Services or Company's services or customers (including, without limitation, any inquiries, complaints or suggestions by Company's customers or Third Parties; and excluding, without limitation, Provider's financial books and records). The Provider that is not the Manager of the Company has the same right to inspect the Services as the Company has under the prior sentence. No inspection or access by Company or a Provider or any of their respective employees, agents or other representatives, or any failure to do so, shall be interpreted or construed to relieve a Provider of any of its obligations under this Agreement or any Work Order or to impair any of Company's or such Provider's rights or remedies under this Agreement or any Work Order.

(e) **Reports; Records**

Further, each Provider shall furnish to Company and the other Provider the reports, if any, specified in Exhibit B and Exhibit C and such other reports as may be specified in any Work Order. Each Provider shall retain reasonable records pertaining to the Services for a period of not less than five (5) years from the time period to which such records relate, and provide Company access to such records upon request.

(f) **Qualifications of Personnel**

Provider shall ensure that all Provider Personnel have such experience, skill, training and other qualifications as are reasonably required to perform their individual assignments and to enable Provider to perform the Services in accordance with this Agreement and any applicable Work Orders.

(g) **Status of Provider Personnel**

Each of the Provider Personnel shall be an employee or independent contractor of Provider. Company and Provider will enter into a Second Amendment Agreement in the form attached as Exhibit E for any Provider Personnel seconded to the Company pursuant to Exhibit B or Exhibit C. All Provider Personnel shall be under the supervision and control of Provider. No Provider Personnel shall be treated as an employee of Company for any purpose. Provider Personnel shall not be entitled to any compensation or employee benefits from Company. Except as otherwise provided in Exhibit B and Exhibit C, Provider shall be responsible for:

(a) payment of all Provider Personnel Costs;

(b) providing any and all employee benefits to be provided to Provider Personnel;

(c) federal income tax and any other required withholding with respect to any wages or other compensation payable to Provider Personnel;

(d) all reporting, record keeping, administrative and similar functions related to the employment of Provider Personnel; and

(e) any obligation or liability arising out of the employment of, or any termination of the employment of, any Provider Personnel.

(h) **Subcontractors**

Notwithstanding the use of any subcontractor, Provider shall remain fully and primarily liable to Company for the full and complete performance of its obligations under this Agreement and any applicable Work Order.

(i) **Compliance with Laws**

Each Provider shall comply, and each Provider shall ensure that the Services, Deliverables and Provider Personnel of such Provider comply, with all applicable laws, ordinances, rules, regulations, orders, licenses, permits and other requirements, now or hereafter in effect, of any governmental authority (including, but not limited to, any requirements that are imposed upon Company and applicable to any Services or Deliverables; provided, in the case of any such requirement imposed on Company and not Provider, that notice of such requirement shall have been given by or on behalf of Company to Provider and Provider shall have been afforded a reasonable opportunity to comply with such requirement). The Parties shall consult and cooperate to identify any regulatory requirements applicable to any Services to be performed under this Agreement.

(j) **Liens**

Each Provider shall secure the release or discharge of any liens asserted by any Third Party furnishing any labor, equipment, materials or other items in the performance of any Services for which such Provider is responsible under this Agreement. Provider shall deliver to Company such releases of claims and other documents as may be reasonably requested by Company from time to time to evidence the release or discharge of any such lien. Company may withhold all or any part of the compensation otherwise payable under this Agreement to Provider until such documents are so delivered. If any such lien is not promptly discharged, Company may, at its option, secure such discharge at Provider's expense. Except as may arise from claims resulting from Company's breach of this Agreement, Provider hereby waives and releases any and all liens

that it may have arising out of or in connection with the Services. Upon Company's request, Provider shall deliver such additional documents as Company may reasonably request to effect, perfect or evidence such waiver and release.

3. **Compensation**

(a) **Fees**

Company shall pay AWS the AWS Costs, determined in accordance with the rates and other provisions set forth in Exhibit B hereto. Company shall pay MTN the MTN Costs, determined in accordance with the rates and other provisions set forth in Exhibit C hereto.

(b) **Expenses**

Unless otherwise provided in this Agreement, Company shall not pay or reimburse for Expenses incurred by either Provider in the performance of their respective Services under this Agreement, unless such Expense is (a) specifically included in the AWS Costs or the MTN Costs described on Exhibit B and Exhibit C, respectively, or (b) specifically included in a Work Order.

(c) **Additional Services**

Company shall pay Provider for Additional Services in accordance with the applicable Work Order.

(d) **Invoices**

Promptly after the end of each Month (or such other period with respect to costs tracked on a basis other than monthly) during the Term, each Provider shall submit to Company a written invoice for amounts payable under paragraphs 3.1, 3,2 and 3.3 for Services performed during the applicable Month, together with any related taxes payable by Company as provided for in paragraph 3.7. Each of Provider's statements shall include a description of the Services performed during the applicable Month (including, without limitation, a statement of the time spent by each Provider Personnel (other than seconded personnel) in the performance of any Services.

(e) **Payment**

Company shall pay the amounts properly due and payable under each of Provider's invoices submitted under paragraph 3.4 within thirty (30) days after receipt of the invoice by Company. In the event of any dispute with regard to a portion of an invoice, the undisputed portion shall be paid as provided for herein.

(f) **Cost Changes, Review**

During the Term of this Agreement, Provider may determine that the cost of providing Services to be charged to the Company on a cost reimbursement basis has changed. If any such change causes a decrease in the time or materials required for the performance of any Services or in Provider's costs to provide any Services, then the Provider may at any time revise the schedules and compensation for the decrease. The Providers agree that they will not increase the charges to the Company for providing the Services until January 1, 2006. Thereafter, the Provider may increase the charges for the Services on an annual basis to reflect increases in the cost of providing the Services. No later than September 30t of each year, the Company and the Providers shall meet for the purpose of: (i) confirming and fixing costs that will be charged to the

Company for the following calendar year; (ii) presenting reasonable documentation or other support for the prior year's charges invoiced to the Company; and (iii) presenting a forecast of the costs to the Company of each Provider's services for the following calendar year. Each Provider shall provide documentation in support of the increase in charges as reasonably requested by the Company and the other Provider. Provider shall keep and maintain complete and accurate books and records of the Services and amounts payable to Provider under this Agreement. Upon reasonable advance notice, Provider shall make such books and records available for examination, audit and copying, at any time during normal business hours, by Company or its designated representative to verify the amounts properly payable to Provider under this Agreement.

(g) **Taxes**

The Parties shall pay, collect and remit any taxes payable with respect to any of the transactions under this Agreement in accordance with applicable law. Without limitation of the foregoing, Company shall pay or reimburse any retail sales or use taxes payable with respect to any amount properly due and payable by Company under paragraph 3.1, 3.2 or 3.3 and Provider shall pay any taxes based upon its gross or net revenue, receipts or income.

(h) **Full Compensation**

The compensation set forth in this Section 3 shall constitute full compensation for satisfactory performance of the Services and all of Provider's other obligations under this Agreement.

4. **Limited Warranties**

(a) **AWS Warranties**

AWS warrants to Company that:

(a) the AWS Services shall be performed in a good, workmanlike and skillful manner, in accordance with commercially reasonable industry practices, and in accordance with the other applicable requirements of this Agreement and Work Orders;

(b) any AWS deliverable shall be free from defects, errors and omissions (other than any defects, errors or omissions in information or items provided by Company for use in such AWS Deliverable);

(c) no AWS Services or AWS Deliverable shall infringe, misappropriate or violate any 1PR of any Third Party;

(d) AWS is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware;

(e) AWS has the right, power and authority to enter into and perform its obligations under this Agreement; and

(f) AWS shall provide its Core Service as follows: AWS must (a) be an operator in good standing with the GSM Association and (b) have arranged to provide on behalf of the

Company roaming agreements with at least one hundred fifty (150) roaming partners, and be performing its obligations under such agreements.

(b) **MTN Warranties**

MTN warrants to Company that:

(a) the MTN Services shall be performed in a good, workmanlike and skillful manner, in accordance with commercially reasonable industry practices, and in accordance with the other applicable requirements of this Agreement and Work Orders;

(b) the MTN Deliverable shall be free from defects, errors and omissions (other than any defects, errors or omissions in information or items provided by Company for use in such MTN Deliverable);

(c) no MTN Services or MTN Deliverable shall infringe, misappropriate or violate any IPR of any Third Party;

(d) MTN is a corporation duly organized, validly existing and in good standing under the laws of the State of Colorado;

(e) MTN has the right, power and authority to enter into and perform its obligations under this Agreement; and

(f) MTN will provide its Core Service as follows: MTN must have arranged to provide on behalf of the Company satellite space segment agreements that will cover no less than seventy-five percent (75%) of all Covered Vessels as that term is defined in the Master Agreement.

(c) **Limitations**

The warranties set forth in subparagraph 4.1(c) and subparagraph 4.2(c) shall not apply if and to the extent the infringement, misappropriation or violation of any IPR of any Third Party results from (i) any misuse or modification by Company, (ii) Company's failure to use corrections or modifications made available by Provider, (iii) Company's use in combination with any product not provided, recommended or approved by Provider, (iv) any marketing or distribution of the applicable items to any Third Party, or (iv) any information, direction, specification or materials provided by Company.

(d) **Correction of Noncompliances**

In the event of any noncompliance with any of the warranties set forth in subparagraphs 4.1(a) through (c) and subparagraphs 4.2(a) through (c) above and Company gives the applicable Provider prompt written notice thereof, then the applicable Provider shall promptly correct such noncompliance and remedy any damage resulting from the noncompliance. All costs incidental to such noncompliance, correction and remedying shall be borne by Provider. With respect to a Service, if within a reasonable period of time after receipt of Company's notice of noncompliance Provider fails to correct the noncompliance and remedy any resulting damage, then, upon at least thirty (30) days' advance written notice of Company's intent to do so, Company may:

(a) engage a Third Party to provide the correction and remedy; and

(b) recover from Provider any incremental costs reasonably incurred by Company to have such Third Party provide the correction and remedy.

(e) **Failure to Provide Core Services**

If a Provider fails to comply with the warranties applicable to it in subparagraphs 4.1(f) or 4.2(f) above (the "Defaulting Provider"), then the other Provider may provide written notice of noncompliance to the Defaulting Provider. If the Defaulting Provider fails to cure such noncompliance within thirty (30) days after receipt of such notice (or such later date as may be specified in such notice), then the Provider providing the notice shall have the rights set forth in Section 9.6.2 of the Operating Agreement.

(f) **Indemnification**

The applicable Provider shall defend, indemnify and hold harmless Company from any failure to comply with the warranties set forth in subparagraphs 4.1(c) and 4.2(e) above, as provided for in Section 8. Further, the applicable Provider shall either:

(a) provide for Company the right to continue to use the applicable Services or Deliverable; or

(b) replace or modify the Services or Deliverable so that continued use by Company complies with the requirements of this Agreement or the applicable Work Order.

If the applicable Provider does not accomplish (a) or (b) above within forty-five (45) days (or such longer period as may be permitted by Company) after receipt of Company's notice of the. applicable breach, then Provider shall refund an equitable portion of the fees paid by Company to Provider for the applicable Services or Deliverable (e.g., taking into account the value of any prior use by Company and Company's need, if any, for continued use of the Services or Deliverable).

(g) **Disclaimer**

THE WARRANTIES SET FORTH IN PARAGRAPHS 4.1 AND 4.2 ARE EXCLUSIVE AND IN LIEU OF ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES OF PROVIDERS. PROVIDERS DISCLAIMS ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES (INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT).

5. **Rights in Property**

(a) **Results**

Unless otherwise provided in a separate assignment or license signed by all relevant Parties, all Results, together with any and all IPR and other rights associated with ownership of the Results, shall remain the property of Provider and neither the Company nor the other Provider will have or acquire any rights in the Results and any related IPR, other than the Company's rights to use the Results as part of its use of the Services during the Term of this Agreement.

(b) **Supplied Technology**

Providers may include in any Deliverable pre-existing or newly developed Supplied Technology that has been developed by a Provider or a Third Party. Each Provider reserves, for itself and any applicable Third Party, ownership of any IPR in any pre-existing or newly developed Supplied Technology included in any Deliverable or Result, subject to following license. Each Provider grants to Company a nonexclusive, royalty-free license (without the right to sublicense) to use any Supplied Technology provided by such Provider as reasonably required in connection with the purposes for which the applicable Deliverable or Result was provided to Company under this Agreement.

(c) **No Restriction on Competitive Materials**

Subject to the Parties' respective rights and obligations under Section 5 and Section 6, this Agreement shall not be interpreted or construed to prohibit or in any way restrict either Party from developing, authoring or creating, for itself or others, any materials that are competitive with or similar to any Results or Deliverable. Nothing in this Section 5.3 is intended to limit, restrict or modify AWS's and MTN's obligations or rights under Section 2.8.1 (Non-Compete) of the Operating Agreement.

6. **Confidential Information**

(a) **General**

Each Party reserves ownership of its own Confidential Information. The Recipient shall use. any Confidential Information of the Discloser solely for the purposes for which it is provided by the Discloser. The Recipient shall protect Confidential Information of the Discloser against any unauthorized use or disclosure to the same extent that the Recipient protects its own Confidential Information of a similar nature against unauthorized use or disclosure. Without limitation of the foregoing:

(a) the Recipient shall restrict access to Confidential Information of the Discloser to those of its employees, consultants and other representatives who have a need to know the same in connection with the performance of this Agreement;

(b) the Recipient shall make or copy materials containing Confidential Information of the Discloser only as reasonably required in connection with the performance of this Agreement; and

(c) the Recipient shall deliver to the Discloser or destroy any materials, or copies of materials, containing Confidential Information of the Discloser when they are no longer needed in connection with the performance of this Agreement.

(b) **Limitations**

Paragraph 6.1 shall not be interpreted or construed to prohibit:

(a) any use, disclosure or retention which is necessary or appropriate in connection with the Recipient's performance of its obligations or exercise of its rights under this Agreement or any other agreement between the Parties;

(b) any use, disclosure or retention required by applicable law (e.g., pursuant to applicable securities laws or legal process), provided that the Recipient uses reasonable efforts to give the

Discloser reasonable advance notice thereof (e.g., so as to afford the Discloser an opportunity to intervene and seek an order or other appropriate relief for the protection of its Confidential Information from any unauthorized use, disclosure or retention); or

(c) any use, disclosure or retention made with the consent of the Discloser.

(c) **Remedies**

The Parties agree that damages are not an adequate remedy for a breach of a Party's obligations under this paragraph and a Discloser may seek injunctive relief in an appropriate judicial proceeding for any unauthorized disclosure of any Confidential Information of the Discloser.

7. **Insurance**

(a) **Workers' Compensation**

Providers shall each secure and maintain throughout the Term coverage or insurance in accordance with the applicable laws relating to workers' compensation insurance (including and IL)[AWS to confirm.] at the required statutory amount, regardless of whether such coverage or insurance is mandatory or merely elective under the law.

(b) **Liability and Property Insurance**

Throughout the Term, Providers shall each maintain commercial general liability insurance (including coverage for contractual liability) with (i) policy limits of not less than $5,000,000 each occurrence for bodily injury and $5,000,000 each occurrence for damage to property, or, alternatively, combined single limit each occurrence for bodily injury and property damage combined, (ii) Company and its directors, officers, employees and agents included as additional insureds to the extent of contractual liability assumed by Provider under this Agreement, (iii) coverage to be primary and not contributing with any coverage maintained by Company, and (iv) a severability of interests provision in favor of the additional insureds.

(c) **General Requirements**

All deductibles, premiums and self-insured retentions associated with the coverages described in paragraphs 7.2 above shall be the responsibility of the applicable Provider. The use of umbrella or excess liability insurance to achieve the above required liability limits shall be permitted, provided that such umbrella or excess insurance results in the same type and amounts of coverage as required under the individual policies identified above.

(d) **Certificates of Insurance**

Upon Company's request, Provider shall provide to Company certificates of insurance (with endorsements attached) and such additional information (including, without limitation, copies of all insurance policies, certified by an authorized representative of the insurer) evidencing full compliance with the insurance requirements set forth in paragraphs 7.1 and 7.2. If requested, such certificates must be kept current throughout the entire Term, and shall provide for at least thirty (30) days' advance notice to Company if the coverage is to be canceled or materially altered so as not to comply with the foregoing requirements. Where such insurance is to include Company as an additional insured, waive rights of subrogation, be indicated to be primary to and not contributory with insurance maintained by Company and/or contain a severability of

interests provision in favor of Company, the certificate shall expressly reflect in writing that the policy contains language or endorsements that assure the insurer's acceptance of such requirements. Failure by Provider, or any subcontractor thereof, to furnish certificates of insurance or failure by Company to request same shall not constitute a waiver by Company of the insurance requirements set forth herein. In the event of such failure on the part of Provider to provide the certificates as required herein, Company expressly reserves the right to enforce these requirements, and in the event of liability or expense incurred by Company as a result of such failure by Provider, Provider hereby agrees to indemnify Company for all liability and expense (including reasonable attorneys' fees and expenses associated with establishing the right to indemnity) incurred by Company as a result of such failure by Provider.

(e) **Waiver of Subrogation**

Provider shall use reasonable efforts to ensure that each of its policies of insurance covering any property damage or liability for bodily injury or property damage that may occur in connection with the Services or this Agreement shall include a waiver of the insurer's right to subrogation against Company. To the extent permitted by such policies, each Party hereby waives such rights of subrogation.

(f) **No Limitation**

The requirements of this Agreement as to insurance and acceptability to Company of insurers and insurance to be maintained by Provider is not intended to and shall not in any manner limit or qualify the liabilities and obligations of Provider under this Agreement.

8. **Indemnity**

(a) **By Company**

Company shall defend and indemnify Providers (including their directors, officers, employees and agents) from and against any and all claims, liabilities, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees) arising out of any:

(a) use of any Supplied Technology not permitted by the license granted under paragraph 5.2;

(b) use of any Deliverable for any purpose other than the purpose for which it is provided under this Agreement;

(c) damage to any real or tangible personal property or bodily injury (including death) that may occur in connection with performance of the Services, but only if and to the extent proximately caused by the negligence, strict liability, willful misconduct, criminal conduct or recklessness of Company; or

(d) failure of Company to comply with any applicable law, rule, regulation or order of any governmental authority having jurisdiction.

(b) **By AWS**

AWS shall defend and indemnify Company (including its directors, officers, employees and agents) from and against any and all claims, liabilities, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees) arising out of any:

(a) failure of AWS to comply with any of its obligations under paragraph 4.5;

(b) failure of AWS to comply with any of its obligations under Sections 5, 6 or 7 of this Agreement;

(c) breach of AWS's warranties set forth in paragraphs 4.1;

(d) damage to any real or tangible personal property or bodily injury (including death) that may occur in connection with performance of the AWS Services, but only if and to the extent proximately caused by the negligence, strict liability, willful misconduct, criminal conduct or recklessness of AWS; and

(e) failure of AWS to comply with any applicable law, rule, regulation or order of any governmental authority having jurisdiction.

(c) **By MTN**

MTN shall defend and indemnify Company (including its directors, officers, employees and agents) from and against any and all claims, liabilities, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees) arising out of any:

(a) failure of MTN to comply with any of its obligations under paragraph 4.5;

(b) failure of MTN to comply with any of its obligations under Sections 5, 6 or 7 of this Agreement;

(c) breach of MTN's warranties set forth in paragraph 4.2;

(d) damage to any real or tangible personal property or bodily injury (including death) that may occur in connection with performance of the MTN Services, but only if and to the extent proximately caused by the negligence, strict liability, willful misconduct, criminal conduct or recklessness of MTN; and

(e) failure of MTN to comply with any applicable law, rule, regulation or order of any governmental authority having jurisdiction.

(d) **Notice, Cooperation, Etc.**

A Party seeking indemnification of any claim under paragraph 8.1, 8.2 or 8.3 above shall:

(a) give the indemnifying Party prompt written notice of the claim;

(b) cooperate with the indemnifying Party in connection with the defense and settlement of the claim;

(c) not settle or compromise the claim without the written consent of the indemnifying Party, which consent shall not be unreasonably withheld;

(d) permit the indemnifying Party to assume defense of the claim with counsel approved by the indemnified Party, which approval shall not be unreasonably withheld; and

(e) have the right to participate in the defense of the claim at the indemnified Party's own expense.

(e) Waiver of Certain Immunities, Defenses and Protections Relating to Employee Injuries

In connection with any action by a Party seeking indemnification under paragraph 8.1, 8.2 or 8.3 above with respect to any claim arising out of any bodily injury (including death) to an employee of such Party, the Party against whom the claim is made agrees not to assert any immunity, defense or protection under any workers' compensation, industrial insurance or similar laws. This paragraph shall not be interpreted or construed as a waiver of a Party's right to assert any such immunity, defense or protection directly against any of its own employees or such employee's estate or other representatives.

(f) Limitation

Notwithstanding any other provision of this Section 8 to the contrary, no Party shall be obligated to indemnify or hold harmless any other Party from or against any Claim or Loss to the extent arising out of any fault, negligence, strict liability or product liability of such other Party.

9. Limitations of Liability

(a) Force Majeure

No Party shall be liable for, or be considered to be in breach of or default under this Agreement on account of, any delay or failure to perform as required by this Agreement as a result of any cause or condition beyond such Party's reasonable control (including, but not limited to: fire, explosion, accident, disease, earthquake, storm, flood, wind, drought and act of God or the elements; court order; act, delay or failure to act by civil, military or other governmental authority; strike, lockout, labor dispute, riot, insurrection, sabotage and war; unavailability of required parts, materials or other items; atmospheric or weather conditions, any future applicable law or regulation and act, civil disorder, terrorism or threat thereof, delay or failure to act by any other Party or any Third Party); provided that such Party uses its best efforts to promptly overcome or mitigate the delay or failure to perform. Any Party whose performance is delayed or prevented by any cause or condition within the purview of this paragraph shall promptly notify the other Parties thereof, the anticipated duration of the delay or prevention, and the action being taken to overcome or mitigate the delay or failure to perform and shall use every reasonable effort to minimize the hindrance caused by the delay or prevention.

(b) Limitation of Consequential Damages

EXCEPT FOR ANY OBLIGATION TO INDEMNIFY, A BREACH OF CONFIDENTIALITY UNDER THIS AGREEMENT, OR AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT NECESSARILY LIMITED TO, LOSS OF PROFIT, REVENUE OR USE) RESULTING FROM ANY PERFORMANCE, NONPERFORMANCE, BREACH OR DEFAULT UNDER THIS AGREEMENT. However, the limitations set forth in this paragraph

shall not apply to any breach or liability under Sections 5, 6 or 8 or to any wrongful termination of this Agreement (e.g., a termination other than pursuant to Section 11).

10. Termination of Provider

(a) Termination

If (i) Provider fails to perform any Services substantially as required by this Agreement, (ii) Company gives Provider written notice of the failure and Company's intent to terminate all or any portion of the Services being provided by such Provider if the failure is not cured within thirty (30) days after receipt of the notice (or such later date as may be specified in the notice), and (iii) Provider does not cure the failure within thirty (30) days after receipt of the notice (or such later date as may he specified m the notice), then Company may terminate all or any portion of the Services being provided by sue-: Provider by giving the Provider written notice of such termination at any time prior to cure by Provider.

(b) Effect of Termination

Upon termination of all or any portion of the Services provided by a Provider pursuant to paragraph 10.1, the following shall apply, unless otherwise agreed by the Parties in writing:

(a) the Parties shall cooperate to effect an orderly, efficient, effective and expeditious winding-up of any affected Services;

(b) Provider shall have no obligation to perform any terminated Services after the effective date of such termination;

(c) Company shall have no obligation to pay for any affected Services performed after the effective date of such termination; and

(d) this Agreement shall otherwise remain in full force and effect.

11. Term and Termination of Agreement

(a) General

The Term shall commence as of the date of this Agreement and shall continue unless and until terminated pursuant to paragraph 11.2, 11.3 or 11.4 or set forth in Section 9.6.2 of Operating Agreement.

(b) Termination of Operating Agreement

Upon a dissolution of the Company or if either Provider is no longer a Member of the Company, this Agreement will terminate. This Agreement may be terminated by the Company in accordance with Section 6.2.2(b) of the Operating Agreement.

(c) Termination by a Provider for Payment Default

If Company fails to pay a Provider any undisputed amounts owed hereunder, then the Provider may give Company written notice of such payment breach. If Company fails to cure such payment breach within

sixty (60) days after receipt of such notice (or such later date as may be specified in such notice), then the Provider may terminate the Term by giving written notice of termination to all Parties.

(d) **Termination for Act of Insolvency**

If an Act of Insolvency occurs with respect to a Provider, then the Company may terminate the Term by giving written notice of termination to the other Parties.

(e) **End of the Term**

Upon any notice of termination of the Term being given under paragraph 11.1, 11.2, 11.3 or 11.4, the following shall apply, unless otherwise agreed by the Panics in writing:

(a) the Parties shall cooperate to effect an orderly, efficient, effective and expeditions winding-up of the Services;

(b) Providers shall return to Company any and all Company-furnished materials then in Providers' possession or control;

(c) each Party shall return any of the other Party's Confidential Materials in its possession or control;

(d) each Party shall return any of the other Party's equipment or other property in its possession or control;

(e) Providers shall have no further obligation to perform any Services under this Agreement;

(f) the licenses granted by Providers in Section 5 shall terminate; and

(g) the Parties' respective rights and obligations under Sections 2.5, 2.10, 3, 4.5, 5, 6, 8, 9, 10.2, 11.5, 12, 13 (other than 13.10), and any other provision which by its terms reasonably should survive, shall survive the end of the Term.

12. **Dispute Resolution Procedures**

(a) **General**

In the event of any dispute, controversy or claim arising out of or relating to any provision of this Agreement or the interpretation, enforceability, performance, breach, tee ruination or validity hereof, the Parties shall attempt in good faith to amicably resolve the dispute. If any dispute cannot be resolved within sixty (60) days from the date such dispute has arisen, any Party shall have the right cause the dispute to be submitted to, and resolved finally and exclusively by, arbitration in Seattle, Washington if the arbitration is commenced by AWS (in its role as a Provider or as the manager of the Company), or in Fort Lauderdale, Florida if the arbitration is commenced by 1VITN (in its role as a Provider or as a manager of the Company), in accordance with the rules of the American Arbitration Association ("AAA") as in effect at the time of submission of the dispute to arbitration. Any arbitral award may be entered in any court of competent jurisdiction.

(b) **Selection of the Mediator or Arbitrator**

Any dispute will be submitted to a panel of three (3) arbitrators. Each of AWS and MTN shall designate one (1) arbitrator. AWS and MTN shall use their best efforts to agree upon a mutually acceptable third arbitrator within twenty (20) days after submission of the dispute under Section 12.1. If AWS and MTN are unable to agree upon a mutually acceptable third arbitrator, then any Party may request AAA to supply a list of potential arbitrators satisfying the requirements of Section 12.3 and such other requirements as the Parties may agree upon. Within ten (10) days after receipt of the list, the AWS and MTN shall independently rank the proposed arbitrators, simultaneously exchange rankings, and select as the third arbitrator the individual receiving the highest combined ranking who is available to serve.

(c) **Qualifications of Mediator or Arbitrator**

Any arbitrator under this Section 12 shall be impartial in fact and appearance, not an advocate of any Party. The mediator or arbitrator shall not have:

(a) any direct or indirect financial or personal interest in the outcome of the mediation or arbitration; or

(b) any past, present or anticipated financial, business, professional, family, social or other relationship which is likely to affect impartiality or which might reasonably create the appearance of partiality or bias.

Any arbitrator under this Section 12 shall be required to disclose to each of the Parties any such interest or relationship, and the Parties may agree to waive the requirements of the preceding sentence as to any interest or relationship so disclosed.

(d) **Discovery.**

No Party shall have any rights of discovery in connection with any mediation under this Section 12. In any arbitration, each Party shall have:

(a) full access to the records of the other Parties that pertain to the subject matter of the dispute;

(b) the power to call for the testimony of any director, officer, employee, agent or representative of the other Parties; and

(c) such other rights of discovery as may be afforded by the rules of AAA or by the arbitrator.

(e) **Costs**

In connection with any arbitration under this Section 12, costs of the arbitrator, AAA, court reporter, hearing rooms and other common costs shall be divided equally among the Parties. Each Party shall bear the cost and expense of preparing and presenting its own case (including, but not limited to, its own attorneys' fees and costs of witnesses); provided, that the arbitrator may require, as part of his or her decision, reimbursement of all or a portion of the prevailing Party's costs and expenses by the other Parties.

13. **Miscellaneous**

(a) **Notices**

Any notice, request, instruction or other document to be given hereunder by a Party to another Party hereto shall be in writing, delivered in person, or mailed by certified or registered mail, return receipt requested, or transmitted by facsimile transmission with electronic confirmation of receipt to the addressee's address or facsimile number set forth below (or such other address or facsimile number as the party changing its address specifies in a notice to the other parties):

Wireless Maritime Services, LLC
7277 — 164th Ave. NE, RTC 5
Redmond, WA 98052
Attention:
Facsimile:

with a copy to:

Wireless Maritime Services, LLC
7277 — 164th Ave. NE, RTC 5
Redmond, WA 98052
Attention: Chief Counsel, International
Facsimile: (425) 580-6303

and

Maritime Telecommunications Network, Inc.
3044 N. Commerce Parkway
Miramar, Florida 33025
Attention: President and CEO
Facsimile: (954) 4314077

with a copy to:

Calotta Levine Samuel, LLP
805 Third Avenue
New York, NY 10022
Attention: John G. Calotta
Facsimile: (212) 937-5232

and

AT&T Wireless Services, Inc.
7277 — 164th Ave. NE, RTC 5
Redmond, WA 98052
Attention:
Facsimile:

with a copy to:

AT&T Wireless Services, Inc.
7277 — 164th Ave. NE, RTC 5
Redmond, WA 98052
Attention: Chief Counsel, International
Facsimile:

Notices shall be deemed to have been given on the date of service, if served personally on the party to whom notice is to be given, or on the first day after transmission by facsimile transmission, if transmitted by facsimile as set forth above, or on the fifth day after mailing, if mailed as set forth above.

(b) **Independent Contractors**

Each Party is an independent contractor and not a partner or agent of the other under this Agreement. Neither this Agreement nor any Work Order shall be interpreted or construed as creating or evidencing any partnership or agency between the Parties or as imposing any partnership or agency obligation or liability upon either Party. Further, no Party is authorized to, and no Party shall, enter into or incur any agreement, contract, commitment, obligation or liability in the name of or otherwise on behalf of any other Party.

(c) **No Third-Party Beneficiaries**

This Agreement is for the benefit of, and shall be enforceable by, the Parties only. This Agreement is not intended to confer any right or benefit on any Third Party (including, but not limited to, any employee of any Party).

(d) **Rights and Remedies Cumulative**

Any right or remedy specifically set forth in any provision of this Agreement, any Work Order or applicable law is in addition to, and not in lieu of, any other right or remedy under any other provision of this Agreement, any Work Order or applicable law.

(e) **Assignment**

Excepts as otherwise set forth in this Section 13.5, no Party shall assign this Agreement or any Work Order without the prior written consent of the other Parties. Any Party may assign this Agreement and all Work Orders without such consent to any Affiliate of such Party or to any successor by way of any corporate reorganization, merger, or sale of stock of such Party or any sale of all or substantially all of the assets of such Party; provided that (i) such Affiliate or successor, as the ease may be, assumes or is otherwise fully bound by all of the obligations of the assigning Party under this Agreement and any applicable Work Order, (ii) the Affiliate or successor is substituted for the assigning Party for all purposes under this Agreement and all Work Orders, (iii) in the case of an assignment to an Affiliate, the both the assignor and Affiliate assignee will be jointly and severally liable for all of the obligations of the assignor(iv) in the case of any non-Affiliate assignee or successor hereunder, the successor's resources at the time of the assignment are sufficient to reasonably ensure that the Affiliate or successor will be able to fully perform all of the assigning Party's obligations under this Agreement as they become due, and (iv) in the case of such an assignment by MTN, unless otherwise consented to by Company, the Affiliate or successor is not a Major Carrier (as that term is defined in the Operating Agreement), No assignment, with or without such consent, shall relieve any Party from its obligations under this Agreement or any applicable Work Order. Subject to the foregoing, this Agreement and any applicable Work Order shall be fully binding upon, inure to the benefit of and be

enforceable by the Parties and their respective successors and assigns. For purposes of this paragraph, any Change in Control of a Provider shall be deemed to constitute an assignment of this Agreement by such Provider.

(f) **Severability**

This Agreement and the Work Orders shall be enforced to the fullest extent permitted by applicable law. If for any reason any provision of this Agreement or any Work Order is held to be invalid or unenforceable to any extent, then:

(a) such provision shall be interpreted, construed or reformed to the extent reasonably required to render the same valid, enforceable and consistent with the original intent underlying such provision;

(b) such provision shall be void to the extent it is held to be invalid or unenforceable;

(c) such provision shall remain in effect to the extent that it is not invalid or unenforceable; and

(d) such invalidity or unenforceability shall not affect any other provision of Agreement, the applicable Work Order or any other agreement between the Parties.

If the invalidity or unenforceability is due to the unreasonableness of the scope or duration of the provision, then the provision shall remain effective for such scope and duration as may be determined to be reasonable.

(g) **Relationship of This Agreement and Work Orders**

This Agreement and the Work Orders are intended to be correlative and complementary. Any requirement contained in this Agreement or the applicable Work Order and not the other shall be performed or complied with as if contained in both. However, the requirements of each Work Order are intended to be separate. Consequently, unless otherwise specifically provided for, the requirements of one Work Order shall not apply to the Services performed or to be performed under another Work Order. Further, in the event of a conflict between any provision of this Agreement and any provision of the applicable Work Order, the provision of the applicable Work Order shall control.

(h) **Nonwaiver**

The failure of either Party to insist upon or enforce strict performance by the other of any provision of this Agreement or any applicable Work Order, or to exercise any right or remedy under this Agreement or any applicable Work Order, shall not be interpreted or construed as a waiver or relinquishment to any extent of that Party's right to assert or rely upon any such provision, right or remedy in that or any other instance; rather, the same shall be and remain in full force and effect.

(i) **No Restriction on Services for or from Third Parties**

This Agreement shall not be interpreted or construed to prohibit or in any way restrict either Provider's right to perform any services for any Third Party (including, but not limited to, any services that are comparable or similar to the Services). This Agreement shall not be interpreted or construed to prohibit or

in any way restrict Company's right to obtain any services from any Third Party (including, but not limited to, any services that are comparable or similar to the Services).

(j) **Publicity**

None of the Parties may issue any public statement or press release that uses the name of the other Party without the prior consent of such other Party; provided that advance notice to the other Party but not consent will be required for disclosures made by a Party that are required by law or any competent governmental authority (including SEC periodic reporting). The Parties do not intend to announce the execution of the Agreement until the launch of the Company's Business as part of the Trial.

(k) **Governing Law; Jurisdiction**

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law provisions of the State of Delaware or any other jurisdiction. The parties and their successors and assigns hereby irrevocably consent to the nonexclusive jurisdiction of the state and federal courts located in King County, Washington and Broward County, Florida in connection with any legal action between the parties relating to this Agreement, and agree that venue will lie in such courts.

(l) **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(m) **Table of Contents; Headings**

The headings and table of contents that appear within this Agreement have been inserted for convenience of reference only and in no way shall restrict or otherwise modify any of the terms or provisions hereunder.

(n) **Currency of Payment**

Payments to be made by or to any party hereunder shall be both denominated and payable in U.S. dollars, unless otherwise determined by the respective parties to be in another freely exchangeable currency, and any payments made prior hereto shall be denominated in U.S. dollars at the applicable exchange rate then prevailing at the time of such payment.

(o) **Entire Agreement; Amendment**

This Agreement, any Work Orders and the exhibits hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior understandings, whether oral or written between the Parties with respect to the subject matter hereof. Any oral representations or modifications relating to this Agreement shall be of no force or effect unless contained in a subsequent written modification signed by the party to be charged. This Agreement may be amended only in writing signed by all of the Parties.

(p) **Attorneys Fees**

In any suit or other legal action arising out of or in connection with this Agreement, the prevailing Party shall be entitled to recover its costs and expenses (including, without limitation, reasonable attorneys fees) reasonably incurred in connection with such action or suit, or any appeal thereof.

IN WITNESS WHEREOF, the Pasties have entered into this Agreement as of the date first set forth above.

COMPANY

Wireless Maritime Services, LLC

By: __
Name: __
Its: __

PROVIDER

AT & T Wireless Services, Inc.

By: __
Name: __
Its: __

PROVIDER

Maritime Telecommunications Network, Inc.

By: __
Name: __
Its: __

EXHIBIT A
to
Master Services Agreement

Whenever used in this Agreement with initial letters capitalized, the following terms shall have the following specified meanings:

"**Act of Insolvency**" means the occurrence of any of the following:

(a) the filing by or against a Party of a petition to have such a Party adjudged as bankrupt or a petition for reorganization or arrangement of such Party under any Debtor Relief Law (unless, in the case of a petition filed against such Party, the same is dismissed within sixty (60) days after it is filed);

(b) the making of any general assignment or general arrangement for the benefit of a Party's creditors under any Debtor Relief Law;

(c) the appointment of a trustee or receiver to take possession of all or substantially all of a Party's assets under any Debtor Relief Law (unless such possession is returned to such Party within thirty (30) days after such appointment);

(d) the attachment, execution or other judicial seizure of all or substantially all of a Party's assets (unless the same is released within thirty (30) days); or

(e) a Party dissolves or liquidates, is dissolved or liquidated, or adopts any plan of dissolution or liquidation, where such a Party does not continue as a viable business in altered form.

"**Additional Services**" means any additional services to be provided by a Provider pursuant to paragraph 1.3.

"**Affiliate**" means, with respect to any Party, any Person that, directly or indirectly {e.g., through any number of successive tiers), controls (e.g., a parent organization), is controlled by (e.g., a subsidiary organization) or is under common control with (e.g., a brother/sister organization) such Party.

"**AWS Basic Services**" means the services specified in Exhibit B or otherwise agreed upon in writing from time to time by the Company and AWS as AWS Basic Services under this Agreement.

"**AWS Costs**" means the fees and other charges set forth on Exhibit B.

"**AWS Service Level Requirements**" means the service level requirement is and other specifications set forth on Exhibit B.

"**AWS Services**" means

(a) AWS Basic Services; and

(b) Additional Services to be provided by AWS as specified in Work Orders or otherwise agreed upon in writing (except in the case of emergencies, in which case such agreement may be oral and shall be promptly confirmed in writing) from time to time by the Company and AWS pursuant to this Agreement.

"**Business**" has the meaning set forth in the Operating Agreement. "Calendar Year" means calendar year.

"**Change in Control of Provider**" means any transaction or series of related transactions (including, without limitation, any merger, consolidation or other corporate reorganization of a Provider or any sale or other transfer of securities of a Provider) where, immediately after such transaction(s), the shareholders of a Provider immediately prior to such transaction(s) do not own or control more shares of the stock entitled to note in the election of Provider's board of directors than any other Person and its Affiliates.

"**Confidential Information**" means all proprietary or confidential information owned or provided by a Disclosing Party, including the existence and terms of, and parties to, this Agreement and the nature of the transactions contemplated hereby and thereby; provided that Confidential Information shall not include information that (i) was previously known to the Recipient or any of its Affiliates (other than from a Disclosing Party or an Affiliate thereof), or (ii) is available or, without the fault of the Recipient or any of its Affiliates (other than the Company), becomes available to the general public, or (iii) is lawfully received by the Recipient from a third party that, to the Recipient's knowledge, is not bound by any similar obligation of confidentiality.

"**Debtor Relief Law**" means any bankruptcy, moratorium, insolvency, reorganization, liquidation, conservatorship or similar law, now or hereafter in effect, for the relief of debtors and that affects the rights of creditors generally.

"**Deliverables**" means all items to be delivered by a Provider to the Company in connection with any Services.

"**Discloser**" means a Party that discloses Confidential Information to any other Party.

"**IPR**" means any patent, copyright, trademark, trade secret or other intellectual property right.

"**Expenses**" means out-of-pocket expenses incurred by a Provider in the performance of the Services under this Agreement, including without limitation, expenses for travel (e.g., airfare, lodging, car rental and meals), office materials an d supplies.

"**Month**" means a calendar month.

"**Manager**" has the meaning set forth in the Operating Agreement.

"**Master Agreement**" means the Master Agreement attached to the Operating Agreement as Exhibit H.

"**MTN Basic Services**" means the services specified in Exhibit C or otherwise agreed upon in writing from time to time by the Company and MTN as MTN Basic Services under this Agreement.

"**MTN Costs**" means the fees and other charges set forth on Exhibit C.

"**MTN Service Level Requirements**" means the service level requirements and other specifications set forth on Exhibit C.

"**MTN Services**" means

(c) MTN Basic Services; and

(d) Additional Services to be provided by MTN as specified in Work Orders or otherwise agreed upon in writing (except in the case of emergencies, in which case such agreement may be oral and shall be promptly confirmed in writing) from time to time by the Company and MTN pursuant to this Agreement.

"**Operating Agreement**" means the Limited Liability Company Agreement of the Company dated as of February , 2004, as amended from time to time.

"**Party**" means Company, AWS and MTN or any Person that acquires all of the right, title and interest of Company, AWS or MTN in this Agreement in accordance with paragraph 13.5.

"**Person**" means any individual, corporation, partnership, governmental authority, association or other entity.

"**Provider**" means either AWS or MTN, as applicable.

"**Provider Personnel**" means the employees and independent contractors provided or to be provided by a Provider to perform the Services under this Agreement.

"**Provider Personnel Costs**" means the costs of providing Provider Personnel including, but not necessarily limited to, the following:

(e) wages, severance payments and other compensation payable to Provider Personnel;

(f) costs of providing employee benefits (e.g., pension, profit-sharing and retirement benefits; workers' compensation, medical, life, disability and other employee insurance; and sick leave, holidays and vacations) to Provider Personnel; and

(g) social security, unemployment and other employer taxes with respect to Provider Personnel.

"**Recipient**" means a Party that receives Confidential Information from the other Party.

"**Results**" means any plans, specification, designs, drawings, descriptions, data, models, instructions, schematics, flow charts, computer programs and other materials that are created by a Provider in connection with providing the Services.

"**Services**" means the AWS Services and the MTN Services, as applicable.

"**Specifications**" means the specifications, criteria, standards, descriptions and other requirements for Deliverable as set forth in this Agreement, any Work Order or any other Deliverable.

"**Supplied Technology**" means any plans, specifications, designs, drawings, descriptions, data, models, instructions, schematics, flow charts, computer programs and other materials that are:

(h) proprietary to a Provider; and

(i) furnished by Provider for use by the Company in connection with this Agreement or any Services.

"**Term**" means the period described in Section 10. "Third Party" means any Person other than a Party.

"**Trial**" has the meaning set forth in the Operating Agreement.

"**Work Order**" means a written agreement for the performance of specific Services under this Agreement that is made and entered into by the Parties pursuant to Section 1 hereof, as the same may be amended from time to time by the Parties in accordance with the provisions of this Agreement.

EXHIBIT B
to
Master Services Agreement
AWS BASIC SERVICES

AWS shall perform and provide to Company the Basic Services as described in this Exhibit.

EXHIBIT B
to Master Services Agreement

Required AWS Services				
Service	Service Description	[***][3]	[***][4]	Charge Commencement
Roaming Settlement and Billing	Roaming agreement and billing set-up and testing. Monthly roaming settlement. Services include: Signaling transport and conversion Testing of new links. Market configuration for CDMA and GSM, ARIS RoamBox functionality, CIBER Development, TAP interface, BID rating, IREG/TADIG person, ISUP and GRX connectivity, and financial settlement	[***][5]	[***][6]	Post Trial
		[***][7]	[***][8]	
Wholesale LD	Provide transport of Long Distance calls from Ojus, FL to both Domestic and international call termination points.	[***][9]	[***][10]	Trial
		[***][11]	[***][12]	
Network Leased-lines for System Architecture	Leased-line cost for transport of voice/data traffic between MTN teleport hand-off points to the AWS facilities location in Ojua, FL	[***][13]	[***][14]	Trial
		[***][15]	[***][16]	
Network Operations Control	National Operations Center (NOC) support for alarm and control management of sites and switches. Approximately full time equivalent required to provide support for 15 ships.	[***][17]	[***][18]	Post Trial

3 Confidential treatment requested
4 Confidential treatment requested
5 Confidential treatment requested
6 Confidential treatment requested
7 Confidential treatment requested
8 Confidential treatment requested
9 Confidential treatment requested
10 Confidential treatment requested
11 Confidential treatment requested
12 Confidential treatment requested
13 Confidential treatment requested
14 Confidential treatment requested
15 Confidential treatment requested
16 Confidential treatment requested
17 Confidential treatment requested
18 Confidential treatment requested

Optional AWS Services available to Company				
Service	Service Description	[***][19]	[***][20]	Charge Commencement
Cell System Maintenance (shipboard)	Inspection & Preventive Maintenance and of shipboard system.	[***][21]	[***][22]	Post Trial
		[***][23]	[***][24]	
Installation	Installation, set-up and testing of shipboard Cell Phone System	[***][25]	[***][26]	Post Trial Post Trial
		[***][27]	[***][28]	
Site Survey	Survey of covered vessel(s) to determine cabling and other requirements to provide service	[***][29]	[***][30]	Post Trial Post Trial

19 Confidential treatment requested
20 Confidential treatment requested
21 Confidential treatment requested
22 Confidential treatment requested
23 Confidential treatment requested
24 Confidential treatment requested
25 Confidential treatment requested
26 Confidential treatment requested
27 Confidential treatment requested
28 Confidential treatment requested
29 Confidential treatment requested
30 Confidential treatment requested

EXHIBIT C
to
Master Services Agreement

MTN BASIC SERVICES

MTN shall perform and provide to Company the Basic Services as described in this Exhibit.

Exhibit C
to Master Services Agreement

Required MTN Services				
Service	Service Description	[***][31]	[***][32]	Charge Commencement
Shipping	Shipping of systems in spares to and from ship; ports, etc.	[***][33]	[***][34]	Trial
		[***][35]	[***][36]	
Pre-Paid Billing Software	License fee for Pre-Paid billing platform software.	[***][37]	[***][38]	Trial
		[***][39]	[***][40]	
Pre-Paid Marketing and cards support	Costs associated with Pre-Paid calling service.	[***][41]	[***][42]	Post Trial
		[***][43]	[***][44]	
Satellite Space Segment	Bandwidth connectivity between covered vessel and earth station	[***][45]	[***][46]	Post Trial
		[***][47]	[***][48]	
Logistics	Warehousing and tracking of spares and replacement parts.	[***][49]	[***][50]	Post Trial

Optional MTN Services available to Company				
Service	Service Description	[***][51]	[***][52]	Charge Commencement
Logistics	One time expense per installation	[***][53]	[***][54]	Post Trial
		[***][55]	[***][56]	

31 Confidential treatment requested
32 Confidential treatment requested
33 Confidential treatment requested
34 Confidential treatment requested
35 Confidential treatment requested
36 Confidential treatment requested
37 Confidential treatment requested
38 Confidential treatment requested
39 Confidential treatment requested
40 Confidential treatment requested
41 Confidential treatment requested
42 Confidential treatment requested
43 Confidential treatment requested
44 Confidential treatment requested
45 Confidential treatment requested
46 Confidential treatment requested
47 Confidential treatment requested
48 Confidential treatment requested
49 Confidential treatment requested
50 Confidential treatment requested
51 Confidential treatment requested
52 Confidential treatment requested
53 Confidential treatment requested
54 Confidential treatment requested
55 Confidential treatment requested
56 Confidential treatment requested

Cell System Maintenance (shipboard)	Inspection & Preventive Maintenance and of shipboard system	[***][57]	[***][58]	Post Trial
		[***][59]	[***][60]	
Installation	Installation, set-up and testing of shipboard Cell Phone System	[***][61]	[***][62]	Post Trial Post Trial
		[***][63]	[***][64]	
Site Survey	Survey of covered vessel(s) to determine cabling and other requirements to provide service	[***][65]	[***][66]	Post Trial Post Trial

57 Confidential treatment requested
58 Confidential treatment requested
59 Confidential treatment requested
60 Confidential treatment requested
61 Confidential treatment requested
62 Confidential treatment requested
63 Confidential treatment requested
64 Confidential treatment requested
65 Confidential treatment requested
66 Confidential treatment requested

EXHIBIT D
to
Master Services Agreement

WORK ORDER NO. ___

This Work Order is made and entered into by and between Wireless Maritime Services, LLC ("Company") and _____, Inc. ("Provider") with reference to the Master Services Agreement, dated as of February ___, 2004, to which they are both parties (the "Master Agreement"). Unless otherwise specified, terms defined in the Agreement shall have the same meanings when used in this Work Order with initial letters capitalized.

1. **Description of the Services:**

2. **Compensation:**

3. **Schedules for Performances:**

4. **Subcontractors and Suppliers:**

5. **Locations of Performance:**

6. **Specifications, Standards and Other Requirements:**

7. **Items to be Provided by Company:**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first set forth above.

Company:	Provider:
Wireless Maritime Services, LLC, Inc.	_____, Inc.
By: __	By: __
Name: __	Name: __
Title: __	Title: __

EXHIBIT E
to
Master Services Agreement

FORM OF SECONDMENT AGREEMENT

[Copy unavailable.]

AMENDMENT TO MASTER SERVICES AGREEMENT

This Amendment (this "***Amendment***"), dated as of February 27, 2006 (the " ***Effective Date***"), to the Master Services Agreement, dated February 14, 2004 (as may be amended from time to time, "***Agreement***"), is by and between New Cingular Wireless Services, Inc. f/k/a AT&T Wireless Services, Inc. (" ***Cingular***"), Maritime Telecommunications Network, Inc. ("***MTY***"), and Wireless Maritime Services, LLC (" ***WMS***"). Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

RECITALS

WHEREAS, Cingular and WMS wish to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1 . Section 4.4 of the Agreement . Section 4.4 of the Agreement is hereby amended by deleting it in its entirety.

2 . Exhibit B of the Agreement . Exhibit B of the Agreement is hereby amended by deleting from the list of Required AWS Services "Network Operations Control" and the Service Description, Billing Methodology, Cost and Charge Commencement information related thereto.

3. Miscellaneous.

(a) Internal References. All references in the Agreement to "this Agreement," "herein" and "hereunder" and all similar references shall be deemed to refer to the Agreement as amended by this Amendment.

(b) No Other Effect. This Amendment is entered into as permitted by Section 13.15 (Entire Agreement; Amendment) of the Agreement. Except as expressly amended hereby, the Agreement shall remain in full force and effect.

(c) Counterparts. This Amendment, including a facsimile or photocopy hereof, may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

(d) Applicable Law. The provisions of this Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to choice of law provisions of the State of Delaware or any other provisions. The parties and their successors and assigns hereby irrevocably consent to the nonexclusive jurisdiction of the state and federal courts located in Atlanta, Georgia and Broward County, Florida in connection with any legal action between the parties relating to this Amendment, and agree that venue will lie in such courts.

(e) Severability. In the event any provision contained in this Amendment is for any reason held to be unenforceable in any respect, such unenforceability shall not effect any other provision of this Amendment, and the Amendment shall be then construed as if such an unenforceable provision or provisions had never been included in this Amendment.

[Signatures begin on the following page]

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed as of the Effective Date.

NEW CINGULAR WIRELESS SERVICES, INC., f/k/a AT&T Wireless Services, Inc.,
AS MEMBER

By:
Its:

MARITIME TELECOMMUNICATIONS NETWORK, INC.,
AS MEMBER

By:
Its:

WIRELESS MARITIME SERVICES, LLC

By:
Its:

SECOND AMENDMENT TO MASTER SERVICES AGREEMENT

This Second Amendment (the " ***Second Amendment***"), dated as of September 30, 2010 (the " ***Effective Date***"), to the Master Services Agreement, dated February 14, 2004 (as may be amended from time to time, the "***Agreement***"), is by and among New Cingular Wireless Services, Inc., d/b/a AT&T Mobility (" ***AT&T***," formerly defined as "***Cingular***"), Maritime Telecommunications Network, Inc., a Colorado Corporation (" ***MTN***"), and Wireless Maritime Services, LLC ("***WMS***"). Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

RECITALS

WHEREAS, AT&T, MTN, and WMS wish to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Amendment to Exhibit C of the Agreement . Exhibit C of the Agreement is hereby amended as follows:

(a) The row in the list of Required MTN Services entitled "Logistics" is hereby deleted and replaced with the following (and a new Exhibit F, in the form attached hereto, is hereby added to the Agreement):

Service	Service Description	[***][67]	[***][68]	Charge Commencement
Warehousing	Outlined in the Warehousing Statement of Work, attached as Exhibit F.	[***][69]	[***][70]	September 1, 2010

(b) The following is added to the list of Optional MTN Services available to Company the following:

Service	Service Description	[***][71]	[***][72]	Charge Commencement
Co-location of Equipment	Co-location of 15 racks worth of maritime cellular equipment at MTN's Teleport Facility located in Holmdel, New Jersey.*	[***][73]	[***][74]	N/A

67 Confidential treatment requested
68 Confidential treatment requested
69 Confidential treatment requested
70 Confidential treatment requested
71 Confidential treatment requested
72 Confidential treatment requested
73 Confidential treatment requested
74 Confidential treatment requested

* Co-location services are subject to the following additional terms and conditions:

- Includes the right for WMS and its personnel to access the Teleport Facility during normal business hours to use, maintain, and operate the WMS equipment co-located therein. WMS shall provide 24 hours' advance notice of such access to MTN, except in circumstances where it is not practicable, using commercially reasonable efforts, for WMS to provide such notice.
- WMS's access will not interfere with the normal business operations of MTN or its affiliates.
- WMS and its personnel will not "prop open" any door to, or otherwise bypass the MTN security measures for, the Teleport Facility.
- WMS acknowledges that certain areas within the Teleport Facility may be secure and off-limits and WMS agrees to abide by any access restrictions imposed by MTN, provided that such restrictions do not interfere with WMS's right to use, maintain and operate the WMS equipment located at the Teleport Facility; WMS personnel may be required to have an MTN escort for security purposes.
-

2 . Amendment to Section 13.1 of the Agreement . The contact information of WMS, AT&T and MTN in Section 13.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

"Wireless Maritime Services, LLC
1025 Lenox Park Blvd, Suite D588
Atlanta, GA 30319
Attn:
Facsimile number:

and

Maritime Telecommunications Network, Inc.
3044 N. Commerce Parkway
Miramar, FL 33025
Attn: Jonathan Weintraub, President and CEO
Facsimile number: (954) 431-4077

With a copy to:

Maritime Telecommunications Network, Inc.
719 2nd Avenue, Ste. 820
Seattle, WA 90104
Attn: Ian S. Thompson, General Counsel
Facsimile number: (206) 838-7708

New Cingular Wireless Services, Inc.
1025 Lenox Park Blvd, Atlanta, GA 30319
Attn:
Facsimile number:

With a copy to:

New Cingular Wireless Services, Inc.
1025 Lenox Park Blvd, Suite D588
Atlanta, GA 30319
Attn:
Facsimile number:

3. Miscellaneous.

(a) Internal References. All references in the Agreement to "this Agreement," "herein" and "hereunder" and all similar references shall be deemed to refer to the Agreement as amended by this Second Amendment.

(b) No Other Effect. This Second Amendment is entered into as permitted by Section 13.15 (Entire Agreement; Amendment) of the Agreement. Except as expressly amended hereby, the Agreement shall remain in full force and effect.

(c) Counterparts. This Second Amendment, including a facsimile or photocopy hereof, may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

(d) Applicable Law. The provisions of this Second Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without regards to choice of law provisions of the State of Delaware or any other provisions. The parties and their successors and assigns hereby irrevocable consent to the nonexclusive jurisdiction of the state and federal courts located in Atlanta, Georgia and Broward County, Florida in connection with any legal action between the parties related to this Second Amendment, and agree that venue will lie in such courts.

(e) Severability. In the event any provision contained in this Second Amendment is for any reason held to be unenforceable in any respect, such unenforceability shall not effect any other provision of this Second Amendment, and this Second Amendment shall be construed as if such an unenforceable provision or provisions had never been included in this Second Amendment.

[Signatures begin on the following page]

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be duly executed as of the Effective date.

NEW CINGULAR WIRELESS SERVICES, INC.,

by its manager, AT&T Mobility Corporation

By: __
Name: __
Its: __

Dated: __

MARITIME TELECOMMUNICATIONS NETWORK, INC.

By: __
Name: __
Its: __

Dated: __

WIRELESS MARITIME SERVICES, LLC

By: __
Name: __
Its: __

Form of Exhibit F
Attached

EXHIBIT F

Warehousing Statement of Work - Services Description

[***][75]

75 Confidential treatment requested

THIRD AMENDMENT TO MASTER SERVICES AGREEMENT

This Third Amendment, dated July ___, 2012 (the " ***Third Amendment***"), to the Master Services Agreement, dated February 14, 2004 (as amended, the "***Agreement***"), is made and entered into by and among New Cingular Wireless Services, Inc., d/b/a AT&T Mobility ("***AT&T***" formerly defined as "***Cingular***"), Maritime Telecommunications Network, Inc., a Colorado Corporation ("***MTN***"), and Wireless Maritime Services, LLC ("***WMS***"). Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, AT&T, MTN, and WMS wish to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Satellite Space Segment Pricing.

(a) The row entitled "Satellite Space Segment" in the list of Required MTN Services in Exhibit C of the Agreement is hereby deleted and replaced with the following:

Service	Service Description	[***] [76]	[***][77]	Charge Commencement
Satellite Space Segment	Bandwidth connectivity between covered vessel and earth station	[***][78]	[***][79]	July 1, 2012

(b) [***][80]

2. Roaming Billing Methodology.

a. The contents of the "Billing Methodology" column of the "Roaming Settlement and Billing" row in Exhibit B to the Agreement are deleted in their entirety and the following is inserted in lieu thereof:

- [***][81]

b. The contents of the "Cost" column of the "Roaming Settlement and Billing" row in Exhibit B to the Agreement are deleted in their entirety and the following is inserted in lieu thereof:

- [***][82]

76 Confidential treatment requested
77 Confidential treatment requested
78 Confidential treatment requested
79 Confidential treatment requested
80 Confidential treatment requested
81 Confidential treatment requested
82 Confidential treatment requested

3 . Definitions Relating to the VOIP Services . Exhibit A to the Agreement is amended by including the following defined terms:

- "***End Users***" means VOIP Vessel passengers. In addition, "End Users" may include crew of VOIP Vessels if agreed to by the Company, the applicable cruise line and, if MTN is responsible for collection of VOIP Revenue in connection with such VOIP Vessel, MTN.

- "***Intellectual Property***" means copyrights, patent rights, rights to patent applications, trademarks, trade names, service marks, trade secrets and designs of any kind, or any other proprietary rights recognized in any country of the world, whether or not currently perfected, including "*droit moral*" rights, "moral rights of authors" and all other similar rights however denominated throughout the world, in each case to any intangibles, including inventions, processes, methodologies, procedures, software, tools and machine-readable texts and files and literary works or other works of authorship, reports, drawings, charts, graphics and other written documentation.

- "***Malware***" means harmful code or other contaminants, including commands, instructions, devices, techniques, bugs, web bugs, worms, logic bombs, trojan horses, backdoors, trapdoors or design flaws that may be used to access, alter, delete, threaten, infect, assault, vandalize, disrupt, damage, disable or shut down the hardware, software or network of the Company or the owners, operators, passengers of any VOIP Vessel (as defined below).

- "***VOIP***" means communication protocols and transmission techniques for the delivery of voice communications and messaging (such as SMS (short message service) and MMS (multimedia message service)) over Internet Protocol (IP) networks, including video, chat, and instant messaging or other internet-based communications services which may include a voice component.

- "***VOIP App***" means a mobile application that permits End Users to subscribe and pay for (through a VOIP Plan) VOIP Services and to access and use such other functions as approved by the Parties for inclusion in such mobile applications from time to time. VOIP Apps created by or on behalf of a Provider will be deemed "Supplied Technology" for purposes of this Agreement.

- "***VOIP Data***" means any information: (a) made available to a Provider in connection with the VOIP Services by or on behalf of the Company, any End User or any owner or operator of a VOIP Vessel, (b) obtained, developed or produced by the Provider in connection with the VOIP Services or the performance of its obligations under Section 1.8 or (c) to which the Provider has access in connection with the provision of the VOIP Services or the performance of its obligations under Section 1.8.

• "***VOIP Portal***" means a section of MTN's internet services web platform accessible via Wi-Fi and internet onboard VOIP Vessels that complies with the VOIP Specifications and which describes the VOIP Services available on such VOIP Vessel and facilitates the creation of an account to activate a VOIP App and the purchase of a VOIP Plan, and which provides a link to download (i) an iOS Apple version of a VOIP App from the online Apple Store (which requires internet minutes) or (ii) an Android version of a VOIP App (which will be kept locally onboard the vessel and requiring no internet minutes).

• "***VOIP Plan***" means a package or plan purchased by End Users through a charge to their onboard accounts with the owners or operators of VOIP Vessels (or through such other billing arrangement agreed to by the Company, the applicable cruise line and, if MTN is responsible for collection of VOIP Revenue under such package or plan, MTN), allowing for use of the VOIP Services on a per minute or per day basis.

• "***VOIP Revenue***" means all revenue collected from owners or operators of VOIP Vessels in connection with the use of VOIP Services, whether such use is for intraship, ship-to-ship, ship-to-shore or shore-to-ship communication.

• "***VOIP Services***" means VOIP service provided via a Wi-Fi network aboard cruise vessels in accordance with the VOIP Specifications, including intraship, ship-to-ship, ship-to-shore and shore-to-ship communications.

• "***VOIP Specifications***" means the specifications set forth in Exhibit F, as the same may be amended by the Parties in writing from time to time, for the VOIP Service, the VOIP Portal and VOIP Apps, as applicable.

• "***VOIP Vessel***" means a cruise vessel designated in writing by the Company from time to time as a vessel upon which the Company may offer or provide VOIP Services.

4. VOIP Services and Pricing. The following is added as a new Section 1.8 to the Agreement:

• "**1.8 VOIP Services and Pricing.**

(a) [***][83]

83 Confidential treatment requested

(b) *VOIP Portal and MIN VOIP Apps .*

i. MTN will make a VOIP Portal available through its internet services web platform on vessels served by MTN. The Parties will cooperate to make the VOIP Portal available on vessels aboard which End Users will receive VOIP Services and which are not served by MTN. If an End User aboard a VOIP Vessel accesses the VOIP Portal in a manner that permits identification of the handset and handset operating system used by the End User, and if a VOIP App exists for such handset and handset operating system, MTN will cause the VOIP Portal to prominently display a link to purchase a VOIP Plan and download the applicable VOIP App along with a message encouraging the user to use the VOIP App. Each VOIP Portal created by or on behalf of MTN will comply with the applicable VOIP Specifications.

ii. [***][84]

iii. Unless otherwise agreed by the Company and the Providers in writing, the VOIP Portal and VOIP Apps will include the Company trademarks appearing on Exhibit G (the "***Company Marks***"). The Company hereby grants to each Provider a non-exclusive, royalty-free, worldwide, revocable, non-transferrable license, without the right to sublicense, to display the Company Marks solely in the VOIP Portal and VOIP Apps and solely for the purpose of promoting use of the VOIP Services by End Users. Each use of the Company Marks for a new VOIP Portal or VOIP App, and any changes to the content, functionality and look and feel of a VOIP Portal or VOIP App, will be in compliance with the trademark use guidelines included in Exhibit G.

iv. No Provider Deliverable under this Section 1.8 will contain any Malware upon delivery of the App to a reputable third party distribution channel (*e.g.*, Apple's App Store or Google Play).

v. Within sixty (60) business days after notice from the Company that the Company has created, and is prepared to release, its own Comparable VOIP App (as defined below): (i) MTN will replace all links on the VOIP Portals to the Providers' VOIP Apps with links to the Company's VOIP Apps, (ii) each Provider will cause its VOIP Apps to be removed from all other distribution channels, including without limitation the Apple App Store and Android Market, and (iii) each Provider will provide End Users attempting to access the VOIP Service through such Provider's VOIP Apps with notice that a new version of the mobile application is available, providing the user with a link to the Company's VOIP Apps. For purposes of this Section 1.8(b)(v), the term "***Comparable VOIP App***" shall mean a Company VOIP App

84 Confidential treatment requested

which offers voice and service quality, bandwidth optimization and functionality that is comparable to or better than the then-current Provider VOIP App.

(c) *Billing and Collection of VOIP Revenue.*

i. [***][85]

ii. [***][86]

(d) *VOIP Data Ownership, Confidentiality and Security* . As among the Parties, each Provider will own all VOIP Data collected by it. Notwithstanding the preceding sentence, neither Provider will use any VOIP Data for any purpose other than the performance by such Provider of its obligations under this Agreement. Each Provider will protect the VOIP Data collected or stored by it against any unauthorized use or disclosure to the same extent that such Provider protects its other confidential information of a similar nature against unauthorized use or disclosure. Without limitation of the foregoing, each Provider will: (i) restrict access to such Provider's VOIP Data to those of its employees, consultants and other representatives who have a need to know the same in connection with performance of such Provider's obligations under this Agreement; and (ii) cooperate with the Company to ensure that Deliverables under this Section 1.8 and such Provider's collection, storage, use and disclosure of VOIP Data comply with the best practices of well-managed, top-tier, service providers for the safeguarding and non-disclosure of personal data. This Section 1.8(d) will survive the termination of this Agreement for so long as either Provider is in possession or control of any VOIP Data.

(e) *Intellectual Property*.

i. The Company will own and have all right and title (including IPR and other proprietary rights) in and to: (i) any VOIP Apps developed by or on behalf of the Company by any third party other than a Provider; (ii) the Company Marks; and (iii) any modifications, enhancements or derivations of any of the foregoing developed by or on behalf of the Company. Other than as expressly set forth herein, no license or other rights in or to any of the foregoing are granted to MTN or AT&T, and all such licenses and rights are hereby expressly reserved.

ii. Except as set forth in Section 1.8(e)(i), each Provider will own and retain all right and title (including PR and other proprietary rights) in and to: (i) any VOIP Portal developed by or on behalf of the Provider; (ii) any VOIP Apps developed by or on behalf of such Provider; and (iii) any modifications,

85 Confidential treatment requested
86 Confidential treatment requested

enhancements or derivations of any of the foregoing developed by or on behalf of such Provider.

(f) *Indemnification*.

i. Each Provider will defend, indemnify and hold harmless the Company, the other Provider and its and their respective officers, directors, employees, successors and assigns (the "***Indemnitees***") on demand, from and against any and all losses, liabilities, damages, fines, penalties, settlements, awards, charges, liens, judgments, costs and expenses, including reasonable attorneys' fees, and interest (including taxes) incurred by any of them arising from or in connection with a claim by a third party: (A) that any VOIP Portal created by or on behalf of the indemnifying Provider, Provider VOIP App created by or on behalf of the indemnifying Provider or the performance by the indemnifying Provider of its obligations under this Section 1.8, infringe, violate or misappropriate any right of any third party (including IPR and other proprietary rights) in or to any Intellectual Property; or (B) arising out of or resulting from a breach by the indemnifying Provider of Section 1.8(d) (Information Security).

ii. The Company will give the indemnifying Provider prompt written notice of a claim for indemnification, provided that any failure to give the indemnifying Provider prompt notice will not relieve the indemnifying Provider of its obligations under this Section 1.8(f) except to the extent such failure prejudices the indemnifying Provider's defense of such claim. Upon receipt of such notice, the indemnifying Provider will defend the Indemnitees against any such claim with counsel reasonably acceptable to the Indemnitees. The Indemnitees will cooperate in the defense or settlement of any such claim or suit, provided that the Indemnitees will be reimbursed for all reasonable out-of-pocket expenses incurred in providing any cooperation requested by the indemnifying Provider. The Indemnitees may participate in the defense with counsel of their own choice and at their own expense. The indemnifying Provider may not settle any claim without the Company's written consent, unless such settlement (a) includes a release of all indemnifiable claims pending against the Indemnitee; (b) contains no admission of liability or wrongdoing by the Indemnitee; and (c) imposes no obligations upon the Indemnitee other than the payment of money. Notwithstanding the foregoing, if the indemnifying Provider fails to vigorously defend such claim, the Indemnitees will have the right to retain counsel and take such legal action as is necessary to protect the Indemnitees' interests, and any associated costs and expenses with respect to the Indemnitees' defense against any such claims (including reasonable attorney's fees) will be recoverable from the indemnifying Provider.

(g) *Reports*. MTN will report to the Company monthly the traffic and bandwidth utilized for VOIP Services (including for voice calls and SMS) on each VOIP Vessel. Such reports will be delivered to the Company within five business days after the end of the applicable calendar month.

(h) *Audit*. If any audit conducted pursuant to Section 2.4 uncovers any non-compliance with Section 1.8(d) (Information Security) or any discrepancy between VOIP records or the reports described in the preceding paragraph and any amounts paid by MTN under this Section 1.8 or paid to MTN for the performance of its obligations relating to the VOIP Services, MTN shall promptly correct such non-compliance and promptly pay, as applicable, any and all amounts necessary to reconcile such discrepancy.

5 . Disclaimer of Warranties. The first sentence of Section 4.6 is deleted in its entirety and the following inserted in lieu thereof:

• "THE WARRANTIES SET FORTH IN SECTIONS 1.8, 4.1 AND 4.2 ARE EXCLUSIVE AND IN LIEU OF ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES OF PROVIDERS."

6 . Limitation of Consequential Damages. The last sentence of Section 9.2 is deleted in its entirety and the following inserted in lieu thereof:

• "However, the limitations set forth in this paragraph shall not apply to any breach or liability under Sections 1.8(b) (iv), 1.8(d), 1.8(f), 5, 6 or 8 or to any wrongful termination of this Agreement (*e.g.*, a termination other than pursuant to Section 11)."

7 . VOIP Responsibilities. The following are added as a new row in the list of Optional MTN Services in Exhibit C of the Agreement:

Service	Service Description	[***][87]	[***][88]	Charge Commencement
VOIP Services	MTN will perform its obligations relating to the VOIP Services as set forth in Section 1.8 of the Agreement.	[***][89]	[***][90]	July 1, 2012

87 Confidential treatment requested
88 Confidential treatment requested
89 Confidential treatment requested
90 Confidential treatment requested

8 . Exhibits to the Agreement . Exhibits F and G attached hereto are hereby attached as exhibits to, and incorporated into, the Agreement.

9. Miscellaneous.

(a) Effective Date. This Amendment will be effective on July 1, 2012 (the " ***Effective Date***"); provided that Section 2 will have retroactive effect to January 1, 2012.

(b) Internal References. All references in the Agreement to "this Agreement," "herein" and "hereunder" and all similar references shall be deemed to refer to the Agreement as amended by this Third Amendment.

(c) No Other Effect. This Third Amendment is entered into as permitted by Section 13.15 (Entire Agreement; Amendment) of the Agreement. Except as expressly amended hereby, the Agreement shall remain in full force and effect.

(d) Counterparts. This Third Amendment, including a facsimile or photocopy hereof, may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

(e) Applicable Law. The provisions of this Third Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law provisions of the State of Delaware or any other provisions. The parties and their successors and assigns hereby irrevocably consent to the nonexclusive jurisdiction of the state and federal courts located in Atlanta, Georgia and Broward County, Florida in connection with any legal action between the parties related to this Third Amendment, and agree that venue will he in such courts.

(f) Severability. In the event any provision contained in this Third Amendment is for any reason held to be unenforceable in any respect, such unenforceability shall not affect any other provision of this Third Amendment, and this Third Amendment shall be construed as if such an unenforceable provision or provisions had never been included in this Third Amendment.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have caused this Third Amendment to be duly executed as of the Effective Date.

NEW CINGULAR WIRELESS SERVICES, INC.

by its manager, AT&T Mobility Corporation

By:
Name:
Its:

MARITIME TELECOMMUNICATIONS NETWORK, INC.

By:
Name:
Its:

WIRELESS MARITIME SERVICES, LLC

By:
Name:
Its:

Exhibit F
VOIP Specifications

The parties will update this Exhibit to include the VOIP Specifications to which they mutually agree from time to time.

Exhibit G
Company Marks and Trademark Use Guidelines

None. WMS may update this Exhibit upon notice to MTN and AT&T from time to time.

FOURTH AMENDMENT TO MASTER SERVICES AGREEMENT

This Fourth Amendment, dated May __, 2013 (the " ***Fourth Amendment***"), to the Master Services Agreement, dated February 14, 2004 (as amended, the "***Agreement***"), is made and entered into by and among New Cingular Wireless Services, Inc., d/b/a AT&T Mobility (" ***AT&T***," formerly defined as " ***Cingular***"), Maritime Telecommunications Network, Inc., a Colorado Corporation ("***MTN***"), and Wireless Maritime Services, LLC ("***WMS***"). Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, AT&T, MTN, and WMS wish to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. [***][91]

2. [***][92]

3. Miscellaneous.

(a) Effective Date. This Amendment will be effective on May 15, 2013 (the "*Effective Date*").

(b) Internal References. All references in the Agreement to "this Agreement," "herein" and "hereunder" and all similar references shall be deemed to refer to the Agreement as amended by this Fourth Amendment.

(c) No Other Effect. This Fourth Amendment is entered into as permitted by Section 13.15 (Entire Agreement; Amendment) of the Agreement. Except as expressly amended hereby, the Agreement shall remain in full force and effect.

(d) Counterparts. This Fourth Amendment, including a facsimile or photocopy hereof, may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

(e) Applicable Law. The provisions of this Fourth Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law provisions of the State of Delaware or any other provisions. The parties and their successors and assigns hereby irrevocably consent to the nonexclusive jurisdiction of the state and federal courts located in Atlanta, Georgia and Broward County, Florida in connection with any legal action between the parties related to this Fourth Amendment, and agree that venue will lie in such courts.

(f) Severability. In the event any provision contained in this Fourth Amendment is for any reason held to be unenforceable in any respect, such unenforceability shall not effect any

91 Confidential treatment requested
92 Confidential treatment requested

other provision of this Fourth Amendment, and this Fourth Amendment shall be construed as if such an unenforceable provision or provisions had never been included in this Fourth Amendment.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have caused this Fourth Amendment to be duly executed as of the Effective Date.

NEW CINGULAR WIRELESS SERVICES, INC.

by its manager, AT&T Mobility Corporation

By:
Name:
Its:

MARITIME TELECOMMUNICATIONS NETWORK, INC.

By:
Name:
Its:

WIRELESS MARITIME SERVICES, LLC

By:
Name:
Its:

FIFTH AMENDMENT TO MASTER SERVICES AGREEMENT

This Fifth Amendment, dated July 20, 2013 (the " ***Fifth Amendment***"), to the Master Services Agreement, dated February 14, 2004 (as amended, the "***Agreement***"), is made and entered into by and among New Cingular Wireless Services, Inc., d/b/a AT&T Mobility ("***AT&T***" formerly defined as "***Cingular***"), Maritime Telecommunications Network, Inc., a Colorado Corporation ("***MTN***"), and Wireless Maritime Services, LLC (" ***WMS***"). Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, AT&T, MTN, and WMS wish to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. [***][93]

2. [***][94]

3. [***][95]

4. Miscellaneous.

(a) Effective Date. This Amendment will be effective on _____, 2013 (the "*Effective Date*").

(b) Internal References. All references in the Agreement to "this Agreement," "herein" and "hereunder" and all similar references shall be deemed to refer to the Agreement as amended by this Fifth Amendment.

IN WITNESS WHEREOF, the parties have caused this Fifth Amendment to be duly executed as of the Effective Date.

NEW CINGULAR WIRELESS SERVICES, INC.

by its manager, AT&T Mobility Corporation

By:
Name:
Its:

93 Confidential treatment requested
94 Confidential treatment requested
95 Confidential treatment requested

MARITIME TELECOMMUNICATIONS NETWORK, INC.

By:
Name:
Its:

WIRELESS MARITIME SERVICES, LLC

By:
Name:
Its:

Exhibit B

to Master Services Agreement

Required AWS Services				
Service	**Service Description**	**Billing Methodology**	**Cost**	**Charge Commencement**
Roaming Settlement and Billing	Roaming agreement and billing set-up and testing. Monthly roaming settlement Services included: Signaling transport and conversion, Testing of new links, Market configuration for CDMA and GSM, ARIS RoamBox functionality, CIBER Development, TAP Interface, BID rating IREG/TADIG person, ISUP and GRX connectivity, and financial settlement.	[***][96]	[***][97]	Post Trial
		[***][98]	[***][99]	
Wholesale LD	Provide transport of Long Distance calls from Ojus, FL to both Domestic and International call termination points.	[***][100]	[***][101]	Trial
		[***][102]	[***][103]	
Network Leased-lines for System Architecture	Leased line cost for transport of voice/data traffic between MTN teleport hand-off points to the AWS facilities location in Ojus, FL.	[***][104]	[***][105]	Trial
		[***][106]	[***][107]	
Network Operations Control	National Operations Center (NOC) support for alarm and control management of sites and switches. Approximately 1 full time equivalent required to provide support for 15 ships.	[***][108]	[***][109]	Post Trial

96 Confidential treatment requested
97 Confidential treatment requested
98 Confidential treatment requested
99 Confidential treatment requested
100 Confidential treatment requested
101 Confidential treatment requested
102 Confidential treatment requested
103 Confidential treatment requested
104 Confidential treatment requested
105 Confidential treatment requested
106 Confidential treatment requested
107 Confidential treatment requested
108 Confidential treatment requested
109 Confidential treatment requested

Optional AWS Services available to Company				
Service	**Service Description**	**Billing Methodology**	**Cost**	**Charge Commencement**
Cell System Maintenance (shipboard)	Inspection & Preventive Maintenance and of shipboard system.	[***][110]	[***][111]	Post Trial
		[***][112]	[***][113]	Post Trial
		[***][114]	[***][115]	
Installation	Installation, set up and testing of shipboard Cell Phone System	[***][116]	[***][117]	Post Trial
		[***][118]	[***][119]	Post Trial
		[***][120]	[***][121]	
Site Survey	Survey of covered vessel(s) to determining cabling and other requirements to provide Service	[***][122]	[***][123]	Post Trial
		[***][124]	[***][125]	Post Trial

110 Confidential treatment requested
111 Confidential treatment requested
112 Confidential treatment requested
113 Confidential treatment requested
114 Confidential treatment requested
115 Confidential treatment requested
116 Confidential treatment requested
117 Confidential treatment requested
118 Confidential treatment requested
119 Confidential treatment requested
120 Confidential treatment requested
121 Confidential treatment requested
122 Confidential treatment requested
123 Confidential treatment requested
124 Confidential treatment requested
125 Confidential treatment requested

SIXTH AMENDMENT TO MASTER SERVICES AGREEMENT

This Sixth Amendment, dated the date of the last signature hereto (the " ***Sixth Amendment***"), to the Master Services Agreement, dated February 14, 2004 (as amended, the "***Agreement***"), is made and entered into by and among New Cingular Wireless Services, Inc., d/b/a AT&T Mobility (" ***AT&T***", formerly defined as " ***Cingular***"), Maritime Telecommunications Network, Inc., a Colorado Corporation ("***MTN***"), and Wireless Maritime Services, LLC ("***WMS***"). Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, AT&T, MTN, and WMS wish to amend the Agreement to reflect new rates as set forth below.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Settlement and Billing. The contents of the "Cost" column of the "Roaming Settlement and Billing" row in Exhibit B to the Agreement are deleted in their entirety and the following is inserted in lieu thereof: [***][126]

2. Miscellaneous.

(a) Effective Date. This Amendment will be effective on August 1, 2014 (the " ***Effective Date***").

(b) Internal References. All references in the Agreement to "this Agreement," "herein" and "hereunder" and all similar references shall be deemed to refer to the Agreement as amended by this Sixth Amendment.

(c) No Other Effect. This Sixth Amendment is entered into as permitted by Section 13.15 (Entire Agreement; Amendment) of the Agreement. Except as expressly amended hereby, the Agreement shall remain in full force and effect.

(d) Counterparts. This Sixth Amendment, including a facsimile or photocopy hereof, may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

(e) Applicable Law. The provisions of this Sixth Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law provisions of the State of Delaware or any other provisions. The parties and their successors and assigns hereby irrevocably consent to the nonexclusive jurisdiction of the state and federal courts located in Atlanta, Georgia and Broward County, Florida in connection with any legal action between the parties related to this Sixth Amendment, and agree that venue will lie in such courts.

(f) Severability. In the event any provision contained in this Sixth Amendment is for any reason held to be unenforceable in any respect, such unenforceability shall not effect

126 Confidential treatment requested

another provision of this Sixth Amendment, and this Sixth Amendment shall be construed as if such an unenforceable provision or provisions had never been included in this Sixth Amendment.

IN WITNESS WHEREOF, the parties have caused this Sixth Amendment to be duly executed as of the Effective Date.

NEW CINGULAR WIRELESS SERVICES, INC.,
by its manager, AT&T Mobility Corporation

By: __
Name: __
Its: __

Dated: __

MARITIME TELECOMMUNICATIONS NETWORK, INC.

By: __
Name: __
Its: __

Dated: __

WIRELESS MARITIME SERVICES, LLC

By: __
Name: __
Its: __

Dated: __

SEVENTH AMENDMENT TO MASTER SERVICES AGREEMENT

This Seventh Amendment, dated _____, 2015 (the "***Seventh Amendment***"), to the Master Services Agreement, dated February 14, 2004 (as amended, the "***Agreement***"), is made and entered into by and among New Cingular Wireless Services, Inc., d/b/a AT&T Mobility ("***AT&T***," formerly defined as "***Cingular***"), Maritime Telecommunications Network, Inc., a Colorado Corporation ("***MTN***"), and Wireless Maritime Services, LLC ("***WMS***"). Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

[***][127]

WHEREAS, AT&T, MTN, and WMS wish to amend the Agreement as set forth below.

NOW, **THEREFORE**, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. [***][128]

2. [***][129]

3. Miscellaneous.

   (a) Effective Date. This Amendment will be effective on _____, 2015 (the "***Effective Date***").

   (b) Internal References. All references in the Agreement to "this Agreement," "herein" and "hereunder" and all similar references shall be deemed to refer to the Agreement as amended by this Seventh Amendment.

   (c) No Other Effect. This Seventh Amendment is entered into as permitted by Section 13.15 (Entire Agreement; Amendment) of the Agreement. Except as expressly amended hereby, the Agreement shall remain in full force and effect.

   (d) Counterparts. This Seventh Amendment, including a facsimile or photocopy hereof, may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

   (e) Applicable Law. The provisions of this Seventh Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law provisions of the State of Delaware or any other provisions. The parties and their successors and

127 Confidential treatment requested
128 Confidential treatment requested
129 Confidential treatment requested

assigns hereby irrevocably consent to the nonexclusive jurisdiction of the state and federal courts located in Atlanta, Georgia and Broward County, Florida in connection with any legal action between the parties related to this Seventh Amendment, and agree that venue will lie in such courts.

(f) Severability. In the event any provision contained in this Seventh Amendment is for any reason held to be unenforceable in any respect, such unenforceability shall not effect any other provision of this Seventh Amendment, and this Seventh Amendment shall be construed as if such an unenforceable provision or provisions had never been included in this Seventh Amendment.

IN WITNESS WHEREOF, the parties have caused this Seventh Amendment to be duly executed as of the date first written above.

NEW CINGULAR WIRELESS SERVICES, INC.

by its manager, AT&T Mobility Corporation

By:
Name:
Its:

MARITIME TELECOMMUNICATIONS NETWORK, INC.

By:
Name:
Its:

WIRELESS MARITIME SERVICES, LLC

By:
Name:
Its:

Appendix 1

[***][130]

130 Confidential treatment requested

EIGHTH AMENDMENT TO MASTER SERVICES AGREEMENT

This Eighth Amendment, dated _____, 2015 (the " ***Eighth Amendment***"), to the Master Services Agreement, dated February 14, 2004 (as amended, the "***Agreement***"), is made and entered into by and among New Cingular Wireless Services, Inc., d/b/a AT&T Mobility (" ***AT&T***," formerly defined as " ***Cingular***"), Maritime Telecommunications Network, Inc., a Colorado Corporation ("***MTN***"), and Wireless Maritime Services, LLC ("***WMS***"). Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, AT&T, MTN, and WMS wish to amend the Agreement as set forth below,

NOW, **THEREFORE**, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Satellite Space Segment Pricing. The row entitled "Satellite Space Segment" in the list of Required MTN Services in Exhibit C of the Agreement is hereby deleted and replaced with the following:

Service	Service Description	[***][131]	[***][132]	Charge Commencement
Satellite Space Segment	Bandwidth connectivity between covered vessel and earth station	[***][133]	[***][134]	November 1, 2015

2. Reimbursement of Time and Travel Expenses for Modem Upgrades . The cell in the "Cost" column of the "Installation" row in the list of Required MTN Services in Exhibit C of the Agreement is hereby supplemented by inserting the following at the end thereof: [***][135]

3. Use of MTN's Ticketing System . WMS and MTN will work together in good faith to develop mutually agreed terms and conditions governing the access and use by WMS of MTN's ticketing system to open and track support tickets. Subject to WMS's and MTN's mutual written agreement on terms and conditions governing such access and use, WMS will be permitted to access MTN's ticketing system to open and track support tickets relating to the services provided by MTN.

4. Development of Service Levels. WMS and MTh will work together in good faith to develop mutually agreed service levels for the Services provided by MTN, together

131 Confidential treatment requested
132 Confidential treatment requested
133 Confidential treatment requested
134 Confidential treatment requested
135 Confidential treatment requested

with measurement methodologies and remedies for failure to achieve the service levels. Such service levels and related terms and conditions will be documented in a subsequent amendment to the Agreement.

5. Miscellaneous.

(a) Effective Date. This Amendment will be effective on _____, 2015 (the "***Effective Date***").

(b) Internal References. All references in the Agreement to "this Agreement," "herein" and "hereunder" and all similar references shall be deemed to refer to the Agreement as amended by this Eighth Amendment.

(c) No Other Effect. This Eighth Amendment is entered into as permitted by Section 13.15 (Entire Agreement; Amendment) of the Agreement. Except as expressly amended hereby, the Agreement shall remain in full force and effect.

(d) Counterparts. This Eighth Amendment, including a facsimile or photocopy hereof, may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

(e) Applicable Law. The provisions of this Eighth Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law provisions of the State of Delaware or any other provisions. The parties and their successors and assigns hereby irrevocably consent to the nonexclusive jurisdiction of the state and federal courts located in Atlanta, Georgia and Broward County, Florida in connection with any legal action between the parties related to this Eighth Amendment, and agree that venue will lie in such courts.

(f) Severability. In the event any provision contained in this Eighth Amendment is for any reason held to be unenforceable in any respect, such unenforceability shall not effect any other provision of this Eighth Amendment, and this Eighth Amendment shall be construed as if such an unenforceable provision or provisions had never been included in this Eighth Amendment.

IN WITNESS WHEREOF, the parties have caused this Eighth Amendment to be duly executed as of the date first written above.

NEW CINGULAR WIRELESS SERVICES, INC.

by its manager, AT&T Mobility Corporation

By:
Name:
Its:

MARITIME TELECOMMUNICATIONS NETWORK, INC.

By:
Name:
Its:

WIRELESS MARITIME SERVICES, LLC

By:
Name:
Its:

NINTH AMENDMENT TO MASTER SERVICES AGREEMENT

This Ninth Amendment (the "***Amendment***"), dated as of September 01, 2016, to the Master Services Agreement, dated February 14, 2004 (as may be amended from time to time, the "***Agreement***"), is by and among New Cingular Wireless Services, Inc., d/b/a AT&T Mobility ("***AT&T***," formerly defined as "***Cingular***"), Maritime Telecommunications Network, Inc., a Colorado Corporation ("***MTN***"), and Wireless Maritime Services, LLC ("***WMS***"). Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

RECITALS

WHEREAS, AT&T, MTN, and WMS wish to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Amendment to Exhibit C to the Agreement . Effective September 1, 2016, the row captioned "Warehousing" in the list of Required MTN Services in Exhibit C to the Agreement is deleted in its entirety and replaced by the following:

Service	Service Description	[***][136]	[***][137]	Charge Commencement
Warehousing	Basic storage (in / out), including as described in greater detail in the Warehousing Statement of Work, attached as Exhibit F.	[***][138]	[***][139]	Charges for warehousing services commenced on September 1, 2010 and were amended as of September 1, 2016

2.Replacement of Exhibit F to the Agreement . Exhibit F to the Agreement is deleted and replaced by the Exhibit F attached hereto.

3.Miscellaneous.

136 Confidential treatment requested
137 Confidential treatment requested
138 Confidential treatment requested
139 Confidential treatment requested

(a) No Other Effect. This Amendment is entered into as permitted by Section 13.15 (Entire Agreement; Amendment) of the Agreement. Except as expressly amended hereby, the Agreement shall remain in full force and effect.

(b) Counterparts. This Amendment, including a fax, pdf or other copy hereof, may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

(c) Applicable Law. The provisions of this Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without regards to choice of law provisions of the State of Delaware or any other provisions. The parties and their successors and assigns hereby irrevocable consent to the nonexclusive jurisdiction of the state and federal courts located in Atlanta, Georgia and Broward County, Florida in connection with any legal action between the parties related to this Amendment, and agree that venue will lie in such courts.

(d) Severability. In the event any provision contained in this Amendment is for any reason held to be unenforceable in any respect, such unenforceability shall not affect any other provision of this Amendment, and this Amendment shall be construed as if such an unenforceable provision or provisions had never been included in this Amendment.

[Signatures begin on the following page]

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly- executed as of the date first set forth above.

NEW CINGULAR WIRELESS SERVICES, INC.

by its manager, AT&T Mobility Corporation

By:
Name:
Its:

MARITIME IELECOMMUNICATIONS NETWORK. INC.

By:
Name:
Its:

WIRELESS MARITIME SERVICES, LLC

By:
Name:
Its:

Exhibit F
Warehouse Statement of Work-Description

[***][140]

Warehouse Access for WMS Employees.

MTN has implemented physical access controls and procedures to protect the office, the people and the assets. Examples of these measures include the use of badge access readers for protected areas and keys for entry into other secure areas. All visitors must sign-in, receive a visitor badge and be escorted by MTN employees

140 Confidential treatment requested

EXHIBIT D

TRADEMARK LICENSE ACKNOWLEDGEMENT AND AGREEMENT

between

AT&T WIRELESS SERVICES, INC.

and

WIRELESS MARITIME SERVICES, LLC

Dated as of February _____, 2004

TRADEMARK LICENSE ACKNOWLEDGEMENT AND AGREEMENT

THIS TRADEMARK LICENSE ACKNOWLEDGEMENT AND AGREEMENT (the "Agreement") dated as of February ____, 2004, is entered by and between AT&T Wireless Services, Inc., a Delaware corporation ("AWS"), and Wireless Maritime Services, LLC, a Delaware limited liability company ("Company"). Certain capitalized terms used herein are defined in Section 1.

WHEREAS, AT&T Corp. and AWS have for many years used the AT&T Licensed Marks, and AT&T Corp. and AWS entered into a Brand License Agreement on June 4, 2001 ("AT&T-AWS Brand License"), under which AWS and it Affiliates are licensed by AT&T Corp. to use the AT&T Licensed Marks;

WHEREAS, AWS or an Affiliate of AWS is a party to that certain Limited Liability Company Agreement of Company (the "LLC Agreement") and in consideration for the execution and delivery of the LLC Agreement by the other member(s) of Company and in consideration of the direct and indirect benefits that AWS expects to receive, AWS has agreed to grant the license set forth in this Agreement subject to the terms and conditions herein;

WHEREAS, Company desires to use the AT&T Licensed Marks and AWS Licensed Marks, in connection with the Licensed Activities in the Licensed Territory; and

WHEREAS, AWS desires to exercise control over Company's use of the AT&T Licensed Marks and AWS Licensed Marks.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereby agree as follows:

1. Definitions.

Capitalized terms used but not otherwise defined herein shall have the meaning assigned to such terms in the AT&T-AWS Brand License. As used herein, the following terms shall have the meanings set forth below:

"AT&T Licensed Marks" shall have the meaning assigned to the term "Licensed Marks" in the AT&T-AWS Brand License.

"AWS Licensed Marks" means the service marks and trademarks owned by AWS.

"Authorized Dealers" means any distributor or other agent of Company authorized by Company to market, advertise, or otherwise offer, on behalf of Company, any Licensed Services in the Licensed Territory.

"Change of Control" will be deemed to have occurred if at any time AWS holds less than 1% of the equity interest in Company.

"Company Systems" means the systems operated by Company to provide Mobile Wireless Services in the Licensed Territory.

"Licensed Activities" means each of the following activities: (a) the provision to end-users and resellers, solely within the Licensed Territory, of Mobile Wireless Services, and (b) marketing and offering the services described in clause (a) within the Licensed Territory, including advertising such services using broadcast and other media, so long as such advertising extends beyond the Licensed Territory only when and to the extent necessary to reach end-users and potential end-users in the Licensed Territory.

"Licensed Marks" means, collectively, the AT&T Licensed Marks, AWS Licensed Marks, and any additional Marks that may be subsequently licensed hereunder pursuant to Section 4.3. Licensed Marks specifically excludes any sound mark.

"Licensed Services" means the services described in clause (a) of the definition of the term "Licensed Activities."

"Licensed Territory" means the geographic territory set forth on Schedule A hereto, as such Schedule may be amended from time to time.

"Marketing Materials" means any and all materials, whether written, oral, visual or in any other medium, used by Company or its Authorized Dealers to market, advertise or otherwise offer any Licensed Services under the Licensed Marks.

"Mobile Devices" means end-user mobile terminal equipment, such as, without limitation, mobile phones and wireless enabled PDAs, used by Company's customers to access Company's Licensed Services.

"Mobile Wireless Services" shall have the meaning assigned to such term in the Brand License Agreement.

"Quality Control Representatives" means representatives of AWS appointed in accordance with Section 7.

"Quality Standards" means the Systems Quality Standards and the Guidelines for Use of the Licensed Marks, set forth in Schedules B and C to this Agreement.

"Significant Breach by Company" is defined in Section 12.2.

"Systems Quality Standards" means the GSM quality standards set forth on Schedule B, as the same may be amended from time to time, provided any such amended standards shall become effective one hundred twenty (120) days after notice thereof is given to Company.

2. Acknowledgement of License or AT&T Licensed Marks; Additional Restrictions .

2.1 Acknowledgement of License . Company acknowledges that, as an Affiliate of AWS, it is included within the definition of "Licensee" in the AT&T-AWS Brand License and is thus authorized thereunder to use the AT&T Licensed Marks. Company agrees to be bound by and abide by the terms and conditions of the AT&T-AWS Brand License. Company acknowledges that to the extent that it is exercising its rights under the AT&T-AWS Brand License, it shall be considered the

"Licensee" thereunder, and thus its obligations thereunder will flow directly to AT&T Corp. As examples and in no way limiting the foregoing: (1) Company's obligation to pay the Licensee Brand Maintenance Fee under Section 3.1 of the AT&T-AWS Brand License shall flow directly to AT&T Corp. and (2) to the extent that Company might be using the "AT&T" mark in an unauthorized manner, its indemnification obligations will flow directly to AT&T Corp. under Section 11 of the AT&T-AWS Brand License. Company acknowledges that when it ceases to be an Affiliate of AWS, its rights under the AT&T-AWS Brand License will terminate. Notwithstanding the foregoing, Company shall have the option to pay the Licensee Brand Maintenance Fee to AWS, who will in turn pass it along to AT&T Corp. on Company's behalf. In the event that taxes (other than taxes imposed on net income) are imposed by any government upon the payment of Brand Maintenance Fees as required hereunder, such payments shall be increased by an amount such that after the withholding or other deduction of such taxes the net amount remitted by Company equals the Brand Maintenance Fee that would otherwise be due to AWS hereunder.

2.2 Additional Restrictions. Company agrees that, although it is authorized under the AT&T-AWS Brand License to use the AT&T Licensed Marks, its use of the AT&T Licensed Marks shall also be subject to the additional restrictions imposed by AWS herein, including but not limited to the restrictions set forth in Section 4 below.

2.3 No Diminishment. Nothing in this Agreement shall be construed to in any way diminish or condition any of the rights or exclusivity granted by AT&T Corp. to AWS under the AT&T-AWS Brand License Agreement.

3. Grant of License of AWS Licensed Marks.

3.1 Grant of License. Subject to the terms and conditions of this Agreement, AWS hereby grants to Company a royalty-free, non-transferable, non-sublicensable, non-exclusive limited right and license to use the AWS Licensed Marks in the Licensed Territory, solely in connection with Licensed Activities.

3.2 No Other Services or Products. The AWS Licensed Marks may not be used by Company in connection with any service or product, except as expressly set forth in this Agreement.

3.3 Marks and Domain Names Developed by Company. Company may from time to time during the term hereof create Marks and domain names for use in connection with the Licensed Activities. Company shall provide AWS with written notice of its desire to use any such Mark or domain name, and may use such Mark or domain name only if AWS in its sole discretion approves in writing Company's proposed use of such Mark or domain name. Marks and domain names approved by AWS in accordance with this Section 3.3 shall be owned by AWS and included within the definition of AWS Licensed Marks.

4. Additional Restrictions on Use of Licensed Marks.

4.1 Bundling. Company shall not use the Licensed Marks in connection with any Service Bundles.

4.2 Co-Marketing. Company may only use the Licensed Marks in Co-Marketing with AWS' prior written approval.

4.3 Resellers and Authorized Dealers. Company shall not grant Resellers and Authorized Dealers permission to use the Licensed Marks. Company may request in writing, which request shall not be unreasonably denied, that AWS grant Resellers and Authorized Dealers a limited permission to use the Licensed Marks in connection with the provision of Licensed Services permitted to be provided by such Authorized Dealers hereunder, subject to AWS' Usage Guidelines set forth in Schedule C of this Agreement.

4.4 Contact with AT&T Corp. Company shall not directly contact AT&T Corp. regarding any requests (including but not limited to requests under Section 5 of the AT&T-AWS Brand License) and approvals sought from AT&T Corp. (including but not limited to the approvals required under Exhibit 4 to the Brand License Agreement) regarding the AT&T-AWS Brand License, but rather shall contact AWS to seek such request or approval from AT&T Corp.

4.5 Reiteration of Definition of Licensed Marks. For purposes of clarity and in no way limiting the definition of Licensed Marks elsewhere in this agreement, references to "Licensed Marks" in this Section 4 are intended to include AT&T Licensed Marks and to impose additional obligations on Company with respect to the AT&T Licensed Marks.

5. Use of Licensed Marks.

5.1 Marks To Be Used. Company shall continuously conduct all Licensed Activities solely under the mark "AT&T Wireless" in each of the Licensed Territories.

5.2 Usage Guidelines. All use of the Licensed Marks shall be in accordance with the guidelines set forth in Schedule C, which guidelines shall be subject to modification by AWS in its sole discretion upon thirty (30) days written notice to Company.

5.3 Modification or Replacement of Licensed Marks. In the event AWS modifies or replaces any of the Licensed Marks as they are used in any portion of AWS' business, and if AWS requests Company to adopt and use any such modified or replaced Licensed Marks, Company will adopt and use such modified or replaced Licensed Marks and, in such event, such modified or replaced Licensed Marks shall be considered the AWS Licensed Marks contemplated by this Agreement; provided that in such event, Company shall be granted a 180-day period during which to phase-out its use of the superseded forms of the Licensed Marks, as applicable, and during such 180-day period Company shall have the right to use its existing inventory of Marketing Materials bearing the superseded forms of the Licensed Marks, as applicable.

6. Agreement Personal.

In recognition of the unique nature of the relationship between AWS and Company. the fact that AWS would not be willing to enter into an agreement such as this Agreement with any other party in any other circumstances, and the unique nature of Company, the parties agree that the rights, obligations and benefits of this Agreement shall be personal to Company, and AWS shall not be

required to accept performance from, or render performance to an entity other than Company or even to Company itself in the event of a Change of Control of Company. Pursuant to 11 U.S.C. § 365(c)(1)(A) (as it may be amended from time to time, and including any successor to such provision), in the event of the Bankruptcy of Company, this Agreement may not be assigned or assumed by Company (or any Successor) and AWS shall be excused from rendering performance to, or accepting performance from, Company or any Successor.

7. Retention of Rights.

Except as otherwise expressly provided in Section 3, nothing in this Agreement shall be deemed or construed to limit in any way AWS' rights in and to the AWS Licensed Marks, including without limitation:

(i) all rights of ownership in and to the AWS Licensed Marks, including the right to license or transfer the same; and

(ii) the unimpaired right to use the AWS Licensed Marks in connection with marketing, offering or providing any products or services (including, without limitation Licensed Services) whether within or without the Licensed Territory.

8. Quality Control.

8.1 General. Company acknowledges that the services and activities covered by this Agreement must be of sufficiently high quality as to provide maximum enhancement to and protection of the AWS Licensed Marks and the good will they symbolize. Company further acknowledges that the maintenance of high quality services is of the essence of this Agreement, as is the use of the AWS Licensed Marks in connection therewith, and that it will utilize only Marketing Materials that enhance (and do not disparage or place in disrepute) AWS, its businesses or its business reputation, and enhance (and do not adversely affect or detract from) AWS' good will and will use the AWS Licensed Marks in ways (but only in ways) that will so enhance AWS' business reputation and good will.

8.2 Quality Standards. Company shall use commercially reasonable efforts to cause the Company Systems to comply with the Systems Quality Standards. Without limiting the foregoing, with respect to each material portion of a Company System (such as a city) that Company places in commercial service. Company shall cause each such material portion to achieve a level of compliance with the applicable Systems Quality Standards equal to at least the average level of compliance achieved by comparable systems owned and operated by AWS and its Affiliates taking into account, among other things, the relative stage of development thereof.

Company shall also comply with the Guidelines for Use as set forth in Schedule C to this Agreement, which shall be considered part of the Quality Standards.

8.3 Quality Service Reviews; Right of Inspection. AWS shall have the right to designate from time to time, one or more Quality Control Representatives, who shall have the right at any time, upon fifteen (15) days notice to Company, to conduct during regular business hours an

inspection, test, survey and review of Company's facilities and the facilities of Company's Authorized Dealers, if any, and otherwise to determine compliance with the Quality Standards (each, an "Inspection"); provided that AWS shall use all commercially reasonable efforts to ensure that such Inspections shall not unreasonably interfere with Company's conduct of its business; and provided further that AWS shall not be permitted to conduct more than two (2) Inspections during each 12-month period of the term of this Agreement unless AWS reasonably believes that Company is not in compliance with the Quality Standards, in which case AWS shall be permitted to conduct Inspections from time to time until Company has been determined to be in compliance. Company agrees to collect, maintain and furnish to the Quality Control Representatives: (i) all performance data relating to Company's Licensed Services reasonably requested by the Quality Control Representatives and representative samples of Marketing Materials that are marketed or provided under the Licensed Marks for Inspections to assure conformance of the Licensed Services and the Marketing Materials with the Quality Standards; and (ii) all performance data in its control reasonably requested by the Quality Control Representatives relating to the conformance of Licensed Services with the Quality Standards. Any such data provided to AWS shall be treated confidentially in accordance with Section 18. AWS may independently conduct continuous customer satisfaction and other surveys to determine if Company is meeting the Quality Standards. Company shall cooperate with AWS fully in the distribution and conduct of such surveys so long as such cooperation shall not unreasonably interfere with the conduct of Company's business. If Company learns that it is not complying with the Quality Standards in any material respect, it shall notify AWS, and the provisions of Section 9 shall apply to such noncompliance.

8.4 Sponsorship. Company shall not use the Licensed Marks to sponsor, endorse, or claim affiliation with any event, meeting, charitable endeavor or any other undertaking (each, an "Event") without the express written permission of AWS; provided, however, that the categories of Events described on Schedule D attached hereto shall be deemed pre-approved by AWS, and Company shall not be required to seek permission from AWS to sponsor, endorse or claim affiliation with such Events using the Licensed Marks. Notwithstanding the foregoing, AWS reserves the right to deny permission to any event and to amend Schedule D. In the event that Company desires to sponsor, endorse or claim affiliation with an Event not described on Schedule D, Company shall provide AWS with at least twenty (20) business days prior written notice of such Event in reasonable detail and AWS shall be deemed to have granted Company permission to sponsor, endorse or claim affiliation with such Event if a denial of permission is not received by Company by the date or time specified in such notice (in no event less than ten business days after receipt of the notice). Any breach of' this provision reasonably determined to have a material adverse effect on AWS or the Licensed Marks shall be deemed a Significant Breach by Company.

9. Remedies for Noncompliance With Quality Standards .

9.1 Cure Period. If AWS becomes aware that Company or its Authorized Dealers, if any, are not complying with any Quality Standards in any material respect, and notifies Company in writing thereof, setting forth, in reasonable detail, a written description of the noncompliance and any suggestions for curing such noncompliance, then Company shall cure such noncompliance as soon as is practicable but in any event within thirty (30) days thereafter or, in the case of noncompliance with the Systems Quality Standards, if such breach is not capable of being cured

on commercially reasonable terms within such thirty (30) day period and does not create a material threat of personal injury or injury to property of any third party, within one-hundred eighty (180) days of such notice, provided that Company is using commercially reasonable efforts to cure such material breach as soon as reasonably practicable. In the event that the non-compliance with the Quality Standards is being caused by an Authorized Dealer, Company's termination of such Authorized Dealer shall be deemed to cure such non-compliance. If such non-compliance with the Quality Standards continues beyond the applicable cure period described above, Company shall then: (i) cease any Licensed Activities under the Licensed Marks in the Licensed Territory until it can comply with the Quality Standards; and (ii) at AWS' election, be deemed to be in breach of this Agreement.

9.2 Potential Injury to Persons or Property . Notwithstanding the foregoing, in the event that AWS reasonably determines that any noncompliance creates a material threat of personal injury or injury to property of any third party, upon written notice thereof by AWS to Company, Company shall cure such non-compliance as soon as practicable but in any event within thirty (30) days after receiving such notice. If the non-compliance continues beyond such cure period, Company shall either cease any Licensed Activities under the Licensed Marks in the Licensed Territory until it can comply with the Quality Standards, or be deemed to be in breach of this Agreement.

10. Protection of Licensed Marks.

10.1 Ownership and Rights. Company admits the validity of, and agrees not to challenge the ownership or validity of the AWS Licensed Marks. Company acknowledges that it will not obtain any ownership interest in the AWS Licensed Marks or any other right or entitlement to continued use of them, regardless of how long this Agreement remains in effect and regardless of any reason or lack of reason for the termination thereof by AWS; provided that by making this acknowledgment Company is not waiving, and does not intend to waive, any contractual rights hereunder or its remedies upon a breach hereof by AWS. Company shall not disparage, dilute or adversely affect the validity of the AWS Licensed Marks. Company agrees that any and all good will and other rights that may be acquired by the use of the AWS Licensed Marks by Company shall inure to the sole benefit of AWS. Company will not grant or attempt to grant a security interest in the AWS Licensed Marks or this Agreement, or to record any such security interest in the United States Patent and Trademark Office or elsewhere, against any trademark application or registration belonging to AWS. Company agrees to execute all documents reasonably requested by AWS to effect registration of, maintenance and renewal of the AWS Licensed Marks. For purposes of this Agreement, Company shall be considered a "related company" under the U.S. Trademark Act. 15 U.S.C. § 1051 et seq.

10.2 Similar Marks. Company further agrees not to register in any country any Mark resembling or confusingly similar to the Licensed Marks, or that dilutes the AWS Licensed Marks. If any application for registration is, or has been tiled in any country by Company that relates to any Mark that, in the sole opinion of AWS, is confusingly similar, deceptive or misleading with respect to, or that dilutes, the AWS Licensed Marks, Company shall, at AWS' sole discretion, immediately abandon any such application or registration or assign it (free and clear of any Liens, and for consideration of $1.00) to AWS.

10.3 Infringement. In the event that Company learns of any infringement or threatened infringement of the AWS Licensed Marks, or any unfair competition, passing-off or dilution with respect to the AWS Licensed Marks, or any third party alleges or claims that any of the AWS Licensed Marks are liable to cause deception or confusion to the public, or is liable to dilute or infringe any right of such third party (each such event, an "Infringement"), Company shall promptly notify AWS giving particulars thereof, and Company shall provide necessary information and reasonable assistance to AWS or their authorized representatives in the event that AWS decides that proceedings should be commenced or defended. For purposes of this Agreement, Company shall be deemed to have "learned" of an Infringement when an executive officer of Company obtains actual knowledge of the Infringement. AWS shall have exclusive control of any litigation, opposition, cancellation or related legal proceedings. The decision whether to bring, defend, maintain or settle any such proceedings shall be at the exclusive option and expense of AWS, and all recoveries shall belong exclusively to. Company will not initiate any such litigation, opposition, cancellation or related legal proceedings in its own name but, at AWS' request, agrees to be joined as a party in any action taken by AWS to enforce its rights in the AWS Licensed Marks. Nothing in this Agreement shall require, or be deemed to require AWS to enforce the AWS Licensed Marks against others.

10.4 Compliance With Laws. In the performance of this Agreement, Company shall comply in all material respects with all applicable laws and regulations and administrative orders, including those laws and regulations particularly pertaining to the proper use and designation of Marks in the Licensed Territory. Should Company be or become aware of any applicable laws or regulations that are inconsistent with the provisions of this Agreement, Company shall promptly notify AWS of such inconsistency. In such event, AWS may, at its option, either waive the performance of such inconsistent provisions, or negotiate with Company to make changes in such provisions to comply with applicable laws and regulations, it being understood that the parties intend that any such changes shall preserve to the extent reasonably practicable the parties' respective benefits under this Agreement.

11. No Sublicensing.

Company shall not: (i) assign, license, transfer, dispose or relinquish any of its rights or obligations hereunder (whether by merger, consolidation, sale, operation of law or otherwise) or (ii) grant or purport to grant any sublicense in respect of the AWS Licensed Marks. Any such purported assignment, license, transfer, disposition, relinquishment or sublicense shall be void and of no effect.

12. Term and Termination.

12.1 Term. This Agreement shall commence on the date hereof and shall, unless terminated earlier pursuant to Section 12.2, be in effect until the earlier of (a) the date on which the LLC Agreement is terminated in accordance with its terms, and (b) the date on which AWS terminates this Agreement in its sole discretion for any reason with at least sixty (60) days' prior written notice. Company understands that the AT&T-AWS Brand License may terminate at an earlier date than this Agreement. In that event, Company understands it shall have no rights with respect to the AT&T Licensed Marks, and the provisions herein regarding the AT&T Licensed Marks shall cease to apply, but all other provisions shall survive.

12.2 Breach by Company. AWS may terminate this Agreement at any time in the event of a Significant Breach by Company. A "Significant Breach by Company" shall include, after exhaustion of any applicable cure periods set forth in this Agreement, any of the following:

(a) Company's use of any Mark (including the AWS Licensed Marks) contrary to the provisions of this Agreement, or the use by an Authorized Dealer of any Mark (including the AWS Licensed Marks) contrary to the provisions of this Agreement, in each case that continues for more than 30 days after written notice thereof has been given to Company;

(b) Subject to the provisions of Section 9.1, Company's use of the Licensed Marks in connection with any Marketing Materials, or the offering, marketing or provision of any Licensed Services, or the conduct of any Licensed Activities or any other aspect of its business conducted by it, that fail to meet the Quality Standards in any material respect;

(c) Company's refusing or neglecting a request by AWS pursuant to Section 8.3 for access to Company's facilities or Marketing Materials, which refusal or neglect continues for more than five business days after written notice thereof is given to Company;

(d) Company's licensing, assigning, transferring, disposing of or relinquishing (or purporting to license, assign, transfer, dispose of or relinquish) any of the rights granted in this Agreement to others;

(e) Company's failure to maintain the Quality Standards and other information furnished under this Agreement in confidence pursuant to Section 18, or failing to restrict the transmission of information, products and commodities as required by Section 18;

(g) The occurrence of a Change of Control of Company;

(h) The Bankruptcy of Company;

(i) Company's failure in any material respect to obtain AWS' permission as provided in, or any other material breach of the provisions of, Section 8.4; or

(j) Other than as specified in Section 9.1, any material breach by Company that is not cured within sixty (60) days of written notice specifying such breach.

12.3 Termination Obligations. In the event this Agreement terminates pursuant to this Section 12 Company shall immediately cease use of the AWS Licensed Marks upon notice of termination.

12.4 No Waiver of Rights. In addition to any other provision of this Section 12, each party will retain all rights to any other remedy it may have at law or equity for any breach by the other of this Agreement.

12.5 Survival. Sections 12.3, 13, 18 and 19 shall survive any expiration or termination of this Agreement.

1 3 . Indemnity. AWS shall defend, indemnify and hold Company and its authorized representatives (including the Authorized Dealers), and its respective directors, officers, stockholders, employees and agents, harmless against all claims, suits, proceedings, costs, damages, losses and expenses (including reasonable attorneys' fees) and judgments incurred, claimed or sustained by Company or such persons arising out of: (i) claims by third parties that Company's use of the AWS Licensed Marks in accordance with this Agreement constitutes trademark, service mark or trade dress infringement (or infringement of any other intellectual property or other proprietary right owned by a third party), dilution, unfair competition, misappropriation or false/misleading advertising; (ii) any third party claims as to the lack of validity or enforceability of (A) the registrations of the AWS Licensed Marks or (B) AWS' ownership rights in the AWS Licensed Marks; and (iii) any lack of validity or enforceability of this Agreement caused by AWS. Subject to AWS' indemnification obligations in the previous sentence, Company shall defend, indemnify and hold AWS, its Affiliates and authorized representatives, and their respective directors, officers, stockholders, employees and agents, harmless against all claims, suits, proceedings, costs, damages and judgments incurred, claimed or sustained by third parties, whether for personal injury or otherwise, arising out of Company's or any Authorized Dealer's marketing, sale, or use of services under the AWS Licensed Marks and shall indemnify AWS and the foregoing persons for all damages, losses, costs and expenses (including reasonable attorneys' fees) arising out of such use, sale or marketing and also for any improper or unauthorized use of the AWS Licensed Marks. Company shall also defend, indemnify and hold AWS, its Affiliates and authorized representatives, and their respective directors, officers, stockholders, employees and agents, harmless against all claims, suits, proceedings, costs, damages, losses and expenses (including reasonable attorneys' fees) and judgments incurred, claimed or sustained by AWS, and such persons arising out of any lack of validity or enforceability of this Agreement caused by Company.

14. Notices and Demands.

All notices, requests, demands or other communications required by, or otherwise with respect to this Agreement shall be in writing and shall be deemed to have been duly given to any party when delivered personally (by courier service or otherwise), against receipt, when delivered by telecopy and confirmed by return telecopy, or when actually received when mailed by registered first-class mail, postage prepaid and return receipt requested in each case to the applicable addresses set forth below:

If to Company:

Wireless Maritime Services, LLC
7277 – 164th Ave. NE
RTC 5

Richmond, WA 98052
Facsimile: (425) 580-6303
Attn: Chief Counsel, International

If to AWS: AT&T Wireless Services, Inc.
P.O. Box 97061, 16221 NE 72 nd Way
Richmond, WA 98052
Attn:
Fax: (425)580-6288

or to such other address as such party shall have designated by notice so given to each other party.

15. Compliance With Laws.

Subject to the provisions of Section 10.4, nothing in this Agreement shall be construed to prevent AWS or Company from complying fully with all applicable laws and regulations, whether now or hereafter in effect.

16. Governmental Licenses, Permits and Approvals.

Company, at its expense, shall he responsible for obtaining and maintaining all licenses, permits and approvals that are required by all Regulatory Authorities with respect to this Agreement, and to comply with any requirements of such Regulatory Authorities for the registration or recording of this Agreement. Company shall furnish to AWS written evidence from such Regulatory Authorities of any such licenses, permits, clearances, authorizations, approvals, registration or recording.

17. Applicable Law; Jurisdiction.

The construction, performance and interpretation of this Agreement shall be governed by the U.S. Trademark Act, 15 U.S.C. § 1051 et seq., and the internal, substantive laws of the State of Washington, without regard to its principles of conflicts of law; provided that if the foregoing laws should be modified during the term hereof in such a way as to adversely affect the original intent of the parties, the parties will negotiate in good faith to amend this Agreement to effectuate their original intent as closely as possible. Except as otherwise provided herein, AWS and Company hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the Western District of Washington, or absent subject matter jurisdiction in that court, the state courts of the State of Washington for all actions, suits or proceedings arising in connection with this Agreement, and agree that any such actions, suit or proceeding shall be brought only in such courts (and waive any objection based on forum non conveniens or any other objection to venue therein). Company and AWS hereby waive any right to a trial by jury.

18. Confidentiality of Information and Use Restriction .

The Quality Standards and other technical information furnished to Company under this Agreement and other confidential and proprietary information, know-how and trade secrets of AWS

that are disclosed or otherwise provided to Company in connection with this Agreement, shall remain the property of AWS, as the case may be, and shall be returned to AWS, upon request and upon termination of this Agreement. Unless such information was previously known to Company free of any obligation to keep it confidential, or has been or is subsequently made public (a) by any person other than Company, and AWS is not attempting to limit further dissemination of such information, (b) by AWS, as applicable, or (c) by Company, as required by law (including securities laws) or to enforce its rights under this Agreement. it shall be held in confidence, and shall be used only for the purposes of this Agreement. All confidential and proprietary information, know-how and trade secrets of Company that are disclosed or otherwise provided to AWS hereunder (including without limitation, during any Inspection) (collectively, "Company Information") shall remain the property of Company and shall be returned to Company upon request and upon termination of this Agreement. Unless such Company Information was previously known to AWS free of any obligation to keep it confidential, or has been or is subsequently made public (a) by any person other than AWS, and Company is not attempting to limit further dissemination of such information, (b) by Company, or (c) by AWS, as required by law (including securities law) or to enforce its rights under this Agreement, it shall be held in confidence and shall be used only for purposes of this Agreement.

19. Miscellaneous.

19.1 Name, Captions. The name assigned this Agreement and the section captions used herein are for convenience of reference only and shall not affect the interpretation or construction hereof.

19.2 Entire Agreement. The provisions of this Agreement contain the entire agreement between the parties relating to use by Company of the Licensed Marks, and supersede all prior agreements and understandings relating to the subject matter hereof. This Agreement shall be interpreted to achieve the objectives and intent of the parties as set forth in the text and factual recitals of the Agreement. It is specifically agreed that no evidence of discussions during the negotiation of the Agreement, or drafts written or exchanged, may be used in connection with the interpretation or construction of this Agreement. No rights are granted to use the AWS Licensed Marks or any other marks or trade dress except as specifically set forth in this Agreement. In the event of any conflict between the provisions of this Agreement and provisions in any other agreement between AWS and Company, the provisions of this Agreement shall prevail. This Agreement is not a franchise under federal or state law, does not create a partnership or joint venture, and shall not be deemed to constitute an assignment of any rights of AWS to Company. Company is an independent contractor, not an agent or employee of AWS, and AWS is not liable for any acts or omissions by Company.

19.3 Amendments, Waivers. This Agreement may not be amended, changed, supplemented, waived or otherwise modified except by an instrument in writing signed by the party against whom enforcement is sought.

19.4 Specific Performance. The parties acknowledge that money damages are not an adequate remedy for violations of this Agreement and that any party may, in its sole discretion, apply to the court set forth in Section 17 for specific performance, or injunctive, or such other relief as such court may deem just and proper, in order to enforce this Agreement or prevent any violation

hereof, and to the extent permitted by applicable law, each party waives any objection to the imposition of such relief.

19.5 Remedies Cumulative. All rights, powers and remedies provided under this Agreement, or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

19.6 No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement, or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

19.7 No Third Party Beneficiaries. Except with respect to the persons entitled to indemnification under Section 13, this Agreement is not intended to be for the benefit of, and shall not be enforceable by any person or entity who or which is not a party hereto.

19.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies each signed by less than all, but together signed by all the parties hereto.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed in duplicate originals by its duly authorized representatives as of the date first stated above.

AT&T WIRELESS SERVICES, INC.

By __

Name: Jordan Roderick __

Title: President, International __

WIRELESS MARITIME SERVICES, LLC

By: AT&T Wireless Services, Inc.
Its: Manager

By: __

Name: __

Title: __

Schedule A

Licensed Territory

International waters — i.e. onboard ships that are outside of the territorial waters of any country.

Schedule B

GSM SYSTEMS QUALITY STANDARDS

Quality Control Specifications

A. Technical Voice Service Performance Measurements and Targets

1. Service Measures

a. % network accessibility 92%

b. % dropped calls <5%

2. Audio Quality Measures 90% of all calls 90-100

B. Customer Care

1. Time to answer 75% in 20 seconds

2. % abandoned calls <6%

C. Repair and Maintenance

Phones returned per month under warranty as % of phones shipped <.80%

D. Billing

% customer accounts billed accurately 98%

Quality Control Specification Definitions

A. Technical Voice Service Performance Measurements and Targets

1. Service Measures

a. network accessibility or blocked calls where:

- network accessibility =% calls connected to network
- blocked calls = % calls blocked from network

b. % dropped calls or % cutoff call established call that terminate abnormally e.g., interference or inadequate coverage

2. Audio Quality Measures

Audio quality includes echo, clarity, volume, static

B. Customer Care

1. Time to answer

- Amount of time customer waits for an agent to answer call

2. % abandoned calls

- Established calls the customer terminates prior to agent answering

3. Average Speed of Answer

- Average amount of time customer waits for an agent to answer call

C. Repair and Maintenance

Phone returned under warranty

D. Billing

% customer accounts billed accurately as Cumulative Year-to-Date

- Bills issued without adjustment

Company shall also comply with the additional AWS guidelines available at the AWS Brand Identity website, http://brand.wra.com.

The Licensed Marks should not be placed on any content relating to or containing any of the following, unless it has redeeming social value:

- Illegal activities
- Content which demeans, ridicules or attacks an individual or group on the basis of age, color, national origin, race, religion, sex, secular orientation, or handicap
- Pornographic, obscene or sexually explicit suggestive material or content
- Material targeted to children, which is deemed to be obscene, vulgar or pornographic
- Tobacco and/or alcoholic beverages
- Firearms/Ammunition/Fireworks
- Gambling
- Contraceptives
- Violence
- Vulgar/obscene language
- Solicitation of funds

Schedule D

PERMITTED EVENTS

1. Local community events, such as school athletic and cultural events or other athletic events (e.g. corporate golf or tennis outings).

2. Local events held in conjunction with regionally or nationally recognized organizations, such as Rotary International, Exchange Club, heart Association, Red Cross, Make-A-Wish Foundation etc.

3. Events in support of major charitable institutions such as Children's Hospitals, Ronald McDonald Foundation, March of Dimes and so on.

4. Local trade shows, Chamber of Commerce events, educational business seminars.

5. Company grand openings and kiosk sampling.

EXHIBIT E

SECONDMENT AGREEMENT

[Copy unavailable.]

EXHIBIT F

RATE AGREEMENT

[Copy unavailable.]

February 14, 2018

Global Eagle Entertainment Inc.
4553 Glencoe Avenue, Suite 300
Marina Del Rey, CA 90292

Re: Notice of Termination of Board Seat Right

Ladies and Gentlemen:

Reference is made to that certain Interest Purchase Agreement, dated as of May 9, 2016 (the "Purchase Agreement"), by and between EMC Acquisition Holdings, LLC, a Delaware limited liability company ("Seller"), and Global Eagle Entertainment Inc., a Delaware corporation ("GEE"). Simultaneously with the execution of the Purchase Agreement, each of GEE and EMC HoldCo 2 B.V. ("Holdco") executed that certain Letter Agreement dated as of May 9, 2016 (the "Letter Agreement"). Pursuant to the Letter Agreement, EMC Aggregator, LLC (the "Stockholder"), as the successor-in-interest to Holdco, has the right (but not obligation) to nominate one individual to stand for election as a member of GEE's Board of Directors (the "Board Seat Right"). As of the date hereof, the Stockholder has not exercised its Board Seat Right.

The Stockholder hereby agrees to irrevocably terminate its Board Seat Right effective immediately. As a result of the termination of its Board Seat Right, the Stockholder shall have no further rights pursuant Section 1 of the Letter Agreement.

(Signature to follow on next page)

Sincerely,

EMC AGGREGATOR, LLC

By: 

Name: Tomer Yosef-Or
Title: Vice President

AMENDMENT TO
GLOBAL EAGLE ENTERTAINMENT INC.
2017 OMNIBUS LONG-TERM INCENTIVE PLAN

This Amendment (this "Amendment") to Global Eagle Entertainment Inc. 2017 Omnibus Long-Term Incentive Plan (the "Plan") is effective as of April 13, 2018 (the " Effective Date"), which is the date that the Compensation Committee (the "Committee") of the Board of Directors (the " Board") of Global Eagle Entertainment Inc. (the "Company") adopted this Amendment. Capitalized terms used but not otherwise defined in this Amendment shall have the meanings ascribed to such terms in the Plan.

WHEREAS, the Committee approved the Plan on September 18, 2017, the Board adopted it on September 19, 2017 and the Company's stockholders approved it on December 21, 2017; and

WHEREAS, pursuant to Section 14.2 of the Plan, the Committee may amend or otherwise modify the Plan from time to time.

NOW, **THEREFORE**, the following amendments and modifications are hereby made a part of the Plan, subject to, and effective as of, the Effective Date:

1. References in the Plan to the terms "stockholder approval," "approval by holders of a majority of the Shares entitled to vote generally in the election of directors," "approval by holders a majority of the shares entitled to vote at a duly constituted meeting of stockholders of the Company" or similar terms shall be deemed to refer to approval by the Company's stockholders to the extent required by, and, if so required, in accordance with, the listing requirements of any principal securities exchange or market on which the Shares are then traded or any other applicable law or regulation.

2. All other terms and conditions of the Plan not otherwise amended or modified by this Amendment, either expressly or by necessary implication, shall remain in full force and effect.

***

IN WITNESS WHEREOF, the Company has caused this Amendment to the Plan to be executed by the undersigned.

GLOBAL EAGLE ENTERTAINMENT INC.

DocuSigned by:
By: Stephen Ballas
522B750C3E2554A6...
Name: Stephen Ballas
Title: Executive Vice President and General Counsel

6100 CENTER DRIVE, SUITE 1020
LOS ANGELES, CA 90045

April 17, 2018

Per Norén
c/o Global Eagle Entertainment Inc.
6100 Center Drive, Suite 1020
Los Angeles, CA 90045

Re: Employment Letter Agreement

Dear Per:

Global Eagle Entertainment Inc. (the "***Company***") is pleased to offer you employment on the terms set forth herein. The terms herein shall be (retroactively) effective as of April 1, 2018, from and after which date this letter agreement shall amend and restate and supersede in all respects your previous Employment Letter Agreement dated March 12, 2017.

1. **Position**. Your initial title in your new role will be Chief Commercial Officer. You will initially report to the Company's Chief Executive Officer.

2. **Commencement Date**. Your first day in your new role as Chief Commercial Officer will be April 1, 2018 (the "***Commencement Date***").

3. **Base Salary**. Your initial base salary in your new role will be at a rate of $365,000 per year ("***Base Salary***") from and after the Commencement Date, payable in accordance with the Company's standard payroll schedule from time to time and subject to all tax withholdings.

4 . **Employee Benefits**. You will continue to be eligible to participate in customary employee benefit plans and programs made generally available by the Company to its employees from time to time. The Company reserves the right to add, terminate and/or amend any employee benefit plans, policies, programs and/or arrangements from time to time without notice or consideration paid to you.

5 . **Annual Bonus**. You will be eligible for an annual performance bonus under the Company's Annual Incentive Plan (as in effect from time to time), with an initial target of 75% of your Base Salary (the "***Annual Bonus***"). (Your 2018 Annual Bonus (if any) will be calculated using that target and your new annual base salary effective on the Commencement Date, without any "blending" based on your prior AIP target or annual base salary in effect during 2018 prior to the Commencement Date.) Your actual Annual Bonus (if any) will be subject to the achievement of individual and Company performance metrics to be

established by the Company for you from time to time, and the final calculation and bonus determination (including determination of achievement of performance objectives) will be in the sole discretion of the Compensation Committee of our Board of Directors (the "***Compensation Committee***"). The Company typically pays its Annual Bonuses in March following each performance-year end, *e.g*., in March 2019 for the 2018 performance year, but the Company will determine the actual date of payment in its sole discretion. You must be employed on the payment date to receive any Annual Bonus, and if are not employed for any reason on the payment date, then you will not be entitled to any Annual Bonus or any portion of it.

6 . **Equity Incentive**. The Compensation Committee may consider you for equity grants from time to time, including in respect of your service during the 2018 performance year.

7. **Relocation Expenses**. The Company will provide you with a one-time relocation allowance (subject to the Company's customary relocation policies) if the Company and you later agree that you should relocate your primary residence to Los Angeles, California in connection with your employment.

8 . **Employment Relationship**. Your employment with the Company will continue to be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. If you decide to resign from your employment, we will consider your notice of resignation effective only when delivered in writing to your manager.

9. **Change in Control and Severance Protection.** You will continue to participate in the Company's Change in Control and Severance Plan for Senior Management (as amended from time to time), as a "Tier II participant" thereunder.

10. **Restrictive Covenant Agreement**. You previously signed on March 12, 2017 the Company's Employee Statement and Agreements Regarding Confidentiality, Proprietary Information, Invention Assignment, Non-Competition and Non-Solicitation (the "***Restrictive Covenant Agreement***"). Your Restrictive Covenant Agreement is attached hereto as Attachment A. It shall continue in full force and effect from and after the date hereof.

11. **Employee Representations, Warranties and Covenants; Company Policies** . You represent and warrant that you have no contractual commitments or other legal obligations or restrictions (including to any prior employer) that would prohibit or impair you from performing your duties for the Company. You agree not to violate any confidentiality, restrictive covenant (*e.g*., a non-solicitation or non-competition obligation) or other obligations that you owe to any other person (including to any prior employer) during your employment with the Company. You agree to abide by the Company's general employment policies and practices, including those set forth in its Employee Handbook, its Conflicts of Interest Policy, its Code of Ethics, its Whistleblower Policy and Procedures and its Global Business Conduct and Compliance Policies Manual (as each may be amended from time to time) as well as such other policies and procedures as the Company establishes from time to time.

12. **Arbitration**. Any and all claims or controversies arising out of or relating to your employment, the termination thereof, or otherwise arising between the parties hereto shall, in lieu of a jury or other civil trial, be settled by final and binding arbitration before a single arbitrator in Los Angeles, California, in accordance with then-current rules of the American Arbitration Association applicable to employment disputes. This agreement to arbitrate includes all claims whether arising in tort or contract and whether arising under statute or common law including, but not limited to, any claim of breach of contract, discrimination or harassment of any kind. Judgment on any award rendered by the arbitrator may be entered and enforced by any court having jurisdiction thereof. The Company shall be solely responsible for all costs of the arbitration, provided that each party shall be responsible for paying its own costs for the arbitration process, including attorneys' fees, witness fees, transcript costs, lodging and travel expenses, expert witness fees, and online research charges, subject to the last sentence of this provision. Notwithstanding the foregoing, the parties may seek injunctive or equitable relief to enforce the terms of this letter agreement in any court of competent jurisdiction.

***

Please accept this offer by signing below.

Very truly yours,

GLOBAL EAGLE ENTERTAINMENT INC.

By: /s/ Stephen Ballas
Name: Stephen Ballas
Title: EVP & General Counsel

I hereby accept this employment offer:

GLOBAL EAGLE ENTERTAINMENT INC.

/s/ Per Norén
Per Norén

Dated: April 25, 2018

Attachment

Attachment A: Employee Statement and Agreements Regarding Confidentiality, Proprietary Information, Invention Assignment, Non-Competition and Non-Solicitation

Attachment A

See attached.

(As entered into with the Company on March 12, 2017.)

Attachment A

GLOBAL EAGLE ENTERTAINMENT INC.

EMPLOYEE STATEMENT & AGREEMENTS REGARDING CONFIDENTIALITY, PROPRIETARY INFORMATION, INVENTION ASSIGNMENT, NON-COMPETITION AND NON-SOLICITATION

In consideration of and as a condition of my employment with Global Eagle Entertainment Inc. ("Global Eagle") and my receipt of the salary and other compensation to be paid to me by Global Eagle I, the undersigned employee, do hereby agree to the following (this "Confidentiality Agreement"):

1. PROPRIETARY INFORMATION, COPYRIGHTS, MASK WORKS & INVENTIONS Global Eagle is an electronics, communications, entertainment and services firm engaged in the research, development, manufacturing, sale, support and provision of electronic and communication systems, entertainment content, content logistics and processing, and components and materials for providing mobility broadband internet, video and voice services (the "Business").
The success of Global Eagle along with its subsidiaries, affiliates, successors and assigns (including, for the avoidance of doubt, Emerging Markets Communications, LLC and its affiliates, the "Company Group") depends, among other things, upon strictly maintaining confidential and secret information relating to its trade secrets, technology, accounting, costs, research, development, sales, manufacturing, methods, production, testing, implementation, marketing, financial information, financial results, products, customers, suppliers, staffing levels, employees, shareholders, officers and other information peculiarly within the knowledge of and relating to the Business, and to which employees may acquire knowledge or have access to during the course of their employment by the Company Group. All such information is hereinafter collectively referred to as "Proprietary Information." Proprietary Information shall include all information, data, trade secrets or know-how provided to me by the Company during my employment that has or could have commercial value or other utility in the Business or in which it contemplates engaging.

Notwithstanding the above, Proprietary Information shall not include any information, data, trade secrets or know-how that (i) was known by me prior to the commencement of my employment with the Company Group or (ii) is or becomes publicly known from another source that is under no obligation of confidentiality to the Company Group without fault on my part

The success of the Company Group also depends upon the timely disclosure of inventions made by the Company Group employees in the course of their employment and, in appropriate circumstances, the full cooperation of employee inventors in filing, maintaining and enforcing United States and foreign country patent applications and patents covering such inventions.

In view of the foregoing and in consideration of my employment by Global Eagle and as a further condition thereof, I agree as follows:

A. PREVIOUS EMPLOYMENT

I acknowledge that it is the policy of Global Eagle to require that its employees strictly honor all obligations regarding proprietary information of former employers. I acknowledge and agree that I have a continuing obligation to protect and safeguard the proprietary information of my former employer(s), if any.

B. PROPRIETARY INFORMATION

I shall exercise utmost diligence to protect and guard the Proprietary Information of the Company Group. Neither during my employment by Global Eagle nor thereafter shall I, directly or indirectly, use for myself or another, or disclose to another, any Proprietary Information (whether acquired, learned, obtained or developed by me alone or in conjunction with others) of the Company Group except as such disclosure or use is (i) required in connection with my employment with Global Eagle, (ii) consented to in writing by Global Eagle, or (iii) legally required to be disclosed pursuant to a subpoena or court order, and in the case of (iii), disclosure may only be made after I have informed Global Eagle of such requirement and assisted Global Eagle in taking reasonable steps to seek a protective order or other appropriate action. Except in connection with the performance of my duties and responsibilities as provided for in the Employment Letter Agreement between the parties hereto, dated as of the date hereto (the "Employment Letter Agreement") and to which this Confidentiality Agreement is attached, I agree not to remove any materials relating to the work performed at the Company Group without the prior written permission of the Board of Directors or Chief Executive Officer of Global Eagle. Upon request by Global Eagle at any time, including in the event of my termination of employment with Global Eagle, I shall promptly deliver to Global Eagle, without retaining any copies, notes or excerpts thereof, all memoranda, journals, notebooks, diaries, notes, records, plats, sketches, plans, specifications, or other documents (including documents on electronic media and all records of inventions, if any) relating directly or indirectly to any Proprietary Information made or compiled by or delivered or made available to or otherwise obtained by me. Each of the foregoing obligations shall apply with respect to Proprietary Information of customers, contractors and others with whom any member of the Company Group has a business relationship, learned or acquired by me during the course of my employment by the Company Group. The provisions of this section shall continue in full force and effect after my termination of employment for whatever reason. Notwithstanding anything herein to the contrary, nothing in this Confidentiality Agreement shall (i) prohibit the employee from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of state or federal law or regulation, or (ii) require notification to or prior approval by the Company Group of any reporting described in clause (i).

C. COPYRIGHT & MASK WORKS

All rights in and to any copyrightable material (including, but not limited to, computer programs) or material protectable as a mask work under the Semiconductor Chip Protection Act of 1984 which I may originate pursuant to or in connection with the Business, and which are not expressly released by Global Eagle in writing, shall be deemed as a work for hire and shall be the sole and exclusive property of the Company Group.

D. INVENTIONS

With the exception of "EXEMPT" inventions, as defined herein, any and all inventions, including original works of authorship, concepts, trade secrets, improvements, developments and discoveries, whether or not patentable or registrable under copyright or similar laws, which I may conceive or first reduce to practice (or cause to be conceived or first reduced to practice), either alone or with others during the period of my employment by the Company Group (hereinafter referred to as "Inventions") shall be the sole and exclusive property of the Company Group, its successors, assigns, designees, or other legal representatives ("Company Group Representatives") and shall be promptly disclosed to Global Eagle in writing, and I hereby assign to the Company Group all of my right, title and interest in such Inventions.

I agree to keep and maintain adequate and current written records of all Inventions and their development that I make (solely or jointly with others) during the period of employment. These records will be in the form of notes, sketches, drawings, and any other format that may be specified by the Company Group. The records will be available to and remain the sole property of the Company Group at all times.

I shall, without further compensation or consideration, but at no expense to me:

(a) Communicate to Global Eagle any facts known by me respecting the

Inventions;

(b) do all lawful acts, including the execution and delivery of all papers and proper oaths and the giving of testimony deemed necessary or desirable by Global Eagle or the Company Group, with regard to said Inventions, for protecting, obtaining, securing rights in, maintaining and enforcing any and all copyrights, patents, mask work rights or other intellectual property rights in the United States and throughout the world for said Inventions, and for perfecting, affirming, recording and maintaining in the Company Group and Company Group Representatives sole and exclusive right, title and interest in and to the Inventions, and any copyrights, Patents, mask work rights or other intellectual property rights relating thereto; and

(c) generally cooperate to the fullest extent in all matters pertaining to said Inventions, original works of authorship, concepts, trade secrets, improvements, developments and discoveries, any and all applications, specifications, oaths, assignments and all other instruments which Global Eagle shall deem necessary in order to apply for and obtain such rights and in order to assign and convey to Global Eagle, its successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto.

An "EXEMPT" invention is one which:

(a) was developed entirely on my own time without using Company Group equipment, supplies, facilities, or trade secret information;

(b) does not relate at the time of conception or reduction to practice of the invention to the Business, or to its actual or demonstrably anticipated research or development; and

(c) does not result from any work performed by me for the Company Group.

Inventions which I consider to be "EXEMPT" but made solely or jointly with others during the term of my employment, shall be disclosed in confidence to Global Eagle for the purpose of determining such issues as may arise.

I acknowledge and agree that my obligations with respect to the foregoing shall continue after the termination of my employment with Global Eagle. Ifl am unable because of my mental or physical incapacity or for any other reason to secure my signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Inventions or original works of authorship assigned to the Company Group as above, then I hereby irrevocably designate and appoint Global Eagle and its duly authorized officers and agents as my agent and attorney in fact, to act for and in my behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters, patents or copyright registrations thereon with the same legal force and effect as if executed by me.

Listed on the attached sheet by descriptive title for purposes of identification only are all of the inventions made by me (conceived and reduced to practice) prior to my employment by Global Eagle that I consider to be my property and excluded from this Confidentiality Agreement. If I have not attached any such sheet, and it is not countersigned by the Company, then I acknowledge that there are no such inventions.

2. NON-COMPETITION AND NON-SOLICITATION

I acknowledge that Global Eagle is making a substantial investment in time, money, effort, goodwill and other resources in the business of the Company Group, and in my continued employment with Global Eagle. I acknowledge and agree that Global Eagle and the Company Group are entitled to protect their legitimate business interests and investments and prevent me from using my knowledge of its trade secrets and Proprietary Information to the detriment of the Company Group. I also acknowledge that the nature of the business of the Company Group is such that the on-going relationship among each member of the Company Group and their respective employees, clients and customers is material and has a significant effect on the ability of the Company Group to obtain business. In view of the foregoing and in consideration of my employment by Global Eagle and as further condition thereof, I agree as follows:

During the period of my employment and for twelve (12) months following the termination thereof for any reason (the "Restricted Period"), I, on behalf of myself and my affiliates, shall not, and shall cause each of my affiliates not to, directly or indirectly, in any manner (whether on my or its own account, or as an owner, operator, manager, consultant, officer, director, employee, investor, agent or otherwise), render services for, accept compensation from, or in any other manner engage in any business (including any new business started by him or her, either alone or with others) with Gogo Inc., Viasat Inc., Panasonic Corporation, Thales Group, Inmarsat plc, Eutelsat S.A., Hughes Communications or SES S.A. with respect to the sale of connectivity services to aeronautical entities in any jurisdiction where the Company Group has operations or customers

During the Restricted Period, I will not, without Global Eagle's prior written consent, directly or indirectly, induce, knowingly solicit or encourage to leave the employment of any member of the Company Group any employee or consultant of any member of the Company Group.

I acknowledge that the limits set forth herein are reasonable and properly required to adequately protect the Company Group's legitimate business interests and to prevent unfair competition. However, if in any proceeding, a court or arbitrator shall refuse to enforce this Confidentiality Agreement, whether because the time limit is too long or because the restrictions contained herein are more extensive (whether as to geographic area, scope of business or otherwise) than is necessary to protect the business of Global Eagle, it is expressly understood and agreed between the parties hereto that this Confidentiality Agreement is deemed modified to the extent necessary to permit this Confidentiality Agreement to be enforced in any such proceedings. I further agree that if there is a breach or threatened breach of the provisions of this Section 2, Global Eagle and its subsidiaries and affiliates shall be entitled to an injunction restraining me from such breach or threatened breach, in addition to any other relief permitted under applicable law or pursuant to my Employment Letter Agreement (including, but not limited to, the withholding or recovery of amounts paid under Section 11 or 12 of the Employment Letter Agreement). Global Eagle will not be required to post a bond or other security in connection with, or as a condition to, obtaining such relief before a court of competent jurisdiction. Nothing herein shall be construed as prohibiting Global Eagle from pursuing any other remedies, at law or in equity, for such breach or threatened breach. I acknowledge that in the event I breach the terms of this Confidentiality Agreement, Global Eagle will seek an injunction to enforce the terms of this Confidentiality Agreement.

3. ARBITRATION

Any and all claims or controversies arising out of or relating to my employment, the termination thereof, or this Confidentiality Agreement hereto shall, in lieu of a jury or other civil trial, be settled by final and binding arbitration before a single arbitrator in Los Angeles, California, in accordance with then-current rules of the American Arbitration Association applicable to employment and related disputes. This agreement to arbitrate includes all claims whether arising in tort or contract and whether arising under statute or common law including, but not limited to, any claim of breach of contract, discrimination or harassment of any kind. The obligation to arbitrate such claims shall continue forever, and the arbitrator shall have jurisdiction to determine the arbitrability of any claim. The arbitrator shall have the authority to award any and all damages otherwise recoverable in a court of law. The arbitrator shall not have the authority to add to, subtract from or modify any of the terms of this Agreement. Judgment on any award rendered by the arbitrator may be entered and enforced by any court having jurisdiction thereof. Global Eagle shall be solely responsible for all costs of the arbitration other than the amount of the then-current filing fee charged by the Superior Court of the State of California for filing a complaint. That amount of that filing fee shall be borne by me and applied to any fee that the arbitrator shall impose. Each party shall be responsible for paying its own other costs for the arbitration process, including attorneys' fees, witness fees, transcript costs, lodging and travel expenses, expert witness fees, and online research charges, subject to the last sentence of this provision. I shall not be required to pay any type or amount of expense if such requirement would invalidate this agreement or would otherwise be contrary to the law as it exists at the time of the arbitration. The prevailing party in any arbitration shall be entitled to recover its reasonable attorney's fees and costs. Notwithstanding and in addition to the foregoing, Global Eagle may seek injunctive or equitable relief to enforce the terms of this Confidentiality Agreement in any court of competent jurisdiction.

4. GENERAL PROVISIONS

A. This Confidentiality Agreement will be governed by the laws of the State of Florida.

B. Nothing contained herein shall be construed to require the commission of any act contrary to law. Should there be any conflict between any provisions hereof and any present or future statute,

law, ordinance, regulation, or other pronouncement having the force of law, the latter shall prevail, but the provision of this Confidentiality Agreement affected thereby shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law, and the remaining provisions of this Confidentiality Agreement shall remain in full force and effect. This Confidentiality Agreement may not be assigned by me without the prior written consent of Global Eagle. Subject to the foregoing sentence, this Confidentiality Agreement will be binding upon my heirs, executors, administrators and other legal representatives and will be for the benefit of Global Eagle, its successors, and its assigns, and may be assigned by Global Eagle and shall be binding and inure to the benefit of Global Eagle, its successors and assigns.

C. The provisions of this Confidentiality Agreement are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions or parts thereof shall nevertheless be binding and enforceable. In the event that any provision of this Confidentiality Agreement is deemed unenforceable, Global Eagle and I agree that a court or an arbitrator chosen pursuant to the terms hereof shall reform such provision to the extent necessary to cause it to be enforceable to the maximum extent permitted by law. Global Eagle and I agree that each desires the court or arbitrator to reform such provision, and therefore agree that the court or arbitrator will have jurisdiction to do so and that each will abide by the determination of the court or arbitrator.

D. I have had the opportunity to review this Confidentiality Agreement at my leisure and have had the opportunity to ask questions regarding the nature of my employment with Global Eagle I have also been advised that I would be given the opportunity to allow my legal counsel to assist me in the review of this Confidentiality Agreement prior to my execution of this Confidentiality Agreement. I agree to execute any proper oath or verify any proper document required to carry out the terms of this Confidentiality Agreement. I represent that my performance of all the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment with Global Eagle. I have not entered into, and I agree I will not enter into any oral or written agreements in conflict herewith.

[signature page follows]

I have read, and I understand and agree to comply with, all terms above without any reservation whatsoever.

Per Norén
Signature: /s/ Per Norén Dated: March 12, 2017

Global Eagle Entertainment Inc.

By: /s/: Joshua Marks

Name: Joshua Marks

Title: EVP Aviation Connectivity

Exhibit 31.1

CERTIFICATION

I, Joshua B. Marks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Global Eagle Entertainment Inc.

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

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

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

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

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

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

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

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

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

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

Date: May 15, 2018

/s/ Joshua B. Marks

Joshua B. Marks
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION

I, Paul Rainey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Global Eagle Entertainment Inc.

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

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

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

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

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

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

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

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

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

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

Date: May 15, 2018

/s/ Paul Rainey

Paul Rainey
Chief Financial Officer
(principal financial officer and duly authorized officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

I, Joshua B. Marks, Chief Executive Officer of Global Eagle Entertainment Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2018 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2018

/s/ Joshua B. Marks
Joshua B. Marks
Chief Executive Officer
(principal executive officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

I, Paul Rainey, Chief Financial Officer of Global Eagle Entertainment Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2018 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2018

/s/ Paul Rainey
Paul Rainey
Chief Financial Officer
(principal financial officer and duly authorized officer)