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 September 30, 2001

Commission file number 0-24710

SIRIUS SATELLITE RADIO INC.

(Exact name of registrant as specified in its charter)

Delaware	52-1700207
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1221 Avenue of the Americas, 36th Floor
New York, New York 10020

(Address of principal executive offices) (Zip code)

212-584-5100

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

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

Common Stock, $.001 par value	54,163,229 shares
(Class)	(Outstanding as of November 1, 2001)

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		Cumulative for the period May 17, 1990 (date of inception)
	2001	2000	2001	2000	to September 30, 2001
Revenue	$ --	$ --	$ --	$ --	$ --
Operating expenses:					
Engineering design and development	(15,016)	(17,393)	(46,781)	(51,367)	(156,840)
General and administrative	(24,850)	(12,424)	(66,464)	(30,352)	(170,799)
Non-cash stock compensation benefit (charge)	9,216	(2,002)	(3,373)	(5,744)	(15,091)
Special charges	-	--	--	--	(27,682)
Total operating expenses	(30,650)	(31,819)	(116,618)	(87,463)	(370,412)
Other income (expense):					
Interest and investment income	5,010	6,265	14,386	20,691	68,025
Interest expense	(21,260)	(5,616)	(60,825)	(24,001)	(127,610)
	(16,250)	649	(46,439)	(3,310)	(59,585)
Loss before income taxes	(46,900)	(31,170)	(163,057)	(90,773)	(429,997)
Income taxes:					
Federal	--	--	--	--	(1,982)
State	--	--	--	--	(313)
Net loss	(46,900)	(31,170)	(163,057)	(90,773)	(432,292)
Preferred stock dividends	(10,336)	(9,547)	(30,724)	(29,871)	(122,574)
Preferred stock deemed dividends	(170)	(166)	(509)	(8,082)	(75,955)
Accretion of dividends in connection with the issuance of warrants on preferred stock	--	--	--	(900)	(7,704)
Net loss applicable to common stockholders	$(57,406)	$(40,883)	$(194,290)	$(129,626)	$(638,525)
Net loss per share applicable to common stockholders (basic and diluted)	$ (1.06)	$ (0.97)	$ (3.77)	$ (3.42)	
Weighted average common shares outstanding (basic and diluted)	54,063	42,001	51,575	37,924	

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

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

<TABLE>
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ASSETS	September 30, 2001 (Unaudited)	December 31, 2000
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 27,790	$ 14,397
Marketable securities, at market	335,310	129,153
Restricted investments, at amortized cost	28,419	41,510
Prepaid expenses and other	13,990	13,288
Total current assets	405,509	198,348
Property and equipment	1,070,460	1,016,570
Less: accumulated depreciation	(9,683)	(3,105)
	1,060,777	1,013,465
Other assets:		
FCC license	83,368	83,368
Debt issuance costs, net	19,444	20,124
Deposits and other	1,576	8,277
Total other assets	104,388	111,769
Total assets	$ 1,570,674	$ 1,323,582
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 41,659	$ 45,057
Satellite construction payable	--	9,310
Total current liabilities	41,659	54,367
Long-term notes payable and accrued interest	642,885	472,602
Deferred satellite payments and accrued interest	65,548	60,881
Deferred income taxes	2,237	2,237
Other long-term liabilities	54	--
Total liabilities	752,383	590,087
Commitments and contingencies:		
10-1/2% Series C Convertible Preferred Stock, no par value: 2,025,000 shares authorized, no shares issued or outstanding at September 30, 2001 and December 31, 2000	--	--
9.2% Series A Junior Cumulative Convertible Preferred Stock, $.001 par value: 4,300,000 shares authorized, 1,595,707 shares issued and outstanding at September 30, 2001 and December 31, 2000 (liquidation preference of $159,571), at net carrying value including accrued dividends	173,277	162,380
9.2% Series B Junior Cumulative Convertible Preferred Stock, $.001 par value: 2,100,000 shares authorized, 715,703 shares issued and outstanding at September 30, 2001 and December 31, 2000 (liquidation preference of $71,570), at net carrying value including accrued dividends	75,559	70,507
9.2% Series D Junior Cumulative Convertible Preferred Stock, $.001 par value: 10,700,000 shares authorized, 2,145,688 shares issued and outstanding at September 30, 2001 and December 31, 2000 (liquidation preference of $214,569), at net carrying value including accrued dividends	225,408	210,125
Stockholders' equity:		
Preferred stock, $.001 par value: 50,000,000 shares authorized, 8,000,000 shares designated as 5% Delayed Convertible Preferred Stock, none issued or outstanding	--	--
Common stock, $.001 par value: 200,000,000 shares authorized, 54,125,824 and 42,107,957 shares issued and outstanding at September 30, 2001 and December 31, 2000, respectively	54	42
Additional paid-in capital	776,285	559,676
Deficit accumulated during the development stage	(432,292)	(269,235)

Total stockholders' equity	344,047	290,483
Total liabilities and stockholders' equity	$ 1,570,674	$ 1,323,582

</TABLE>

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

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

<TABLE>
<CAPTION>

	For the Nine Months Ended September 30,		Cumulative for the period May 17, 1990 (date of inception) to September 30,
	2001	2000	2001
<S>	<C>	<C>	<C>
Cash flows from development stage activities:			
Net loss	$(163,057)	$ (90,773)	$ (432,292)
Adjustments to reconcile net loss to net cash provided by (used in) development stage activities:			
Depreciation expense	6,578	1,589	10,094
Decrease (increase) in gain on marketable securities	(739)	1,348	(3,015)
Loss on disposal of assets	--	249	364
Special charges	--	--	25,557
Accretion of note payable charged as interest expense	70,152	57,557	230,956
Non-cash stock compensation charge	3,373	5,744	15,091
Expense incurred in connection with conversion of debt	--	12,655	14,431
Increase (decrease) in cash and cash equivalents resulting from changes in assets and liabilities:			
Prepaid expenses and other	(702)	(7,183)	(13,990)
Due to related party	--	--	351
Other assets	9,894	(9,503)	4,903
Accounts payable and accrued expenses	(36,366)	(18,429)	(49,820)
Deferred taxes	--	--	2,237
Net cash used in development stage activities	(110,867)	(46,746)	(195,133)
Cash flows from investing activities:			
Purchases of property and equipment	(58,440)	(312,948)	(1,032,442)
Sales (purchases) of marketable securities and restricted investments, net	(192,242)	99,830	(361,231)
Purchase of FCC license	--	--	(83,368)
Acquisition of Sky-Highway Radio Corp.	--	--	(2,000)
Net cash used in investing activities	(250,682)	(213,118)	(1,479,041)
Cash flows from financing activities:			
Proceeds from issuance of common stock, net	229,593	100,180	591,674
Proceeds from issuance of preferred stock, net	--	192,450	505,418
Proceeds from issuance of notes payable	145,000	1,882	398,145
Proceeds from issuance of promissory notes and units, net	--	--	306,535
Proceeds from exercise of stock options and warrants	359	8,314	15,389
Proceeds from issuance of promissory notes to related parties	--	--	2,965
Loan from officer	--	--	440
Repayment of notes payable	--	(115,957)	(115,957)
Repayment of promissory notes	--	--	(2,635)
Principal payments under capital lease obligations	(10)	--	(10)
Net cash provided by financing activities	374,942	186,869	1,701,964

Net increase (decrease) in cash and cash equivalents	13,393	(72,995)	27,790
Cash and cash equivalents at the beginning of period	14,397	81,809	--
Cash and cash equivalents at the end of period	$ 27,790	$ 8,814	$ 27,790

</TABLE>

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

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, unless otherwise stated)
(Unaudited)

1. Business Activites

Sirius Satellite Radio Inc., a Delaware corporation, has developed a service for broadcasting digital quality programming via satellites to vehicles, homes and portable radios throughout the continental United States. We will focus exclusively on providing a consumer service; consumer electronics manufacturers will manufacture the radios required to receive our broadcasts. In April 1997, we were the winning bidder in an auction by the Federal Communications Commission for one of two national satellite broadcast licenses with a winning bid of approximately $83,300. We paid the bid amount during 1997 and were awarded an FCC license on October 10, 1997. Our principal activities to date have included obtaining regulatory approval for our service, constructing and launching our three satellite constellation, constructing our national broadcast studio, acquiring content for our programming, constructing our terrestrial repeater network, arranging for the development of radios, strategic planning and market research, recruiting our management team and securing financing for capital expenditures and working capital.

2. Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles and the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial reporting. Accordingly, our financial statements do not include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments (consisting only of normal, recurring adjustments) considered necessary for fair presentation have been included. We have not recognized any revenues, accordingly, our financial statements are presented as those of a development stage enterprise, as prescribed by Statement of Financial Accounting Standards ("SFAS") No. 7, "Accounting and Reporting by Development Stage Enterprises." All intercompany transactions have been eliminated in consolidation. These financial statements should be read in connection with our consolidated financial statements and the notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2000.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reported period. The estimates involve judgments with respect to, among other things, various future factors which are difficult to predict and are beyond our control. Actual amounts could differ from these estimates.

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, unless otherwise stated)
(Unaudited)

Marketable Securities and Restricted Investments

Marketable securities are classified as trading securities and are stated at market value. Marketable securities consist of U.S. government agency obligations and commercial paper issued by major U.S. corporations with high credit ratings. We recognized an unrealized holding gain on marketable securities of $739 and an unrealized holding loss on marketable securities of $1,348 for the nine month periods ended September 30, 2001 and 2000, respectively, and an unrealized holding gain of $3,015 for the period May 17, 1990 (date of inception) to September 30, 2001.

Restricted investments consist of fixed income securities and are stated at amortized cost plus accrued interest income. Restricted investments are classified as held-to-maturity securities and unrealized holding gains and losses are not reflected in earnings. As of September 30, 2001 and December 31, 2000, we had an unrealized holding gain of $320 and an unrealized holding loss of $16, respectively, related to these securities. We are required to hold the securities included in restricted investments until May 15, 2002 to pay interest on our 14-1/2% Senior Secured Notes due 2009.

Property and Equipment

All costs related to activities necessary to prepare our broadcast system for use are capitalized. To date, such costs consist of satellite construction, launch vehicle construction, launch insurance, broadcast studio equipment, terrestrial repeater network construction and capitalized interest.

Net Loss Per Share

Basic net loss per share is based on the weighted average number of outstanding shares of our common stock during each reporting period. Diluted net loss per share adjusts the weighted average for the potential dilution that could occur if common stock equivalents (convertible preferred stock, convertible debt, warrants and stock options) were exercised or converted into common stock. As of September 30, 2001 and 2000, approximately 17,044,000 and 19,808,000 common stock equivalents were outstanding, respectively, and were excluded from the calculation of diluted net loss per share, as they were anti-dilutive.

Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations" (effective June 30, 2001) and SFAS No. 142, "Goodwill and Other Intangible Assets" (effective January 1, 2002). The adoption of SFAS No. 141, which prohibits pooling-of-interests accounting for acquisitions, had no material impact on our financial statements. SFAS No. 142 specifies that goodwill and certain intangible assets will no longer be amortized but instead will be subject to periodic impairment testing. We are in the process of evaluating the financial statement impact of the adoption of SFAS No. 142.

Reclassifications

Certain amounts in the prior years' financial statements have been reclassified to conform to the current presentation.

3. Deferred Satellite Payments

Space Systems/Loral, Inc. ("Loral") has deferred $50,000 due under our amended and restated contract (the "Loral Satellite Contract"). The amount deferred, which approximates fair value, bears interest at 10% per year and was originally due in quarterly installments beginning in June 2002. However, the Loral Satellite Contract provides that this date, and subsequent payment dates, will be extended by the number of days that the achievement of certain milestones is delayed beyond the dates set forth in the Loral Satellite Contract. Our fourth, spare, satellite is expected to be delivered to ground storage in December 2001 and was originally expected to be delivered to ground storage in October 2000. As a result of Loral's delay in delivering this satellite, we do not expect to make any required payments with respect to this deferred amount until August 2003, at the earliest. We have the right to prepay

(Dollar amounts in thousands, unless otherwise stated)

any deferred payments together with accrued interest, without penalty. As collateral security for this deferred amount, we have granted Loral a security interest in our terrestrial repeater network.

4. Long-term Notes Payable

Long-term Notes Payable consists of the following:

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	September 30, 2001	December 31, 2000
<S>	<C>	<C>
15% Senior Secured Discount Notes due 2007	$ 246,612	$ 218,405
14-1/2% Senior Secured Notes due 2009	175,595	173,361
8-3/4% Convertible Subordinated Notes due 2009	80,836	80,836
Term Loan Facility (current stated interest of 8.54%)	139,842	--
Long-term Notes Payable	$642,885	$ 472,602

</TABLE>

5. Commitments and Contingencies

Satellite Contract

We entered into the Loral Satellite Contract to build and launch the satellites necessary for our service. We are committed to make aggregate payments of approximately $745,890 under the Loral Satellite Contract. As of September 30, 2001, $683,390 of this obligation had been satisfied. Our future payments due on the Loral Satellite Contract, excluding payments for interest accrued on our deferred satellite payments, are as follows: $12,500 in 2002, $16,667 in 2003, $25,000 in 2004 and $8,333 in 2005. The amount and timing of these payments depends upon the delivery of our fourth, spare, satellite.

Radio Commitments

Matsushita Communication Industrial Corporation of USA ("Panasonic") has constructed a dedicated facility in Peachtree City, Georgia, to manufacture radios capable of receiving our broadcasts. During the first year of production of our radios at this facility, we are obligated to purchase certain radios not purchased by other customers. If Panasonic were unable to sell any of the applicable radios, our cost to purchase these radios could approximate $70,000.

Programming Agreements

We have entered into agreements with providers of non-music programming. We are obligated, in certain instances, to pay license fees, share advertising revenue from this programming or purchase advertising on properties owned or controlled by these providers. These obligations aggregate $11,694, $13,225, $27,826 and $21,850, respectively, for the years ending December 31, 2002, 2003, 2004 and 2005. We may enter into additional non-music programming agreements that contain similar provisions.

6. Engineering Design and Development

We have entered into agreements with Agere Systems, Inc. (the successor to the micro-electronics group of Lucent Technologies, Inc.) to develop and manufacture integrated circuits ("chip sets") which will be used in radios capable of receiving our broadcasts. In addition, we have entered into agreements with Alpine Electronics Inc., Audiovox Corporation, Clarion Co., Ltd., Delphi Delco Electronics Systems, Harman International Industries, Incorporated, Kenwood Corporation, Panasonic, Pioneer Corporation, Recoton Corporation, Sony Electronics Inc., Visteon Automotive Systems and others to design, develop and produce radios capable of receiving our broadcasts and have agreed to pay certain costs associated with these radios. We record expenses under these agreements as work is performed. Total expenses related to these agreements were $31,907 and $38,843 for the nine month periods ended September 30, 2001 and 2000, respectively, and $106,588 for the period May 17, 1990 (date

of inception) to September 30, 2001.

7. Stock Option Plans

In April 2001, the Compensation Committee of our Board of Directors amended the exercise price of approximately 3,982,000 employee stock options. In accordance with Financial Accounting Standards Board Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation," repriced stock options are subject to variable accounting, which requires a compensation charge or benefit to be recorded each period based on the market value of our common stock until the repriced stock options are exercised, forfeited or expire. We recognized a non-cash compensation benefit of $10,000 and a non-cash compensation charge of $83 for the three-month and nine-month periods ended September 30, 2001, respectively, related to the repriced stock options. As of September 30, 2001, approximately 3,891,000 of the repriced stock options were outstanding. We will record future non-cash stock compensation charges or benefits based on the market value of our common stock at the end of each reporting period.

Management's Discussion and Analysis of Financial Condition and Results of Operations
(Dollar amounts in thousands, unless otherwise stated)

Special Note Regarding Forward-Looking Statements

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in forward-looking statements made in this Quarterly Report on Form 10-Q and in other reports and documents published by us from time to time. Any statements about our beliefs, plans, objectives, expectations, assumptions, future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "intends," "plans," "projection" and "outlook." Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout our Annual Report on Form 10-K for the year ended December 31, 2000 (the "Form 10-K") and in other reports and documents published by us from time to time, particularly the risk factors described under "Business--Risk Factors" in Part I of the Form 10-K. Among the significant factors that could cause our actual results to differ materially from those expressed in the forward-looking statements are:

- the unavailability of radios capable of receiving our broadcasts and our dependence upon third parties to manufacture and distribute them;
- the potential risk of delay in implementing our business plan;
- the unproven market for our service; and
- our need for additional financing.

Because the risk factors referred to above could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any such forward-looking statements. In addition, any forward-looking statements speak only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise or to assess with any precision the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

Overview

Sirius Satellite Radio Inc. was organized in May 1990 and is in its development stage. Our principal activities to date have included:

- obtaining regulatory approval for our service;
- constructing and launching our three satellite constellation;
- constructing our national broadcast studio;

- acquiring content for our programming;

- constructing our terrestrial repeater network;
- arranging for the development of radios capable of receiving our broadcasts;
- strategic planning and market research;
- recruiting our management team; and
- securing financing for capital expenditures and working capital.

We plan to launch our service in February in Denver, Houston and Phoenix. At launch, we expect to broadcast 60 channels of commercial-free music and 40 channels of news, sports and entertainment.

Our primary source of revenues will be our $12.95 per month subscription fee and one-time activation fee per subscriber. We expect our subscription to be included in the sale or lease of certain new vehicles. In addition, we expect to derive revenues from directly selling limited advertising on our non-music channels. These advertising revenues are not expected to be significant until we have acquired a substantial number of subscribers.

Our operating expenses will consist primarily of:

- marketing costs, including advertising, promotions, payments to retailers, dealers, distributors and automakers, and subsidies to radio manufacturers;
- programming costs, including royalty payments to copyright holders, license fees to programming providers and advertising revenue sharing arrangements;
- expenses of operating and maintaining our broadcast system, including costs of tracking and controlling our satellites, operating our terrestrial repeater network, and maintaining our national broadcast studio;
- expenses associated with the continuing development of our receiver technology, including the costs of designing and developing future chip sets; and
- general and administrative costs, including salary and employment related expenses, rent and occupancy costs, insurance expenses and other miscellaneous costs, such as legal and consulting fees.

As of November 9, 2001, we had 233 employees. When we launch our service we expect to have approximately 250 employees, increasing to approximately 350 employees by December 31, 2002.

Results of Operations

Three Months Ended September 30, 2001 Compared with Three Months Ended September 30, 2000

We had net losses of $46,900 and $31,170 for the three months ended September 30, 2001 and 2000, respectively. Our total operating expenses were $30,650 and $31,819 for the three months ended September 30, 2001 and 2000, respectively.

Engineering design and development costs were $15,016 and $17,393 for the three months ended September 30, 2001 and 2000, respectively. These engineering costs represented primarily payments to Agere Systems, Inc. (53% in the 2001 period and 17% in the 2000 period) and other radio development and manufacturing partners (12% in the 2001 period and 53% in the 2000 period). The decrease in costs in the 2001 period was primarily due to the completion of most activity relating to the development of radios capable of receiving our broadcasts before the 2001 period.

General and administrative expenses increased for the three months

ended September 30, 2001 to $24,850 from $12,424 for the three months ended September 30, 2000. General and administrative expenses increased principally due to the growth of our workforce, operation of our terrestrial repeater network, depreciation of our broadcast studio equipment and the cost of in-orbit insurance for our three satellites during the entire 2001 period. The major components of general and administrative expenses in the 2001 period were salaries and employment related costs (23%), rent and occupancy costs (17%), marketing costs (13%) and insurance costs (12%), while in the 2000 period the major components were salaries and employment related costs (31%), rent and occupancy (15%), marketing costs (19%) and insurance costs (11%). The remaining portion of general and administrative expenses (35% in the 2001 period and 24% in the 2000 period) consisted of other costs such as legal and regulatory, consulting, travel, depreciation and supplies, with no amount exceeding 10% of the total.

We recognized a non-cash stock compensation benefit of $9,216 for the three months ended September 30, 2001 and a non-cash stock compensation charge of $2,002 for the three months ended September 30, 2000. The non-cash stock compensation benefit in the 2001 period resulted primarily from the variable accounting treatment of certain employee stock options repriced in April 2001. Under variable accounting the decrease in the market value of our common stock during the period resulted in a non-cash stock compensation benefit of $10,000. We expect to record future non-cash stock compensation charges or benefits based on the market value of our common stock at the end of each reporting period.

Interest and investment income decreased to $5,010 for the three months ended September 30, 2001, from $6,265 for the three months ended September 30, 2000. Despite our higher average balances in cash, cash equivalents and marketable securities during the 2001 period, lower returns on our investments in U.S. government securities during the 2001 period resulted in lower interest and investment income.

Interest expense was $21,260 for the three months ended September 30, 2001 and $5,616 for the three months ended September 30, 2000, net of capitalized interest of $4,982 and $14,919, respectively. Gross interest expense for the 2001 period increased by $5,707 and capitalized interest decreased by $9,937, compared to the 2000 period. The increase in gross interest from the prior period was primarily due to the amounts outstanding under our Term Loan Agreement with Lehman Brothers, which was not outstanding during the 2000 period. The decrease in capitalized interest during the 2001 period was primarily due to the lower level of construction in process. Construction in process decreased as compared to the 2000 period due to the launch of our satellites. Construction in process during the period related principally to our fourth, spare, satellite and construction of our terrestrial repeater network.

Nine Months Ended September 30, 2001 Compared with Nine Months Ended September 30, 2000

We had net losses of $163,057 and $90,773 for the nine months ended September 30, 2001 and 2000, respectively. Our total operating expenses were $116,618 and $87,463 for the nine months ended September 30, 2001 and 2000, respectively.

Engineering design and development costs were $46,781 and $51,367 for the nine months ended September 30, 2001 and 2000, respectively. These engineering costs represented primarily payments to Agere Systems, Inc. (48% in the 2001 period and 40% in the 2000 period) and other radio development and manufacturing partners (20% in the 2001 period and 35% in the 2000 period). The decrease in costs in the 2001 period was primarily due to the completion of most activity relating to the development of radios capable of receiving our broadcasts during the 2001 period.

General and administrative expenses increased for the nine months ended September 30, 2001 to $66,464 from $30,352 for the nine months ended September 30, 2000. General and administrative expenses increased principally due to the growth of our workforce, operation of our terrestrial repeater network, depreciation of our broadcast studio equipment and the cost of in-orbit insurance for our three satellites during the entire 2001 period. The major components of general and administrative expenses in the 2001 period were salaries and employment related costs (23%), rent and occupancy costs (16%) and marketing costs (13%), while in the 2000 period the major components were salaries and employment related costs (34%), rent and occupancy costs (15%) and marketing costs (15%). The remaining portion of general and administrative expenses (48% in the 2001 period and 36% in the 2000 period) consisted of other costs such as legal and regulatory, insurance, consulting, travel, depreciation and supplies, with only insurance (13%) exceeding 10% of the total in the 2001 period and no amount exceeding 10% of the total in the 2000 period.

Non-cash stock compensation charge decreased for the nine months ended September 30, 2001 to $3,373 from $5,744 for the nine months ended September 30, 2000. The decrease in charges in the 2001 period resulted primarily from the decrease in compensation expense associated with stock options granted to certain employees and consultants. We expect to record future non-cash stock compensation charges or benefits based on the market value of our common stock at the end of each reporting period due to variable accounting associated with the repricing of certain employees stock options in April 2001.

The decrease in interest and investment income to $14,386 for the nine months ended September 30, 2001, from $20,691 for the nine months ended September 30, 2000, resulted from lower returns on our investments in U.S. government securities during the 2001 period.

Interest expense was $60,825 for the nine months ended September 30, 2001 and $24,001 for the nine months ended September 30, 2000, net of capitalized interest of $14,055 and $52,618, respectively. Gross interest expense for the 2001 period decreased by $1,739 and capitalized interest decreased by $38,563, compared to the 2000 period. The decrease in gross interest from the prior period was due to the expense incurred in the 2000 period related to the induced conversion of a portion of our 8-3/4% Convertible Subordinated Notes due 2009, net of an increase in gross interest during the 2001 period resulting primarily from the amount outstanding under our Term Loan Agreement with Lehman Brothers, which was not outstanding during the 2000 period. The decrease in capitalized interest during the 2001 period was primarily due to the lower level of construction in process. Construction in process decreased as compared to the 2000 period due to the launch of our satellites. Construction in process during the period related principally to our fourth, spare, satellite and construction of our terrestrial repeater network.

Liquidity and Capital Resources

At September 30, 2001, we had cash, cash equivalents, marketable securities and restricted investments totaling $391,519 and working capital of $363,850 compared with cash, cash equivalents, marketable securities and restricted investments totaling $185,060 and working capital of $143,981 at December 31, 2000.

Funding Requirements. We entered into a satellite contract (the "Loral Satellite Contract") with Space Systems/Loral, Inc. ("Loral") to build and launch the satellites necessary to transmit our service. The Loral Satellite Contract requires Loral to:

- construct, launch and deliver three satellites in-orbit and checked-out;
- construct a fourth satellite for use as a spare; and
- deliver $15,000 of long-lead time parts for a possible fifth satellite.

We are committed to make aggregate payments of approximately $745,890 under the Loral Satellite Contract. As of September 30, 2001, $683,390 of this obligation had been satisfied. Our future payments due to Loral, excluding payments for interest accrued on our deferred satellite payments, are as follows: $12,500 in 2002, $16,667 in 2003, $25,000 in 2004 and $8,333 in 2005. The amount and timing of our future payments to Loral depends upon the completion of construction of our fourth, spare, satellite.

The amount and timing of our other cash requirements will depend upon numerous factors, including the rate of growth of our business, costs associated with the design and development of chip sets and radios, costs of financing and the possibility of unanticipated costs.

Sources of Funding. To date, we have funded our capital needs through the issuance of debt and equity securities.

As of September 30, 2001, we had received a total of approximately $1,103,300 in equity capital as a result of the following transactions:

- the sale of shares of our common stock (net proceeds of approximately $22,000) prior to the issuance of our FCC license in October 1997;
- the sale of 5,400,000 shares of our 5% Delayed Convertible Preferred Stock (net proceeds of approximately $121,000) in April 1997 (in November 1997, we exchanged 1,846,799 shares of our 10-1/2% Series C Convertible Preferred Stock for all the outstanding shares of our 5%

Delayed Convertible Preferred Stock) (all shares of our 10-1/2% Series C Convertible Preferred Stock have since been converted into shares of our common stock);

- the sale of 4,955,488 shares of our common stock (net proceeds of approximately $71,000) in 1997;

- the sale of 5,000,000 shares of our common stock to Prime 66 Partners, L.P. (net proceeds of approximately $98,000) in November 1998;

- the sale of 1,350,000 shares of our 9.2% Series A Junior Cumulative Convertible Preferred Stock to Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P. (collectively, the "Apollo Investors") (net proceeds of approximately $129,000) in December 1998;

- the sale of 650,000 shares of our 9.2% Series B Junior Cumulative Convertible Preferred Stock to the Apollo Investors (net proceeds of approximately $63,000) in November 1999;

- the sale of 3,450,000 shares of our common stock in an underwritten public offering (net proceeds of approximately $78,000) in September and October 1999;

- the sale of 2,000,000 shares of our 9.2% Series D Junior Cumulative Convertible Preferred Stock to affiliates of The Blackstone Group L.P. (net proceeds of approximately $192,000) in January 2000;

- the sale of 2,290,322 shares of our common stock to DaimlerChrysler Corporation (net proceeds of approximately $100,000) in February 2000; and

- the sale of 11,500,000 shares of our common stock in an underwritten public offering (net proceeds of approximately $229,300) in February 2001.

As of September 30, 2001, we had received a total of approximately $443,000 in net proceeds from the following public debt offerings:

- 12,910 units, each consisting of $20 aggregate principal amount at maturity of our 15% Senior Secured Discount Notes due 2007 and a warrant to purchase additional 15% Senior Secured Discount Notes due 2007 with an aggregate principal amount at maturity of $3 in an underwritten public offering (net proceeds of approximately $116,000) in November 1997. All of these warrants were exercised in 1997. The aggregate value at maturity of our 15% Senior Secured Discount Notes due 2007 is approximately $297,000. Our 15% Senior Secured Discount Notes due 2007 mature on December 1, 2007 and the first cash interest payment is due in June 2003.

- 200,000 units, each consisting of $1 aggregate principal amount of our 14-1/2% Senior Secured Notes due 2009 and three warrants, each to purchase 4.189 shares of our common stock (as of September 30, 2001) in an underwritten public offering (net proceeds of approximately $190,000) in May 1999. The warrants are exercisable through May 15, 2009 at an exercise price of $24.92 per share (as of September 30, 2001). We invested approximately $79,300 of the net proceeds from this offering in a portfolio of U.S. government securities, which we pledged as security for payment in full of interest due on the 14-1/2% Senior Secured Notes due 2009 through May 15, 2002.

- $125,000 aggregate principal amount of our 8-3/4% Convertible Subordinated Notes due 2009 in an underwritten public offering (net proceeds of approximately $119,000) in September 1999. In October 1999, we issued an additional $18,750 aggregate principal amount of these notes to the underwriters of that offering in connection with their over-allotment option (net proceeds of approximately $18,000).

The indentures governing our 14-1/2% Senior Secured Notes due 2009 and our 15% Senior Secured Discount Notes due 2007 contain limitations on our ability to issue additional debt. These notes are secured by a pledge of the stock of Satellite CD Radio, Inc., our subsidiary that holds our FCC license. As of September 30, 2001, we had acquired $62,914 principal amount of our 8-3/4% Convertible Subordinated Notes due 2009 in exchange for shares of our common

stock.

Loral has deferred a total of $50,000 of payments under the Loral Satellite Contract originally scheduled for payment in 1999. These deferred amounts bear interest at 10% per year and were originally scheduled to be paid in quarterly installments beginning in June 2002. However, the agreement governing these deferred amounts provides that this date, and subsequent payment dates, will be extended by the number of days that the achievement of any milestone under the Loral Satellite Contract is delayed beyond the dates set forth in the Loral Satellite Contract. Our fourth, spare, satellite was originally expected to be delivered to ground storage in October 2000 and now is expected to be delivered to ground storage in December 2001. As a result of this delay, we do not expect to make any required payments with respect to these deferred payments until August 2003, at the earliest. As security for these deferred payments, we have granted Loral a security interest in our terrestrial repeater network.

On June 1, 2000, we entered into a term loan agreement with Lehman Commercial Paper Inc. ("LCPI") and Lehman Brothers Inc. On March 7, 2001, we borrowed $150,000 of term loans from LCPI under this agreement. These term loans bear interest at an annual rate equal to the eurodollar rate plus 4% or a base rate, typically the prime rate, plus 5%. These term loans are secured by a pledge of the stock of Satellite CD Radio, Inc., our subsidiary that holds our FCC license, and our rights under the Loral Satellite Contract relating to our fourth, spare, satellite.

The term loans mature in quarterly installments, commencing on March 31, 2003, in an amount equal to the percentage set forth below of the aggregate principal amount of the loans:

<TABLE>
<CAPTION>

Installment	Percentage
<S>	<C>
March 31, 2003	0.25%
June 30, 2003	0.25%
September 30, 2003	0.25%
December 31, 2003	0.25%
March 31, 2004	2.25%
June 30, 2004	2.25%
September 30, 2004	2.25%
December 31, 2004	2.25%
March 31, 2005	22.50%
June 30, 2005	22.50%
September 30, 2005	22.50%
December 31, 2005	22.50%

</TABLE>

We may prepay the term loans in whole at any time or in part from time to time. Prepayment prior to March 7, 2004 must be accompanied by a specified prepayment penalty. We must prepay the term loans:

- with the net proceeds of certain incurrences of indebtedness;
- with the proceeds of asset sales, subject to certain exceptions; and
- commencing with the fiscal year ending December 31, 2002, with excess cash.

The term loan facility contains customary covenants and events of default for a senior secured bank loan. These covenants restrict our ability to issue additional debt and engage in certain activities.

In connection with this term loan facility, we granted LCPI 2,100,000 warrants, each to purchase one share of our common stock, at an exercise price of $29.00 per share.

Shares of our 9.2% Series A Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock are convertible into shares of our common stock at a price of $30.00 per share. Dividends on our 9.2% Series A Junior Cumulative Convertible Preferred Stock and

9.2% Series B Junior Cumulative Convertible Preferred Stock are payable in kind or in cash annually, at our option. Holders of our 9.2% Series A Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock have the right to vote, on an as-converted basis, on matters on which the holders of our common stock have the right to vote. Shares of our 9.2% Series A Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock:

- are callable by us beginning November 15, 2001 at a price of 100% if the current market price, as defined in the certificates of designation of the 9.2% Series A Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock, of our common stock exceeds $60.00 per share for a period of 20 consecutive trading days;

- will be callable in all events beginning November 15, 2003 at a price of 100%; and

- must be redeemed by us on November 15, 2011.

Shares of our 9.2% Series D Junior Cumulative Convertible Preferred Stock are convertible into shares of our common stock at a price of $34.00 per share. Dividends on our 9.2% Series D Junior Cumulative Convertible Preferred Stock are payable in kind or in cash annually, at our option. Holders of our 9.2% Series D Junior Cumulative Convertible Preferred Stock have the right to vote, on an as-converted basis, on matters in which the holders of our common stock have the right to vote. Shares of our 9.2% Series D Junior Cumulative Convertible Preferred Stock:

- are callable by us beginning December 23, 2002 at a price of 100% if the current market price, as defined in the certificate of designation of the 9.2% Series D Junior Cumulative Convertible Preferred Stock, of our common stock exceeds $68.00 per share for a period of 20 consecutive trading days;

- will be callable in all events beginning December 23, 2004 at a price of 100%; and

- must be redeemed by us on November 15, 2011.

As of November 9, 2001, we had sufficient funds to operate our business at least until the end of 2002. We will require additional funds to support our planned operations thereafter until our revenues grow substantially. We plan to fund our additional capital needs through the issuance of debt and equity securities.

Part II

Other Information

Item 1. Legal Proceedings

On September 18, 2001, a purported class action lawsuit entitled Sterbenk v. Sirius Satellite Radio, Inc., 2:01-CV-295, was filed against us and certain of our current and former executive officers in the U.S. District Court for the District of Vermont. Subsequently, on November 6, 2001, a second purported class action lawsuit entitled Johnson v. Sirius Satellite Radio, Inc., 2:01-CV-339, was filed. Both complaints allege violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The complaints allege, among other things, that the defendants issued materially false and misleading statements and press releases concerning when our service would be commercially available, which caused the market price of our common stock to be artificially inflated. The complaints seek an unspecified amount of money damages. We believe that the allegations in these complaints have no merit and will vigorously defend against these actions.

Item 5. Other Information

Mr. David Margolese resigned as our Chief Executive Officer on October 16, 2001. In connection with his resignation, he received a severance payment of $5,000,000.

On October 16, 2001, Sirius entered into an agreement with Mr. Margolese regarding his continuing responsibilities as non-executive chairman of the board of directors. Under this agreement:

- Mr. Margolese will receive, at the discretion of the board, a fee of

$200,000 per year;

- The termination date of stock options held by Mr. Margolese will be extended until April 16, 2007, provided that Mr. Margolese remains chairman of our board of directors and complies with obligations under the agreement; and

- Mr. Margolese's existing employment agreement was cancelled.

The agreement also contains non-competition and confidentiality provisions similar to those contained in Mr. Margolese's cancelled employment agreement.

The duties of Chief Executive Officer have been assumed, on an interim basis, by an Office of the Chief Executive consisting of John J. Scelfo, our Senior Vice President and Chief Financial Officer, and Patrick L. Donnelly, our Senior Vice President and General Counsel. An intensive search for a new Chief Executive Officer is being conducted by our board of directors.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

See Exhibit Index attached hereto.

(b) Reports on Form 8-K.

None.

SIGNATURES

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

SIRIUS SATELLITE RADIO INC.

By: /s/ Edward Weber, Jr.

Edward Weber, Jr.
Vice President and Controller
(Principal Accounting Officer)

November 14, 2001

Exhibit Index

<TABLE>
<CAPTION>

Exhibit	Description
<S>	<C>
3.1.1	Certificate of Amendment, dated June 16, 1997, to the Company's Certificate of Incorporation and the Company's Amended and Restated Certificate of Incorporation, dated January 31, 1994 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
3.1.2	Certificate of Ownership and Merger merging Sirius Satellite Radio Inc. into CD Radio Inc. dated November 18, 1999 (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 (File No. 333-31362)).
3.2	Amended and Restated By-Laws (filed herewith).

3.3	Certificate of Designations of 5% Delayed Convertible Preferred Stock (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 1996 (the "1996 Form 10-K")).
3.4	Form of Certificate of Designations of Series B Preferred Stock (incorporated by reference to Exhibit A to Exhibit 1 to the Company's Registration Statement on Form 8-A filed on October 30, 1997 (the "Form 8-A")).
3.5.1	Form of Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of 10 1/2% Series C Convertible Preferred Stock (the "Series C Certificate of Designations") (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4 (File No. 333-34761)).
3.5.2	Certificate of Correction to Series C Certificate of Designations (incorporated by reference to Exhibit 3.5.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997 (the "1997 Form 10-K")).
3.5.3	Certificate of Increase of 10 1/2% Series C Convertible Preferred Stock (incorporated by reference to Exhibit 3.5.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
3.6	Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of the Company's 9.2% Series A Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 3.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
3.7	Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of the Company's 9.2% Series B Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 3.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).

</TABLE>

<TABLE>
<CAPTION>

Exhibit	Description
<S>	<C>
3.8	Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of the Company's 9.2% Series D Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed on December 29, 1999).
4.1	Form of certificate for shares of Common Stock (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-1 (File No. 33-74782 (the "S-1 Registration Statement")).
4.2	Form of certificate for shares of 10 1/2% Series C Convertible Preferred Stock (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-4 (File No. 333-34761)).
4.3	Form of certificate for shares of 9.2% Series A Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 4.10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (the "1998 Form 10-K")).
4.4	Form of certificate for shares of 9.2% Series B Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 4.10.2 to the 1998 Form 10-K).
4.5	Form of certificate for shares of 9.2% Series D Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (the "1999

Form 10-K")).

4.6.1	Rights Agreement, dated as of October 22, 1997 (the "Rights Agreement"), between the Company and Continental Stock Transfer & Trust Company, as rights agent (incorporated by reference to Exhibit 1 to the Form 8-A).
4.6.2	Form of Right Certificate (incorporated by reference to Exhibit B to Exhibit 1 to the Form 8-A).
4.6.3	Amendment to the Rights Agreement dated as of October 13, 1998 (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated October 13, 1998).
4.6.4	Amendment to the Rights Agreement dated as of November 13, 1998 (incorporated by reference to Exhibit 99.7 to the Company's Current Report on Form 8-K dated November 17, 1998).
4.6.5	Amended and Restated Amendment to the Rights Agreement dated as of December 22, 1998 (incorporated by reference to Exhibit 6 to the Amendment No. 1 to the Form 8-A filed on January 6, 1999).
4.6.6	Amendment to the Rights Agreement dated as of June 11, 1999 (incorporated by reference to Exhibit 4.1.8 to the Company's Registration Statement on Form S-4 (File No. 333-82303) (the "1999 Units Registration Statement")).

</TABLE>

<TABLE>
<CAPTION>

Exhibit	Description
<S>	<C>
4.6.7	Amendment to the Rights Agreement dated as of September 29, 1999 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 13, 1999).
4.6.8	Amendment to the Rights Agreement dated as of December 23, 1999 (incorporated by reference to Exhibit 99.4 to the Company's Current Report on Form 8-K filed on December 29, 1999).
4.6.9	Amendment to the Rights Agreement dated as of January 28, 2000 (incorporated by reference to Exhibit 4.6.9 to the 1999 Form 10-K).
4.6.10	Amendment to the Rights Agreement dated as of August 7, 2000 (incorporated by reference to Exhibit 4.6.10 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
4.7	Indenture, dated as of November 26, 1997, between the Company and IBJ Schroder Bank & Trust Company, as trustee, relating to the Company's 15% Senior Secured Discount Note due 2007 (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 (File No. 333-34769) (the "1997 Units Registration Statement")).
4.8	Form of 15% Senior Secured Discount Note due 2007 (incorporated by reference to Exhibit 4.2 to the 1997 Units Registration Statement).
4.9	Warrant Agreement, dated as of November 26, 1997, between the Company and IBJ Schroder Bank & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.3 to the 1997 Units Registration Statement).
4.10	Form of Warrant (incorporated by reference to Exhibit 4.4 to the 1997 Units Registration Statement).

4.11	Form of Preferred Stock Warrant Agreement, dated as of April 9, 1997, between the Company and each warrantholder thereof (incorporated by reference to Exhibit 4.12 to the 1997 Form 10-K).
4.12	Form of Common Stock Purchase Warrant granted by the Company to Everest Capital Master Fund, L.P. and to The Ravich Revocable Trust of 1989 (incorporated by reference to Exhibit 4.11 to the 1997 Form 10-K).
4.13	Indenture, dated as of May 15, 1999, between the Company and United States Trust Company of New York, as trustee, relating to the Company's 14 1/2% Senior Secured Notes due 2009 (incorporated by reference to Exhibit 4.4.2 to the "1999 Units Registration Statement").
4.14	Form of 14 1/2% Senior Secured Note due 2009 (incorporated by reference to Exhibit 4.4.2 to the 1999 Units Registration Statement).

</TABLE>

<TABLE>
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Exhibit	Description
<S>	<C>
4.15	Warrant Agreement, dated as of May 15, 1999, between the Company and United States Trust Company of New York, as warrant agent (incorporated by reference to Exhibit 4.4.4 to the 1999 Units Registration Statement).
4.16	Common Stock Purchase Warrant granted by the Company to Ford Motor Company, dated June 11, 1999 (incorporated by reference to Exhibit 4.4.2 to the 1999 Units Registration Statement).
4.17	Indenture, dated as of September 29, 1999, between the Company and United States Trust Company of Texas, N.A., as trustee, relating to the Company's 8 3/4% Convertible Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on October 13, 1999).
4.18	First Supplemental Indenture, dated as of September 29, 1999, between the Company and United States Trust Company of Texas, N.A., as trustee, relating to the Company's 8 3/4% Convertible Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.01 to the Company's Current Report on Form 8-K filed on October 1, 1999).
4.19	Form of 83/4% Convertible Subordinated Note due 2009 (incorporated by reference to Article VII of Exhibit 4.01 to the Company's Current Report on Form 8-K filed on October 1, 1999).
4.20	Common Stock Purchase Warrant granted by the Company to DaimlerChrysler Corporation, dated January 28, 2000 (incorporated by reference to Exhibit 4.23 to the 1999 Form 10-K).
4.21	Term Loan Agreement, dated as of June 1, 2000 (the "Term Loan Agreement"), among the Company, Lehman Brothers Inc., as arranger, and Lehman Commercial Paper Inc., as syndication and administrative agent (incorporated by reference to Exhibit 4.22 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000).
4.22	First Amendment, dated as of October 20, 2000, to the Term Loan Agreement (filed herewith).
4.23	Second Amendment, dated as of December 27, 2000, to the Term Loan Agreement (filed herewith).
4.24	Amended and Restated Warrant Agreement, dated as of December 27, 2000, between the Company and United States Trust Company of New York, as warrant agent and escrow agent (incorporated by reference to Exhibit 4.27 to the Company's Registration Statement on Form S-3 (File No. 333-65602)).

4.25	Second Amended and Restated Pledge Agreement, dated as of March 7, 2001, among the Company, as pledgor, The Bank of New York, as trustee and collateral agent, United States Trust Company of New York, as trustee, and Lehman Commercial Paper Inc., as administrative agent (filed herewith).
4.26	Collateral Agreement, dated as of March 7, 2001, between the Company, as borrower, and The Bank of New York, as collateral agent (filed herewith).

</TABLE>

<TABLE>
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Exhibit	Description
<S>	<C>
4.27	Amended and Restated Intercreditor Agreement, dated March 7, 2001, by and between The Bank of New York, as trustee and collateral agent, United States Trust Company of New York, as trustee, and Lehman Commercial Paper, as administrative agent (filed herewith).
9.1	Voting Trust Agreement, dated as of August 26, 1997, by and among Darlene Friedland, as Grantor, David Margolese, as Trustee, and the Company (incorporated by reference to Exhibit (c) to the Company's Issuer Tender Offer Statement on Form 13E-4 filed on October 16, 1997).
10.1.1	Lease Agreement, dated as of March 31, 1998, between Rock-McGraw, Inc. and the Company (incorporated by reference to Exhibit 10.1.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
10.1.2	Supplemental Indenture, dated as of March 22, 2000, between Rock-McGraw, Inc. and the Company (incorporated by reference to Exhibit 10.1.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000).
*10.2	Employment Agreement, dated as of March 28, 2000, between the Company and Joseph S. Capobianco (incorporated by reference to Exhibit 10.5 to the 1999 Form 10-K).
*10.3	Employment Agreement, dated as of March 28, 2000, between the Company and Patrick L. Donnelly (incorporated by reference to Exhibit 10.6 to the 1999 Form 10-K).
*10.4	Employment Agreement, dated as of April 17, 2000, between the Company and Dr. Mircho Davidov (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000).
*10.5	Employment Agreement, dated as of March 7, 2001, between the Company and John J. Scelfo (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001).
*10.6	Employment Agreement, dated as of August 29, 2001, between the Company and Michael S. Ledford (filed herewith).
*10.7	Agreement, dated as of October 16, 2001, between the Company and David Margolese (filed herewith).
*10.8	1994 Stock Option Plan (incorporated by reference to Exhibit 10.21 to the S-1 Registration Statement).
*10.9	Amended and Restated 1994 Directors' Nonqualified Stock Option Plan (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995).
*10.10	CD Radio Inc. 401(k) Savings Plan (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-8 (File No. 333-65473)).

</TABLE>

<TABLE>
<CAPTION>

Exhibit	Description
<S>	<C>
*10.11	Sirius Satellite Radio 1999 Long-Term Stock Incentive Plan (incorporated by reference to Exhibit 4.4 of the Company's Registration Statement on Form S-8 (File No. 333-31362)).
10.12	Form of Option Agreement, dated as of December 29, 1997, between the Company and each Optionee (incorporated by reference to Exhibit 10.16.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
10.13	Stock Purchase Agreement, dated as of October 8, 1998, between the Company and Prime 66 Partners, L.P. (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated October 8, 1998).
10.14.1	Stock Purchase Agreement, dated as of November 13, 1998 (the "Apollo Stock Purchase Agreement"), by and among the Company, Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P. (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated November 17, 1998).
10.14.2	First Amendment, dated as of December 23, 1998, to the Apollo Stock Purchase Agreement (incorporated by reference to Exhibit 10.28.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
10.14.3	Second Amendment, dated as of December 23, 1999, to the Apollo Stock Purchase Agreement (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K filed on December 29, 1999).
10.15	Stock Purchase Agreement, dated as of December 23, 1999 (the "Blackstone Stock Purchase Agreement"), by and between the Company and Blackstone Capital Partners III Merchant Banking Fund L.P. (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on December 29, 1999).
10.16	Stock Purchase Agreement, dated as of January 28, 2000, among the Company, Mercedes-Benz USA, Inc., Freightliner Corporation and DaimlerChrysler Corporation (incorporated by reference to Exhibit 10.24 to the 1999 Form 10-K).
10.17	Tag-Along Agreement, dated as of November 13, 1998, by and among Apollo Investment Fund IV, L.P., Apollo Overseas Partners IV, L.P., the Company and David Margolese (incorporated by reference to Exhibit 99.6 to the Company's Current Report on Form 8-K dated November 17, 1998).
'D'10.18	Agreement, dated as of June 11, 1999, between the Company and Ford Motor Company (incorporated by reference to Exhibit 10.33 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
'D'10.19	Joint Development Agreement, dated as of February 16, 2000, between the Company and XM Satellite Radio Inc. (incorporated by reference to Exhibit 10.28 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000).

</TABLE>

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* This document has been identified as a management contract or compensatory plan or arrangement.

'D' Portions of these exhibits have been omitted pursuant to Applications for Confidential treatment filed by the Company with the Securities and Exchange Commission.

STATEMENT OF DIFFERENCES

The registered trademark symbol shall be expressed as..... 'r'
The section symbol shall be expressed as..... 'SS'
The dagger symbol shall be expressed as..... 'D'

<Page>

Exhibit 3.2

AMENDED AND RESTATED BY-LAWS

OF

SIRIUS SATELLITE RADIO INC.

ARTICLE I.

STOCKHOLDERS

Section 1. Annual Meetings. The annual meeting of the stockholders of the corporation for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting shall be held on such date, and at such time and place within or without the State of Delaware as may be designated from time to time by the Board of Directors.

Section 2. Special Meetings. Special meetings of the stockholders shall be called at any time by the Secretary or any other officer, whenever directed by not less than two members of the Board of Directors or by the Chief Executive Officer. The purpose or purposes of the proposed meeting shall be included in the notice setting forth such call.

Section 3. Notice of Meetings. Except as otherwise provided by law, notice of the time, place and, in the case of a special meeting, the purpose or purposes of each meeting of stockholders shall be delivered personally or mailed not more than sixty, nor less than ten, days prior thereto, to each stockholder of record entitled to vote at the meeting at such address as appears on the records of the corporation.

Section 4. Quorum. The holders of a majority in voting power of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by statute or by the Certificate of Incorporation; but if at any regularly called meeting of stockholders there shall be less than a quorum present, the stockholders present may adjourn the meeting from time to time without further notice other than announcement at the meeting until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if, after the adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 5. Meeting Procedures. The Chairman of the Board, or in the Chairman's absence or at the Chairman's direction, the Chief Executive Officer, or in the Chief Executive Officer's absence or at the Chief Executive Officer's direction, any officer of the corporation shall call all meetings of the stockholders to order and shall act as Chairman of such meeting. The Secretary of the corporation or, in such officer's absence, an Assistant Secretary shall act as secretary of the meeting. If neither the Secretary nor an Assistant Secretary is present, the Chairman of the meeting shall appoint a secretary of the meeting. Unless

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otherwise determined by the Board of Directors prior to the meeting, the Chairman of the meeting shall determine the order of business and shall have the authority in his or her discretion to regulate the conduct of any such meeting, including, without limitation, by imposing restrictions on the persons (other than stockholders of the corporation or their duly appointed proxies) who may attend any such meeting, whether any stockholder or stockholders' proxy may be excluded from any meeting of stockholders based upon any determination by the Chairman, in his or her sole discretion, that any such person has unduly

disrupted or is likely to disrupt the proceedings thereat, and the circumstances in which any person may make a statement or ask questions at any meeting of stockholders.

Section 6. Proxies. At all meetings of stockholders, any stockholder entitled to vote thereat shall be entitled to vote in person or by proxy, but no proxy shall be voted after three years from its date, unless such proxy provides for a longer period. Without limiting the manner in which a stockholder may authorize another person or persons to act for the stockholder as proxy pursuant to the General Corporation Law of the State of Delaware, the following shall constitute a valid means by which a stockholder may grant such authority: (1) a stockholder may execute a writing authorizing another person or persons to act for the stockholder as proxy, and execution of the writing may be accomplished by the stockholder or the stockholder's authorized officer, director, employee or agent signing such writing or causing his or her signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature; or (2) a stockholder may authorize another person or persons to act for the stockholder as proxy by transmitting or authorizing the transmission of a telegram, cablegram, or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder. If it is determined that such telegrams, cablegrams or other electronic transmissions are valid, the judge or judges of stockholder votes or, if there are no such judges, such other persons making that determination shall specify the information upon which they relied.

Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to the preceding paragraph of this Section 6 may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

Proxies shall be filed with the Secretary of the meeting prior to or at the commencement of the meeting to which they relate.

Section 7. Voting. When a quorum is present at any meeting, the vote of the holders of a majority in voting power of the stock present in person or represented by proxy and entitled to vote on the matter shall decide any question brought before such meeting, unless the question is one upon which by express provision of statute, the Certificate of Incorporation or these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 8. Record Date. In order that the corporation may determine the stockholders (a) entitled to notice of or to vote at any meeting of stockholders or any

adjournment thereof, or (b) entitled to consent to corporate action in writing without a meeting, or (c) entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date (i) in the case of clause (a) above, shall not be more than sixty nor less than ten days before the date of such meeting, (ii) in the case of clause (b) above, shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors, and (iii) in the case of clause (c) above, shall not be more than sixty days prior to such action. If for any reason the Board of Directors shall not have fixed a record date for any such purpose, the record date for such purpose shall be determined as provided by law. Only those stockholders of record on the date so fixed or determined shall be entitled to any of the foregoing rights, notwithstanding the transfer of any such stock on the books of the corporation after any such record date is so fixed or determined.

Section 9. Stockholder List. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder.

Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced at the time and kept at the place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 10. Judges of Election. The Board of Directors, in advance of all meetings of the stockholders, shall appoint one or more judges of stockholder votes, who may be stockholders or their proxies, but not directors of the corporation or candidates for office. In the event that the Board of Directors fails to so appoint judges of stockholder votes or, in the event that one or more judges of stockholder votes previously designated by the Board of Directors fails to appear or act at the meeting of stockholders, the Chairman of the meeting may appoint one or more judges of stockholder votes to fill such vacancy or vacancies. Judges of stockholder votes appointed to act at any meeting of the stockholders, before entering upon the discharge of their duties, shall be sworn faithfully to execute the duties of judge of stockholder votes with strict impartiality and according to the best of their ability and the oath so taken shall be subscribed by them. Judges of stockholder votes shall, subject to the power of the Chairman of the meeting to open and close the polls, take charge of the polls, and, after the voting, shall make a certificate of the result of the vote taken.

Section 11. Nominations, etc. (A) Annual Meetings of Stockholders. (1) Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the corporation's notice of meeting delivered pursuant to Article 1, Section 3 of these By-Laws, (b) by or at the direction of the Chairman of the Board or (c) by any stockholder of the corporation who is entitled to vote at the meeting, who complied with the notice procedures set forth in subparagraphs (2) and (3) of this paragraph (A) of this By-Law and who was a stockholder of record at the time such notice is delivered to the Secretary of the corporation.

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(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A)(1) of this By-Law, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation, and, in the case of business other than nominations, such other business must be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation not less than seventy days nor more than ninety days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than twenty days, or delayed by more than seventy days, from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the ninetieth day prior to such annual meeting and not later than the close of business on the later of the seventieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made; and provided further, that for purposes of the application of Rule 14a-4(c) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (or any successor provision), the date for notice specified in this paragraph (A)(2) shall be the earlier of the date calculated as hereinbefore provided or the date specified in paragraph (c)(1) of Rule 14a-4. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the by-laws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner and (ii) the class and number of shares of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner; (d) a representation that the stockholder intends to appear in person or by proxy at

the meeting to propose such business or nomination; and (e) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (ii) otherwise to solicit proxies from stockholders in support of such proposal or nomination.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this By-Law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the corporation at least eighty days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the corporation.

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(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting pursuant to Article I, Section 2 of these By-Laws. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of the corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in this By-Law and who is a stockholder of record at the time such notice is delivered to the Secretary of the corporation. Nominations by stockholders of persons for election to the Board of Directors may be made at such a special meeting of stockholders if the stockholder's notice as required by paragraph (A)(2) of this By-Law shall be delivered to the Secretary at the principal executive offices of the corporation not earlier than the ninetieth day prior to such special meeting and not later than the close of business on the later of the seventieth day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

(C) General. (1) Only persons who are nominated in accordance with the procedures set forth in this By-Law shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this By-Law and, if any proposed nomination or business is not in compliance with this By-Law, to declare that such defective nomination shall be disregarded or that such proposed business shall not be transacted.

(2) For purposes of this By-Law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) For purposes of this By-Law, no adjournment or notice of adjournment of any meeting shall be deemed to constitute a new notice of such meeting for purposes of this Section 11, and in order for any notification required to be delivered by a stockholder pursuant to this Section 11 to be timely, such notification must be delivered within the periods set forth above with respect to the originally scheduled meeting.

(4) Notwithstanding the foregoing provisions of this By-Law, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law. Nothing in this By-Law shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE II.

BOARD OF DIRECTORS

Section 1. Election; Term; etc. The Board of Directors of the corporation shall consist of such number of directors, not less than three nor more than 15, as shall from time to

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time be fixed exclusively by resolution of the Board of Directors. The directors shall be elected at each annual meeting of stockholders and each director shall be elected to serve until the conclusion of the next succeeding annual meeting and until his or her successor shall be elected and qualify or until his or her earlier death, resignation or removal. Directors shall (except as hereinafter provided for the filling of vacancies and newly created directorships) be elected by the holders of a plurality of the voting power present in person or represented by proxy and entitled to vote. A majority of the total number of directors then in office (but not less than one-third of the number of directors constituting the entire Board of Directors) shall constitute a quorum for the transaction of business and, except as otherwise provided by law or by the corporation's Certificate of Incorporation, the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. Directors need not be stockholders.

Section 2. Vacancies. Unless otherwise required by law, newly created directorships in the Board of Directors resulting from an increase in the number of directors, and any vacancy occurring in the Board of Directors, may be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director; and the directors so chosen shall hold office until his or her successor shall be duly elected and qualify or until his or her earlier death, resignation or removal.

Section 3. Meetings. Meetings of the Board of Directors shall be held at such place within or without the State of Delaware as may from time to time be fixed by resolution of the Board or as may be specified in the notice of any meeting. Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board and special meetings may be held at any time upon the call of the Chairman of the Board or the Chief Executive Officer or one-third of the directors then in office (rounded to the nearest whole number), by oral or written notice (including, telegraph, telex or transmission of a telecopy, e-mail or other means of transmission), duly served on or sent or mailed to each director to such director's address, e-mail address or telecopy number as shown on the books of the corporation not less than twelve hours before the meeting. The notice of any meeting need not specify the purposes thereof. A meeting of the Board may be held without notice immediately after the annual meeting of stockholders at the same place at which such meeting is held. Notice need not be given of regular meetings of the Board held at times fixed by resolution of the Board. Notice of any meeting need not be given to any director who shall attend such meeting in person (except when the director attends a meeting for the sale purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened), or who shall waive notice thereof, before or after such meeting, in writing.

Section 4. Executive Committee. The Board of Directors may designate three or more directors to constitute an executive committee, one of whom shall be designated Chairman of such committee. The members of such committee shall hold such office until the next election of the Board of Directors and until their successors are elected and qualify. Any vacancy occurring in the committee shall be filled by the Board of Directors. Regular meetings of the committee shall be held at such times and on such notice and at such places as it may from time to time determine. The committee shall act, advise and aid the officers of the corporation in all matters concerning its interest and the management of its business, and shall generally perform such duties and exercise such powers as may from time to time be delegated to it by the Board of Directors, and shall have authority to exercise all the powers of the Board of Directors, so far as may be permitted by law, in the management of the business and the affairs of the corporation whenever the Board of Directors is not in session or whenever a quorum of

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the Board of Directors fails to attend any regular or special meeting of such Board. Without limiting the generality of the foregoing grant of authority, the executive committee is expressly authorized to declare dividends, whether regular or special, to authorize the issuance of stock of the corporation and to adopt a certificate of ownership and merger pursuant to Section 253 or any successor provision of the Delaware General Corporation Law. The committee shall have power to authorize the seal of the corporation to be affixed to all papers which are required by the Delaware General Corporation Law to have the seal affixed thereto. The fact that the executive committee has acted shall be conclusive evidence that the Board of Directors was not in session at such time or that a quorum of the Board had failed to attend the regular or special meeting thereof.

The executive committee shall keep regular minutes of its transactions and shall cause them to be recorded in a book kept in the office of the corporation designated for that purpose, and shall report the same to the Board of Directors at their regular meeting. The committee shall make and adopt its own rules for the governance thereof and shall elect its own officers.

Section 5. Other Committees. The Board of Directors may from time to time establish other committees, to serve at the pleasure of the Board, which shall be comprised of such members of the Board and have such duties as the Board shall from time to time establish. Any director may belong to any number of committees of the Board. The Board may also establish such other committees with such members (whether or not directors) and such duties as the Board may from time to time determine.

Section 6. Written Consent. Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings and transmissions are filed with the minutes of proceedings of the Board of Directors.

Section 7. Chairman of the Board. The Board of Directors, after each annual meeting of stockholders, shall elect a Chairman of the Board. The Chairman of the Board need not be an officer of the corporation. The Chairman of the Board shall have such powers as specified in these By-Laws and such powers as may be assigned to him or her by a resolution of the Board of Directors. The Board of Directors may elect a new Chairman of the Board at any meeting of the Board.

Section 8. Teleconferences. The members of the Board of Directors or any committee thereof may participate in a meeting of such Board or committee, as the case may be, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such a meeting.

Section 9. Compensation. The Board of Directors may establish policies for the compensation of directors and for the reimbursement of the expenses of directors, in each case, in connection with services provided by directors to the corporation.

ARTICLE III.

OFFICERS

Section 1. Officers. The Board of Directors, after each annual meeting of the stockholders, shall elect officers of the corporation, including a Chief Executive Officer and a Secretary. The Board of Directors may also from time to time elect such other officers (including one or more Vice Presidents, a Treasurer, one or more Assistant Vice Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers) as it may deem proper or may delegate to any elected officer of the corporation the power to appoint and remove any such other officers and to prescribe their respective terms of office, authorities and duties. Any Vice President may be designated Executive

or Senior, or may be given such other designation or combination of designations as the Board of Directors may determine. Any two or more offices may be held by the same person.

Section 2. Term. All officers of the corporation elected by the Board of Directors shall hold office for such term as may be determined by the Board of Directors or until their respective successors are chosen and qualified. Any officer may be removed from office at any time either with or without cause by the affirmative vote of a majority of the members of the Board then in office, or, in the case of appointed officers, by any elected officer upon whom such power of removal shall have been conferred by the Board of Directors.

Section 3. Powers. Each of the officers of the corporation elected by the Board of Directors or appointed by an officer in accordance with these By-Laws shall have the powers and duties prescribed by law, by these By-Laws or by the Board of Directors and, in the case of appointed officers, the powers and duties prescribed by the appointing officer, and, unless otherwise prescribed by these By-Laws or by the Board of Directors or such appointing officer, shall have such further powers and duties as ordinarily pertain to that office. The Chief Executive Officer shall have the general power to direct the affairs of the corporation.

Section 4. Delegation. Unless otherwise provided in these By-Laws, in the absence or disability of any officer of the corporation, the Board of Directors may, during such period, delegate such officer's powers and duties to any other officer or to any director and the person to whom such powers and duties are delegated shall, for the time being, hold such office.

ARTICLE IV.

CERTIFICATES OF STOCK

Section 1. Certificates. The shares of stock of the corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the corporation's stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and, upon request, every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by the Chairman of the Board of Directors, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of the corporation, or as otherwise permitted by law, representing the number of shares registered in certificate form. Any or all the signatures on the certificate may be a facsimile.

Section 2. Transfers. Transfers of stock shall be made on the books of the corporation by the holder of the shares in person or by such holder's attorney upon surrender

and cancellation of certificates for a like number of shares, or as otherwise provided by law with respect to uncertificated shares.

Section 3. Lost Certificates. No certificate for shares of stock in the corporation shall be issued in place of any certificate alleged to have been lost, stolen or destroyed, except upon production of such evidence of such loss, theft or destruction and upon delivery to the corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors in its discretion may require.

ARTICLE V.

CORPORATE BOOKS

The books of the corporation may be kept outside of the State of Delaware at such place or places as the Board of Directors may from time to time determine.

ARTICLE VI.

CHECKS, NOTES, PROXIES, ETC.

All checks and drafts on the corporation's bank accounts and all bills of exchange and promissory notes, and all acceptances, obligations and other

instruments for the payment of money, shall be signed by such officer or officers or agent or agents as shall be authorized from time to time by the Board of Directors. Proxies to vote and consents with respect to securities of other corporations owned by or standing in the name of the corporation may be executed and delivered from time to time on behalf of the corporation by the Chief Executive Officer, the President, or by such officers as the Board of Directors may from time to time determine.

ARTICLE VII.

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January in each year and shall end on the thirty-first day of December following.

ARTICLE VIII.

CORPORATE SEAL

The corporate seal shall have inscribed thereon the name of the corporation. In lieu of the corporate seal, when so authorized by the Board of Directors or a duly empowered committee thereof, a facsimile thereof may be impressed or affixed or reproduced.

ARTICLE IX.

AMENDMENTS

These By-Laws may be amended, added to, rescinded or repealed at any meeting of the Board of Directors or of the stockholders, provided notice of the proposed change was given in the notice of the meeting of the stockholders or, in the case of a meeting of

the Board of Directors, in a notice given not less than twelve hours prior to the meeting. Notwithstanding any other provisions of these By-Laws or any provision of law which might otherwise permit a lesser vote of the stockholders, the affirmative vote of the holders of at least 80 percent in voting power of all shares of the corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required in order for the stockholders to alter, amend or repeal Section 2 and Section 11 of Article I, or this second sentence of this Article IX of these By-Laws or to adopt any provision inconsistent with any of such Sections or with this sentence.

Exhibit 4.22

FIRST AMENDMENT

FIRST AMENDMENT, dated as of October 20, 2000 (this "Amendment"), to the Term Loan Agreement, dated as of June 1, 2000 (as amended, supplemented or otherwise modified from time to time, the "Term Loan Agreement"), among SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to the Term Loan Agreement (the "Lenders"), LEHMAN BROTHERS INC., as advisor, lead arranger and book manager, LEHMAN COMMERCIAL PAPER INC., as syndication agent, and LEHMAN COMMERCIAL PAPER INC., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H:
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WHEREAS, the Borrower has requested that the Lenders amend, and the Required Lenders have agreed to amend, certain of the provisions of the Term Loan Agreement, upon the terms and subject to the conditions set forth below;

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, and for other valuable consideration the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Definitions. Unless otherwise defined herein, terms defined in the Term Loan Agreement and used herein shall have the meanings given to them in the Term Loan Agreement.

SECTION 2. Amendment to Section 6.6 (Limitation on Restricted Payments). Section 6.6 is hereby amended by (i) deleting the "and" at the end of paragraph (c), (ii) deleting the "." and inserting in lieu thereof "; and" at the end of paragraph (d) and (iii) inserting the following after paragraph (d):

(e) with respect to the Borrower's 9.2% Series A Junior Cumulative Convertible Preferred Stock, 9.2% Series B Junior Cumulative Convertible Preferred Stock and 9.2% Series D Junior Cumulative Convertible Preferred Stock (collectively, the "Convertible Preferred Stock"), the Borrower may (i) pay dividends on such Convertible Preferred Stock when due in the form of additional shares of Convertible Preferred Stock of the same class and type or in common stock of the Borrower and (ii) pay cash dividends on such Convertible Preferred Stock when due at a rate per annum no greater than the rate per annum applicable to such Convertible Preferred Stock on the original date of issuance thereof, provided that, with respect to any such cash dividend payments, no Default or Event of Default shall have occurred and be continuing or would result therefrom; and

(f) with respect to any preferred stock issued after the date hereof in a transaction permitted by this Agreement, the Borrower may pay dividends on such preferred stock in the form of additional shares of such preferred stock, preferred stock junior to such

preferred stock (so long as the issuance of such junior preferred stock is permitted by this Agreement) or common stock of the Borrower.

SECTION 3. Representations; No Default. On and as of the date hereof, and after giving effect to this Amendment, (a) the Borrower certifies that no Default or Event of Default has occurred or is continuing, and (b) the Borrower confirms, reaffirms and restates that the representations and warranties set forth in Section 3 of the Term Loan Agreement are true and correct in all material respects, except for such representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.

SECTION 4. Conditions to Effectiveness. This Amendment shall become effective on and as of the date (the "Amendment Effective Date") that the Administrative Agent shall have received (a) an executed counterpart of this Amendment, duly executed and delivered by a duly authorized officer of the Borrower, (b) executed Lender Consent Letters (or facsimile transmissions thereof), substantially in the form of Exhibit A hereto ("Lender Consent

Letters"), from the Required Lenders and (c) an executed certificate of an officer of the Borrower in form reasonably satisfactory to the Administrative Agent as to the matters set forth in Section 3 of this Amendment and as to such other customary matters as the Administrative Agent may reasonably request.

SECTION 5. Reference to and Effect on the Loan Documents. On and after the Amendment Effective Date, each reference in the Term Loan Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Term Loan Agreement, and each reference in the other Loan Documents to "the Term Loan Agreement", "thereunder", "thereof" or words of like import referring to the Term Loan Agreement, shall mean and be a reference to the Term Loan Agreement as amended hereby. Except as expressly amended herein, the Term Loan Agreement shall continue to be, and shall remain, in full force and effect in accordance with the terms thereof and is hereby in all respects ratified and confirmed. This Amendment shall not be deemed to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of the Term Loan Agreement or any other Loan Document or to prejudice any other right or rights which the Agents or the Lenders may now have or may have in the future under or in connection with the Term Loan Agreement or any of the instruments or agreements referred to therein, as the same may be amended from time to time.

SECTION 6. Payment of Expenses. The Borrower agrees to pay or reimburse the Administrative Agent for all of its reasonable out-of-pocket costs and expenses incurred in connection with this Amendment and any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent.

SECTION 7. Counterparts. This Amendment may be executed by one or more of the parties hereto in any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Amendment signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 8. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their respective duly authorized officers as of the date first above written.

SIRIUS SATELLITE RADIO INC.

By: /s/ Michael Haynes

Michael Haynes
Vice President and Treasurer

LEHMAN COMMERCIAL PAPER INC.,
as Syndication Agent and as
Administrative Agent

By: /s/ G. Andrew Keith

Authorized Signatory

EXHIBIT A

LENDER CONSENT LETTER

SIRIUS SATELLITE RADIO INC.
TERM LOAN AGREEMENT

DATED AS OF JUNE 1, 2000

To: Lehman Commercial Paper Inc.,
as Syndication Agent and
as Administrative Agent
3 World Financial Center
New York, New York 10285

Ladies and Gentlemen:

Reference is made to the Term Loan Agreement, dated as of June 1, 2000 (as amended, supplemented or otherwise modified from time to time, the "Term Loan Agreement"), among Sirius Satellite Radio Inc., a Delaware corporation (the "Borrower"), the Lenders parties thereto, Lehman Brothers Inc., as Arranger, and Lehman Commercial Paper Inc., as Syndication Agent and as Administrative Agent. Unless otherwise defined herein, capitalized terms used herein and defined in the Term Loan Agreement are used herein as therein defined.

The Borrower has requested that the Lenders consent to amend the Term Loan Agreement on the terms described in the Amendment to which a form of this Lender Consent Letter is attached as Exhibit A (the "Amendment").

Pursuant to Section 9.1 of the Term Loan Agreement, the undersigned Lender hereby consents to the execution by the Agents of the Amendment.

Very truly yours,

Lehman Commercial Paper Inc.

(NAME OF LENDER)

By: /s/ G. Andrew Keith

Name: Andrew Keith
Title: Authorized Signatory

Dated as of October 20, 2000

Exhibit 4.23

SECOND AMENDMENT

SECOND AMENDMENT, dated as of December 27, 2000 (this "Amendment"), to the Term Loan Agreement, dated as of June 1, 2000 (as amended by the First Amendment, dated as of October 20, 2000, and as may be further amended, supplemented or otherwise modified from time to time, the "Term Loan Agreement"), among SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to the Term Loan Agreement (the "Lenders"), LEHMAN BROTHERS INC., as advisor, lead arranger and book manager, LEHMAN COMMERCIAL PAPER INC., as syndication agent, and LEHMAN COMMERCIAL PAPER INC., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H:
- - - - - - - - - - -

WHEREAS, the Borrower has requested that all of the Lenders amend, and each Lender has agreed to amend, certain of the provisions of the Term Loan Agreement, upon the terms and subject to the conditions set forth below;

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, and for other valuable consideration the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Definitions. Unless otherwise defined herein, terms defined in the Term Loan Agreement and used herein shall have the meanings given to them in the Term Loan Agreement.

SECTION 2. Amendment to Section 1.1 (Defined Terms). Section 1.1 of the Term Loan Agreement is hereby amended by deleting the definition of "Commitment Period" in its entirety and replacing it with the following new definition:

"Commitment Period": the period commencing on the date hereof and ending on May 31, 2001."

SECTION 3. Amendment to Fee Letter. The first clause (i) of the Fee Letter, dated as of May 4, 2000, among the Borrower, the Administrative Agent and the Arranger shall be amended by deleting the description of "Funding Fee" in clause (B) thereof and replacing it with the following: "a funding fee (the "Funding Fee") in an amount equal to 1.00% of the aggregate commitments under the Credit Facility in effect on the date of initial borrowing under the Credit Facility, payable on such date;".

SECTION 4. Representations; No Default. On and as of the date hereof, and after giving effect to this Amendment, (a) the Borrower certifies that no Default or Event of Default has occurred or is continuing, and (b) the Borrower confirms, reaffirms and restates that the representations and warranties set forth in Section 3 of the Term Loan Agreement are true and correct in all material respects, except for such representations and warranties expressly

stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.

SECTION 5. Conditions to Effectiveness. This Amendment shall become effective on and as of the date (the "Amendment Effective Date") of satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received (i) an executed counterpart of this Amendment, duly executed and delivered by a duly authorized officer of the Borrower, (ii) executed Lender Consent Letters (or facsimile transmissions thereof), substantially in the form of Exhibit A hereto ("Lender Consent Letters"), from each Lender and (iii) an executed certificate of an officer of the Borrower in form reasonably satisfactory to the Administrative Agent as to the matters set forth in Section 4 of this Amendment and as to such other customary matters as the Administrative Agent may reasonably request.

(b) The Borrower and the Administrative Agent shall have duly executed and delivered the letter agreement (the "Letter Agreement") dated December 27, 2000, between the Borrower and the Administrative Agent relating to an amendment and restatement of the Warrant Agreement, dated as of June 1, 2000, between the Borrower and United States Trust Company of New York, as warrant agent and escrow agent (as amended, supplemented or otherwise modified from time to time, the "Warrant Agreement"), no later than 5:00 p.m. (New York City time) on December 27, 2000.

SECTION 6. Additional Conditions to Loans. In addition to the conditions set forth in Section 4 of the Term Loan Agreement, the agreement of each Lender to make the Loans requested to be made by it under the Term Loan Agreement is subject to the satisfaction of the following additional conditions:

(a) The Borrower shall have duly executed and delivered (i) an amendment and restatement of the Warrant Agreement and (ii) the New Warrants (as defined in the Letter Agreement) to United States Trust Company of New York, as warrant agent and escrow agent, in each case substantially on the terms set forth in the Letter Agreement.

(b) The Administrative Agent shall have received such documents and instruments as it shall reasonably require in connection with the execution of (i) this Amendment and (ii) an amended and restated Warrant Agreement and the delivery of the New Warrants (as defined in the Letter Agreement), including, without limitation, legal opinions of general counsel to the Borrower and of Paul, Weiss, Rifkind, Wharton & Garrision, as special counsel to the Borrower, covering such matters as the Administrative Agent shall reasonably require.

(c) All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the transactions contemplated by the amended and restated Warrant Agreement shall be satisfactory in form and substance to the Administrative Agent.

SECTION 7. Reference to and Effect on the Loan Documents. On and after the Amendment Effective Date, each reference in the Term Loan Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Term Loan Agreement, and each reference in the other Loan Documents to "the Term Loan Agreement", "thereunder", "thereof" or words of like import referring to the Term Loan Agreement, shall mean and be a reference to the Term Loan Agreement as amended hereby. Except as expressly amended herein, the Term Loan Agreement shall continue to be, and shall remain, in full force and effect in accordance with the terms thereof and is hereby in all respects ratified and confirmed. This Amendment shall not be deemed to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of the Term Loan Agreement or any other Loan Document or to prejudice any other right or rights which the Agents or the Lenders may now have or may have in the future under or in connection with the Term Loan Agreement or any of the instruments or agreements referred to therein, as the same may be amended from time to time.

SECTION 8. Payment of Expenses. The Borrower agrees to pay or reimburse the Administrative Agent for all of its reasonable out-of-pocket costs and expenses incurred in connection with this Amendment and any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent.

SECTION 9. Counterparts. This Amendment may be executed by one or more of the parties hereto in any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Amendment signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 10. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their respective duly authorized officers as of the

date first above written.

SIRIUS SATELLITE RADIO INC.

By: /s/ Michael Haynes

Michael Haynes
Vice President and Treasurer

LEHMAN COMMERCIAL PAPER INC.,
as Syndication Agent and as
Administrative Agent

By: /s/ G. Andrew Keith

Authorized Signatory

LEHMAN BROTHERS INC.,
as Arranger

By: /s/ G. Andrew Keith

EXHIBIT A

LENDER CONSENT LETTER

SIRIUS SATELLITE RADIO INC.
TERM LOAN AGREEMENT
DATED AS OF JUNE 1, 2000

To: Lehman Commercial Paper Inc.,
as Syndication Agent and
as Administrative Agent
3 World Financial Center
New York, New York 10285

Ladies and Gentlemen:

Reference is made to the Term Loan Agreement, dated as of June 1, 2000 (as amended by the First Amendment, dated as of October 20, 2000, and as further amended, supplemented or otherwise modified from time to time, the "Term Loan Agreement"), among Sirius Satellite Radio Inc., a Delaware corporation (the "Borrower"), the Lenders parties thereto, Lehman Brothers Inc., as Arranger, and Lehman Commercial Paper Inc., as Syndication Agent and as Administrative Agent. Unless otherwise defined herein, capitalized terms used herein and defined in the Term Loan Agreement are used herein as therein defined.

The Borrower has requested that the Lenders consent to amend the Term Loan Agreement on the terms described in the Amendment to which a form of this Lender Consent Letter is attached as Exhibit A (the "Amendment").

Pursuant to Section 9.1 of the Term Loan Agreement, the undersigned Lender hereby (i) represents that, as of the date of this Lender Consent, it is the only Lender party to the Term Loan Agreement and (ii) consents to the execution by the Agents of the Amendment.

Very truly yours,

Lehman Commercial Paper Inc.

(NAME OF LENDER)

By: /s/ G. Andrew Keith

Name: G. Andrew Keith
Title: Authorized Signatory

Dated as of December 27, 2000

Exhibit 4.25

SECOND AMENDED AND RESTATED
PLEDGE AGREEMENT

Among

SIRIUS SATELLITE RADIO INC.
(formerly CD Radio Inc.)
as Pledgor

THE BANK OF NEW YORK
as Trustee

UNITED STATES TRUST COMPANY OF NEW YORK
as Trustee

LEHMAN COMMERCIAL PAPER INC.
as Administrative Agent

Any Future Agents Party Hereto

and

THE BANK OF NEW YORK
as Collateral Agent

Dated as of March 7, 2001

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SECOND AMENDED AND RESTATED PLEDGE AGREEMENT

SECOND AMENDED AND RESTATED PLEDGE AGREEMENT (this "Agreement"), dated as of March 7, 2001 made by SIRIUS SATELLITE RADIO INC. (formerly CD Radio Inc.), a Delaware corporation (the "Pledgor"), to THE BANK OF NEW YORK, as collateral agent (the "Collateral Agent") for the holders (the "Holders") from time to time of the Notes (as defined herein), the lenders (the "Lenders") from time to time under the Loan Agreement (as defined herein) and any future lenders (the "Future Lenders") from time to time under any Future Loan Agreement (as defined herein), THE BANK OF NEW YORK, as trustee for the 1997 Notes (as defined herein), and UNITED STATES TRUST COMPANY OF NEW YORK, as trustee for the 1999 Notes (as defined herein), LEHMAN COMMERCIAL PAPER INC., as administrative agent for the Lenders (as defined below), and each Future Agent (as defined below), as agent for any Future Lenders, which becomes a party hereto by means of a Future Agent Supplement substantially in the form of Exhibit A hereto ("Future Agent Supplement").

The Pledgor, United States Trust Company of New York, as trustee (in such capacity, the "1999 Note Trustee"), and The Bank of New York (as successor to IBJ Whitehall Bank and Trust Company), as trustee (in such capacity, the "1997 Note Trustee" and, together with the 1999 Note Trustee, the "Trustees"), are parties to the Amended and Restated Pledge Agreement dated as of May 15, 1999 pursuant to which the Pledgor granted a first priority security interest in the issued and outstanding capital stock described in Schedule I hereto (the "Pledged Shares") representing 100% of the issued and outstanding capital stock of Satellite CD Radio, Inc., a Delaware corporation (the "Subsidiary"), to the Collateral Agent to secure the obligations of the Pledgor pursuant to (i) the Indenture dated as of November 26, 1997 (as amended, restated, supplemented or modified from time to time, the "1997 Note Indenture") between the Pledgor and the 1997 Note Trustee pursuant to which the Pledgor issued $296,930,000 aggregate principal amount at maturity of its 15% Senior Secured Discount Notes due 2007 (the "1997 Notes") and (ii) the Indenture dated as of May 15, 1999 (as amended, restated, supplemented or otherwise modified from time to time, the "1999 Note Indenture"), between the Pledgor and the 1999 Note Trustee pursuant to which the Pledgor issued $200,000,000 aggregate principal amount of its 14-1/2% Senior Secured Notes due 2009 (the "1999 Notes", and together with the 1997 Notes, the "Notes").

The Pledgor has entered into a Term Loan Agreement dated as of June 1, 2000 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") among the Pledgor, the Lenders, Lehman Brothers Inc., as arranger and Lehman Commercial Paper Inc., as syndication agent and as administrative agent (in such capacity the "Administrative Agent") and in connection therewith the Pledgor has executed and delivered or will hereafter execute and deliver certain other agreements,

pledges, documents and other instruments (as amended, supplemented, restated or otherwise modified from time to time, collectively, together with the Loan Agreement, the "Loan Documents").

The Pledgor desires, to the extent permitted by the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement and any Future Loan Agreement (as defined below), to extend the benefits of this Agreement to the Lenders, the Administrative Agent, any Future Lender that makes extensions of credit ("Future Loans") pursuant to the terms and conditions of a loan agreement or indenture (a "Future Loan Agreement" and any other agreements, guaranties, pledges, documents and other instruments entered into in connection therewith (as amended, supplemented, restated or otherwise modified from time to time, collectively, together with a Future Loan Agreement, the "Future Loan Documents")) to the Pledgor and any administrative agent or trustee acting on behalf of any such Future Lenders (a "Future Agent" and, together with the 1997 Note Trustee, the 1999 Note Trustee and the Administrative Agent, the "Agents") that becomes a party hereto by means of a Future Agent Supplement (as defined below).

The Pledgor, the Collateral Agent and the Trustees desire to amend and restate the Pledge Agreement to grant a first priority security interest in the Pledged Shares to the Collateral Agent for the benefit of the Agents and the ratable benefit of the Holders, the Lenders and any Future Lenders (the amount of such ratable benefit of the Holders to be determined, in the case of the 1997 Notes, with respect to the Accreted Value (as defined in the 1997 Note Indenture) of the 1997 Notes outstanding at such time, and in the case of the 1999 Notes, with respect to the principal amount of the 1999 Notes outstanding at such time, the amount of such ratable benefit of the Lenders to be determined with respect to the aggregate unpaid principal amount of the Loans (as defined in the Loan Agreement) outstanding at such time and the amount of such ratable benefit of any Future Lenders to be determined with respect to the aggregate unpaid principal amount or accreted value, as applicable, of any Future Loans (as defined in any applicable Future Loan Agreement) outstanding at such time.

Capitalized terms used herein without definition are used herein as defined in the 1999 Note Indenture.

In consideration of the premises, the agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgor, the Collateral Agent and the Trustees hereby agree to amend and restate the Pledge Agreement pursuant hereto and the Pledgor hereby covenants and agrees with the Collateral Agent and the Agents, for their benefit and for the ratable benefit of the Holders, the Lenders (and any affiliate of any Lender party to any Specified Hedge Agreement (as defined in the Loan Agreement)) and each Future Lender (together with the Agents, the "Secured Parties") as follows:

1. Grant of Security Interest. (a) The Pledgor hereby unconditionally assigns, pledges and grants to the Collateral Agent, for its benefit and the benefit of the Secured Parties, a first priority security interest in and to all of the Pledgor's right, title

and interest in and to the following, whether now owned or existing or hereafter arising or acquired and wheresoever located (collectively, the "Pledged Collateral"):

(i) the Pledged Shares and the certificates representing the Pledged Shares, and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares;

(ii) all additional shares of issued and outstanding shares, interests, participations, warrants or other equivalents (however designated) of corporate stock ("Stock") of the Subsidiary from time to time acquired by the Pledgor in any manner, and the certificates representing such additional shares, and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares; and

(iii) all Proceeds (as defined herein) of any and all of the foregoing Pledged Collateral (including, without limitation, proceeds that constitute property of the types described in clauses (i) and (ii) above).

(b) As used herein, the term "Proceeds" shall have the meaning assigned to such term under Article 9 of the Uniform Commercial Code from time to time in effect in the State of New York (the "UCC"; provided that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the Collateral Agent's security interest in any Pledged Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions) and, to the extent not

otherwise included, shall include, but not be limited to: (i) any stock dividend or distribution in connection with any increase or reduction of capital, reclassification, merger, consolidation, sale of assets, combination of shares, stock split, spin-off or split-off; (ii) any option or other right, whether as an addition to, in substitution of or in exchange for any Pledged Shares or otherwise; (iii) distributions payable in property (whether real, personal, tangible, intangible, or mixed property; collectively "Property"); (iv) dividends or distributions on dissolution, or in partial or total liquidation, or from capital, capital surplus or paid-in surplus; (v) any and all payments (in any form whatsoever) made or due and payable to the Pledgor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Pledged Collateral by any nation or government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator (a "Governmental Body"); and (vi) any and all other amounts from time to time paid or payable under or in connection with the Pledged Collateral.

2. Security for Obligations. This Agreement, together with the Pledged Collateral, secures the payment of all of the obligations and liabilities of any

kind of the Pledgor under this Agreement, the 1997 Note Indenture, the 1999 Note Indenture, the Notes, the Loan Documents and any Future Loan Documents, whether liquidated, unliquidated, direct, indirect, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, and whether for principal, interest, fees, costs, expenses or otherwise (whether arising or accruing before or after the occurrence of any Event of Default (as defined herein) and whether discharged, stayed or otherwise affected or allowed as a claim in any bankruptcy proceeding of the Subsidiary), and all costs, fees and expenses of the Collateral Agent and each Secured Party (including reasonable attorneys' fees and expenses and with respect to the Collateral Agent, reasonable allocated costs and expenses of in-house counsel and legal staff) in enforcing, preserving and protecting its rights against the Pledgor, whether or not suit is instituted (as the foregoing obligations and liabilities may be amended, increased, modified, renewed, refinanced, refunded or extended from time to time) (collectively, the "Secured Obligations"), now or hereafter existing. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Secured Obligations and would be owed by the Pledgor to the Collateral Agent or the Secured Parties under this Agreement, the 1997 Note Indenture, the 1999 Note Indenture, the Notes, the Loan Documents and any Future Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Pledgor. Notwithstanding anything herein to the contrary, the 1997 Note Obligations (as defined in the Intercreditor Agreement), the 1999 Note Obligations (as defined in the Intercreditor Agreement), the Loan Obligations (as defined in the Intercreditor Agreement) and the Future Loan Obligations (as defined in the Intercreditor Agreement) are the only such obligations that may be secured by the Pledged Collateral unless otherwise permitted by the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement and any Future Loan Agreement.

3. Delivery of Pledged Collateral. (a) All certificates and other instruments at any time owned or acquired by the Pledgor representing or evidencing the Pledged Shares shall be delivered to and held by or on behalf of the Collateral Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Collateral Agent. Upon the occurrence and during the continuance of an Event of Default (as defined herein), the Collateral Agent shall have the right, upon written instructions from any Agent and without notice to the Pledgor, to transfer to or to register in the name of the Collateral Agent or any of its nominees any or all of the Pledged Collateral. In addition, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have the right at any time to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations.

(b) If there shall occur a change in applicable law or regulations regarding (i) the steps necessary to obtain and maintain a perfected security interest in any Pledged Collateral or (ii) the ability to obtain a security interest directly in any license granted by the Federal Communications Commission or Governmental Body succeeding to the functions thereof (the "FCC"), or if there is Pledged Collateral for

which the foregoing procedures are not effective to perfect a security interest, the Pledgor will immediately upon its becoming aware thereof so notify the Collateral Agent and will deliver to the Collateral Agent an Opinion of Counsel setting forth the steps necessary for the Collateral Agent to obtain and maintain such a perfected security interest in the Pledged Collateral affected by such change or for which the foregoing procedures are not effective to perfect a security interest, and the Pledgor and the Collateral Agent, instead of (or in addition to) the actions specified in this Section 3, shall take such other action, as specified in such Opinion of Counsel, as will create and maintain such perfected security interest.

(c) Upon the execution and delivery of this Agreement, the Pledgor will file proper financing statements or amendments thereto with the appropriate office or offices under the Uniform Commercial Code in the State of New York, covering the Pledged Collateral described in this Agreement and, thereafter, such renewals, amendments or continuations thereof or such additional financing statements in such additional offices in such jurisdictions or in the appropriate filing offices in such additional jurisdictions as shall be required from time to time under the UCC in order to perfect and to continue the perfection of the security interest in the Pledged Collateral.

4. Representations and Warranties. The Pledgor hereby represents and warrants to the Collateral Agent and the other Agents as follows:

(a) Organization; Good Standing. The Pledgor is duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly qualified and in good standing in every other jurisdiction where it is doing business, except where the failure to be so qualified or maintain good standing would not have a Material Adverse Effect (as defined herein). The chief place of business and chief executive office of the Pledgor are located at 1221 Avenue of the Americas, New York, New York 10020.

(b) Corporate Power; Authorization. The execution, delivery and performance by the Pledgor of this Agreement, and the consummation of the transactions contemplated hereby, (i) are within the Pledgor's corporate authority; (ii) have been duly authorized by all necessary or proper corporate action; (iii) are not in contravention of any provision of the Pledgor's by-laws or certificate of incorporation; (iv) will not violate any law or regulation, or any order or decree of any court or governmental instrumentality to which the Pledgor or its property is subject; and (v) will not conflict with or result in the breach or termination of, constitute a default under, or accelerate any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which the Pledgor is a party or by which the Pledgor or any of its property is bound (except for such conflict, breach, termination, default or acceleration as could not reasonably be expected to have a Material Adverse Effect (as defined herein)). Subject to Section 22(f) hereof, no authorization, approval or action by, or notice to, or filing with, any governmental authority or regulatory body is required under existing laws and regulations on the date hereof (A) for the grant or perfection of the security interests contemplated hereby or for the execution, delivery or

performance of this Agreement by the Company, except as may be set forth in Section 3 with respect to actions to be taken by the Collateral Agent or any Agent or a financial intermediary holding Pledged Collateral and except for the filings referred to in Section 3(b) that may be required in the future, or (B) for the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or its rights and remedies in respect of the Pledged Collateral pursuant to this Agreement, except (1) as may be required in connection with the disposition of Pledged Collateral by laws affecting the offering and sale of securities, generally, and (2) with respect to Pledged Shares, for authorizations, approvals, notices and filings that may be required pursuant to regulations of the FCC (as defined herein), or any successor laws or regulations.

(c) Enforceability. This Agreement is the legal, valid and binding obligation of the Pledgor enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights or insolvent corporations generally, and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

(d) Absence of Liens. It is the legal and beneficial owner of the Pledged Collateral free and clear of all Liens other than the security interest created by this Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of the Collateral Agent under this Agreement.

(e) Pledged Collateral. The Pledged Shares have been duly authorized and validly issued and are fully paid and nonassessable. The Pledged Shares represent 100% of the total number of shares of the Subsidiary which are issued and outstanding or for which the Subsidiary is obligated to issue after giving effect to the issuance of all such shares.

(f) Security Interest. This Agreement and the pledge of the Pledged Collateral pursuant hereto create a valid and perfected first priority security interest in the Pledged Collateral in favor of the Collateral Agent for the ratable benefit of the Secured Parties, securing the payment of all of the Secured Obligations, and all filings and other actions necessary or desirable as may be required by the Secured Parties to perfect and protect such security interest have been duly taken.

5. As to the Pledged Collateral. (a) So long as no event or circumstance which constitutes a Default shall have occurred and be continuing:

(i) The Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement, the 1997 Note

Indenture, the 1999 Note Indenture, the Loan Agreement or any Future Loan Agreement; provided, however, that the Pledgor shall not exercise or refrain from exercising any such right without the consent of the Collateral Agent if, in the Collateral Agent's judgment, such action or inaction would have a Material Adverse Effect (as defined herein) on the fair market value of any of the Pledged Collateral including, without limitation, the validity, priority or perfection of the security interests granted hereby or the remedies of the Collateral Agent hereunder.

(ii) Any and all dividends and other distributions (whether or not in cash) paid or payable, and certificates, instruments and other Property received, receivable or otherwise distributed in respect of, or in exchange for, Pledged Collateral, shall be, and shall be forthwith delivered to the Collateral Agent to be held as Pledged Collateral and shall, if received by the Pledgor, be received in trust for the benefit of the Secured Parties, be segregated from the other Property of the Pledgor, and be forthwith delivered to the Collateral Agent, as Pledged Collateral in the same form as so received (with any necessary endorsement). Any cash dividends or distributions delivered to or otherwise held by the Collateral Agent pursuant to this Section 5, and any other cash constituting Pledged Collateral delivered to the Collateral Agent, shall be invested, at the written direction of the Pledgor, by the Collateral Agent in Cash Equivalents.

(iii) The Collateral Agent shall execute and deliver (or cause to be executed and delivered) to the Pledgor all such proxies and other instruments as the Pledgor may reasonably request for the purpose of enabling the Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to subsection (i) or (ii) above.

(b) Upon the occurrence and during the continuance of a Default (except as provided below), at the Collateral Agent's option and following written notice by the Collateral Agent to the Pledgor:

(i) All rights of the Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 5(a)(i) shall cease; provided, however, that the Pledgor shall be entitled to exercise such rights without the prior consent of the Collateral Agent if such rights are to be exercised to vote in favor of a transaction which is reasonably expected to cure the Default, not result in another Default and not result in a Material Adverse Effect (as defined herein). Except as provided in the prior sentence, after the occurrence and during the continuance of an Event of Default, all such voting and other consensual rights shall thereupon become vested in the Collateral Agent, who shall thereupon have the sole right to exercise such voting and other consensual rights, subject to the satisfaction of any regulatory requirements. Effective upon the occurrence and during the continuance of an Event of Default, the Pledgor hereby appoints the Collateral Agent the Pledgor's true and lawful attorney-in-fact and grants to the Collateral

Agent an IRREVOCABLE PROXY to vote the Pledged Collateral in any manner the

Collateral Agent deems advisable for or against all matters submitted or which may be submitted to a vote of shareholders. The power-of-attorney granted hereby is coupled with an interest and shall be irrevocable.

(ii) The provisions of Section 5(a)(ii) shall continue in full force and effect, except that no dividends or distributions may be paid to the Pledgor.

As used in this Agreement, the term "Material Adverse Effect" shall mean an effect resulting from any circumstance or event of whatever nature (including any adverse determination in any litigation) which does, or could reasonably be expected to, materially and adversely (A) impair the validity or enforceability of any of the 1997 Note Indenture, the 1999 Note Indenture, the Notes, any Loan Document or any Future Loan Document or the Collateral Agent's or any Secured Party's rights or remedies with respect thereto; (B) cause a Default; (C) affect the business, property, business prospects, operations, or financial or other condition of the Subsidiary or Pledgor; or (D) impair or affect the Pledged Collateral or the Collateral Agent's Liens on the Pledged Collateral or the priority of such Liens.

(c) In the event that all or any part of the securities or instruments constituting the Pledged Collateral are lost, mutilated, destroyed or wrongfully taken while such securities or instruments are in the possession of the Collateral Agent, the Pledgor agrees that it will cause the delivery of new securities or instruments in place of the lost, mutilated, destroyed or wrongfully taken securities or instruments upon request therefor by the Collateral Agent without the necessity of any indemnity bond or other security other than the Collateral Agent's agreement or indemnity therefor customary for security agreements similar to this Agreement.

6. Additional Shares. (a) The Pledgor agrees that it will cause the Subsidiary not to issue any Stock of any kind.

(b) Without derogating from paragraph (a) of this Section 6, in the event that, during the term of this Agreement:

(i) any stock dividend, stock split, reclassification, readjustment, or other change is declared or made in the capital structure of the Subsidiary, all new, substituted, and additional shares, or other securities, issued by reason of any such change and received by the Pledgor (directly or indirectly) or to which the Pledgor shall be entitled shall be promptly delivered or otherwise transferred to the Collateral Agent, together with undated stock powers endorsed in blank by the Pledgor, and shall thereupon constitute additional Pledged Collateral to be held by the Collateral Agent under the terms of this Agreement; and

(ii) any subscriptions, warrants or any other rights or options shall be issued in connection with the Pledged Shares, all new stock or other securities acquired through such subscriptions, warrants, rights or options, and all additional shares of capital stock of the Subsidiary or any successor in interest thereto from time to time acquired by the Pledgor (directly or indirectly) in any manner

whatsoever (including, without limitation, any shares of preferred stock issued by the Subsidiary) together with appropriate undated stock or similar powers endorsed in blank by the Pledgor, shall be promptly delivered or otherwise transferred to the Collateral Agent and shall thereupon constitute Pledged Collateral to be held by the Collateral Agent under the terms of this Agreement.

7. Payment of Taxes and Claims. The Pledgor shall make payment of (a) all taxes, assessments, license fees, levies and other charges of Governmental Bodies imposed upon it which if unpaid, could reasonably be expected to have a Material Adverse Effect or become a Lien on the Property of the Pledgor, unless and to the extent only that such taxes, assessments, charges, license fees, levies and other charges shall be contested in good faith and by appropriate proceedings diligently conducted by the Pledgor and the Collateral Agent has received prompt notice of such contest, (b) all taxes, assessments, license fees, levies and other charges of Governmental Bodies on any of the Pledged Collateral before any penalty or interest accrues thereon, unless and to the

extent only that such taxes, assessments, charges, license fees, levies and other charges shall be contested in good faith and by appropriate proceedings diligently conducted by the Pledgor and the Collateral Agent has received prompt notice of such contest, before any penalty or interest accrues thereon, and (c) all claims (including, without limitation, claims for labor, services, materials and supplies) for sums materially adversely affecting the Pledged Collateral, which have become due and payable and which by law have or may become a Lien upon any of the Pledged Collateral prior to the time when any penalty or fine shall be incurred with respect thereto, unless and to the extent such claim is being contested in good faith and by appropriate proceedings diligently conducted by the Pledgor, the Collateral Agent has received prompt notice of such contest, any proceeding to place a lien on the Pledged Collateral or to enforce a lien on the Pledged Collateral has been stayed and such contest is not reasonably expected to have a Material Adverse Effect.

8. Covenants and Agreements. The Pledgor covenants and agrees that on and after the date hereof until the payment in full of the Secured Obligations and the termination and discharge of all of the 1997 Note Indenture and the 1999 Note Indenture and the Loan Documents and any Future Loan Documents, unless the Collateral Agent shall otherwise consent in writing:

(a) At any time and from time to time, upon the reasonable request of the Collateral Agent, and at the sole expense of the Pledgor, the Pledgor shall promptly do, file, record, execute and deliver any and all such further notices, instruments and documents and will take such further action as may be reasonably deemed necessary or desirable in the judgment of the Collateral Agent and its counsel to obtain, protect and perfect the security interests granted hereby and enforce and give effect to the rights, remedies and powers hereunder, including, without limitation, the recording or filing of all instruments and documents reasonably necessary to perfect and protect the perfection of the security interests granted hereby under Article 8 or 9 of the Uniform Commercial Code in effect in any applicable jurisdiction. In connection therewith, the Collateral Agent is

hereby irrevocably authorized and empowered as the Pledgor's attorney-in-fact, solely to make, at the Collateral Agent's option, all filings and to give all other notices as it shall reasonably deem necessary with respect to any of the Pledged Collateral, all of which may be done with or without the signature of the Pledgor. The Pledgor agrees that the foregoing power constitutes a power coupled with an interest which shall survive until the payment in full of all of the Secured Obligations. The Pledgor agrees to reimburse the Collateral Agent on demand for any actual and reasonable expenses (including reasonable attorneys' fees and expenses with respect to the Collateral Agent, including reasonable allocated costs and expenses of in-house counsel and legal staff) incurred by the Collateral Agent in connection with such matters and, until such reimbursement, such expenses shall be a part of the Secured Obligations.

(b) The Pledgor shall defend its ownership interest in and to the Collateral and the Collateral Agent's security interest in and to the Pledged Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to the interests of the Collateral Agent.

(c) The Pledgor shall, at all times, maintain or cause to be maintained accurate books and records with respect to the Pledged Collateral, and shall furnish to the Collateral Agent such information concerning such Pledged Collateral as the Collateral Agent may from time to time reasonably request. The Collateral Agent and its designees are hereby given the right, at the Pledgor's expense, to inspect and copy, following prior notice to the Pledgor and during regular business hours, or the Pledgor shall furnish the Collateral Agent with copies of, all records and documents reasonably required by the Collateral Agent relating to the Pledged Collateral.

(d) The Pledgor shall not further hypothecate, assign, pledge, encumber, transfer, sell or otherwise dispose of, or grant any option with respect to, or create or suffer to exist a security interest in, or a Lien on, the Pledged Collateral or any portion thereof, except for the pledge, assignment and security interest created by this Agreement in favor of the Collateral Agent and except as contemplated by Article 12 of the 1997 Note Indenture, Article 12 of the 1999 Note Indenture, Section 6 of the Loan Agreement and the relevant comparable section of any Future Loan Agreement. The inclusion of "Proceeds" of the Pledged Collateral under the security interest granted herein shall not be deemed a consent by the Collateral Agent to any sale or other disposition of any Pledged Collateral except as expressly permitted herein.

(e) The Pledgor shall promptly notify the Collateral Agent of any change occurring in or to the Pledged Collateral, of a change in the Pledgor's mailing address, of any material change in any fact or circumstance warranted or represented by the Pledgor in this Agreement or furnished to the Collateral Agent, or if any Default or Event of Default hereunder shall occur.

(f) The Pledgor shall not, without the prior written consent of the Collateral Agent, sign or file or authorize the signing or filing of any document, financing statement or instrument creating or perfecting, or purporting to create or perfect, any Lien or other encumbrance on all or any part of its Pledged Collateral except in favor of the Collateral Agent as required hereby and except as contemplated in Article 12 of the 1997 Note Indenture and Article 12 of the 1999 Note Indenture and Section 6 of the Loan Agreement and the relevant comparable section of any Future Loan Agreement.

(g) The security interest granted hereby constitutes and shall at all times constitute a perfected continuing first priority security interest in the Pledged Collateral.

9. The Collateral Agent Appointed Attorney-in-Fact. Effective upon the occurrence and during the continuance of an Event of Default, the Pledgor hereby irrevocably appoints the Collateral Agent its attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Collateral Agent's discretion, to take any action and to execute any instrument which the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Pledged Collateral and/or extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, or release, any Pledged Collateral or obligations, without otherwise discharging or affecting the Secured Obligations, the Pledged Collateral or the security interests granted by this Agreement,

(b) to file any claims or take any action or institute any proceedings which the Collateral Agent may deem necessary or desirable for the collection of any of the Pledged Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Pledged Collateral; and

(c) to receive, indorse and collect any drafts or other instruments and documents made payable to the Pledgor in connection with clause (a) above or representing any dividend or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same.

The power-of-attorney granted hereby is coupled with an interest and shall be irrevocable.

10. The Collateral Agent May Perform. If the Pledgor fails to perform any agreement contained herein or make payment of any amount required hereunder, the Collateral Agent may itself perform, or cause performance of, or provide payment for the performance thereof, and the reasonable expenses of the Collateral Agent incurred in connection therewith shall be payable by the Pledgor under Section 15 of this

Agreement and any such payment made shall be deemed an advance by the Collateral Agent to the Pledgor, payable on demand together with interest at the highest rate then payable under the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement, or any Future Loan Agreement as applicable, or if more than one of the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement or a Future Loan Agreement are applicable, then at the rate which is the greatest thereof.

11. The Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Pledged Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Pledged Collateral in its possession and the

accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Pledged Collateral, including the filing of any financing or continuation statements relating to the Pledged Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if the Pledged Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own Property, it being understood that the Collateral Agent shall not be under any obligation to (a) ascertain or take action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Collateral, whether or not the Collateral Agent has or is deemed to have knowledge of such matters, or (b) take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Pledged Collateral, but may do so at its option, and all reasonable expenses incurred in connection therewith shall be for the sole account of the Pledgor, and shall be added to the Secured Obligations.

12. Events of Default. If any of the following events shall occur, then an "Event of Default" has occurred hereunder:

(a) if the Pledgor fails to fully and punctually pay, perform or observe any debt, obligation or liability of the Pledgor under this Agreement, the 1997 Note Indenture, the 1999 Note Indenture, the Loan Documents or any Future Loan Documents; or

(b) if any representation or warranty made herein, in the 1997 Note Indenture, in the 1999 Note Indenture, in the Loan Agreement in any Future Loan Agreement, or in any certificate, report or other document furnished by the Pledgor in connection with this Agreement, the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement or any Future Loan Agreement shall prove to have been false in any material respect upon the date when made or deemed to have been made or repeated; or

(c) if the Pledgor shall fail to observe or perform any term, covenant or agreement contained in Sections 8(a), 8(d) or 8(f) of this Agreement; or

(d) if the Pledgor shall fail to perform or observe any other term, covenant or agreement on its part to be performed or observed pursuant to this

Agreement and such failure shall have continued unremedied for a period of 30 days after the Pledgor shall become aware of such failure; or

(e) the occurrence and continuance of an Event of Default under and as defined in the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement or any Future Loan Agreement.

13. Notice of Event of Default. The Pledgor agrees to notify the Collateral Agent of the occurrence of an Event of Default promptly upon its obtaining knowledge thereof.

14. Remedies. Upon the occurrence and during the continuation of an Event of Default, the Collateral Agent may upon written instructions from the 1997 Note Trustee, the 1999 Note Trustee, the Administrative Agent or any Future Agent, as applicable, subject to regulatory requirements and the terms and conditions of the Intercreditor Agreement, exercise any and all remedies and other rights provided under this Agreement and by applicable law, including, without limitation, the following:

(a) The Collateral Agent may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC (whether or not the UCC applies to the affected Pledged Collateral) and also may without notice, except as specified below, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may deem commercially reasonable. The Pledgor agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice to the Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Any cash held by the Collateral Agent as Pledged Collateral and all cash proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Pledged Collateral may, in the discretion of the Collateral Agent, be held by the Collateral Agent as Pledged Collateral for, and then or at any time thereafter applied (after the payment of any amounts payable to the Collateral Agent pursuant to Section 15 hereof) in whole or in part by the Collateral Agent for the ratable benefit of the Secured Parties against all or any part of the Secured Obligations. Any surplus of such cash or cash proceeds held by the Collateral Agent and remaining after

payment of all of the Secured Obligations shall be paid over to the Pledgor or to whomsoever may be lawfully entitled to receive such surplus.

(c) The Pledgor acknowledges and agrees that the Collateral Agent may elect, with respect to the offer or sale of any or all of the Pledged Collateral, to conduct such offer and sale in such a manner as to avoid the need for registration or qualification of the Pledged Collateral or the offer and sale thereof under any Federal or state securities laws and that the Collateral Agent is authorized to comply with any limitation or restriction in connection with such sale as counsel may advise the Collateral Agent is necessary in order to avoid any violation of applicable law, including, without limitation, compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Pledged Collateral, or in order to obtain any required approval of the sale or of the purchaser by any Governmental Body. The Pledgor further acknowledges and agrees that any such transaction may be at prices and on terms less favorable than those which may be obtained through a public sale and not subject to such restrictions and agrees that, notwithstanding the foregoing, the Collateral Agent is under no obligation to conduct any such public sale and may elect to impose any or all of the foregoing restrictions, or any other restrictions which may be necessary or desirable in order to avoid any such registration or qualification, at its sole discretion or with the consent or direction of the parties entitled to give direction pursuant to the Intercreditor Agreement, and that any such offer and sale shall, taking into account the possible restrictions on such offer and sale described in this subsection (c), be conducted in a commercially reasonable manner.

(d) The Pledgor hereby expressly waives and covenants not to assert any appraisement, valuation, extension, redemption or similar laws, now or at any time hereafter in force, which might delay, prevent or otherwise impede the performance or enforcement of this Agreement.

15. Expenses. The Pledgor will upon demand make payment to the Collateral Agent of any and all reasonable out-of-pocket sums, costs and expenses, which the Collateral Agent may pay or incur pursuant to the provisions of this Agreement or in perfecting, defending, protecting or enforcing this Agreement or the security interests granted herein or in enforcing payment of all of the Secured Obligations or otherwise in connection with the provisions hereof, including, but not limited to court costs, reasonable collection charges, reasonable travel expenses, and reasonable attorneys' fees (including with respect to the Collateral Agent, the reasonable allocated costs and expenses of in-house counsel and legal staff) all of which together with interest at the highest rate then payable under the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement, or any Future Loan Agreement as applicable, or if more than one of the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement or a Future Loan

Agreement are applicable, then the greatest thereof, shall be part of the Secured Obligations.

16. Repayment in Bankruptcy, etc. Notwithstanding anything to the contrary contained in this Agreement, if, at any time or times subsequent to the payment of all or any part of the Secured Obligations, the Collateral Agent shall be required to repay any amounts previously paid by or on behalf of the Subsidiary or the Pledgor in reduction thereof by virtue of an order of any

court having jurisdiction thereof, including, without limitation, as a result of an adjudication that such amounts constituted preferential payments or fraudulent conveyances, the Pledgor unconditionally agrees to make payment to the Collateral Agent within 10 days after demand of the amount of such repayment, together with interest on such amount from the date of such repayment by the Collateral Agent to the date of payment to the Collateral Agent at the default interest rate set forth in the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement or any Future Loan Agreement, as applicable, or if more than one of the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement or a Future Loan Agreement are applicable, then at the rate which is the greatest thereof.

17. No Segregation of Moneys; No Interest. No moneys or any other property received by the Collateral Agent hereunder need be segregated in any manner except to the extent required by law, and any such moneys or other property may be deposited under such general conditions as may be prescribed by law applicable to the Collateral Agent, and the Collateral Agent shall not be liable for any interest thereon.

18. Continuing Security Interest; Termination. (a) This Agreement shall create a continuing perfected first security interest in the Pledged Collateral and shall (i) remain in full force and effect until the payment in full of all of the Secured Obligations, (ii) be binding upon the Pledgor, its successors and assigns and (iii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and the Secured Parties and their respective successors, transferees and assigns.

(b) Notwithstanding anything to the contrary in this Section 18, upon (i) satisfaction by the 1997 Note Trustee and the 1999 Note Trustee of the conditions set forth in Article Four of the 1997 Note Indenture and Article Four of the 1999 Note Indenture, upon the satisfaction and discharge of the 1997 Note Indenture and the 1999 Note Indenture and repayment of all obligations under the Loan Documents and any Future Loan Documents and termination of the Loan Agreement and any relevant Loan Documents and any Future Loan Agreement and relevant Future Loan Documents, respectively, (ii) the payment in full of all Secured Obligations or (iii) the defeasance of the 1997 Notes and the 1997 Note Indenture as provided in Section 13.02 of the 1997 Note Indenture, the defeasance of the 1999 Notes and the 1999 Note Indenture as provided in Section 13.02 of the 1999 Note Indenture, and the repayment of all obligations under the Loan Documents and any Future Loan Documents and termination of the Loan Agreement and any relevant Loan Documents and any Future Loan Agreement and relevant Future Loan Documents, the security interests created under this

Agreement shall terminate and the Collateral Agent shall, at the request and expense of the Pledgor, cause to be assigned, transferred and delivered, against receipt but without recourse, warranty or representation whatsoever, any remaining Pledged Collateral, to or on the order of the Pledgor, and shall execute and deliver to the Pledgor an instrument or instruments acknowledging the release of such Pledged Collateral from the Lien of this Agreement.

19. Notices. All notices and other communications provided for hereunder shall be in writing (including telegraphic, telecopy, telex or cable communication) and mailed, telegraphed, telecopied, telexed, cabled or delivered to it, if to the Pledgor, addressed to it at Sirius Satellite Radio Inc., 1221 Avenue of the Americas, New York, New York 10020, Attention of Patrick L. Donnelly, if to the Collateral Agent addressed to it at The Bank of New York, 101 Barclay Street, Floor 21W, New York, New York 10286, Attention of Corporate Trust Trustee Administration, if to the 1997 Note Trustee, at the address of the 1997 Note Trustee specified in the 1997 Note Indenture, if to the 1999 Note Trustee, at the address of the 1999 Note Trustee as specified in the 1999 Note Indenture, if to the Administrative Agent, at the addresses of the Administrative Agent specified in the Loan Agreement, if to any Future Agent, at the address specified in the applicable Future Agent Supplement, or as to any party at such other address as shall be designated by such party in a written notice to each other party. All such notices and other communications shall, when mailed, telegraphed, telecopied, telexed or cabled, be effective when deposited in the mails, delivered to the telegraph company, transmitted by telecopier, confirmed by telex answerback or delivered to the cable company, respectively.

20. Margin Regulations. The Pledgor shall take such steps as may be necessary so that it shall comply with Regulations U and X (in so far as Regulation X applies to Regulation U) promulgated by the Board of Governors of the Federal Reserve System, in each case as in effect from time to time and to the extent such Regulations are at the time applicable to the Notes issued by the Pledgor.

21. Future Agents. To the extent permitted by the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement and any Future Loan Agreement, by

executing and delivering a Future Agent Supplement, a Future Agent (on its own behalf and on behalf of the Future Lenders) hereby becomes a party to this Agreement as an Agent hereunder with the same force and effect as if originally named herein as an Agent and, without limiting the generality of the foregoing, expressly assumes all obligations and liabilities of an Agent hereunder.

22. Other Provisions. (a) Except as expressly provided in this Agreement, the Pledgor hereby waives presentment, demand for payment, notice of default, nonperformance and dishonor, protest and notice of protest of or in respect of this Agreement, the 1997 Note Indenture, the 1999 Note Indenture, the Notes, the Loan Documents, any Future Loan Documents or the Secured Obligations, notice of acceptance of this Agreement and reliance hereupon by the Collateral Agent and notice of any sale of collateral security or any default of any sort.

(b) The Pledgor waives all errors or omissions of the Collateral Agent in connection with the administration of Security Interest created hereby and the Pledged Collateral, except errors or omissions which constitute gross negligence or wilful misconduct.

(c) The Pledgor agrees that the Collateral Agent or the Secured Parties may at any time, without notice to or consent of the Pledgor, and without in any manner affecting the liability of the Pledgor hereunder, amend, modify or waive any term or condition of the 1997 Note Indenture, the 1999 Note Indenture, the Loan Documents and any Future Loan Documents, as applicable, and the 1997 Notes and the 1999 Notes, as applicable, the Intercreditor Agreement and any of the other respective Secured Obligations and any collateral security therefor and otherwise deal with the Pledgor as if this Agreement did not exist.

(d) The Pledgor is not relying upon the Collateral Agent to provide to the Pledgor any information concerning the Subsidiary, including, without limitation, information which might have a Material Adverse Effect, and the Pledgor has made arrangements satisfactory to the Pledgor to obtain from the Subsidiary on a continuing basis such information concerning the Subsidiary as the Pledgor may desire.

(e) In addition to all other rights it may have at law or otherwise, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent is hereby authorized at any time and from time to time, without notice, to set off against any and all obligations which the Collateral Agent may owe to the Subsidiary or the Pledgor, of any kind or nature, and the Pledgor shall continue to be liable to the Collateral Agent for any deficiency with interest at the applicable interest rate set forth in the 1997 Note Indenture or the 1997 Notes, or the 1999 Note Indenture or the 1999 Notes, or the Loan Agreement or in any Future Loan Agreement, as applicable.

(f) Notwithstanding anything to the contrary contained in the 1997 Note Indenture, the 1999 Note Indenture, the Loan Documents or any Future Loan Documents or in any other agreement, instrument or document executed by the Pledgor and delivered to the Collateral Agent, the Collateral Agent will not take any action pursuant to any document referred to above which would constitute or result in any assignment of any FCC license or any change of control (whether de jure or de facto) of the Pledgor or the Subsidiary if such assignment of any FCC license or change of control would require, under then existing law or regulation of the FCC, the prior approval of the FCC without first obtaining such prior approval of the FCC. Upon the occurrence of an Event of Default or at any time thereafter during the continuance thereof, subject to terms and conditions of this Agreement, the Pledgor agrees to take any action which the Collateral Agent may reasonably request in order to obtain from the FCC such approval as may be necessary to enable the Collateral Agent to exercise and enjoy, the full rights and benefits granted to the Collateral Agent by this Agreement and the other documents referred to above, including specifically, at the cost and expense of the Pledgor, the use of its best efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Agreement for which such approval is or shall be required by law,

and specifically, without limitation, upon request, to prepare, sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of license or transfer of control necessary or appropriate under the FCC's rules and regulations for approval of (i) any sale or other disposition of the Pledged Collateral by or on behalf of the Collateral Agent, or (ii) any assumption by the Collateral Agent of voting

rights in the Pledged Collateral effected in accordance with the terms of this Agreement. It is understood and agreed that all foreclosure and related actions will be made in accordance with the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder, as from time to time in effect (the "Communications Act") and other applicable FCC regulations and published policies and decisions.

(g) The Pledgor agrees to indemnify and hold harmless the Collateral Agent and each Secured Party, the respective affiliates of the Collateral Agent, each Secured Party, and the respective officers, directors, employees, agents (including, without limitation each of their counsel), and controlling persons of the Collateral Agent, each Secured Party and each such affiliate (each, an "Indemnified Party") from and against any and all claims, actions and suits whether groundless or otherwise, and from and against any and all liabilities, losses, damages and costs and expenses (including, without limitation, the reasonable fees and disbursements of counsel and with respect to the Collateral Agent, reasonably allocated costs and expenses of in-house counsel and legal staff) of every nature and character arising out of or in connection with any actual or threatened claim, litigation, investigation or proceeding relating to the 1997 Note Indenture, the 1999 Note Indenture, the Notes, the Loan Documents, any Future Loan Documents or this Agreement or the transactions contemplated hereby (other than any such actions or expenses resulting from the gross negligence or wilful misconduct of the Collateral Agent or the Secured Parties), in each case including, without limitation, the reasonable fees and disbursements of counsel and allocated costs of in-house counsel and legal staff incurred in connection with any such investigation, litigation or other proceeding whether or not such Indemnified Party is a party thereto, and the Pledgor agrees to reimburse each Indemnified Party, upon demand, for all out-of-pocket costs and expenses (including, without limitation, the reasonable fees and disbursements of counsel and with respect to the Collateral Agent, reasonably allocated costs and expenses of in-house counsel and legal staff) incurred in connection with any of the foregoing. In litigation, or the preparation therefor, the Collateral Agent and each Agent shall be entitled to select their own counsel and, in addition to the foregoing indemnity, the Pledgor agrees to pay promptly the reasonable fees and expenses of such counsel. If, and to the extent that the obligations of the Pledgor under this Section 22(g) are unenforceable for any reason, the Pledgor hereby agrees to make the maximum contribution to the payment in satisfaction of such obligations which is permissible under applicable law.

The Pledgor shall not make any claim against any Indemnified Party for any special, indirect or consequential damages in respect of any breach or wrongful conduct (whether the claim therefor is based in contract, tort or duty imposed by law) in connection with, arising out of or in any way related to the transactions contemplated by,

and the relationship established by this Agreement, the 1997 Note Indenture, the 1999 Note Indenture, the Notes, the Loan Documents, or any Future Loan Documents or any act, omission or event occurring in connection therewith, and the Pledgor hereby waives, releases and agrees not to sue upon any such claim for any such damages, whether or not accrued and whether or not known or suspected to exist in the Pledgor's favor.

The covenants contained in this Section 22(g) shall survive payment or satisfaction in full of all other of the Secured Obligations.

(h) The Pledgor hereby appoints Patrick L. Donnelly, 1221 Avenue of the Americas, New York, New York 10020, as its legally authorized process agent to accept service on behalf of the Pledgor.

(i) This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. The Pledgor agrees that any suit for the enforcement of this Agreement may be brought in the courts of the State of New York or any Federal court sitting therein and consents to the nonexclusive jurisdiction of such court and service of process in any such suit being made upon the Pledgor by mail to Patrick L. Donnelly at the address specified in Section 22(h). The Pledgor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

(j) This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

(k) This Agreement and any other documents executed in connection

herewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in Section 22(n).

(l) Each Holder, by its acceptance of the benefits of this Agreement and the security interest created hereby, is deemed to agree to be subject to the provisions of the Intercreditor Agreement.

(m) The Pledgor hereby waives its right to a jury trial with respect to any action or claim arising out of any dispute in connection with this Agreement, or any of the other loan documents, any rights or obligations hereunder or thereunder or the performance of such rights and obligations. Except as prohibited by law, the Pledgor hereby waives any right it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Pledgor (i) certifies that no agent or representative of the Collateral Agent or any Secured Party has represented, expressly or otherwise, that the Collateral Agent or such Secured Party, as the case may be, would not, in the event of litigation, seek to enforce the foregoing waivers and

(ii) acknowledges that the Collateral Agent and the Agents have been induced to enter into this Agreement, the 1997 Note Indenture, the 1999 Note Indenture, the Loan Agreement and any Future Loan Agreement by, among other things, the waivers and certifications contained herein.

(n) Any consent or approval required or permitted by this Agreement to be given by the Collateral Agent may be given with, but only with, the written consent of the Collateral Agent (subject to the terms of the Intercreditor Agreement). Any term of this Agreement may be amended, and the performance or observance by the Pledgor of any terms of this Agreement, or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Pledgor and the written consent of the Collateral Agent and the Agents. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of the Collateral Agent or any Secured Party in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Pledgor shall entitle the Pledgor to other or further notice or demand in similar or other circumstances.

(o) Notwithstanding the foregoing, this Agreement may be amended, revised and supplemented, as contemplated by Section 1203 of the 1997 Note Indenture, Section 12.03 of the 1999 Note Indenture, Section 9.1 of the Loan Agreement and the relevant comparable section of any Future Loan Agreement, to assign and pledge to the Collateral Agent for the equal and ratable benefit of the Secured Parties a security interest in the Pledged Collateral. Any such amendment, revision or supplement shall comply with the provisions of Section 1203 of the 1997 Note Indenture and Section 12.03 of the 1999 Note Indenture, Section 9.1 of the Loan Agreement and the relevant comparable section of any Future Loan Agreement.

(p) The Pledgor hereby waives any and all rights against immunity from jurisdiction, attachment (both before and after judgment) and execution to which it might be entitled.

(q) The provisions of this Agreement are severable and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

(r) The Collateral Agent shall not be required to exercise any of the rights or powers vested in it by this Agreement, unless it shall have received reasonable indemnity against costs, expenses and liabilities which may be incurred in connection therewith. Any permissive right of the Collateral Agent to act hereunder shall not be construed as a duty.

IN WITNESS WHEREOF, the Pledgor has caused this Agreement to be duly

executed and delivered as of the date hereof.

SIRIUS SATELLITE RADIO INC.

By: /s/ Michael Haynes

Name: Michael Haynes
Title: Vice President and Treasurer

Accepted and agreed to:

THE BANK OF NEW YORK
as Collateral Agent,

By: /s/ Michael C. Daly

Name: Michael C. Daly
Title: Assistant Vice President

THE BANK OF NEW YORK,
as 1997 Note Trustee,

By: /s/ Michael C. Daly

Name: Michael C. Daly
Title: Assistant Vice President

UNITED STATES TRUST COMPANY OF NEW YORK,
as 1999 Note Trustee,

By: /s/ Patricia Gallagher

Name: Patricia Gallagher
Title: Assistant Vice President

LEHMAN COMMERCIAL PAPER INC.
as Administrative Agent

By: /s/ Michele Swanson

Name: Michele Swanson
Title: Authorized Signatory

Schedule I

Pledged Shares

All issued and outstanding shares of capital stock of Satellite CD Radio, Inc., a Delaware corporation.

Exhibit A

FUTURE AGENT SUPPLEMENT, dated as of _____, between _____, (the "Future Agent") and the Bank of New York, as collateral agent, (in such capacity, the "Collateral Agent") for the Secured Parties. All capitalized terms not defined herein shall have the meanings ascribed to them in the Pledge Agreement referred to below.

W I T N E S S E T H:
- - - - - - - - - -

WHEREAS, the Future Lenders desire to provide for their rights in

respect of the Pledged Collateral; and

WHEREAS, pursuant to the [ ] among the Pledgor, the Future Agent and the Future Lenders named therein, (a) such Future Lenders have agreed to make extensions of credit to the Pledgor and (b) the Future Agent desires to become a party (on its own behalf and on behalf of the Future Lenders) to the Second Amended and Restated Pledge Agreement dated as of March 7, 2001 (as amended or supplemented from time to time, the "Pledge Agreement") among the Agents parties thereto and the Collateral Agent; and

NOW, THEREFORE, IT IS AGREED:

1. Pledge Agreement. By executing and delivering this Future Agent Supplement, the Future Agent (on its own behalf and on behalf of the Future Lenders) hereby becomes a party to the Pledge Agreement as an Agent thereunder with the same force and effect as if originally named therein as an Agent and, without limiting the generality of the foregoing, expressly assumes all obligations and liabilities of an Agent thereunder.

2. Notices. All notices and other written communications provided for in this Future Agent Supplement shall be given as provided by the terms of the Pledge Agreement, in the case of the Future Agent, addressed as follows, or to such other address as the Future Agent may designate as to itself by like notice:

[ ]
[ ]
[ ]
Attention:

Fax No.:[ ]

with copies to:

[ ]
[ ]
[ ]
Attention:

Fax No.:[ ]

3. Governing Law. This Future Agent Supplement shall be governed by, and contained and interpreted in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this Future Agent Supplement to be duly executed and delivered as of the date first above written.

[FUTURE AGENT]

By:

Name:
Title:

THE BANK OF NEW YORK,
as Collateral Agent

By:

Name:
Title:

Accepted and agreed to:

SIRIUS SATELLITE RADIO INC.

By:

Name:
Title:

[EACH AGENT INCLUDING
ANY PRIOR FUTURE AGENTS]

Exhibit 4.26

EXECUTION COPY

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COLLATERAL AGREEMENT

made by

SIRIUS SATELLITE RADIO INC.

in favor of

THE BANK OF NEW YORK,
as Collateral Agent

Dated as of March 7, 2001

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COLLATERAL AGREEMENT, dated as of March 7, 2001, made by SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Borrower"), in favor of THE BANK OF NEW YORK, a New York banking corporation, as collateral agent (in such capacity, the "Collateral Agent") for the Secured Parties referred to below.

W I T N E S S E T H:

WHEREAS, pursuant to the Term Loan Agreement, dated as of June 1, 2000 (as amended, supplemented or otherwise modified from time to time, the "Term Loan Agreement"), among the Borrower, the several banks and other financial institutions or entities from time to time parties to the Term Loan Agreement (the "Lenders"), Lehman Brothers Inc., as advisor, lead arranger and book manager, Lehman Commercial Paper Inc., as syndication agent, and Lehman Commercial Paper Inc., as administrative agent (in such capacity, the "Administrative Agent"), the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Term Loan Agreement that the Borrower shall have executed and delivered this Agreement to the Collateral Agent for the ratable benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Term Loan Agreement and

to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, the Borrower hereby agrees with the Collateral Agent, for the ratable benefit of the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.1 Definitions. (a) Unless otherwise defined herein, terms defined in the Term Loan Agreement and used herein shall have the meanings given to them in the Term Loan Agreement (provided that the Collateral Agent shall be promptly notified of any amendment to the definition of any such terms under the Term Loan Agreement, which terms are material to the Collateral Agent for the performance of its obligations hereunder), and the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Certificated Security, Chattel Paper and Instruments.

(b) The following terms shall have the following meanings:

"Agreement": this Collateral Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Approved Ground Storage Site": a ground storage site located in the United States; (i) with respect to which location the Administrative Agent has given at least 30 days' prior approval (which approval shall not be unreasonably withheld, conditioned or delayed) and (ii) with respect to which the Borrower has delivered (a) to the Collateral Agent all executed financing statements and other documents reasonably requested by the Collateral Agent or the Administrative Agent to obtain, in the jurisdiction relevant to such location, a valid, perfected and first priority security interest in the Fourth Satellite to be stored in such location and (b) to

the Collateral Agent and the Administrative Agent such further information in connection with such location as the Collateral Agent or the Administrative Agent shall reasonably request in writing relating to the perfection of the Collateral Agent's security interest in the Fourth Satellite.

"Collateral": as defined in Section 2.

"Collateral Account": any collateral account established by the Collateral Agent as provided in Section 5.2.

"Fourth Satellite": the fourth FS-1300 spacecraft to be delivered to the Borrower pursuant to the Satellite Contract. References to the Fourth Satellite shall be deemed to include any spacecraft acquired or otherwise in the possession of the Borrower or any of its Subsidiaries for the purpose of replacing any Fourth Satellite no longer used or usable by the Borrower as a ground spare satellite.

"Fourth Satellite Contract Rights": all right, title and interest of the Borrower in, to and under the Satellite Contract, insofar as it relates to the Fourth Satellite and the Borrower's rights and remedies with respect thereto, including, without limitation, (i) all rights of the Borrower to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of the Borrower to damages arising thereunder and (iii) all rights of the Borrower to perform and to exercise all remedies thereunder.

"Hedge Agreement Obligations": the collective reference to all obligations and liabilities of the Borrower or any of its Subsidiaries (including, without limitation, interest accruing at the then applicable rate provided in any Specified Hedge Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to any Lender or any affiliate of any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, any Specified Hedge Agreement or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the relevant Lender or affiliate thereof that are required to be paid by the Borrower pursuant to the terms of any Specified Hedge Agreement).

"Hedge Agreements": as to any Person, all interest rate swaps, caps or collar agreements or similar arrangements entered into by such Person providing for protection against fluctuations in interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under

specific contingencies.

"New York UCC": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations": the collective reference to (i) the Term Loan Agreement Obligations, (ii) the Senior Discount Note Obligations, (iii) the Senior Note Obligations, (iv) the Hedge Agreement Obligations, but only to the extent that, and only so long as, the Term Loan

Agreement Obligations are secured pursuant hereto and (v) all other obligations and liabilities of the Borrower, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement (including, without limitation, all fees and disbursements of counsel to the Collateral Agent or to the Secured Parties that are required to be paid by the Borrower pursuant to the terms of this Agreement).

"Proceeds": all "proceeds" as such term is defined in Section 9-306(1) of the New York UCC and, in any event, shall include, without limitation, all collections or distributions or payments with respect to the Collateral.

"Representative": the collective reference to (i) the Administrative Agent, (ii) the Senior Discount Note Trustee and (iii) the Senior Note Trustee.

"Satellite Contract": the collective reference to the Loral Agreement and any other agreement with respect to the construction and delivery of a Fourth Satellite.

"Secured Debt Documents": the collective reference to (i) the Loan Documents, (ii) the Senior Discount Note Indenture and (iii) the Senior Note Indenture.

"Secured Parties": the collective reference to (i) the Administrative Agent, (ii) the Lenders (and any affiliates of any Lender to which the Hedge Agreement Obligations are owing), (iii) the Senior Discount Note Trustee, (iv) the Senior Discount Note Holders, (v) the Senior Note Trustee and (vi) the Senior Note Holders.

"Senior Discount Note Holders": the holders, from time to time, of Senior Discount Notes issued pursuant to the Senior Discount Note Indenture.

"Senior Discount Note Obligations": the collective reference to the unpaid principal of and interest on the Senior Discount Notes and all other obligations and liabilities of the Borrower (including, without limitation, interest accruing at the then applicable rate provided in the Senior Discount Notes or the Senior Discount Note Indenture after the maturity of the Senior Discount Notes and interest accruing at the then applicable rate provided in the Senior Discount Notes or the Senior Discount Note Indenture after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Senior Discount Note Trustee or any Senior Discount Note Holder, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Senior Discount Notes, the Senior Discount Note Indenture or this Agreement, or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Senior Discount Note Trustee or to the Senior Discount Note Holders that are required to be paid by the Borrower pursuant to the terms of any of the foregoing agreements or instruments).

"Senior Discount Note Trustee": The Bank of New York (as successor to IBJ Whitehall Bank and Trust Company), in its capacity as trustee under the Senior Discount Note Indenture.

"Senior Note Holders": the holders, from time to time, of Senior Notes issued pursuant to the Senior Note Indenture.

"Senior Note Obligations": the collective reference to the unpaid principal of and interest on the Senior Notes and all other obligations and liabilities of the Borrower (including, without limitation, interest accruing at the then applicable rate provided in the Senior Notes or the Senior Note Indenture after the maturity of the Senior Notes and interest accruing at the then applicable rate provided in the Senior Notes or the Senior Note Indenture after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Senior Note Trustee or any Senior Note Holder, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Senior Notes, the Senior Note Indenture or this Agreement, or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Senior Note Trustee or to the Senior Note Holders that are required to be paid by the Borrower pursuant to the terms of any of the foregoing agreements or instruments).

"Senior Note Trustee": United States Trust Company of New York, in its capacity as trustee under the Senior Note Indenture.

"Specified Hedge Agreement": any Hedge Agreement (a) entered into by (i) the Borrower or any of its Subsidiaries and (ii) any Lender or any affiliate thereof, as counterparty, and (b) which has been designated by such Lender and the Borrower, by notice to the Collateral Agent and the Administrative Agent not later than 90 days after the execution and delivery by the Borrower or its Subsidiary thereof, as a Specified Hedge Agreement. The designation of any Hedge Agreement as a Specified Hedge Agreement shall not create in favor of the Lender or affiliate thereof that is a party thereto any rights in connection with the management or release of any Collateral or any Obligations.

"Term Loan Agreement Obligations": the collective reference to the unpaid principal of and interest on the Loans and all other obligations and liabilities of the Borrower (including, without limitation, interest accruing at the then applicable rate provided in the Term Loan Agreement after the maturity of the Loans and interest accruing at the then applicable rate provided in the Term Loan Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Administrative Agent or any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Term Loan Agreement, this Agreement or the other Loan Documents, or any other document made, delivered or given in connection therewith, in each case whether on

account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by the Borrower pursuant to the terms of any of the foregoing agreements).

1.2 Other Definitional Provisions. The words "hereof", "herein", "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. GRANT OF SECURITY INTEREST

The Borrower hereby assigns and transfers to the Collateral Agent, and hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in all of the following property now owned or at any time hereafter acquired by the Borrower or in which the Borrower now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations:

(a) the Fourth Satellite;

(b) all Fourth Satellite Contract Rights;

(c) all books and records pertaining to the Collateral; and

(d) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

SECTION 3. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into the Term Loan Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, the Borrower hereby represents and warrants to the Collateral Agent and each Secured Party that:

3.1 Title; No Other Liens. Except for the security interest granted to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Term Loan Agreement, the Borrower (i) owns the Fourth Satellite Contract Rights and (ii) upon delivery to and acceptance by the Borrower pursuant to the Satellite Contract, will own each other item of Collateral, in each case free and clear of any and all Liens or claims of others. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office,

except such as have been filed in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, pursuant to this Agreement.

3.2 Perfected First Priority Liens. The security interests granted pursuant to this Agreement, upon completion of the filings and other actions specified on Schedule 1 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Collateral Agent in completed and duly executed form), will constitute valid perfected security interests in all of the Collateral in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, as collateral security for the Obligations, enforceable in accordance with the terms hereof against all creditors of the Borrower and any Persons purporting to purchase any Collateral from the Borrower and are prior to all other Liens on the Collateral in existence on the date hereof except for unrecorded Liens permitted by the Term Loan Agreement which have priority over the Liens on the Collateral by operation of law.

3.3 Chief Executive Office. On the date hereof, the Borrower's jurisdiction of organization and the location of the Borrower's chief executive office or sole place of business are specified on Schedule 2.

3.4 Satellite Contract. (a) No consent of any party (other than the Borrower) to the Satellite Contract is required, or purports to be required, in connection with the execution, delivery and performance of this Agreement.

(b) The Satellite Contract is in full force and effect and constitutes a valid and legally enforceable obligation of the Borrower and, to the knowledge of the Borrower, Space Systems/Loral, Inc., subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(c) No consent or authorization of, filing with or other act by or in respect of any Governmental Authority is required in connection with the execution, delivery, performance, validity or enforceability of the Satellite Contract by the Borrower and, to the knowledge of the Borrower, Space Systems/Loral, Inc. other than those which have been duly obtained, made or performed, are in full force and effect and do not subject the scope of the Satellite Contract to any material adverse limitation, either specific or general in nature.

(d) Neither the Borrower nor (to the best of the Borrower's knowledge) any of the other parties to the Satellite Contract is in default in any material respect in the performance or observance of any of the terms thereof.

(e) The right, title and interest of the Borrower in, to and under the Satellite Contract are not subject to any material defenses, offsets, counterclaims or claims other than claims of Space Systems/Loral, Inc. for payment due from the Borrower under such Contract.

(f) The Borrower has delivered to the Collateral Agent a complete and correct copy of the Satellite Contract, including all amendments, supplements and other modifications thereto.

(g) No amount payable to the Borrower under or in connection with the Fourth Satellite is evidenced by any Instrument or Chattel Paper which has not been delivered to the Collateral Agent.

SECTION 4. COVENANTS

The Borrower covenants and agrees with the Collateral Agent and the Secured Parties that, from and after the date of this Agreement until the Obligations shall have been paid in full, and the Commitments shall have terminated:

4.1 Delivery of Instruments and Chattel Paper. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall be immediately delivered to the Collateral Agent, duly indorsed in a manner satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement.

4.2 Maintenance of Insurance. (a) The Borrower will, at all times at which it has title or risk of loss, maintain, with financially sound and reputable companies, insurance policies insuring the Fourth Satellite against loss by fire, explosion, theft and such other casualties as may be reasonably satisfactory to the Administrative Agent, such policies to be in such form and amounts and having such coverage as may be reasonably satisfactory to the Representatives.

(b) All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by the Collateral Agent of written notice thereof, (ii) name the Collateral Agent as insured party or loss payee, (iii) if reasonably requested by the Administrative Agent, include a breach of warranty clause and (iv) be reasonably satisfactory in all other respects to the Representatives.

(c) The Borrower shall deliver to the Collateral Agent and the Secured Parties a report of a reputable insurance broker with respect to such insurance substantially concurrently with the delivery by the Borrower to the Administrative Agent of its audited financial statements for each fiscal year and such supplemental reports with respect thereto as the Collateral Agent or any Representative may from time to time reasonably request.

4.3 Maintenance of Perfected Security Interest; Further Documentation. (a) The Borrower shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 3.2 and shall defend such security interest against the claims and demands of all Persons whomsoever.

(b) The Borrower will furnish to the Collateral Agent and the Representatives from time to time statements and schedules further identifying and describing the assets and property of the Borrower and such other reports in connection with the Collateral as the Collateral Agent or the Representatives may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Collateral Agent or the Administrative Agent, and at the sole expense of the Borrower, the Borrower will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Collateral Agent or the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (1) the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (2) to the extent applicable, taking any actions necessary to enable the Collateral Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto.

4.4 No Additional Liens. The Borrower will not further hypothecate, assign, pledge, encumber, transfer, sell or otherwise dispose of, or grant any option with respect to, or create or suffer to exist a security interest in, or a Lien on, the Collateral or any portion thereof, except for the pledge, assignment and security interest created by this Agreement in favor of the Collateral Agent. The inclusion of "Proceeds" of the Collateral under the security interest granted herein shall not be deemed a consent by the Collateral

Agent to any sale or other disposition of any Collateral.

4.5 Changes in Locations, Name, etc. The Borrower will not, except upon 15 days' prior written notice to Collateral Agent and the Administrative Agent and delivery to the Collateral Agent of all additional executed financing statements and other documents reasonably requested by the Collateral Agent or the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein:

(a) permit the Fourth Satellite to be kept at a location other than the Approved Ground Storage Site;

(b) change its jurisdiction of organization or the location of its chief executive office or sole place of business from that referred to in Section 3.3; or

(c) change its name, identity or corporate structure to such an extent that any financing statement filed by the Collateral Agent in connection with this Agreement would become misleading.

4.6 Notices. The Borrower will advise the Collateral Agent and the Representatives promptly, in reasonable detail, of:

(a) any Lien on any of the Collateral which would adversely affect the ability of the Collateral Agent to exercise any of its remedies hereunder; and

(b) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

4.7 Satellite Contract. The Borrower will perform and comply in all material respects with all its obligations under the Satellite Contract.

SECTION 5. REMEDIAL PROVISIONS

5.1 Communications with Obligors; Borrower Remains Liable. (a) Each of the Collateral Agent and the Administrative Agent, in its own name or in the name of others, may at any time communicate with the parties to the Satellite Contract to verify with them to the satisfaction of the Collateral Agent or the Administrative Agent, as the case may be, the existence, amount and terms of such Contract.

(b) Upon the request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, the Borrower shall notify parties to the Satellite Contract that the Satellite Contract has been assigned to the Collateral Agent for the ratable benefit of the Secured Parties and that any payments in respect thereof shall be made directly to the Collateral Agent.

(c) Anything herein to the contrary notwithstanding, the Borrower shall remain liable under the Satellite Contract to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Collateral Agent nor any Secured Party shall have any obligation or liability under the Satellite Contract by reason of or arising out of this Agreement or the receipt by the Collateral Agent or any Secured Party of any payment relating thereto, nor shall the Collateral Agent or any Secured Party be obligated in any manner to perform any of the obligations of the Borrower under or pursuant to the Satellite Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

5.2 Proceeds to be Turned Over To Collateral Agent. If an Event of Default shall occur and be continuing, all Proceeds received by the Borrower consisting of cash, checks and other near-cash items shall be held by the Borrower in trust for the Collateral Agent on behalf of the Secured Parties, segregated from other funds of the Borrower, and shall, forthwith upon receipt by the Borrower, be turned over to the Collateral Agent in the exact form received by the Borrower (duly indorsed by the Borrower to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Collateral Agent in a Collateral Account (or by the Borrower in trust for the Collateral Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided

in Section 5.3.

5.3 Application of Proceeds. At such intervals as may be agreed upon by the Borrower and the Collateral Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Collateral Agent's election, the Collateral Agent may apply all or any part of Proceeds constituting Collateral (after the payment of any amounts payable to the Collateral Agent pursuant to Section 6.10(a)), whether or not held in any Collateral Account, for

the ratable benefit of the Secured Parties in payment of the Obligations in the manner set forth in the Intercreditor Agreement. Any balance of such proceeds remaining after the Obligations shall have been paid in full and the Commitments shall have been terminated shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

5.4 Code and Other Remedies. If an Event of Default shall occur and be continuing, the Collateral Agent, on behalf of the Secured Parties, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Borrower or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Collateral Agent or any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Borrower, which right or equity is hereby waived and released. The Borrower further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at the Borrower's premises or elsewhere. The Collateral Agent shall apply the net proceeds of any action taken by it pursuant to this Section 5.4, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Collateral Agent and the Secured Parties hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the ratable payment in whole or in part of the Obligations, in the manner set forth in the Intercreditor Agreement, and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) of the New York UCC, need the Collateral Agent account for the surplus, if any, to the Borrower. To the extent permitted by applicable law, the Borrower waives all claims, damages and demands it may acquire against the Collateral Agent or any Secured Party arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

5.5 Waiver; Deficiency. The Borrower waives and agrees not to assert any rights or privileges which it may acquire under Section 9-112 of the New York UCC. The Borrower shall remain liable for any deficiency if the proceeds of any sale or other disposition of

the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency.

SECTION 6. THE COLLATERAL AGENT

6.1 Collateral Agent's Appointment as Attorney-in-Fact, etc. (a) The

Borrower hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Borrower and in the name of the Borrower or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, the Borrower hereby gives the Collateral Agent the power and right, on behalf of the Borrower, without notice to or assent by the Borrower, to do any or all of the following:

(i) in the name of the Borrower or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under the Satellite Contract or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity as directed by the relevant Required Parties (as defined in the Intercreditor Agreement) or as otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under the Satellite Contract or with respect to any other Collateral whenever payable;

(ii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iii) execute, in connection with any sale provided for in Section 5.4, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(iv) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against the Borrower with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate; and (7) generally, sell, transfer, pledge and make

any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and the Borrower's expense, at any time, or from time to time, all acts and things which are necessary or which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as the Borrower might do.

Anything in this Section 6.1(a) to the contrary notwithstanding, the Collateral Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 6.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If the Borrower fails to perform or comply with any of its agreements contained herein, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Collateral Agent incurred in connection with actions undertaken as provided in this Section 6.1, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due Base Rate Loans under the Term Loan Agreement, from the date of payment by the Collateral Agent to the date reimbursed by the Borrower, shall be payable by the Borrower to the Collateral Agent on demand.

(d) The Borrower hereby ratifies all that said attorneys shall lawfully

do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

6.2 Duty of Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Borrower or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Collateral Agent and the Secured Parties hereunder are solely to protect the Collateral Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to the Borrower for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

6.3 Execution of Financing Statements. Pursuant to Section 9-402 of the New York UCC and any other applicable law, the Borrower authorizes the Collateral Agent to file or

record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of the Borrower in such form and in such offices as Administrative Agent reasonably determines appropriate to perfect the security interests of the Collateral Agent under this Agreement. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

6.4 Authority of Collateral Agent. (a) The Borrower acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by the Intercreditor Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Borrower, the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and the Borrower shall be under no obligation, or entitlement, to make any inquiry respecting such authority.

(b) The Collateral Agent makes no representation as to the value or condition of the Collateral or any part thereof, as to the title of the Borrower to the Collateral, as to the security afforded by this Agreement or any other document, or, as to the validity, execution, enforceability, legality or sufficiency of this Agreement, or any other document, and the Collateral Agent shall incur no liability or responsibility in respect of any such matters. The Collateral Agent shall not be responsible for insuring the Collateral, for the payment of taxes, charges, assessments of liens upon the Collateral or otherwise as to the maintenance of the Collateral, except as provided in the immediately following sentence when the Collateral Agent has possession of the Collateral. The Collateral Agent shall have no duty to the Borrower or the Secured Parties as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Collateral Agent or any income therefor as to the preservation of rights against prior parties or any other rights pertaining thereto, except the duty to accord such of the Collateral as may be in its possession the same degree of care and skill as a prudent person would exercise or use under the circumstances with his or her own property or assets and the duty to account for monies received by it. The Collateral Agent shall not be responsible for perfecting or continuing the perfection of any security interest or lien granted to it hereunder or under any related document or agreement or for filing, re-filing, recording or re-recording any instrument, notice or other document in any public office at any time. The Collateral Agent shall not be required to ascertain or inquire as to the performance by the Borrower of any of the covenants or agreements contained herein. Neither the Collateral Agent nor any officer, agent or representative thereof shall be personally liable for any action taken or omitted to be taken by any such Person in connection with this Agreement or any other agreement except for its or such Person's own negligence or willful misconduct. The Collateral Agent may execute

any of the powers granted under this Agreement and perform any duty hereunder or thereunder either directly or by or through agents or attorneys-in-fact, and shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact selected by it if such agent or attorney-in-fact had been selected by it with reasonable care and without negligence or willful misconduct.

6.5 Reliance by Collateral Agent; Indemnity Against Liabilities, etc. (a) Whenever in the performance of its duties under this Agreement the Collateral Agent shall deem it necessary or desirable that a matter be proved or established with respect to the Borrower or any other Person in connection with the taking, suffering or omitting of any action hereunder by the Collateral Agent, such matter may be conclusively deemed to be proved or established by a certificate purporting to be executed by an officer or director of such person, and the Collateral Agent shall have no liability with respect to any action taken, suffered or omitted in reliance thereon.

(b) The Collateral Agent shall be fully protected by each party hereto in relying upon any resolution, statement, certificate, instrument, opinion, report, notice, request, consent order or other paper or document delivered by such party that it believes to be genuine and to have been signed or presented by the proper party or parties. In the absence of its gross negligence or willful misconduct or actual notice to the contrary, the Collateral Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinions furnished to the Collateral Agent in connection with this Agreement or any related documents.

(c) The Collateral Agent shall not be deemed to have actual, constructive, direct or indirect notice or knowledge of the occurrence of any Event of Default unless and until the Collateral Agent shall have received a written notice, indicating that an Event of Default has occurred. The Collateral Agent shall have no obligation whatsoever either prior to or after receiving such a notice to inquire whether an Event of Default has, in fact, occurred and shall be entitled to rely conclusively, and shall be fully protected in so relying, on any notice so furnished to it.

(d) If the Collateral Agent has been requested to take any specific action pursuant to any provision of this Agreement, the Collateral Agent shall not be under any obligation to exercise any of the rights or powers vested in it by this Agreement in the manner so requested unless it shall have been provided indemnity from the Borrower satisfactory to it against the reasonable costs, expenses (including reasonable fees and expenses of its counsel) and liabilities that may be incurred by it in compliance with such request or direction.

(e) No provision of this Agreement or any Security Document shall require the Collateral Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

6.6 Resignation and Removal of the Collateral Agent. (a) The Collateral Agent may at any time, by giving 30 (thirty) days' prior written notice to the Borrower and the Secured Parties, resign and be discharged from the responsibilities hereby created, such resignation to become effective upon the appointment of a successor by the consent of the Representatives and the Required Lenders and the approval by the Borrower of such successor (which approval will not be unreasonably withheld) and the acceptance of such appointment by such successor.

(b) If no successor shall be appointed and approved pursuant to Section 6.6(a) within 60 (sixty) days after the date of any resignation, the Collateral Agent may apply to any court of competent jurisdiction to appoint a successor to act until a successor shall have been appointed as provided above. Any successor Collateral Agent shall be a bank with an office in New York, New York, having a combined capital and surplus of at least US$500,000,000 (five hundred million United States Dollars) that is authorized to perform the function of the Collateral Agent hereunder.

6.7 Compensation and Expenses. The Borrower agrees to pay to the Collateral Agent from time to time such reasonable compensation as may be agreed

by the Collateral Agent and the Borrower for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust). Any reasonable expenses incurred by the Collateral Agent, including reasonable counsel fees, other charges and disbursements and compensation of agents, arising out of, in any way connected with, or as a result of, the execution, delivery or administration of this Agreement or the performance by the parties hereto of their respective obligations hereunder or in connection with the enforcement or protection of the rights of the Collateral Agent under this Agreement shall be paid or reimbursed by the Borrower. The Borrower agrees to indemnify the Collateral Agent for, and to hold it harmless against, any loss, liability or expense incurred without gross negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of its duties hereunder, including the costs and expense of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The obligations of the Borrower under this Section shall survive the termination of this Agreement and the resignation or removal of the Collateral Agent.

6.8 Collateral Held by Collateral Agent. The Collateral Agent shall have no duty to act outside of the United States in respect of any Collateral located in the jurisdiction other than the United States.

6.9 Experts and Advisers. (a) The Collateral Agent may employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its rights and duties hereunder and shall not be responsible for any act or omission on the part of any of them.

(b) The Collateral Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser or other expert or adviser, whether retained or employed by the Borrower or by the Collateral Agent, in relation to any matter arising in the administration of the Collateral.

(c) An opinion of counsel may be based, insofar as it relates to factual matters of which the Borrower has knowledge, upon the certificate or opinion of or representation by an officer or officers of the Borrower unless such counsel knows the certificate, opinion or representation upon which such counsel's opinion may be based is erroneous, or in the exercise of reasonable care should have known the same was erroneous.

6.10 Enforcement Expenses; Indemnification. (a) The Borrower agrees to pay, or reimburse the Collateral Agent for, all its costs and expenses incurred in enforcing or preserving any rights under this Agreement, including, without limitation, the fees and disbursements of counsel to the Collateral Agent.

(b) The Borrower agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) The Borrower agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (including, without limitation, at any time following the payment of the Obligations) be imposed on, incurred by or asserted against the Collateral Agent or the Secured Parties in any way relating to or arising out of this Agreement or the transactions contemplated hereby or any action taken or omitted by the Collateral Agent or the Secured Parties under or in connection with any of the foregoing; provided that the Borrower shall not be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Collateral Agent or such Secured Party, as applicable.

(d) The agreements in this Section shall survive repayment of the Obligations and all other amounts payable under Secured Debt Documents and the resignation or removal of the Collateral Agent.

SECTION 7. MISCELLANEOUS

7.1 Amendments in Writing. None of the terms or provisions of this

Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each of the Borrower and the Collateral Agent, provided that any provision of this Agreement imposing obligations on the Borrower may be waived by the Collateral Agent in a written instrument executed by the Collateral Agent.

7.2 Notices. All notices, requests and demands to or upon the Collateral Agent, the Representatives or the Borrower hereunder to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed (1) in the case of the Borrower, the Representatives and the Collateral Agent, as follows or (2) in the case of any party, to such other address as such party may hereafter notify to the other parties hereto:

The Borrower:	Sirius Satellite Radio Inc. 1221 Avenue of the Americas New York, New York 10020

	Attention: Michael Haynes Telecopy: (212) 584-5252 Telephone: (212) 584-5152
with a copy to:	Sirius Satellite Radio Inc. 1221 Avenue of the Americas New York, New York 10020 Attention: General Counsel Telecopy: (212) 584-5353 Telephone: (212) 584-5180
The Collateral Agent and the Senior Discount Note Trustee:	The Bank of New York 101 Barclay Street Floor 21 West New York, New York 10286 Attention: Corporate Trust Trustee Administration Telecopy: (212) 815-5915
The Senior Note Trustee:	United States Trust Company of New York 114 West 47th Street New York, New York 10036 Attention: Patricia Gallagher Telecopy: (212) 852-1626
The Administrative Agent:	Lehman Commercial Paper Inc. 3 World Financial Center New York, New York 10285 Attention: Michael O'Brien Telecopy: (212) 526-7691 Telephone: (212) 526-0437

7.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to Section 7.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Collateral Agent or such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

7.4 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Borrower and shall inure to the benefit of the Collateral Agent and the Secured Parties and their successors and assigns; provided that the Borrower may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent.

7.5 Set-Off. The Borrower hereby irrevocably authorizes the Collateral Agent at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to the Borrower, any such notice being expressly waived by the Borrower, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Collateral Agent to or for the credit or the account of the Borrower, or any part thereof in such amounts as the Collateral Agent may elect, against and on account of the obligations and liabilities of the Borrower to the Collateral Agent hereunder and claims of every nature and description of the Collateral Agent or the Secured Parties against the Borrower, in any currency, whether arising hereunder, under any Secured Debt Document or otherwise, as the Collateral Agent may elect, whether or not the Collateral Agent or any Secured Party has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Collateral Agent shall notify the Borrower promptly of any such set-off and the application made by the Collateral Agent of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Collateral Agent under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Collateral Agent may have.

7.6 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

7.7 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.8 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

7.9 Integration. This Agreement and the other Secured Debt Documents represent the agreement of the Borrower, the Collateral Agent and the Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Collateral Agent or any Secured Party relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Secured Debt Documents.

7.10 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

7.11 Submission To Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower at its address set forth in Section 7.2 or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

7.12 Acknowledgments. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Secured Debt Documents to which it is a party;

(b) neither the Collateral Agent nor any Secured Party has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Secured Debt Documents, and the relationship between the Borrower, on the one hand, and the Collateral Agent and Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Secured Debt Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Borrower and the Secured Parties.

7.13 Releases. (a) At such time as the Term Loan Agreement Obligations shall have been paid in full and the Commitments have been terminated, the Collateral shall be

released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Collateral Agent and the Borrower hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Borrower. At the request and sole expense of the Borrower following any such termination, the Collateral Agent shall deliver to the Borrower any Collateral held by the Collateral Agent hereunder, and execute and deliver to the Borrower such documents as the Borrower shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by the Borrower in a transaction permitted by the Term Loan Agreement, then the Collateral Agent, at the request and sole expense of the Borrower, shall execute and deliver to the Borrower all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral.

7.14 WAIVER OF JURY TRIAL. THE BORROWER AND, BY ACCEPTANCE OF THE BENEFITS HEREOF, THE COLLATERAL AGENT AND EACH SECURED PARTY, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

IN WITNESS WHEREOF, each of the undersigned has caused this Collateral Agreement to be duly executed and delivered as of the date first above written.

SIRIUS SATELLITE RADIO INC.

By: /s/ Patrick L. Donnelly

Name: Patrick L. Donnelly
Title: Senior Vice President

Acknowledged and Agreed
As of the date first written above,

THE BANK OF NEW YORK, as Collateral
Agent.

By: /s/ Michael C. Daly

Name: Michael C. Daly
Title: Assistant Vice President

Schedule 1

FILINGS AND OTHER ACTIONS
REQUIRED TO PERFECT SECURITY INTERESTS

Uniform Commercial Code Filings

Secretary of State, New York

County Clerk, New York County, New York

Secretary of State, California

Secretary of State, Delaware

Appropriate Uniform Commercial Code filings in the jurisdiction where the Approved Ground Storage Site is located

Other Actions

Such other actions as may be required to perfect the security interest of the Collateral Agent, for the ratable benefit of the Secured Parties, in the Fourth Satellite in the jurisdiction where the Approved Ground Storage Site is located.

Schedule 2

JURISDICTION OF ORGANIZATION AND LOCATION OF CHIEF EXECUTIVE OFFICE

<TABLE>
<CAPTION>

	Jurisdiction of Organization	Location of Chief Executive Office
<S>	<C>	<C>
Sirius Satellite Radio Inc.	Delaware	1221 Avenue of the Americas, New York, NY 10020

</TABLE>

Exhibit 4.27

AMENDED AND RESTATED INTERCREDITOR AGREEMENT

THIS AMENDED AND RESTATED INTERCREDITOR AGREEMENT, dated March 7, 2001 (this "Agreement"), is by and between The Bank of New York, a bank duly organized and existing under the laws of the State of New York ("BONY") in its capacity as trustee for the holders from time to time of certain indebtedness issued pursuant to the BONY Indenture referred to below, United States Trust Company of New York, a bank duly organized and existing under the laws of the State of New York ("US Trust") in its capacity as trustee for the holders from time to time of certain indebtedness issued pursuant to the US Trust Indenture referred to below, Lehman Commercial Paper Inc., a corporation duly organized and existing under the laws of the State of New York (the "Administrative Agent") in its capacity as administrative agent for the lenders from time to time under the Loan Agreement referred to below and each Future Agent (as defined below, together with BONY, US Trust and the Administrative Agent, the "Agents"), as agent for any Future Lenders (as defined below), which becomes a party hereto by means of a Future Agent Supplement substantially in the form of Exhibit A hereto ("Future Agent Supplement") and BONY in its capacity as Collateral Agent for the Secured Parties (as defined below) under the Pledge Agreement referred to below and in its capacity as Collateral Agent for the Collateral Parties (as defined below) under the Collateral Agreement referred to below.

R E C I T A L:
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BONY (as successor to IBJ Whitehall Bank & Trust Company), entered into an Indenture, dated as of November 26, 1997 (as amended, supplemented, restated or otherwise modified from time to time, the "BONY Indenture"), with Sirius Satellite Radio Inc. (formerly CD Radio Inc.) (the "Company") as trustee for the holders (the "BONY Noteholders") of the Company's 15% Senior Secured Notes due 2007 (the "1997 Notes"), and in connection therewith the Company has executed and delivered certain other agreements, guaranties, pledges, documents and other instruments (as amended, supplemented, restated or otherwise modified from time to time, collectively, together with the BONY Indenture, the "BONY Documents");

The obligations of the Company under the BONY Indenture and the 1997 Notes issued thereunder are secured by the Pledged Collateral (as defined below) as more specifically set forth in the BONY Documents;

US Trust has entered into an Indenture, dated as of May 15, 1999 (as amended, supplemented, restated or otherwise modified from time to time, the "US Trust Indenture"), with the Company as trustee for the holders (the "US Trust Noteholders") of the Company's 14-1/2% Senior Secured Notes due 2009 (the "1999 Notes", and together with the 1997 Notes, the "Notes") and in connection therewith the Company has executed and delivered certain other agreements, guaranties, pledges, documents and other instruments (as amended, supplemented, restated or otherwise modified from time to time, collectively, together with the US Trust Indenture, the "US Trust Documents");

The obligations of the Company under the US Trust Indenture and the 1999 Notes issued thereunder are secured by the Pledged Collateral as more specifically set forth in the US Trust Documents;

The Company has entered into a Term Loan Agreement dated as of June 1, 2000 (as amended, supplemented, restated or otherwise modified from time to time, the "Loan Agreement), with the Administrative Agent and the banks and other financial institutions or entities from time to time parties thereto (the "Lenders") and in connection therewith the Company has executed and delivered or will hereafter execute and deliver certain other agreements, guaranties, pledges, documents and other instruments (as amended, supplemented, restated or otherwise modified from time to time, collectively, together with the Loan Agreement, the "Loan Documents");

BONY and US Trust are party to an Intercreditor Agreement dated May 15, 1999 (the "Intercreditor Agreement") and the Company, BONY and US Trust are party to an Amended and Restated Pledge Agreement dated May 15, 1999;

The obligations of the Company under the BONY Indenture, the 1997 Notes, the US Trust Indenture, the 1999 Notes and the Loan Documents are secured

by the Satellite Collateral (as defined below);

Pursuant to the Collateral Agreement dated as of the date hereof (as amended, supplemented, restated or otherwise modified from time to time, the "Collateral Agreement") between the Company and BONY, as collateral agent (the "Collateral Agent"), the Satellite

Collateral shall be held by the Collateral Agent for the Existing Agents, the BONY Noteholders, the US Trust Noteholders and the Lenders, (together, the "Collateral Parties");

The Company may desire, to the extent permitted by the Credit Documents, to extend the benefits of this Agreement as it relates to the Pledged Collateral to any lender in the future (a "Future Lender") that makes extensions of credit ("Future Loans") pursuant to the terms and conditions of a loan agreement or indenture (a "Future Loan Agreement") together with other agreements, guaranties, pledges, documents and other instruments (as amended, supplemented, restated or otherwise modified from time to time, collectively, together with the Future Loan Agreement, the "Future Loan Documents") to the Company and any administrative agent or trustee acting on behalf of any such Future Lenders (a "Future Agent") that becomes a party hereto by means of a Future Agent Supplement;

Pursuant to the Second Amended and Restated Pledge Agreement dated as of the date hereof (as amended, supplemented, restated or otherwise modified from time to time, the "Pledge Agreement") among the Company, the Collateral Agent and the Agents, the Pledged Collateral shall be held by the Collateral Agent for the Agents, the BONY Noteholders, the US Trust Noteholders, the Lenders and the Future Lenders, (together, the "Secured Parties"), and

The parties hereto desire to amend and restate the Intercreditor Agreement to agree among themselves on certain rights, priorities and interests in the Pledged Collateral and the Satellite Collateral now or hereafter granted by the Company.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Accreted Value" shall have the meaning provided therefor in the BONY Indenture.

"Collateral" shall mean the Pledged Collateral and the Satellite Collateral.

"Credit Documents" shall mean the BONY Documents, the US Trust Documents, the Loan Documents and, if applicable, any Future Loan Documents.

"Existing Agents" shall mean the Agents, excluding the Future Agents.

"Existing Obligations" shall mean, collectively, the Loan Obligations, the 1997 Note Obligations and the 1999 Note Obligations.

"Future Agent Supplement" shall mean the future agent supplement in the form attached hereto as Exhibit A.

"Future Obligations" shall mean collectively, all debts, liabilities and obligations of the Company, whether now or hereafter existing, arising pursuant to the terms of any Future Loan Agreement.

"Lien" shall mean any mortgage, pledge, lien, security interest, setoff right or other encumbrance, whether now existing or hereafter

created, acquired or arising.

"Loan Obligations" shall mean, collectively, all debts, liabilities and obligations of the Company, whether now or hereafter existing, arising pursuant to the terms of the Loan Agreement and the Loan Documents.

"Loans" shall have the meaning provided therefor in the Loan Agreement.

"1997 Note Obligations" shall mean, collectively, all debts, liabilities and obligations of the Company, whether now or hereafter existing, arising pursuant to the terms of the 1997 Notes, the BONY Indenture and the BONY Documents.

"1999 Note Obligations" shall mean, collectively, all debts, liabilities and obligations of the Company, whether now or hereafter existing, arising pursuant to the terms of the 1999 Notes, the US Trust Indenture and the US Trust Documents.

"Obligations" shall mean, collectively, the Loan Obligations, the 1997 Note Obligations, the 1999 Note Obligations and any Future Obligations.

"Paid in full" shall mean indefeasible payment in full in lawful cash currency of the United States of America.

"Pledged Collateral" shall have the meaning provided therefor in the Pledge Agreement.

"Remedial Action" shall mean any claim, proceeding or action to foreclose upon, take possession or control of, sell, lease or otherwise dispose of, or in any other manner realize, take steps to realize or seek to realize upon, the whole or any part of any Collateral, whether pursuant to the UCC, by foreclosure, by setoff, by self-help repossession, by notification to account debtors, by deed in lieu of foreclosure, by exercise of power of sale, by judicial action or otherwise, or the exercise of any other remedies with respect to any Collateral, or under applicable law.

"Required Parties" shall mean, (a) in relation to the Pledged Collateral, at any time, Secured Parties holding Notes, Loans or Future Loans having an aggregate Accreted Value or principal amount, as applicable, greater than fifty percent (50%) of the sum of the following amounts at such time: (i) the Accreted Value or principal amount, as applicable, of 1997 Notes outstanding at such time, (ii) the principal amount of 1999 Notes outstanding at such time, and (iii) the aggregate unpaid principal amount or accreted value, as applicable, of the Loans and Future Loans outstanding at such time and (b) in relation to the Satellite Collateral, at any time, Collateral Parties holding Notes or Loans having an aggregate Accreted Value or principal amount, as applicable, greater than fifty percent (50%) of the sum of the following amounts at such time: (i) the Accreted Value or principal amount, as applicable, of 1997 Notes outstanding at such time, (ii) the principal amount of 1999 Notes outstanding at such time, and (iii) the aggregate unpaid principal amount or accreted value, as applicable, of the Loans outstanding at such time.

"Satellite Collateral" shall have the meaning provided for "Collateral" in the Collateral Agreement.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York, or, if another jurisdiction is specified in this Agreement, the Uniform Commercial Code as in effect from time to time in such jurisdiction.

2. Rights and Remedies. The Obligations are all secured by the Pledged Collateral. The Existing Obligations are all secured by the Satellite Collateral. The Agents, on behalf of the Secured Parties, agree that the priorities of the security interests which secure the Obligations under the respective Credit Documents and their rights in and to the Pledged Collateral shall at all times be equal and that each shall share and be equal in priority and rights with the others. Each Agent agrees that it will not contest the validity, perfection, priority (as provided in this Agreement) or enforceability of any other Agent's security interest in the Pledged Collateral for the benefit of the applicable Secured Parties. The

Existing Agents, on behalf of the Collateral Parties, agree that the priorities of the security interests which secure the Existing Obligations under the respective Credit Documents and their rights in and to the Satellite Collateral shall at all times be equal and that each shall share and be equal in priority and rights with the others. Each Existing Agent agrees that it will not contest the validity, perfection, priority (as provided in this Agreement) or enforceability of any other Existing Agent's security interest in the Satellite Collateral for the benefit of the applicable Collateral Parties.

3. Agreements. Each of the parties hereto acknowledges that the Pledged Collateral shall be held by the Collateral Agent in accordance with the terms of the Pledge Agreement and that the Satellite Collateral shall be held by the Collateral Agent in accordance with the terms of the Collateral Agreement.

4. Foreclosure on Collateral. The Collateral Agent shall have the sole and exclusive right to take or exercise Remedial Actions with respect to the Pledged Collateral in accordance with the terms of the Pledge Agreement and with the Satellite Collateral in accordance with the terms of the Collateral Agreement. The relevant Required Parties shall have the sole and exclusive right to direct the Collateral Agent to take or fail to take any Remedial Action with respect to the relevant Collateral, as provided herein, in the Pledge Agreement or the Collateral Agreement, as applicable, or under applicable laws in any manner deemed appropriate by the relevant Required Parties in their sole discretion and none of the Secured Parties or the Collateral Parties shall have the right itself (other than BONY as Collateral Agent) to take any Remedial Action with respect to any Collateral. Notwithstanding the foregoing, nothing contained in this Section shall prohibit a Secured Party or a Collateral Party or the Collateral Agent from filing a proof of claim in any case involving the Company, as debtor, under Title 11 of the United States Code, as amended, nor from intervening or participating in any other judicial proceeding to the extent necessary to establish or preserve its interests, subject in each case to the provisions of this Agreement.

5. Notice of Acceleration. Each Agent agrees to provide each other Agent with prompt written notice of the acceleration of any Obligations pursuant to any of its respective Credit Documents. Although the parties have agreed to provide notices of acceleration, the failure of a party to provide such notice shall not negate or in any way adversely affect or impair the validity of the declaration of such acceleration by the party making such declaration.

6. Further Assurances. At any time and from time to time, each Agent shall take any further action and execute and deliver to each other Agent such additional documents and instruments as any other Agent may reasonably request to effectuate the terms of and priorities contemplated by this Agreement.

7. Termination, Rescission or Modification. The agreements and priorities set forth in this Agreement shall remain in full force and effect regardless of whether either party hereto in the future seeks to rescind, amend, terminate or reform, by liquidation or otherwise, its respective agreements with the Company.

8. Notices. All notices and other written communications provided for in this Agreement shall be given in writing and sent by overnight delivery service (with charges prepaid) or by facsimile transmission with the original being sent by overnight delivery service (with charges prepaid) by the next succeeding business day, in each case addressed to the party to be notified as follows, or to such other address as a party may designate as to itself by like notice:

If to BONY at: The Bank of New York
101 Barclay Street, Floor 21W
New York, New York 10286
Attention: Corporate Trust Trustee Administration
Fax No.: (212) 815-5915

If to US Trust at: United States Trust Company of New York
114 West 47th Street
New York, New York 10036
Attention: Patricia Gallagher
Fax No.: (212) 852-1626

with copies to: Dow, Lohnes & Albertson
1305 Franklin Avenue
Suite 180
Garden City, New York 11530
Attention: Larry I. Glick, Esq.
Fax No.: (516) 739-0896

If to the Administrative Agent at:

Lehman Commercial Paper Inc.
3 World Financial Center
New York, New York 10285
Attention: Michael O'Brien
Fax No.: (212) 526-7691

If to any Future Agent, at such address as it shall designate in the applicable Future Agent Supplement.

9. Rights are Independent of Time of Attachment or Perfection. The parties agree that their respective rights and priorities set forth herein shall exist and be enforceable independent of (i) the initiation of any bankruptcy, moratorium, reorganization or other insolvency proceeding with respect to the Company; (ii) the priorities which would otherwise result from the order of creation, attachment or perfection of any such security interests; (iii) the taking of possession of any of the Pledged Collateral by any Secured Party or the Satellite Collateral by any Collateral Party; (iv) the time or order of attachment or perfection of the respective security interests or creation of the Obligations; (v) the time or order of filing of financing statements; (vi) any other collateral or guaranty which any Secured Party or Collateral Party may have or (vii) any other matter whatsoever; and shall continue in full force and effect unless and until this Agreement shall have terminated in accordance with Section 19 hereof.

10. No Additional Rights for the Company Hereunder. Nothing in this Agreement shall be construed to modify or relieve, in any way, the Company's obligation to perform its agreements under the Credit Documents.

11. No Third Party Rights. This Agreement shall not affect the rights of the Agents relative to the rights of any person not specifically a party to this Agreement, including, but not limited to, the Company or any guarantors or other creditors thereof. Nothing in this Agreement is intended to affect, limit, or in any way diminish the security interests which the Agents claim in the assets of the Company insofar as the rights of the Company and third parties are concerned. The parties hereto specifically reserve any and all of their respective rights, security interests and mortgage liens and right to assert security interests and mortgage liens against the Company and any third parties, including guarantors.

12. Waiver of Marshaling. Each party to this Agreement hereby waives any right to require the other party to marshal any security or Collateral or otherwise to compel the

other party to seek recourse against or satisfaction of the indebtedness owed under its respective Credit Documents from one source before seeking recourse or satisfactions from another source.

13. Relation of Parties. This Agreement is entered into solely for the purposes set forth in the Recitals above, and, except as is expressly provided otherwise herein, neither party to this Agreement assumes any responsibility to the other party to advise such other party of information known to such party regarding the financial condition of the Company or regarding the Collateral or of any other circumstances bearing upon the risk of nonpayment of the obligations of the Company to the parties hereto. Each party shall be responsible for managing its relation with the Company and no party shall be

deemed the agent of any other party for any purpose, except to the extent that BONY is acting as Collateral Agent with respect to the Collateral. Each Agent may alter, amend, supplement, release, discharge or otherwise modify any terms of its respective Credit Documents, without notice to or consent of the other.

14. Future Agents. To the extent permitted by the Credit Documents, by executing and delivering a Future Agent Supplement, a Future Agent (on its own behalf and on behalf of the Future Lenders) hereby becomes a party to this Agreement as an Agent hereunder with the same force and effect as if originally named herein as an Agent and, without limiting the generality of the foregoing, expressly assumes all obligations and liabilities of an Agent hereunder.

15. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of each of the parties hereto, provided that such successor or assign shall have agreed in writing to be bound by the terms of this Agreement and the Pledge Agreement or Collateral Agreement, as applicable.

16. Copies of Documents; Consents. (a) Each Agent hereby acknowledges and confirms that it has read and is familiar with the terms and provisions of the Credit Documents (each as in effect on the date hereof). The provisions of this Agreement are intended by the parties hereto to control any conflicting provisions which are contained in any Credit Documents.

(b) Each Agent, for itself and on behalf of the its respective Secured Parties or Collateral Parties, as appropriate, consents to (i) the execution and delivery any Credit Document; (ii) the incurrence of any Obligations permitted by the Credit Documents,

(iii) the granting of any Lien on the Pledged Collateral permitted by the Credit Documents to secure the Obligations and (iv) the granting of any Lien on the Satellite Collateral permitted by the Credit Documents to secure the Existing Obligations.

17. Effective Date. This Agreement shall be effective as of the date on which it is designated as being executed, independent of the actual date each party hereto executes this Agreement.

18. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

19. Term of Agreement. This Agreement shall continue in full force and effect and shall be irrevocable by the parties hereto until the earlier to occur of the following:

(a) the parties mutually agree in writing to terminate this Agreement; or

(b) all of the Obligations owed by the Company are Paid in full.

20. Section Titles. The section titles contained in this Agreement are for convenience only and are without substantive meaning or content of any kind and shall not be considered part of this Agreement.

21. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

22. WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION. (a) EACH OF THE PARTIES HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT.

(b) EACH OF THE PARTIES HERETO SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS

AGREEMENT OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT HEREOF TO THE NON-EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH LEGAL ACTION, PROCEEDING OR JUDGMENT OR ANY SUCH COURT OR THAT SUCH LEGAL ACTION, PROCEEDING OR JUDGMENT IS BROUGHT OR OBTAINED IN AN INCONVENIENT COURT.

23. Governing Law. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first above written.

THE BANK OF NEW YORK, as 1997
Note Trustee

By: /s/ Michael C. Daly

Title: Assistant Vice President

UNITED STATES TRUST COMPANY
OF NEW YORK, as 1999 Note Trustee

By: /s/ Patricia Gallagher

Title: Assistant Vice President

LEHMAN COMMERCIAL PAPER INC.,
as Administrative Agent

By: /s/ Michele Swanson

Title: Authorized Signatory

THE BANK OF NEW YORK, as
Collateral Agent

By: /s/ Michael C. Daly

Title: Assistant Vice President

Exhibit A to the
Intercreditor Agreement

FUTURE AGENT SUPPLEMENT, dated as of _____, between _____, (the "Future Agent") and The Bank of New York, as collateral agent, (in such capacity, the "Collateral Agent") for the Secured Parties. All capitalized terms

not defined herein shall have the meanings ascribed to them in the Intercreditor Agreement referred to below.

W I T N E S S E T H:
- - - - - - - - - - --

WHEREAS, the Future Lenders desire to provide for their rights in respect of the Pledged Collateral; and

WHEREAS, pursuant to the [ ] among the Company, the Future Agent and the Future Lenders named therein, (a) such Future Lenders have agreed to make extensions of credit to the Company and (b) the Future Agent desires to become a party (on its own behalf and on behalf of the Future Lenders), to the Amended and Restated Intercreditor Agreement dated as of March _____, 2001 (as amended or supplemented from time to time, the "Intercreditor Agreement") among the Agents parties thereto and the Collateral Agent; and

NOW, THEREFORE, IT IS AGREED:

1. Intercreditor Agreement. By executing and delivering this Future Agent Supplement, the Future Agent (on its own behalf and on behalf of the Future Lenders) hereby becomes a party to the Intercreditor Agreement as an Agent thereunder with the same force and effect as if originally named therein as an Agent and, without limiting the generality of the foregoing, expressly assumes all obligations and liabilities of an Agent thereunder.

2. Notices. All notices and other written communications provided for in this Future Agent Supplement shall be given as provided by the terms of the Intercreditor

Agreement, in the case of the Future Agent, addressed as follows, or to such other address as the Future Agent may designate as to itself by like notice:

[ ]
[ ]
[ ]
Attention:

Fax No.:[ ]

with copies to:

[ ]
[ ]
[ ]
Attention:

Fax No.:[ ]

3. Future Loan Documents. For the purposes of the Intercreditor Agreement, including, but not limited to, the definition of Credit Documents, the list of Future Loan Documents are as follows: [ ].

4. Governing Law. This Future Agent Supplement shall be governed by, and contained and interpreted in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the undersigned have caused this Future Agent Supplement to be duly executed and delivered as of the date first above written.

[FUTURE AGENT]

By: _____
Name:
Title:

THE BANK OF NEW YORK,
as Collateral Agent

By: _____
Name:
Title:

Accepted and Agreed to:

[EACH AGENT AND ANY PRIOR FUTURE AGENTS]

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, dated as of August 29, 2001 (this "Agreement"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and MICHAEL S. LEDFORD (the "Executive").

In consideration of the mutual covenants and conditions set forth herein, the Company and the Executive agree as follows:

1. Employment. Subject to the terms and conditions of this Agreement, the Company hereby employs the Executive, and the Executive hereby accepts employment with the Company.

2. Duties and Reporting Relationship. (a) The Executive shall be employed in the capacity of Senior Vice President, Engineering, of the Company. In such capacity, the Executive's duties shall include, without limitation, management of the Company's engineering department and all of its activities, the maintenance of the Company's broadcast systems, the maintenance and development of the Company's system architecture, the development and planning of future products, from a technical and engineering standpoint, and the development and management of technical business relationships. During the Term (as defined below), the Executive shall, on a full-time basis and consistent with the needs of the Company to achieve the goals of the Company, use his skills and render services to the best of his ability in supervising the engineering operations of the Company described above and shall, in addition, perform such other activities and duties consistent with his position as the Chief Executive Officer or Chief Operating Officer of the Company shall, from time to time, reasonably specify and direct. The Executive shall not be required by this Agreement to perform duties for any entity other than the Company and its subsidiaries.

(b) The Executive shall generally perform his duties and conduct his business initially at the principal offices of the Company in New York, New York. As part of the Executive's duties, the Executive shall undertake a study of the optimum location of the Company's engineering department, and following selection of a new location for the Company's engineering department by the Company, the Executive's duties shall generally be performed at such new location. The timing and scope of such relocation shall be within the discretion of the Company.

(c) The Executive shall report to the Chief Executive Officer of the Company. In the event the company hires a President and/or Chief Operating Officer, then, at the option of the Company, the Executive shall report to the President and/or Chief Operating Officer.

3. Term. The term of this Agreement shall commence on September 17, 2001 and end on September 16, 2004, unless terminated earlier pursuant to the provisions of Section 6 (the "Term").

4. Compensation. (a) Base Salary. During the Term, the Executive shall be paid an annual base salary of $340,000, subject to any increases that the Chief Executive Officer of the Company shall approve. All amounts paid to the Executive under this Agreement shall be in U.S. dollars. The Executive's base salary shall be paid at least monthly and, at the option of the

Company, may be paid more frequently. In the event the Executive's employment is terminated during the Term, the Executive's base salary shall be prorated through the date of termination.

(b) Stock Options. On the first day of the Term, the Company shall grant to the Executive an option to purchase 300,000 shares of the Company's common stock, par value $.001 per share (the "Common Stock"), at an exercise price equal to the closing price of the Common Stock on the Nasdaq National Market on September 17, 2001. Such options shall be subject to the terms and conditions set forth in the Option Agreement attached to this Agreement as Exhibit A.

(c) Restricted Stock. On the first day of the Term, the Company shall

grant to the Executive 50,000 restricted shares of Common Stock. Such restricted shares of Common Stock shall be subject to the terms and conditions set forth in the Restricted Stock Agreement attached to this Agreement as Exhibit B.

(d) All compensation paid to the Executive hereunder shall be subject to any payroll and withholding deductions required by any applicable law.

5. Additional Compensation; Expenses and Benefits. (a) During the Term, the Company shall reimburse the Executive for all reasonable and necessary business expenses incurred and advanced by him in carrying out his duties under this Agreement. In addition, the Company shall reimburse the Executive for reasonable hotel accommodations or, if the Company elects, a temporary apartment in the New York metropolitan area prior to the relocation of a portion of the Company's engineering department. Consistent with the Company's policies (e.g. coach fare on domestic flights), the Company shall also reimburse the Executive for the reasonable costs of two round trips per month from the Executive's home in California to the Company's executive offices in New York City prior to the relocation of a portion of the Company's engineering department. The Executive shall present to the Company from time to time an itemized account of all expenses in such form as may be required by the Company from time to time.

(b) In the event that the Executive is required to relocate his family in connection with the relocation of the Company's engineering department, the Company shall pay the reasonable expenses of moving his family, furniture, cars and other personal effects to the new location. To the extent such moving expenses are not tax deductible, such payments will be grossed-up, to the extent necessary, to cover all applicable federal and state income taxes applicable to such payment. In the event that the Executive is required by the Company to relocate his family in connection with the relocation of the Company's engineering department, the Company shall also reimburse the Executive for the reasonable cost of one broker's commission, but not in excess of $100,000, incurred in connection with the sale of the Executive's principal residence. In the event the Executive's employment is voluntarily terminated by the Executive prior to the first anniversary of the Term, the Executive shall be obligated to repay a pro rata portion of all amounts paid by the Company in connection with such relocation, including all amounts paid or reimbursed pursuant to this Section 5(b). The pro rata portion shall be determined by dividing all amounts paid or reimbursed by the Company to the Executive in connection with such relocation by a fraction, the numerator of which shall be the number of the days from the beginning of the Term to the date of the Executive's termination and the denominator shall be 365.

(c) During the Term, the Executive shall be entitled to participate fully in any bonus grants, benefit plans, programs, policies and fringe benefits which may be made available to the

senior officers of the Company generally, including, without limitation, medical, dental and life insurance; provided that the Executive shall participate in any stock option or stock purchase or compensation plan currently in effect or subsequently established by the Company to the extent, and only to the extent, authorized by the plan document and by the Board of Directors of the Company (the "Board") or the compensation committee thereof. In the event an annual bonus is awarded to the Executive for the year ending December 31, 2001, the Executive shall be entitled to a bonus in an amount that assumes he became an employee as of January 1, 2001.

(d) Following the relocation of a portion of the company's engineering department, the Company shall pay the Executive a monthly allowance of $1,500 to pay the costs of leasing and maintaining an automobile for use in connection with the business of the Company.

6. Termination. The date upon which this Agreement is deemed to be terminated in accordance with any of the provisions of this Section 6 is referred to herein as the "Termination Date."

(a) Termination for Cause. The Company has the right and may elect to terminate this Agreement for Cause at any time. For purposes of this Agreement, "Cause" means the occurrence or existence of any of the following:

(i) a material breach by the Executive of the terms of his employment or of his duty not to engage in any transaction that represents, directly or indirectly, self-dealing with the Company or any of its affiliates (which, for purposes hereof, shall mean any individual, corporation, partnership, association, limited liability company, trust, estate, or other entity or organization directly or indirectly controlling, controlled by, or under direct or indirect

common control with the Company) which has not been approved by a majority of the disinterested directors of the Board, if in any such case such material breach remains uncured after thirty days have elapsed following the date on which the Company gives the Executive written notice of such breach;

(ii) a material breach by the Executive of any duty referred to in clause (i) above with respect to which at least one prior notice was given under clause (i);

(iii) any act of dishonesty, misappropriation, embezzlement, intentional fraud, or similar conduct by the Executive involving the Company or any of its affiliates;

(iv) the conviction or the plea of nolo contendre or the equivalent in respect of a felony;

(v) any damage of a material nature to any property of the Company or any of its affiliates caused by the Executive's willful or grossly negligent conduct;

(vi) the repeated nonprescription use of any controlled substance or the repeated use of alcohol or any other non-controlled substance that renders the Executive unfit to serve as an officer of the Company or its affiliates;

(vii) the Executive's failure to comply with the Board's reasonable written instructions after thirty days written notice; or

(viii) conduct by the Executive that in the good faith written determination of the Board demonstrates unfitness to serve as an officer of the Company or its affiliates, including, without limitation, a finding by the Board or any regulatory authority that the Executive committed acts of unlawful harassment or violated any other state, federal or local law or ordinance prohibiting discrimination in employment.

Termination of the Executive for Cause pursuant to this Section 6(a) shall be communicated by a Notice of Termination. For purposes of this Agreement a "Notice of Termination" shall mean delivery to the Executive of a copy of a resolution or resolutions duly adopted by the affirmative vote of not less than a majority of the directors present and voting at a meeting of the Board called and held for that purpose after reasonable notice to the Executive and reasonable opportunity for the Executive, together with the Executive's counsel, to be heard before the Board prior to such vote, finding that in the good faith opinion of the Board, the Executive was guilty of conduct set forth in clauses (i) through (viii) of this Section 6(a) and specifying the particulars thereof in detail. For purposes of this Section 6(a), this Agreement shall terminate on the date specified by the Board in the Notice of Termination.

(b) Death or Disability. (i) This Agreement and the Executive's employment shall terminate upon the death of the Executive. For purposes of this Section 6(b)(i), this Agreement shall terminate on the date of the Executive's death.

(ii) If the Executive is unable to perform the essential duties and functions of his position because of a disability, even with a reasonable accommodation, for one hundred eighty days within any three hundred sixty-five day period, and the Company, in its reasonable judgment, determines that the exigencies created by the Executive's disability are such that termination is warranted, the Company shall have the right and may elect to terminate the services of the Executive by a Notice of Disability Termination. For purposes of this Agreement, a "Notice of Disability Termination" shall mean a written notice that sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under this Section 6(b)(ii). For purposes of this Agreement, no such purported termination by the Company shall be effective without such Notice of Disability Termination. This Agreement shall terminate on the day such Notice of Disability Termination is received by the Executive.

(c) Voluntary Resignation. Should the Executive wish to resign from his position with the Company during the Term, for other than Good Reason (as defined below), the Executive shall give fourteen days prior written notice to the Company. Failure to provide such notice shall entitle the Company to terminate this Agreement effective on the last business day on which the Executive reported for work at his principal place of employment with the

Company. This Agreement shall terminate on the effective date of the resignation defined above, however, the Company may, at its sole discretion, request that the Executive perform no job responsibilities and cease his active employment immediately upon receipt of the notice from the Executive.

(d) Without Cause. The Company shall have the absolute right to terminate the Executive's employment without Cause at any time. If the Company elects to terminate the Executive without Cause, the Company shall give seven days written notice to the Executive. This Agreement shall terminate seven days following receipt of such notice by the Executive, however, the Company may, at its sole discretion, request that the Executive cease active employment and perform no more job duties immediately upon provision of such notice to the Executive.

(e) For Good Reason. Should the Executive wish to resign from his position with the

Company for Good Reason during the Term, the Executive shall give seven days prior written notice to the Company. Failure to provide such notice shall entitle the Company to fix the Termination Date as of the last business day on which the Executive reported for work at his principal place of employment with the Company. This Agreement shall terminate on the date specified in such notice, however, the Company may, at its sole discretion, request the Executive cease active employment and perform no more job duties immediately upon receipt of such notice from the Executive.

For purposes of this Agreement, "Good Reason" shall mean the continuance of any of the following events (without the Executive's express prior written consent) for a period of seven days (or thirty days in the case of items (i), (iii) and (iv) below) after delivery to the Company by the Executive of a notice of the occurrence of such event:

(i) the assignment to the Executive by the Company of duties not reasonably consistent with the Executive's positions, duties, responsibilities, titles or offices at the commencement of the Term or any unreasonable reduction in his duties or responsibilities or any removal of the Executive from or any failure to re-elect the Executive to any of such positions (except in connection with the termination of the Executive's employment for Cause, disability or as a result of the Executive's death or by the Executive other than for Good Reason); or

(ii) any reduction in the Executive's annual base salary from the previous year; or

(iii) following completion of the location study contemplated by Section 2(b) of this Agreement, the failure of the Company to reasonably agree on a new location for at least a portion of the Company's engineering department; or

(iv) any material breach by the Company of this Agreement.

(f) Compensation and Benefits Upon Termination. (i) If the employment of the Executive is terminated without Cause or the Executive terminates his employment for Good Reason, then the Executive shall be entitled to receive, and the Company shall pay to the Executive without setoff, counterclaim or other withholding, except as set forth in Section 4(d), an amount (in addition to any salary, benefits or other sums due the Executive through the Termination Date) equal to one year of the Executive's annualized base salary then in effect. Any amount becoming payable under this Section 6(f)(i) shall be paid in immediately available funds within ten business days following the Termination Date.

(ii) If this Agreement is terminated by the Executive or the Company for any reason other than those specified in Sections 6(f)(i), including resignation by the Executive without Good Reason or termination by the Company with Cause, the Executive shall be entitled to no compensation or other benefits under this Agreement other than those which are due the Executive through the Termination Date.

7. Nondisclosure of Confidential Information. (a) The Executive acknowledges that in the course of his employment he will occupy a position of trust and confidence. The Executive shall not, except as may be required to perform his duties or as required by applicable law, disclose to others or use, directly or indirectly, any Confidential Information.

(b) "Confidential Information" shall mean information about the Company's business and

operations that is not disclosed by the Company for financial reporting purposes and that was learned by the Executive in the course of his employment by the Company, including, without limitation, any business plans, product plans, strategy, budget information, proprietary knowledge, patents, trade secrets, data, formulae, sketches, notebooks, blueprints, information and client and customer lists and all papers and records (including computer records) of the documents containing such Confidential Information, other than information that is publicly disclosed by the Company in writing. The Executive acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company, and that such information gives the Company a competitive advantage. The Executive agrees to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of his employment or as soon as possible thereafter, all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by the Company or prepared by the Executive in the course of his employment by the Company.

(c) The provisions of this Section 7 shall survive any termination of this Agreement.

8. Covenant Not to Compete. For three years following the end of the Term (the "Restricted Period"), the Executive shall not, directly or indirectly, enter into the employment of, render services to, or acquire any interest whatsoever in (whether for his own account as an individual proprietor, or as a partner, associate, stockholder, officer, director, consultant, trustee or otherwise), or otherwise assist, any person or entity engaged (a) in any operations in North America involving the transmission of radio entertainment programming in competition with the Company, (b) in the business of manufacturing, marketing or distributing radios, antennas or other parts for use in devices which receive broadcasts of XM Satellite Radio Inc. or any successor to XM Satellite Radio Inc., or (c) that competes, or is likely to compete, with any other aspect of the business of the Company as conducted at the end of the Term; provided that nothing in this Agreement shall prevent the purchase or ownership by the Executive by way of investment of up to five percent of the shares or equity interest of any corporation or other entity. Without limiting the generality of the foregoing, the Executive agrees that during the Restricted Period, the Executive shall not call on or otherwise solicit business or assist others to solicit business from any of the customers or potential customers of the Company as to any product or service that competes with any product or service provided or marketed by or under development by the Company at the end of the Term. The Executive agrees that during the Restricted Period he will not solicit or assist others to solicit the employment of or hire any employee of the Company without the prior written consent of the Company.

9. Inventions. The Executive shall promptly disclose in writing to the Company all inventions, discoveries, developments, improvements, and innovations ("Inventions") whether or not patentable, conceived or made by the Executive, either solely or in concert with others during the period of his employment with the Company, including, but not limited to any period prior to the date of this Agreement, whether or not made or conceived during work hours that: (a) relate in any manner to the existing or contemplated business or research activities of the Company; or (b) are suggested by or result from the Executive's employment with the Company; or (c) result from the use of the Company's time, materials, or facilities. All Inventions shall be the exclusive property of the Company.

(b) The Executive assigns to the Company his entire right, title, and interest to all such Inventions that are the property of the Company under the provisions of this Agreement and all unpatented Inventions that Executive now owns, except those specifically described in a statement which has been separately executed by a duly authorized officer of the Company and

the Executive and which is attached hereto as Exhibit C. The Executive shall, at the Company's request and expense, execute specific assignments to any such Invention and execute, acknowledge, and deliver such other documents and take such further action as may be considered necessary by the Company at any time during or subsequent to the period of his employment with the Company to obtain and define letters patent in any and all countries and to vest title in such Inventions in the Company or its assigns.

(c) Any Invention disclosed by the Executive to a third person or described in a patent application filed by the Executive or on the Executive's behalf within one year following the period of the Executive's employment with the Company, shall be presumed to have been conceived or made by the Executive during the period of his employment with the Company unless proved to have been conceived and made by the Executive following the termination of employment with the Company.

(d) The provisions of this Section 9 shall survive any termination of this Agreement.

10. Gross-Up Provisions. (a) If the Executive is, in the opinion of a nationally recognized accounting firm jointly selected by the Executive and the Company, expected to pay an excise tax on "excess parachute payments" (as defined in Section 280G(b) of the Internal Revenue Code of 1986, as amended (the "Code")) under Section 4999 of the Code as a result of an acceleration of the vesting of options or for any other reason, the Company shall have an absolute and unconditional obligation to pay the Executive in accordance with the terms of this Section 10 the expected amount of such taxes. In addition, the Company shall have an absolute and unconditional obligation to pay the Executive such additional amounts as are necessary to place the Executive in the exact same financial position that he would have been in if he had not incurred any expected tax liability under Section 4999 of the Code; provided that the Company shall in no event pay the Executive any amounts with respect to any penalties or interest due under any provision of the Code. The determination of the exact amount, if any, of any expected "excess parachute payments" and any expected tax liability under Section 4999 of the Code shall be made by the nationally-recognized independent accounting firm selected by the Executive and the Company. The fees and expenses of such accounting firm shall be paid by the Company in advance. The determination of such accounting firm shall be final and binding on the parties. The Company irrevocably agrees to pay to the Executive, in immediately available funds to an account designated in writing by the Executive, any amounts to be paid under this Section 10 within two days after receipt by the Company of written notice from the accounting firm which sets forth such accounting firm's determination. In addition, in the event that such payments are not sufficient to pay all excise taxes on "excess parachute payments" under Section 4999 of the Code as a result of an acceleration of the vesting of options or for any other reason and to place the Executive in the exact same financial position that he would have been in if he had not incurred any expected tax liability under Section 4999 of the Code as a result of a change in control, then the Company shall have an absolute and unconditional obligation to pay the Executive such additional amounts as may be necessary to pay such excise taxes and place the Executive in the exact same financial position that he would have been had he not incurred any tax liability as a result of a change in control under the Code. Notwithstanding the foregoing, in the event that a written ruling (whether public or private) of the Internal Revenue Service ("IRS") is obtained by or on behalf of the Company or the Executive, which ruling expressly provides that the Executive is not required to pay, or is entitled to a refund with respect to, all or any portion of such excise taxes or additional amounts, the Executive shall promptly reimburse the Company in an amount equal to all amounts paid to the Executive pursuant to this Section 10 less any excise taxes or additional amounts which remain payable by, or are not refunded to, the Executive after giving effect to such IRS ruling. Each of

the Company and the Executive agrees to promptly notify the other party if it receives any such IRS ruling.

(b) The provisions of this Section 10 shall survive any termination of this Agreement.

11. Remedies. The Executive and Company agree that damages for breach of any of the covenants under Sections 7 and 8 above will be difficult to determine and inadequate to remedy the harm which may be caused thereby, and therefore consent that these covenants may be enforced by temporary or permanent

injunction without the necessity of bond. The Executive believes, as of the date of this Agreement, that the provisions of this Agreement are reasonable and that the Executive is capable of gainful employment without breaching this Agreement. However, should any court or arbitrator decline to enforce any provision of Section 7 or 8 of this Agreement, this Agreement shall, to the extent applicable in the circumstances before such court or arbitrator, be deemed to be modified to restrict the Executive's competition with the Company to the maximum extent of time, scope and geography which the court or arbitrator shall find enforceable, and such provisions shall be so enforced.

12. Indemnification. The Company shall indemnify the Executive to the full extent provided in the Company's Amended and Restated Articles of Incorporation and Amended and Restated Bylaws and the law of the State of Delaware in connection with his activities as an officer of the Company.

13. Entire Agreement. The provisions contained herein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede any and all prior agreements, understandings and communications between the parties, oral or written, with respect to such subject matter.

14. Modification. Any waiver, alteration, amendment or modification of any provisions of this Agreement shall not be valid unless in writing and signed by both the Executive and the Company.

15. Severability. If any provision of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof, which shall remain in full force and effect.

16. Assignment. The Executive may not assign any of his rights or delegate any of his duties hereunder without the prior written consent of the Company. The Company may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the Executive.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors in interest of the Executive and the Company.

18. Notices. All notices and other communications required or permitted hereunder shall be made in writing and shall be deemed effective when initially transmitted by courier or facsimile transmission and five days after mailing by registered or certified mail:

if to the Company:

Sirius Satellite Radio Inc.
1221 Avenue of the Americas

36th Floor
New York, New York 10020
Attention: General Counsel
Telecopier: (212) 584-5353

if to the Executive:

Michael S. Ledford
Address on file at the offices
of the Company

or to such other person or address as either of the parties shall furnish in writing to the other party from time to time.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within the State of New York.

20. Non-Mitigation. The Executive shall not be required to mitigate damages or seek other employment in order to receive compensation or benefits under Section 6 of this Agreement; nor shall the amount of any benefit or payment provided for under Section 6 of this Agreement be reduced by any compensation earned by the Executive as the result of employment by another employer.

21. Arbitration. (a) The Executive and the Company agree that if a dispute arises concerning or relating to the Executive's employment with the Company, or the termination of the Executive's employment, such dispute shall be submitted to binding arbitration under the rules of the American Arbitration

Association regarding resolution of employment disputes in effect at the time such dispute arises. The arbitration shall take place in New York, New York, and both the Executive and the Company agrees to submit to the jurisdiction of the arbitrator selected in accordance with the American Arbitration Association rules and procedures. Except as provided below, the Executive and the Company agree that this arbitration procedure will be the exclusive means of redress for any disputes relating to or arising from the Executive's employment with the Company or his termination, including disputes over rights provided by federal, state, or local statutes, regulations, ordinances, and common law, including all laws that prohibit discrimination based on any protected classification. The parties expressly waive the right to a jury trial, and agree that the arbitrator's award shall be final and binding on both parties, and shall not be appealable. The arbitrator shall have discretion to award monetary and other damages, and any other relief that the arbitrator deems appropriate and is allowed by law. The arbitrator shall have the discretion to award the prevailing party reasonable costs and attorneys' fees incurred in bringing or defending an action, and shall award such costs and fees to the Executive in the event the Executive prevails on the merits of any action brought hereunder.

(b) The Company and the Executive agree that the sole dispute that is excepted from Section 21(a) is an action seeking injunctive relief from a court of competent jurisdiction regarding enforcement and application of Sections 7, 8 or 9 of this Agreement, which action may be brought in addition to, or in place of, an arbitration proceeding in accordance with Section 21(a).

22. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

23. Executive's Representations. The Executive hereby represents and warrants to Company that he (a) is not now under any contractual or other obligation that is inconsistent with or in conflict with this Agreement or that would prevent, limit, or impair the Executive's performance of his obligations under this Agreement; (b) has been provided the opportunity to be, or has been, represented by legal counsel in preparing, negotiating, executing and delivering this Agreement; and (c) fully understands the terms and provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

SIRIUS SATELLITE RADIO INC.

By: /s/ Patrick L. Donnelly

Patrick L. Donnelly
Senior Vice President and
General Counsel

/s/ Michael S. Ledford

Michael S. Ledford

EXHIBIT A

THIS OPTION HAS NOT BEEN REGISTERED UNDER STATE OR FEDERAL SECURITIES LAWS. THIS OPTION MAY NOT BE TRANSFERRED EXCEPT BY WILL OR UNDER THE LAWS OF DESCENT AND DISTRIBUTION.

SIRIUS SATELLITE RADIO 1999 LONG-TERM STOCK INCENTIVE PLAN

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (this "Agreement"), dated as of September 17, 2001 ("Date of Grant"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and Mr. Michael S. Ledford (the "Optionee").

1. Grant of Option. Subject to the terms and conditions of this Agreement and the Sirius Satellite Radio 1999 Long-Term Stock Incentive Plan (as amended, supplemented or otherwise modified from time to time, the "Plan"), the Company hereby grants to the Optionee the right and option (this "Option") to purchase up to three hundred thousand (300,000) shares (the "Shares") of common stock, par value $0.001 per share, of the Company at a price per share of $____ (the "Exercise Price"). This Option is not intended to qualify as an Incentive Stock Option for purposes of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). In the case of any stock split, stock dividend or like change in the Shares occurring after the date hereof, the number of Shares and the Exercise Price shall be adjusted as set forth in Section 4(b) of the Plan. This Option shall vest and be exercisable as follows:

(a) The right and option to purchase up to one hundred thousand (100,000) Shares shall vest and become exercisable on September 17, 2002 if the Optionee continues to be employed by the Company until and on such date;

(b) The right and option to purchase up to one hundred thousand (100,000) Shares shall vest and become exercisable on September 17, 2003 if the Optionee continues to be employed by the Company until and on such date; and

(c) The right and option to purchase up to one hundred thousand (100,000) Shares shall vest and become exercisable on September 17, 2004 if the Optionee continues to be employed by the Company until and on such date.

The vesting of this Option is also subject to acceleration in accordance with the provisions of Section 13 of the Plan; provided that in no event shall the ownership by (i) Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P. of shares of the Company's 9.2% Series A Junior Cumulative Convertible Preferred Stock and shares of the Company's 9.2% Series B Junior Cumulative Convertible Preferred Stock or (ii) affiliates of The Blackstone Group L.P. of shares of the Company's 9.2% Series D Junior Cumulative Convertible Preferred Stock be

deemed to constitute a Change of Control (as defined in the Plan) for the purposes of the Plan.

2. Termination of Option. This Option shall terminate, to the extent not previously exercised, ten (10) years from the Date of Grant or earlier upon the expiration of (a) ninety (90) days from the date of termination of the Optionee's employment with the Company for any reason whatsoever other than death or Disability (as defined below) or (b) the expiration of one (1) year from (i) the date of death of the Optionee or (ii) cessation of the Optionee's employment by reason of Disability (as defined below). Subject to the terms of the Plan, if the Optionee's employment is terminated by death, this Option shall

be exercisable only by the person or persons to whom the Optionee's rights under such Option shall pass by the Optionee's will or by the laws of descent and distribution of the state or county of the Optionee's domicile at the time of death. "Disability" shall mean any physical, mental or other health condition which substantially impairs the Optionee's ability to perform his assigned duties for one hundred twenty (120) days or more in any two hundred forty (240) day period or that can be expected to result in death. The Company shall determine whether the Optionee has incurred a Disability on the basis of medical evidence reasonably acceptable to the Company. Upon making a determination of Disability, the Company shall determine the date of the Optionee's termination of employment.

For purposes of this Agreement, transfer of employment between or among the Company and/or any Related Company shall not be deemed to constitute a termination of employment with the Company or the Related Company. "Related Company", when referring to a subsidiary corporation, shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, on the date of this Agreement, each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock of one of the other corporations in such chain. When referring to a parent corporation, the term "Related Company" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, on the date of this Agreement, each of the corporations, other than the Company, owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock of one of the other corporations in such chain.

3. Non-transferable. This Option may not be transferred, assigned, pledged or hypothecated in any manner (whether by operation of law or otherwise) other than by will or by the applicable laws of descent and distribution, and shall not be subject to execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Option or of any right or privilege conferred hereby, contrary to the provisions hereof, or upon the sale or levy or any attachment or similar process upon the rights and privileges conferred hereby, this Option shall terminate and become null and void.

4. Exercise. Subject to Sections 1 and 2 of this Agreement and the terms of the Plan, this Option may be exercised, in whole or in part, by means of a written notice of exercise signed and delivered by the Optionee (or, in the case of exercise after death of the Optionee by the executor, administrator, heir or legatee of the Optionee, as the case may be) to the Company at the address set forth herein for notices to the Company. Such notice shall (a) state the number of Shares to be purchased and the date of exercise, and (b) be accompanied by payment of the Exercise Price in cash, by certified or cashier's check or by delivery of such other consideration as the administrator of the Plan may approve.

5. Withholding. Prior to delivery of the Shares purchased upon exercise of this Option,

the Company shall determine the amount of any United States federal, state and local income tax, if any, which is required to be withheld under applicable law and shall, as a condition of exercise of this Option and delivery of certificates representing the Shares purchased upon exercise of this Option, collect from the Optionee the amount of any such tax to the extent not previously withheld.

6. Rights of the Optionee. Neither this Option, the execution of this Agreement nor the exercise of any portion of this Option shall confer upon the Optionee any right to, or guarantee of, continued employment by the Company, or in any way limit the right of the Company to terminate employment of the Optionee at any time, subject to the terms of any written employment agreement between the Company and the Optionee.

7. Professional Advice. The acceptance and exercise of this Option may have consequences under federal and state tax and securities laws which may vary depending upon the individual circumstances of the Optionee. Accordingly, the Optionee acknowledges that the Optionee has been advised to consult his or her personal legal and tax advisor in connection with this Agreement and this Option.

8. Agreement Subject to the Plan. The Option and this Agreement are subject to the terms and conditions set forth in the Plan and in any amendments

to the Plan existing now or in the future, which terms and conditions are incorporated herein by reference. A copy of the Plan previously has been delivered to the Optionee. Should any conflict exist between the provisions of the Plan and those of this Agreement, the provisions of the Plan shall govern and control. This Agreement and the Plan constitute the entire understanding between the Company and the Optionee with respect to this Option.

9. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict of laws principles, and shall bind and inure to the benefit of the heirs, executors, personal representatives, successors and assigns of the parties hereto.

10. Notices. Any notice required or permitted to be made or given hereunder shall be mailed via certified or registered mail or delivered personally to the addresses set forth below, or as changed from time to time by written notice to the other:

Company:	Sirius Satellite Radio Inc. 1221 Avenue of the Americas, 36th Floor New York, New York 10020 Attention: Chief Financial Officer
Optionee:	Mr. Michael S. Ledford Address on file at the office of the Company

Notices and other communications shall be deemed received and effective upon the earliest of (i) hand delivery to the recipient, (ii) one business day after deposit with a nationally recognized overnight courier (with next day delivery specified) and (iii) five (5) days after being mailed by certified or registered mail, postage prepaid, return receipt.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

SIRIUS SATELLITE RADIO INC.	Optionee:
By:_____	_____
Patrick Donnelly Senior Vice President and General Counsel	Mr. Michael S. Ledford

EXHIBIT B

SIRIUS SATELLITE RADIO 1999 LONG-TERM STOCK INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

THIS RESTRICTED STOCK AGREEMENT (this "Agreement"), dated as of September 17, 2001 ("Date of Grant"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and Mr. Michael S. Ledford (the "Executive").

WHEREAS, the Company maintains the Sirius Satellite Radio 1999 Long-Term Incentive Plan (the "Plan"), which is incorporated into and forms a

part of this Agreement, and the Executive has been selected by the committee administering the Plan (the "Committee") to receive an award of Restricted Stock under Section 8(a) of the Plan (and thus become a "Participant" as defined in the Plan).

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Executive, as follows:

1. Definitions. Terms used in this Agreement that are not defined in this Agreement are defined in the Plan.

2. Shares Subject to Agreement. The Executive is hereby awarded 50,000 shares of Restricted Stock.

3. Rights as Stockholder. The Executive shall be entitled to receive any dividends paid with respect to his shares of Restricted Stock; provided, that no dividends shall be payable to or for the benefit of the Executive with respect to record dates occurring either (i) before the Date of Grant or (ii) on or after the date, if any, on which the Executive has forfeited the Restricted Stock. The Executive shall be entitled to vote his shares of Restricted Stock that have not been forfeited to the same extent as would have been applicable to the Executive if he was then vested in the shares; provided that the Executive shall not be entitled to vote the shares with respect to record dates for such voting rights arising either (i) before the Date of Grant or (ii) on or after the date, if any, on which the Executive has forfeited the Restricted Stock.

4. Transfer and Forfeiture of Shares. On the Executive's Termination Date, the Executive shall forfeit all of his shares of Restricted Stock that are not then vested. For purposes of this Agreement, the Executive's "Termination Date" means his Termination Date as defined in Section 6 of the Employment Agreement dated as of August 29, 2001 between the Company and the Executive (as amended, supplemented or otherwise modified, the "Employment Agreement"). Subject to earlier vesting pursuant to Section 5, the Executive shall become vested in 12,500 shares of Restricted Stock, and thus become owner of the shares free of all restrictions otherwise imposed by this Agreement, on September 17, 2002, September 17, 2003, September 17, 2004 and September 17, 2005.

A share of the Executive's Restricted Stock may not be sold, assigned, transferred pledged or otherwise encumbered until the Executive becomes vested in such share.

5. Death or Disability. Notwithstanding Section 4, the Executive shall become vested in his shares of Restricted Stock as of his Termination Date before the date his Restricted Stock would otherwise vest under Section 4, if such Termination Date occurs by reason of the Participant's death or Disability. For purposes of this Agreement, "Disability" means any physical, mental or other health condition which substantially impairs the Executive's ability to perform his assigned duties for one hundred twenty (120) days or more in any two hundred forty (240) day period or that can be expected to result in death. The Company shall determine whether the Executive has incurred a Disability on the basis of medical evidence reasonably acceptable to the Company. Upon making a determination of Disability, the Company shall determine the date of the Executive's termination of employment.

6. Other Termination. Notwithstanding Section 4, the Executive shall become vested in his shares of Restricted Stock as of his Termination Date before the date his Restricted Stock would otherwise vest under Section 4, if such Termination Date occurs by any reason that would cause an amount to become payable to the Executive under Section 6(f) of the Employment Agreement.

7. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict of laws principles, and shall bind and inure to the benefit of the heirs, executors, personal representatives, successors and assigns of the parties hereto.

8. Plan Governs. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Executive from the office of the Secretary of the Company.

9. Amendment. This Agreement may be amended by written agreement of the Executive and the Company, without the consent of any other person.

10. Section 83(b) Election. The Executive understands and acknowledges that (i) he should consult with his tax advisor regarding the advisability of filing with the Internal Revenue Service an election under 'SS'83(b) of the Internal Revenue Code, (ii) that an election under 'SS'83(b) must be filed within 30 days after the Date of Grant, and (iii) that the Company is under no obligation to assist the Executive with determining the appropriateness of filing the election or making the filing itself.

IN WITNESS WHEREOF, the Executive and the Company have executed this Agreement as of the Date of Grant.

SIRIUS SATELLITE RADIO INC.

By:_____ _____
Patrick L. Donnelly Michael S. Ledford
Senior Vice President and
General Counsel

EXHIBIT C

List of Prior Inventions
and Original Works of Authorship

<TABLE>
<CAPTION>

Title	Date	Identifying Number or Brief Description
<S>	<C>	<C>

</TABLE>

____ No inventions or improvements

____ Additional Sheets Attached

- ------------------------------
Michael S. Ledford

_____ ___, 2001

Exhibit 10.7

October 15, 2001

Mr. David Margolese
c/o Sirius Satellite Radio Inc.
1221 Avenue of the Americas
36th Floor
New York, New York 10020

Dear David:

This letter agreement (this "Agreement") confirms our understanding and agreement with respect to your resignation as Chief Executive Officer of Sirius Satellite Radio Inc. (the "Company"). The Company confirms that, as of the date hereof, you are serving as the Chairman of the Board of Directors of the Company (the "Board"), at the discretion of the Board.

1. Resignation. Effective as of the date of this Agreement (the "Resignation Date"), you hereby resign as an employee of the Company and from your position as the Chief Executive Officer of the Company and from all other positions you hold and/or committees on which you serve, with respect to, or on behalf of, the Company and its affiliates (other than your position as the Non-executive Chairman (as defined in Section 5) which you will continue to hold, subject to Section 5).

2. Rights Under Existing Option Agreements. The Company confirms that Exhibit A hereto accurately identifies all options held by you as of the date hereof (the "Options"). Except as specifically provided in Section 3(b), the Options shall be governed by the terms of the plans and related agreements under which they were granted.

3. Payments. In consideration of you entering into this Agreement, including the general release contained in Section 10 and the covenants contained herein, you will be entitled to the following:

(a) A lump sum cash payment in the amount of Five Million Dollars ($5,000,000), less applicable withholding taxes (the "Payment"), within three business days following the expiration of the Revocation Period (as defined in Section 10(c)); provided that you have not exercised your right to revoke this Agreement as described in Section 10(c);

(b) Subject to your election not to revoke this Agreement as described in Section 10(c), notwithstanding the terms of the CD Radio Inc. 1994 Option Plan and

the Sirius Satellite Radio 1999 Long-Term Stock Incentive Plan (collectively, the "Option Plans") or any option agreement executed by the Company and you evidencing an award under the Option Plans, (x) each unvested option to purchase common stock of the Company held by you as of the date of this Agreement shall continue to vest during your service as Non-executive Chairman and (y) the Options shall remain exercisable until the earliest to occur of:

(i) The date which is six years and six months following the Resignation Date;

(ii) Ninety days following the date on which the Board determines, in good faith, that you have failed to materially perform your obligations under Section 5(b)(i) or 5(b)(iii) of this Agreement or materially breached any of the provisions of Section 6, 7, 8(a)(i) or 8(b) of this Agreement; and

(iii) Eighteen months following the date your services as the Non-executive Chairman terminate for any reason (other than a reason enumerated in clause (ii) above), without a written agreement providing for other continuing services.

4. Full Satisfaction. You hereby acknowledge and agree that, except for the Payment, and the other benefits under this Agreement that will become payable to you hereunder if you do not revoke this Agreement as described in Section 10(c), you will not be entitled to any other compensation or benefits from the Company or its affiliates, including, without limitation, any other severance or termination benefits and any compensation or benefits under the

employment agreement dated as of January 1, 1999 between you and the Company (the "Prior Agreement") (which Prior Agreement is hereby terminated and of no further force or effect without further liability of either party thereunder).

5. Services as Chairman. Pursuant to the charter and the bylaws of the Company, you were elected as a member of the Board and currently serve, at the discretion of the Board, as Chairman. It is agreed that, until you are removed as Chairman by the Board, are not elected as a director of the Company or resign as Chairman and/or as a member of the Board, you will continue to serve as the non-executive Chairman of the Board ("Non-executive Chairman").

(a) During your service as Non-executive Chairman you shall be entitled to such compensation as is determined, from time to time, in the sole discretion of the Board, although it is currently anticipated that you will (i) receive fees equal to $200,000 per year, payable in monthly installments, (ii) be entitled to an office and secretarial support at an off-site location mutually agreed between you and the Company and subject to a written budget approved by the Board, (iii) be reimbursed for reasonable business expenses, including, without limitation, travel expenses, incurred in the performance of the responsibilities set forth in this Section 5 which are approved in advance by the Company's General Counsel, and (iv) be entitled to participate in employee benefit plans available to other non-employee directors of the Company.

(b) As Non-executive Chairman you shall (i) be responsible for preparing the Board agenda and chairing the meetings of the Board, (ii) to the extent requested by the Board, be available to the Chief Executive Officer of the Company

("CEO") (or the Office of the CEO during any period when there is no CEO) and the Board members, or their appointees to assist on Company matters, at reasonable times; provided, however, that requests for assistance from individual directors shall be coordinated by and communicated through the Company's General Counsel, and (iii) only work through the CEO (or the Office of the CEO during any period when there is no CEO) and Board members or their appointees, and, except as otherwise specifically provided herein, you shall not communicate directly with the Company or its employees except with the express approval of the CEO (or the Office of the CEO during any period when there is no CEO). The Company agrees that services requested of you hereunder may be provided telephonically or by other electronic means of transmission from such location or locations as you may reasonably determine; provided, that you will use your best efforts to provide your services in person upon reasonable prior advance notice from the Company's General Counsel.

(c) As Non-executive Chairman you will not be an employee of the Company and shall not be entitled to participate in any employee benefit plans or other benefits or conditions of employment available to the employees of the Company.

(d) It is intended that the fees paid under this Section 5 shall represent non-employee revenues for services rendered by you as a consultant. To the extent consistent with applicable law, the Company will not withhold any amounts therefrom as federal income tax withholding from wages or as employee contributions under the Federal Insurance Contributions Act or any other state or federal laws. You shall be solely responsible for the withholding and/or payment of any federal, state or local income or payroll taxes and shall hold the Company, its officers, directors and employees harmless from any liability arising from the failure to withhold such amounts.

(e) During any period of your continuing services as Non-executive Chairman, you shall continue to have the benefit of the Company's directors' and officers' liability insurance to the same extent as the Company's other directors, and, to the extent not covered thereby, to indemnification to the extent provided in the Company's charter or by-laws.

(f) In the event that your services as the Non-executive Chairman are terminated for any reason (the date of any such termination being referred to as the "Termination Date"), unless other continuing services and compensation arrangements are agreed upon in writing, this Agreement shall terminate and, other than the right to fees and other benefits through the Termination Date under Section 5 hereof, your rights under Section 3 hereof and your rights retained under the proviso to Section 10(a) hereof, you shall have no further

right to any fees or any other benefits or perquisites under this Agreement; provided that the provisions of Sections 6 through 13 of this Agreement shall survive any termination of this Agreement.

6. Nondisclosure of Confidential Information. You acknowledge that in the course of your service to the Company you have occupied, and will continue to occupy, a position of trust and confidence. You shall not, except as may be required to perform your duties hereunder or as required by applicable law, disclose to others or use, directly or indirectly, any Confidential Information regarding the Company and its proposed business and operations.

"Confidential Information" shall mean information about the Company and its proposed business and operations that is not disclosed by the Company for financial reporting purposes and that was learned by you in the course of your employment by the Company or service as a director of the Company, including, without limitation, any proprietary knowledge, patents, trade secrets, data, formulae, business plans, forecasts, strategies, information and client and customer lists and all papers, resumes and records (including computer records) of the documents containing such Confidential Information. You acknowledge that such Confidential Information is specialized, unique in nature and of great value to the Company, and that such information gives the Company a competitive advantage. You agree to deliver or return to the Company, at the Company's request at any time, all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by, or on behalf of, the Company or prepared by you relating to the business of the Company and its subsidiaries.

7. Covenant Not to Compete. For a period beginning on the date of this Agreement and ending two years after the Termination Date (the "Restricted Period"), you will not, directly or indirectly, enter into the employment of, render services to or acquire any interest whatsoever in (whether for your own account as an individual proprietor, or as a partner, associate, stockholder, officer, director, consultant, trustee or otherwise), or otherwise assist, any person or entity engaged in any operations in North America involving the transmission of radio entertainment programming in competition with the Company or that competes, or is likely to compete, with any other aspect of the business of the Company as conducted on the Termination Date; provided, that nothing in this Agreement shall prevent the purchase or ownership by you by way of investment of up to five percent (5%) of the shares or equity interests of any corporation or other entity. Without limiting the generality of the foregoing, you agree that during the Restricted Period, you will not call on or otherwise solicit business or assist others to solicit business from any of the customers or potential customers of the Company as to any product or service that competes with any product or service provided or marketed by or actually under development by the Company at the Termination Date. You furthermore agree that during the Restricted Period you will not solicit or assist others to solicit the employment of or hire any employee of the Company without the prior written consent of the Company.

8. Nondisparagement. (a) You agree (i) not to make any disparaging statements about the Company, its affiliates, their predecessors or successors or any of their past and present officers, directors, stockholders, partners, bankers, analysts, members, agents and employees or the Company's business practices, operations or personnel policies and practices to any of the Company's customers, clients, competitors, suppliers, investors, directors, consultants, employees, former employees or the press or other media in any country and (ii) not to engage in any contact with the media with respect to the Company or its affiliates, employees, stockholders, partners or directors without the prior written consent of the Company. Requests for consent shall be directed to the Company's General Counsel.

(b) Except to the extent required by subpoena or other legal process, you shall not issue any press release or issue or publish any other statement relating to the Company or its affiliates which is inconsistent with the press release attached hereto as Exhibit B (the "Resignation Press Release").

(c) In return, the Company will not, and will instruct its officers, directors and employees not to, make any disparaging statements about you and shall not issue any press release or other statement relating to you which is inconsistent with the Resignation Press Release.

(d) The Company and you agree that the Company shall issue a press release in the form of the Resignation Press Release coincident with, or promptly following, the Resignation Date.

9. Remedies. You agree that damages for breach of your covenants under Section 6, 7 or 8 will be difficult to determine and inadequate to remedy the harm which may be caused thereby, and therefore consent that these covenants may be enforced by temporary or permanent injunction without the necessity of bond. Such injunctive relief shall be in addition to and not in place of any other remedies available at law or equity. You believe that the provisions of this Agreement are reasonable and that you are capable of gainful employment without breaching this Agreement. In the event any court or tribunal declines to enforce any provision of Section 6, 7 or 8 of this Agreement, this Agreement shall, to the extent applicable in the circumstances before such court or tribunal, be deemed to be modified to restrict your competition with the Company to the maximum extent of time, scope and geography which the court or tribunal shall find enforceable, and such provisions shall be so enforced. The losing party shall reimburse the prevailing party for any costs and attorneys fees incurred in connection with any action to enforce the covenants contained in this Agreement. You and the Company shall have available all remedies at law and in equity for the enforcement of this Agreement, which remedies (including, without limitation, termination of this Agreement as provided herein) shall be cumulative and not elective.

10. General Release.

(a) For and in consideration of the Payment and the other agreements made by the Company hereunder, you hereby agree on behalf of yourself, your agents, assignees, attorneys, successors, assigns, heirs and executors, to, and you do hereby, fully and completely forever release the Company and its affiliates, predecessors and successors and all of their respective past and/or present officers, directors, partners, members, managing members, managers, employees, agents, representatives, administrators, attorneys, insurers and fiduciaries in their individual and/or representative capacities (hereinafter collectively referred to as the "Releasees"), from any and all causes of action, suits, agreements, promises, damages, disputes, controversies, contentions, differences, judgments, claims, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialities, covenants, contracts, variances, trespasses, executions and demands of any kind whatsoever, which you or your heirs, executors, administrators, successors and assigns ever had, now have or may have against the Releasees or any of them, in law, admiralty or equity, whether known or unknown to you, for, upon, or by reason of, any matter, fact, action, omission, course or thing whatsoever occurring up to the date this Agreement is signed by you, including, without limitation, in connection with or in relationship to your employment or other service relationship with the Company or its affiliates, the termination of any such employment or service relationship and any applicable employment, compensatory or equity arrangement with the Company or its respective affiliates (such released claims are collectively referred to herein as the "Released Claims"); provided that the Released Claims shall not include any claims to enforce your rights under, and you shall retain the right to bring claims

with respect to, (i) this Agreement, (ii) benefits under the Company's directors' and officers' liability insurance policies, (iii) indemnification to the extent provided under the Company's charter or by-laws, and (iv) benefits due to you in accordance with the provisions of any applicable Company employee benefit plan or under COBRA.

(b) Notwithstanding the generality of clause (a) above, the Released Claims include, without limitation, (i) any and all claims under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Civil Rights Act of 1971, the Civil Rights Act of 1991, the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974 (except with respect to benefits under Section 10(a)(iv) above), the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, and any and all other federal, state or local laws, statutes, rules and regulations pertaining to employment or otherwise, and (ii) any claims for wrongful discharge, breach of contract, fraud, misrepresentation or any compensation claims, or any other claims under any statute, rule or regulation or under the common law, including compensatory damages, punitive damages, attorney's fees, costs, expenses and all claims for any other type of damage or relief.

(c) You represent that you have read carefully and fully

understand the terms of this Agreement, and that you have been advised to consult with an attorney and have had the opportunity to consult with an attorney prior to signing this Agreement. You acknowledge that you are executing this Agreement voluntarily and knowingly and that you have not relied on any representations, promises or agreements of any kind made to you in connection with your decision to accept the terms of this Agreement, other than those set forth in this Agreement. You acknowledge that you have been given at least twenty-one days to consider whether you want to sign this Agreement and that the Age Discrimination in Employment Act gives you the right to revoke this Agreement within seven days after it is signed, and you understand that you will not receive any payments due you under this Agreement until such seven day revocation period (the "Revocation Period") has passed and then, only if you have not revoked this Agreement. To the extent you have executed this Agreement within less than twenty-one days after its delivery to you, you hereby acknowledge that your decision to execute this Agreement prior to the expiration of such twenty-one day period was entirely voluntary.

11. Mitigation. You shall not be required to mitigate damages or the amount of any benefit or payment provided under this Agreement by seeking other employment, or otherwise; nor shall any amount of any benefit or payment provided for under this Agreement be reduced by any compensation earned by you as a result of employment by another employer.

12. Governing Law. This Agreement will be governed, construed and interpreted under the laws of the State of New York, without regard to the conflict of laws provisions thereof.

13. Entire Agreement; Counterparts. This constitutes the entire agreement between the parties. This Agreement expressly supersedes the Prior Agreement and any arbitration policy of the Company. This Agreement may not be modified or changed except by written instrument executed by all parties and may be executed in counterparts, each of which shall constitute an original and which together shall constitute a single instrument.

If this Agreement correctly sets forth your understanding of our agreement with respect to the foregoing matters, please so indicate by signing and dating in the space provided below.

Very truly yours,

SIRIUS SATELLITE RADIO INC.

By: /s/ Patrick L. Donnelly

Patrick L. Donnelly
Senior Vice President and General Counsel

Reviewed, approved and agreed:

/s/ David Margolese
- ---
David Margolese

Date: October 16, 2001

<TABLE>
<CAPTION>

Exhibit A

Option Holdings

Vested Options:

Date of Grant	Number of Underlying Shares	Exercise Price
<S>	<C>	<C>
02/02/94	300,000	$5.00
04/24/96	400,000	$8.5625
01/01/99	1,800,000	$31.25
12/17/99	350,000	$30.50

05/11/01	1,500,000	$12.67

<CAPTION>
Unvested Options:

Date of Grant	Number of Underlying Shares	Exercise Price
<S>	<C>	<C>
12/17/99	350,000	$30.50

</TABLE>

Exhibit B

[SIRIUS SATELLITE RADIO LOGO]

[SIRIUS SATELLITE RADIO LETTERHEAD]

DAVID MARGOLESE STEPS DOWN AS SIRIUS CEO

In-Vehicle Testing Expanding to Six Additional Markets
Commercial Launch Update Scheduled for November 14th

NEW YORK--October 16, 2001--Sirius Satellite Radio (Nasdaq: SIRI), the satellite radio broadcaster, today announced that David Margolese has stepped down as Chief Executive Officer. The duties of Chief Executive Officer will be assumed, on an interim basis, by an Office of the Chief Executive consisting of John J. Scelfo, Senior Vice President and Chief Financial Officer, and Patrick L. Donnelly, Senior Vice President and General Counsel. Mr. Margolese will remain as non-executive Chairman of the Board of Directors of Sirius.

"Over the years, we have worked diligently to establish a foundation which would allow Sirius to become a world-class company," said David Margolese. "Sirius is now strong enough to achieve this and the time has come for me to pass the baton. It has been a privilege working this past decade with all of our wonderful people who literally are about to transform the face of radio."

The Board of Directors made the following statement: "The Board warmly thanks David for his great vision, leadership and dedication in creating both Sirius and the satellite radio industry; as Chairman, we will continue to benefit from David's strategic thinking. An intensive search for a new CEO is being conducted by the Board, with the help of Spencer Stuart, and is well under way. Our new CEO will complete Sirius' final transition from a development stage enterprise to an exciting entertainment company that will revolutionize radio. The Board has great confidence in the ability of our senior management to execute our plan while we complete this important search for a new CEO."

Sirius also announced today that at the end of this month it will expand in-vehicle testing of its service to six additional markets. This vehicle testing is designed to complete the evaluation of all aspects of the company's product and transmission, distribution and system capabilities, including retail sales support, installation, subscriber management and billing, customer service and communications. This phase is the final element of Sirius' comprehensive test program, after which the company expects to determine its commercial launch date, which had previously been scheduled for year-end. Sirius will update investors on the status of its commercial launch on a public conference call on Wednesday, November 14th. Conference call details will be announced separately.

As of September 30, 2001, Sirius had cash on hand, including restricted investments, of $392 million, sufficient funds to operate well into the fourth quarter '02.

- more -

About Sirius
From its unique tri-satellite system orbiting directly over the U.S., Sirius (www.siriusradio.com) will broadcast up to 100 channels of digital quality radio to motorists throughout the continental United States for a monthly subscription fee of $12.95. Sirius will deliver 50 channels of 100% commercial-free music in virtually every genre, and up to 50 channels of news, sports, talk, comedy and children's programming. Sirius has exclusive alliances to install AM/FM/SAT

radios in Ford, Chrysler, BMW, Mercedes, Jaguar, Volvo and Jeep'r' vehicles. Kenwood, Panasonic, Clarion and Jensen satellite radios, including models that can adapt any car stereo to receive Sirius, as well as home and portable products, will also be available at retailers such as Circuit City and Best Buy.

Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance with respect to Sirius Satellite Radio Inc. are not historical facts and may be "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, and, accordingly, such statements involve estimates, assumptions and uncertainties which could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, any such statements are qualified in their entirety by reference to the factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2000. Among the key factors that have a direct bearing on our results of operations are the unavailability of radios capable of receiving our service and our dependence upon third parties to manufacture and distribute them; the potential risk of delay in implementing our business plan; the unproven market for our service; and our need for additional financing.

For more information:
Mindy Kramer
Sirius Satellite Radio
212-584-5138
mkramer@siriusradio.com

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