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

FORM 10-Q

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

For the quarterly period ended March 31, 2009

OR

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

For the transition period from to

SIRIUS XM RADIO INC.

(Exact name of registrant as specified in its charter)

Delaware	**52-1700207**
(State or other jurisdiction of incorporation of organization)	**(I.R.S. Employer Identification Number)**
1221 Avenue of the Americas, 36th Floor New York, New York	**10020**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (212) 584-5100

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

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

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

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

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

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

(Class)	**(Outstanding as of April 30, 2009)**
COMMON STOCK, $0.001 PAR VALUE	**3,857,260,924 SHARES**

SIRIUS XM RADIO INC. AND SUBSIDIARIES
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PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SIRIUS XM RADIO INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)	For the Three Months Ended March 31, 2009	2008
Revenue:		
Subscriber revenue, including effects of rebates	$ 556,392	$ 255,640
Advertising revenue, net of agency fees	12,304	8,408
Equipment revenue	9,909	6,063
Other revenue	8,374	239
Total revenue	586,979	270,350
Operating expenses (depreciation and amortization shown separately below) (1):		
Cost of services:		
Satellite and transmission	20,279	7,822
Programming and content	80,408	61,692
Revenue share and royalties	100,466	42,320
Customer service and billing	59,801	26,922
Cost of equipment	7,993	7,588
Sales and marketing	51,830	38,467
Subscriber acquisition costs	73,068	89,824
General and administrative	59,314	48,778
Engineering, design and development	9,778	8,656
Depreciation and amortization	82,367	26,906
Restructuring and related costs	614	—
Total operating expenses	545,918	358,975
Income (loss) from operations	41,061	(88,625)
Other income (expense):		
Interest and investment income	738	2,802
Interest expense, net of amounts capitalized	(65,743)	(17,675)
Loss from redemption of debt, net	(17,957)	—
Loss on investments	(7,906)	—
Other income (expense)	511	(77)
Total other expense	(90,357)	(14,950)
Loss before income taxes	(49,296)	(103,575)
Income tax expense	(1,115)	(543)
Net loss	(50,411)	(104,118)
Preferred stock beneficial conversion feature	(186,188)	—
Net loss attributable to common stockholders	$ (236,599)	$ (104,118)
Net loss per common share (basic and diluted)	$ (0.07)	$ (0.07)
Weighted average common shares outstanding (basic and diluted)	3,523,888	1,475,496

(1) Amounts related to share-based payment expense included in operating expenses were as follows:

Satellite and transmission	$ 758	$ 797
Programming and content	2,489	2,789
Customer service and billing	539	276
Sales and marketing	4,287	5,240
Subscriber acquisition costs	—	14
General and administrative	10,739	11,998
Engineering, design and development	1,367	1,148
Total share-based payment expense	$ 20,179	$ 22,262

See accompanying Notes to the unaudited consolidated financial statements.

SIRIUS XM RADIO INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)	March 31, 2009 (Unaudited)	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	$ 375,486	$ 380,446
Accounts receivable, net of allowance for doubtful accounts of $10,821 and $10,860, respectively	94,793	102,024
Receivables from distributors	45,584	45,950
Inventory, net	19,889	24,462
Prepaid expenses	124,212	67,203
Related party current assets	108,643	114,177
Other current assets	70,867	58,744
Total current assets	839,474	793,006
Property and equipment, net	1,696,864	1,703,476
FCC licenses	2,083,654	2,083,654
Restricted investments	3,250	141,250
Deferred financing fees, net	45,313	40,156
Intangible assets, net	668,241	688,671
Goodwill	1,834,856	1,834,856
Related party long-term assets	199,621	124,607
Other long-term assets	113,645	81,019
Total assets	$ 7,484,918	$ 7,490,695
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 570,582	$ 642,820
Accrued interest	58,205	76,463
Deferred revenue	1,041,589	985,180
Current portion of deferred credit on executory contracts	237,944	234,774
Current maturities of long-term debt	356,303	399,726
Current maturities of long-term related party debt	21,500	—
Related party current liabilities	54,094	68,373
Total current liabilities	2,340,217	2,407,336
Long-term debt	2,528,277	2,851,740
Long-term related party debt	186,216	—
Deferred revenue, net of current portion	251,251	247,889
Deferred credit on executory contracts	980,364	1,037,190
Deferred tax liability	905,435	894,453
Related party long-term liabilities	15,336	—
Other long-term liabilities	33,294	43,550
Total liabilities	7,240,390	7,482,158
Commitments and contingencies (Note 15)	—	—
Stockholders' equity:		
Preferred stock, par value $0.001; 50,000,000 authorized at March 31, 2009 and December 31, 2008:		
Series A convertible preferred stock (liquidation preference of $51,370 at March 31, 2009 and December 31, 2008); 24,808,959 shares issued and outstanding at March 31, 2009 and December 31, 2008	25	25
Convertible perpetual preferred stock, series B (liquidation preference of $13 and $0 at March 31, 2009 and December 31, 2008, respectively); 12,500,000 and zero shares issued and outstanding at March 31, 2009 and December 31, 2008, respectively	13	—
Common stock, par value $0.001; 8,000,000,000 shares authorized at March 31, 2009 and December 31, 2008; 3,856,659,213 and 3,651,765,837 shares issued and outstanding at March 31, 2009 and December 31, 2008, respectively	3,856	3,652
Accumulated other comprehensive loss, net of tax	(7,439)	(7,871)
Additional paid-in capital	10,196,932	9,724,991
Accumulated deficit	(9,948,859)	(9,712,260)
Total stockholders' equity	244,528	8,537
Total liabilities and stockholders' equity	$ 7,484,918	$ 7,490,695

See accompanying Notes to the unaudited consolidated financial statements.

SIRIUS XM RADIO INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE LOSS

(in thousands, except share and per share data)	Series A Convertible Preferred Stock		Convertible Perpetual Preferred Stock, Series B		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance at December 31, 2008	24,808,959	$ 25	—	$ —	3,651,765,837	$3,652	$ 9,724,991	$(9,712,260)	$ (7,871)	$ 8,537
Net loss								(50,411)		(50,411)
Other comprehensive loss:										
Unrealized gain on available-for-sale securities, net of tax	—	—	—	—	—	—	—	—	649	649
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(217)	(217)
Total comprehensive loss	—	—	—	—	—	—	—	—	—	(49,979)
Issuance of preferred stock - related party, net of issuance costs	—	—	12,500,000	13	—	—	410,179	(186,188)	—	224,004
Issuance of common stock to employees and employee benefit plans, net of forfeitures	—	—	—	—	6,314,557	6	618	—	—	624
Structuring fee on 10% Senior PIK Notes due 2011	—	—	—	—	59,178,819	59	5,859	—	—	5,918
Share-based payment expense	—	—	—	—	—	—	20,260	—	—	20,260
Exchange of 2 1/2% Convertible Notes due 2009, including accrued interest	—	—	—	—	139,400,000	139	35,025	—	—	35,164
Balance at March 31, 2009	24,808,959	$ 25	12,500,000	$ 13	3,856,659,213	$3,856	$10,196,932	$(9,948,859)	$ (7,439)	$ 244,528

See accompanying Notes to the unaudited consolidated financial statements.

SIRIUS XM RADIO INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	For the Three Months Ended March 31, 2009	2008
Cash flows from operating activities:		
Net loss	$ (50,411)	$(104,118)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	82,367	26,906
Non-cash interest expense, net of amortization of premium	4,429	1,004
Provision for doubtful accounts	7,575	2,560
Loss from redemption of debt	17,957	—
Amortization of deferred income related to equity method investment	(694)	—
Loss on investments	7,906	—
Share-based payment expense	20,179	22,262
Deferred income taxes	1,115	543
Other non-cash purchase price adjustments	(41,150)	—
Changes in operating assets and liabilities:		
Accounts receivable	(344)	18,765
Inventory	4,573	4,193
Receivables from distributors	(276)	(9,988)
Related party assets	8,880	—
Prepaid expenses and other current assets	22,104	14,256
Other long-term assets	21,995	3,256
Accounts payable and accrued expenses	(53,339)	(116,741)
Accrued interest	(18,087)	(11,885)
Deferred revenue	47,954	14,712
Related party liabilities	(8,108)	—
Other long-term liabilities	(7,754)	(5,017)
Net cash provided by (used in) operating activities	66,871	(139,292)
Cash flows from investing activities:		
Additions to property and equipment	(71,140)	(39,225)
Purchases of restricted and other investments	—	(3,000)
Merger-related costs	623	(10,018)
Sale of restricted and other investments	—	5,008
Net cash used in investing activities	(70,517)	(47,235)
Cash flows from financing activities:		
Proceeds from exercise of warrants and stock options	—	840
Preferred stock issuance costs, net	(3,712)	—
Related party long-term borrowings, net of costs	211,463	—
Payment of premiums on redemption of debt	(10,072)	—
Repayment of long-term borrowings	(198,993)	(625)
Net cash (used in) provided by financing activities	(1,314)	215
Net decrease in cash and cash equivalents	(4,960)	(186,312)
Cash and cash equivalents at beginning of period	380,446	438,820
Cash and cash equivalents at end of period	$ 375,486	$ 252,508
Supplemental Disclosure of Cash and Non-Cash Flow Information		
Cash paid during the period for:		
Interest, net of amounts capitalized	$ 85,810	$ 28,554
Non-cash investing and financing activities:		
Common stock issued in satisfaction of accrued compensation	—	8,729
Common stock issued in exchange of 3 1/2% Convertible Notes due 2008, including accrued interest	—	31,249
Common stock issued in exchange of 2 1/2% Convertible Notes due 2009, including accrued interest	35,164	—
Release of restricted investments	138,000	—

See accompanying Notes to the unaudited consolidated financial statements.

(1) Business

We broadcast in the United States our music, sports, news, talk, entertainment, traffic and weather channels for a subscription fee through our proprietary satellite radio systems — the SIRIUS system and the XM system. On July 28, 2008, our wholly owned subsidiary, Vernon Merger Corporation, merged (the "Merger") with and into XM Satellite Radio Holdings Inc. and, as a result, XM Satellite Radio Holdings Inc. is now our wholly owned subsidiary. The SIRIUS system consists of three in-orbit satellites, approximately 120 terrestrial repeaters that receive and retransmit signals, satellite uplink facilities and studios. The XM system consists of four in-orbit satellites, over 700 terrestrial repeaters that receive and retransmit signals, satellite uplink facilities and studios. Subscribers can also receive certain of our music and other channels over the Internet.

Our satellite radios are primarily distributed through automakers ("OEMs"), retailers and our websites. We have agreements with every major automaker to offer SIRIUS or XM satellite radios as factory or dealer-installed equipment in their vehicles. SIRIUS and XM radios are also offered to customers of rental car companies, including Hertz and Avis.

Our subscriber totals include subscribers under our regular pricing plans; discounted pricing plans; subscribers that have prepaid, including payments either made or due from automakers for prepaid subscriptions included in the sale or lease price of a new vehicle; certain radios activated for daily rental fleet programs; subscribers to SIRIUS Internet Radio and XM Radio Online, our Internet services; and certain subscribers to our weather, traffic, data and video services.

Our primary source of revenue is subscription fees, with most of our customers subscribing on an annual, semi-annual, quarterly or monthly basis. We offer discounts for prepaid and long-term subscriptions as well as discounts for multiple subscriptions. We also derive revenue from activation fees, the sale of advertising on select non-music channels, the direct sale of satellite radios, components and accessories, and other ancillary services, such as our Backseat TV, data and weather services.

In certain cases, automakers include a subscription to our radio services in the sale or lease price of vehicles. The length of these prepaid subscriptions varies, but is typically three to twelve months. In many cases, we receive subscription payments from automakers in advance of the activation of our service. We also reimburse various automakers for certain costs associated with satellite radios installed in their vehicles.

We also have an interest in the satellite radio services offered in Canada. Subscribers to the SIRIUS Canada service and the XM Canada service are not included in our subscriber count.

We have incurred losses from operations and have generated negative cash flows from operations in each of the past three years. At March 31, 2009, we had an accumulated deficit of $9,948,859. Our ability to meet our debt and other obligations as they come due depends on the successful execution of our operating plan and on economic, financial and competitive factors influencing our business.

We entered into several agreements which improved our financial position. We entered into an agreement with General Motors to extend the term of XM's distribution agreement to 2020, to improve the economic terms of the arrangement, and postpone, at XM's option, certain payments, with interest, to General Motors. We also entered into agreements with certain other third parties to, among other things, restructure lump sum payments coming due; eliminate escrow arrangements in exchange for prepayment of the amount released; and extend agreements. We may enter into similar agreements with additional third parties.

Our plan to maintain sufficient liquidity includes the potential for deferring the planned launch of satellites and deferring planned capital projects or other discretionary spending. We believe that our cash and cash equivalents on hand, marketable securities, available borrowings from Liberty Media, and expected cash flows from operations will be sufficient to satisfy our financial obligations through 2010, including our obligations on account of interest and principal payments of $1,067,540. Our financial projections are based on assumptions, which we believe are reasonable, but contain uncertainties.

We expect the Compensation Committee of our board of directors to consider equity-based, performance awards to certain employees during the second quarter of 2009. These performance awards would be intended to: compensate such employees for their efforts during the year ended December 31, 2008; and retain such employees in the short-term until stockholders approve the proposed Sirius XM Radio Inc. 2009 Long-Term Stock Incentive Plan. Any such performance awards are expected to take the form of restricted stock units which will vest over time.

Unless otherwise indicated,

- "we," "us," "our," the "company," "the companies" and similar terms refer to Sirius XM Radio Inc. and its consolidated subsidiaries;
- "SIRIUS" refers to Sirius XM Radio Inc. and its consolidated subsidiaries, excluding XM Satellite Radio Holdings Inc. and its consolidated subsidiaries;
- "XM Holdings" refers to XM Satellite Radio Holdings Inc. and its consolidated subsidiaries, including XM Satellite Radio Inc.; and
- "XM" refers to XM Satellite Radio Inc. and its consolidated subsidiaries.

(2) Principles of Consolidation and Basis of Presentation

Principles of Consolidation

The accompanying unaudited consolidated financial statements of Sirius XM Radio Inc. and subsidiaries have been prepared in accordance with U.S. generally accepted accounting principles, the instructions to Form 10-Q and Article 10 of Regulation S-X of the United States Securities and Exchange Commission ("SEC") for interim financial reporting. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. All intercompany transactions have been eliminated in consolidation.

Basis of Presentation

In presenting unaudited consolidated financial statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Additionally, estimates were used when recording the fair values of our assets acquired and liabilities assumed in the Merger. Estimates, by their nature, are based on judgment and available information. Actual results could differ from those estimates. In the opinion of management, all normal recurring adjustments necessary for a fair presentation of our unaudited consolidated financial statements as of March 31, 2009, and for the three months ended March 31, 2009 and 2008, have been made.

Interim results are not necessarily indicative of the results that may be expected for a full year. This Quarterly Report on Form 10-Q should be read together with our Annual Report on Form 10-K for the year ended December 31, 2008, filed with the SEC on March 10, 2009.

(3) Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported and related disclosures.

Significant estimates inherent in the preparation of the accompanying consolidated financial statements include revenue recognition, asset impairment, useful lives of our satellites, share-based payment expense, and valuation allowances against deferred tax assets. Financial market volatility and poor economic conditions in the United States have impacted and will continue to impact our business. Such conditions could have a material impact to our significant accounting estimates.

Inventory

Inventory consists of finished goods, refurbished goods, chip sets and other raw material components used in manufacturing radios. Inventory is stated at the lower of cost, determined on a first-in, first-out basis, or market. We record an estimated allowance for inventory that is considered slow moving and obsolete or whose carrying value is in excess of net realizable value. The provision related to products purchased for our direct to consumer distribution channel is reported as a component of Cost of equipment in our unaudited consolidated statements of operations. The remaining provision is reported as a component of Subscriber acquisition costs in our unaudited consolidated statements of operations.

(Dollar amounts in thousands, unless otherwise stated)

Inventory, net, consists of the following:

	March 31, 2009	December 31, 2008
Raw materials	$ 11,689	$ 11,648
Finished goods	34,242	38,323
Allowance for obsolescence	(26,042)	(25,509)
Total inventory, net	$ 19,889	$ 24,462

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in an orderly transaction between market participants to sell the asset or transfer the liability. As of March 31, 2009 and December 31, 2008, we have determined that the carrying amounts of cash and cash equivalents, accounts and other receivables, and accounts payable approximate fair value due to the short-term nature of these instruments.

The fair value of our long-term debt is determined by either (i) estimation of the discounted future cash flows of each instrument at rates currently offered to us for similar debt instruments of comparable maturities by our bankers, or (ii) quoted market prices at the reporting date for the traded debt securities. As of March 31, 2009 and December 31, 2008, the carrying value of our long-term debt was $3,092,296 and $3,251,466, respectively; while the fair value approximated $1,966,694 and $1,211,613, respectively.

Reclassifications

Certain amounts in the prior period unaudited consolidated financial statements have been reclassified to conform to the current period presentation.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157,*Fair Value Measurements*. This Statement defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements. In February 2008, the FASB issued FASB Staff Position ("FSP") 157-1, *Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13* and FSP 157-2, *Effective Date of FASB Statement No. 157.* FSP 157-1 amends SFAS No. 157 to remove certain leasing transactions from its scope. FSP 157-2, delayed the effective date of SFAS No. 157 for all nonfinancial assets and liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis, until January 1, 2009 for calendar year end entities. In October 2008, the FASB issued FSP 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active,* which provides a detailed example to illustrate key considerations in determining the fair value of a financial asset in an inactive market, and emphasizes the requirements to disclose significant unobservable inputs used as a basis for estimating fair value. We adopted the provisions of SFAS No. 157 on January 1, 2008, except as it applies to nonfinancial assets and liabilities as noted in FSP 157-2. Neither the partial adoption nor the issuance of FSP 157-3 had any significant impact on our consolidated results of operations or financial position. We adopted the provisions of SFAS No. 157, as amended, on January 1, 2009 as it relates to nonfinancial assets and liabilities, and there has been no impact on our consolidated results of operations or financial position.

In November 2007, the FASB issued SFAS No. 141R,*Business Combinations*, which continues to require that all business combinations be accounted for by applying the acquisition method. Under the acquisition method, the acquirer recognizes and measures the identifiable assets acquired, the liabilities assumed, and any contingent consideration and contractual contingencies, as a whole, at their fair value as of the acquisition date. Under SFAS No. 141R, all transaction costs are expensed as incurred. SFAS No. 141R rescinded EITF No. 93-07, *Uncertainties Related to Income Taxes in a Purchase Business Combination.* Under SFAS No. 141R, all subsequent adjustments to uncertain tax positions assumed in a business combination that previously would have impacted goodwill are recognized in the income statement. The guidance in SFAS No. 141R is applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning after December 15, 2008. We adopted SFAS No. 141R effective January 1, 2009, with no impact on our consolidated results of operations or financial position.

In April 2009, the FASB issued FSP No. FAS 141R-1, *Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies*, which clarifies the application of SFAS No. 141R to assets and liabilities arising from contingencies in a business combination. FSP No. FAS 141R-1 requires the acquirer to recognize at fair value an asset acquired or liability assumed in a business combination that arises from a contingency if the acquisition-date fair value of that asset or liability can be determined during the measurement period. If the acquisition-date fair value cannot be determined, the acquirer would apply the recognition criteria in SFAS No. 5, *Accounting for Contingencies*, and FASB Interpretation No.14, *Reasonable Estimation of the Amount of a Loss, an interpretation of FASB Statement No. 5*, to determine whether the contingency should be recognized as of the acquisition date or after it. The guidance in FSP No. FAS 141R-1 will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning after December 15, 2008. FSP No. FAS 141R-1 does not impact the accounting for the Merger.

In December 2007, the FASB ratified EITF No. 07-1, *Accounting for Collaborative Agreements*, which provides guidance on how the parties to a collaborative agreement should account for costs incurred and revenue generated on sales to third parties, how sharing payments pursuant to a collaboration agreement should be presented in the income statement and certain related disclosure requirements. This EITF is effective for the first annual or interim reporting period beginning after December 15, 2008, and should be applied retrospectively to all prior periods presented for all collaborative arrangements existing as of the effective date. We adopted EITF No. 07-1 effective January 1, 2009, with no impact on our consolidated results of operations or financial position.

In April 2008, the FASB issued FSP No. FAS 142-3, *Determination of the Useful Life of Intangible Assets*. FSP No. FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, *Goodwill and Other Intangible Assets*. This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008. We adopted FSP No. FAS 142-3 effective January 1, 2009, with no impact on our consolidated results of operations or financial position.

In May 2008, the FASB issued FSP No. APB 14-1, *Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement),* which amends the accounting requirements for certain convertible debt instruments. Additional disclosures are also required for these instruments. This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008. We adopted FSP No. APB 14-1 effective January 1, 2009, with no impact on our consolidated results of operations or financial position.

In June 2008, the FASB ratified EITF No. 07-5, *Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock*, which provides guidance for determining whether an equity-linked financial instrument (or embedded feature) issued by an entity is indexed to the entity's stock, and therefore would qualify for the first part of the scope exception in paragraph 11(a) of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*. The EITF prescribes a two-step approach under which the entity would evaluate the instrument's contingent exercise provisions and then the instrument's settlement provisions, for purposes of evaluating whether the instrument (or embedded feature) is indexed to the entity's stock. This EITF is effective for financial statements issued for fiscal years beginning after December 15, 2008. We adopted EITF No. 07-5 effective January 1, 2009, with no impact on our consolidated results of operations or financial position.

In November 2008, the FASB ratified EITF No. 08-6, *Equity Method Investment Accounting Considerations*, which applies to all investments accounted for under the equity method. The EITF clarifies the accounting for certain transactions and impairment considerations involving these investments. This EITF is effective for financial statements issued for fiscal years beginning after December 15, 2008. We adopted EITF No. 08-6 effective January 1, 2009, with no impact on our consolidated results of operations or financial position.

In April 2009, the FASB issued FSP No. FAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments*, which amends SFAS 107, *Disclosures about Fair Value of Financial Instruments*, to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. FSP No. FAS 107-1 and APB 28-1 also amends APB 28, *Interim Financial Reporting*, to require these disclosures in summarized financial information at interim reporting periods. This FSP is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. We are currently evaluating the impact that the adoption of FSP FAS 107-1 and APB 28-1 will have on our interim report disclosures.

(Dollar amounts in thousands, unless otherwise stated)

In April 2009, the FASB issued FSP No. FAS 115-2 and FAS 124-2,*Recognition and Presentation of Other-Than-Temporary Impairments*, which amends the other-than-temporary impairment guidance in U.S. generally accepted accounting principles for debt securities to make the guidance more operational and to improve the presentation and disclosure of other-than-temporary impairments on debt and equity securities in the financial statements. This FSP is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. We are currently evaluating the impact that the adoption of FSP No. FAS 115-2 and FAS 124-2 will have on our consolidated results of operations or financial position.

In April 2009, the FASB issued FSP No. FAS 157-4,*Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*, which provides additional guidance for estimating fair value in accordance with SFAS No. 157 when the volume and level of activity for the asset or liability have significantly decreased. If a significant decrease in the volume and level of activity for the asset or liability has occurred, quoted prices may not be determinative of fair value. Consequently, further analysis of the transactions or quoted prices is needed, and a significant adjustment to the transactions or quoted prices may be necessary to estimate fair value in accordance with SFAS No. 157. This FSP is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. We are currently evaluating the impact that the adoption of FSP No. FAS 157-4 will have on our consolidated results of operations or financial position.

(4) Goodwill

Pursuant to the provisions of SFAS No. 141,*Business Combinations*, we allocated the consideration paid in connection with the Merger to the fair value of acquired assets and assumed liabilities, respectively, and recorded goodwill in the amount of $6,601,046. During 2008, we recorded an impairment charge of $4,766,190 resulting in a carrying value of $1,834,856 at December 31, 2008. There has not been any change in the carrying value of goodwill during 2009.

(5) Intangible Assets

Intangible assets consisted of the following:

		March 31, 2009			December 31, 2008		
	Weighted Average Useful Lives	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Indefinite life intangible assets							
FCC licenses	Indefinite	$ 2,083,654	$ —	$ 2,083,654	$ 2,083,654	$ —	$ 2,083,654
Trademark	Indefinite	250,000	—	250,000	250,000	—	250,000
Definite life intangible assets							
Subscriber relationships	9 years	$ 380,000	$ (45,718)	$ 334,282	$ 380,000	$ (29,226)	$ 350,774
Proprietary software	6 years	16,552	(3,656)	12,896	16,552	(2,285)	14,267
Developed technology	10 years	2,000	(133)	1,867	2,000	(83)	1,917
Licensing agreements	9.1 years	75,000	(6,544)	68,456	75,000	(4,090)	70,910
Leasehold interests	7.4 years	908	(168)	740	908	(105)	803
Total intangible assets		$ 2,808,114	$ (56,219)	$ 2,751,895	$ 2,808,114	$ (35,789)	$ 2,772,325

Indefinite Life Intangible Assets

We have identified our FCC licenses and the XM trademark as indefinite life intangibles after considering the expected use of the assets, the regulatory and economic environment within which they are being used, and the effects of obsolescence on their use.

We hold FCC licenses to operate our satellite digital audio radio service and provide ancillary services. SIRIUS' FCC license for most of its satellites expires in 2010 and the license for one of its new satellites expires eight years after SIRIUS certifies the satellite is operating; XM Holdings' FCC licenses for its satellites expire in 2013 and 2014. Prior to the expirations, we will be required to apply for a renewal of our FCC licenses. The renewal and extension of our licenses is reasonably certain at minimal cost. The FCC licenses authorize us to use the broadcast spectrum, which is a renewable, reusable resource that does not deplete or exhaust over time.

(Dollar amounts in thousands, unless otherwise stated)

In connection with the Merger, $250,000 of the purchase price was allocated to the XM trademark. As of March 31, 2009, there are no legal, regulatory or contractual limitations associated with the XM trademark.

We evaluate our indefinite life intangible assets for impairment on an annual basis in accordance with SFAS No. 142 *Goodwill and Other Intangible Assets.* During the three months ended March 31, 2009, no impairment loss was recorded for intangible assets with indefinite lives.

Definite Life Intangible Assets

Definite life intangible assets consist primarily of subscriber relationships of $380,000 that were acquired as a result of the Merger. Subscriber relationships are amortized on an accelerated basis over 9 years, which reflects the estimated pattern in which the economic benefits will be consumed. Other definite life intangibles include certain licensing agreements of $75,000, which are being amortized over a weighted average useful life of 9.1 years on a straight-line basis.

Amortization expense for the three months ended March 31, 2009 was $20,430. Expected amortization expense for each of the fiscal years through December 31, 2013 and for periods thereafter is as follows:

Year ending December 31,	Amount
Remaining 2009	$ 56,335
2010	66,143
2011	59,021
2012	53,467
2013	47,097
Thereafter	136,178
Total intangibles, net	$ 418,241

(6) Subscriber Revenue

Subscriber revenue consists of subscription fees, revenue derived from our agreement with Hertz, non-refundable activation fees and the effects of rebates. Revenues received from automakers for prepaid subscriptions included in the sale or lease price of a new vehicle are also included in subscriber revenue over the service period upon activation and sale to the customer.

Subscriber revenue consists of the following:

	For the Three Months Ended March 31,	
	2009	2008
Subscription fees	$550,575	$250,467
Activation fees	6,056	6,298
Effect of rebates	(239)	(1,125)
Total subscriber revenue	$556,392	$255,640

(Dollar amounts in thousands, unless otherwise stated)

(7) Interest Costs

We capitalize a portion of the interest on funds borrowed to finance the construction costs of our satellites. The following is a summary of our interest costs:

	For the Three Months Ended March 31,	
	2009	2008
Interest costs charged to expense	$65,743	$17,675
Interest costs capitalized	16,126	3,262
Total interest costs incurred	$81,869	$20,937

(8) Property and Equipment

Property and equipment, net, consists of the following:

	March 31, 2009	December 31, 2008
Satellite system	$1,423,579	$1,414,625
Terrestrial repeater network	108,782	109,228
Leasehold improvements	42,892	42,878
Broadcast studio equipment	49,393	49,186
Capitalized software and hardware	89,779	89,246
Satellite telemetry, tracking and control facilities	56,269	56,217
Furniture, fixtures, equipment and other	102,893	101,304
Land	38,411	38,411
Building	56,392	56,392
Construction in progress	518,683	474,716
Total property and equipment	2,487,073	2,432,203
Accumulated depreciation and amortization	(790,209)	(728,727)
Property and equipment, net	$1,696,864	$1,703,476

	March 31, 2009	December 31, 2008
Satellite system	$ 493,565	$ 449,129
Terrestrial repeater network	19,138	19,070
Leasehold improvements	14	—
Other	5,966	6,517
Construction in progress	$ 518,683	$ 474,716

Depreciation and amortization expense on property and equipment was $61,937 and $26,906 for the three months ended March 31, 2009 and 2008, respectively.

Satellites

SIRIUS' three orbiting satellites were successfully launched in 2000. Our spare SIRIUS satellite was delivered to ground storage in 2002. SIRIUS' three-satellite constellation and terrestrial repeater network were placed into service in 2002.

SIRIUS has an agreement with Space Systems/Loral for the design and construction of a fifth and sixth SIRIUS satellite. In January 2008, SIRIUS entered into an agreement with International Launch Services to secure two satellite launches on Proton rockets. This agreement provides us the flexibility to defer the second of these launch dates and to cancel either launch upon payment of a cancellation fee.

XM owns four orbiting satellites; two of which, XM-3 and XM-4, currently transmit the XM signal and two of which, XM-1 and XM-2, serve as in-orbit spares. The XM satellites were launched in March 2001, May 2001, February 2005 and October 2006.

Space Systems/Loral has constructed a fifth satellite, XM-5, for use in the XM system. XM has also entered into an agreement with Sea Launch to secure a launch for XM-5.

(9) Related Party Transactions

Liberty Media

Liberty Media Corporation and its affiliate, Liberty Media, LLC (collectively, "Liberty Media"), have invested in us an aggregate of $350,000 in the form of loans, and are committed to invest an additional $180,000 in loans as of March 31, 2009. Liberty Media is the holder of our Convertible Perpetual Preferred Stock, Series B (the"Series B Preferred Stock"), has representatives on our board of directors and is considered a related party. See Note 11, Debt, to our unaudited consolidated financial statements for further information regarding indebtedness owed to Liberty Media.

Investment Agreement

On February 17, 2009, we entered into an Investment Agreement (the "Investment Agreement") with Liberty Media. Pursuant to the Investment Agreement, we agreed to issue to Liberty Radio, LLC 12,500,000 shares of Series B Preferred Stock with a liquidation preference of $0.001 per share in partial consideration for certain loan investments. The Series B Preferred Stock was issued on March 6, 2009.

The Series B Preferred Stock is convertible into 40% of our outstanding shares of common stock (after giving effect to such conversion). Liberty Radio, LLC has agreed not to acquire more than 49.9% of our outstanding common stock for three years from the date the Series B Preferred Stock was issued, except that Liberty Radio, LLC may acquire more than 49.9% of our outstanding common stock at any time after the second anniversary of such date pursuant to any cash tender offer for all of the outstanding shares of our common stock that are not beneficially owned by Liberty Radio, LLC or its affiliates at a price per share greater than the closing price of the common stock on the trading day preceding the earlier of the public announcement or commencement of such tender offer. The Investment Agreement also provides for certain other standstill provisions during such three year period.

The holder of our Series B Preferred Stock is entitled to appoint a number of our board of directors proportionate to its ownership levels from time to time.

Loan Investments

On February 17, 2009, SIRIUS entered into a Credit Agreement (the "LM Credit Agreement") with Liberty Media Corporation, as administrative agent and collateral agent, and Liberty Media, LLC, as lender. The LM Credit Agreement provides for a $250,000 term loan and $30,000 of purchase money loans.

On February 17, 2009, XM entered into a Credit Agreement with Liberty Media Corporation, as administrative agent and collateral agent, and Liberty Media, LLC, as lender. On March 6, 2009, XM amended and restated that credit agreement (the "Second-Lien Credit Agreement") with Liberty Media Corporation. Pursuant to the Second-Lien Credit Agreement, XM may borrow $150,000 of term loans on December 1, 2009. The proceeds of these loans will be used to repay a portion of the 10% Convertible Notes due 2009 of our wholly owned subsidiary, XM Holdings, on the stated maturity date thereof. The Second-Lien Credit Agreement matures on March 1, 2011, and bears interest at 15% per annum. XM pays a commitment fee of 2% per annum on the undrawn portion of the Second-Lien Credit Agreement until the date of disbursement of the loans or the termination of the commitments.

On March 6, 2009, XM amended and restated (i) the $100,000 Credit Agreement, dated as of June 26, 2008, among XM, XM Holdings, the lenders named therein and UBS AG, as administrative agent (the "UBS Term Loan"), and (ii) the $250,000 Credit Agreement, dated as of May 5, 2006, among XM, XM Holdings, the lenders named therein and JPMorgan Chase Bank, N.A., as administrative agent (the "JPM Revolver" and, together with the UBS Term Loan, the "Previous Facilities"). The Previous Facilities were combined as term loans into the Amended and Restated Credit Agreement, dated as of March 6, 2009, among XM, XM Holdings, the lenders named therein and JPMorgan Chase Bank, N.A., as administrative agent (the "First-Lien Credit Agreement"), and Liberty Media, LLC, purchased $100,000 aggregate principal amount of such loans from the existing lenders. XM paid a restructuring fee of 2% to the existing lenders under the Previous Facilities.

We accounted for the Series B Preferred Stock by recording a $227,716 increase to additional paid-in capital, excluding issuance costs, for the amount of allocated proceeds received and an additional $186,188 increase in paid-in capital for the beneficial conversion feature, which was immediately recognized as a charge to retained earnings.

We recognized Interest expense related to Liberty Media of $11,483 for the three months ended March 31, 2009.

As of March 31, 2009, deferred financing fees related to the Second-Lien Credit Agreement recorded in Related party long-term assets was $80,175.

As of March 31, 2009, we recorded $21,500 within Current maturities of long-term related party debt, related to the transactions with Liberty Media. As of March 31, 2009, we recorded $186,216 within Long-term related party debt, net of current portion, related to the transactions with Liberty Media.

SIRIUS Canada

In 2005, SIRIUS entered into a license and services agreement with SIRIUS Canada. Pursuant to such agreement, SIRIUS is reimbursed for certain costs incurred to provide SIRIUS Canada service, including certain costs incurred for the production and distribution of radios, as well as information technology support costs. In consideration for the rights granted pursuant to this license and services agreement, SIRIUS has the right to receive a royalty equal to a percentage of SIRIUS Canada's gross revenues based on subscriber levels (ranging between 5% to 15%) and the number of Canadian-specific channels made available to SIRIUS Canada. SIRIUS' investment in SIRIUS Canada is primarily non-voting shares which carry an 8% cumulative dividend.

Total costs that have been or will be reimbursed by SIRIUS Canada for the three months ended March 31, 2009 and 2008 were $1,998 and $4,702, respectively. We recorded $844 and $0 in royalty income for the three months ended March 31, 2009 and 2008, respectively. Such royalty income was recognized as a component of Other revenue in our unaudited consolidated statements of operations. We also recorded dividend income of $125, and $0 for the three months ended March 31, 2009 and 2008, respectively, which was included in Interest and investment income in our unaudited consolidated statements of operations. Receivables recorded relating to royalty income and dividend income were fully utilized to absorb a portion of our share of the losses generated by SIRIUS Canada during the three months ended March 31, 2009.

As of March 31, 2009 and December 31, 2008, other amounts due from SIRIUS Canada recorded in Related party current assets were $1,172 and $1,814, respectively. As of March 31, 2009 and December 31, 2008, amounts payable to SIRIUS Canada to fund its remaining capital requirements recorded in Related party current liabilities were $1,135 and $1,160, respectively.

XM Canada

In November 2005, XM entered into agreements to provide XM Canada with the right to offer XM satellite radio service in Canada. The agreements have an initial term of ten years and XM Canada has the unilateral option to extend the term of the agreements for an additional five years at no additional cost beyond the current financial arrangements. XM Canada has expressed its intent to exercise this option at the end of the initial term of the agreements. XM has the right to receive a 15% royalty for all subscriber fees earned by XM Canada each month for its basic service and a nominal activation fee for each gross activation of an XM Canada subscriber on XM's system. XM Canada is obligated to pay XM a total of $71,800 for the rights to broadcast and market National Hockey League ("NHL") games for the 10-year term of XM's contract with the NHL. In accordance with EITF No. 99-19, *Reporting Revenue Gross as a Principal versus Net as an Agent*, we recognize these payments on a gross basis as a principal obligor.

The estimated fair value of deferred revenue from XM Canada as of the Merger date was approximately $34,000, and is being amortized on a straight-line basis over the remaining expected term of the agreements. Subsequent to the Merger date, we began to record additional deferred revenue on our arrangements with XM Canada involving royalties on subscriber and activation fees. As of March 31, 2009 and December 31, 2008, the carrying value of Deferred revenue related to XM Canada was $37,029 and $36,002, respectively.

XM has extended a Cdn$45,000 standby credit facility to XM Canada which can be utilized to purchase terrestrial repeaters or finance the payment of subscription fees. The facility matures on December 31, 2012 and bears interest at a rate of 17.75% per annum. XM has the right to convert unpaid principal amounts into Class A subordinate voting shares of XM Canada at the price of Cdn$16.00 per share. As of March 31, 2009 and December 31, 2008, amounts drawn by XM Canada on this facility in lieu of payment of subscription fees recorded in Related party long-term assets were $9,770 and $8,311, respectively.

In connection with the deferred income related to XM Canada, we recorded amortization of $694 for the three months ended March 31, 2009. The royalty fees XM earns related to subscriber and activation fees are reported as a component of Other revenue in our unaudited consolidated statements of operations. We recorded royalty fees of $114 for the three months ended March 31, 2009. XM Canada pays XM a licensing fee and reimburses XM for advertising, both of which are reported as a component of Other revenue in our unaudited consolidated statements of operations. We recognized licensing fee revenue of $1,500 and advertising reimbursements of $367 for the three months ended March 31, 2009. As of March 31, 2009 and December 31, 2008, amounts due from XM Canada recorded in Related party current assets were $6,988 and $5,594, respectively.

General Motors

XM has a long-term distribution agreement with General Motors Corporation ("GM"). GM has a representative on our board of directors and is considered a related party. During the term of the agreement, GM has agreed to distribute the XM service. To encourage the broad installation of XM radios in GM vehicles, XM subsidizes a portion of the cost of XM radios and make incentive payments to GM when the owners of GM vehicles with installed XM radios become subscribers to XM's service. XM also shares with GM a percentage of the subscription revenue attributable to GM vehicles with installed XM radios. As part of the agreement, GM provides certain call-center related services directly to XM subscribers who are also GM customers for which we reimburse GM. We have entered into an agreement with GM to extend the term of XM's distribution agreement to 2020, to improve the economic terms of the arrangement, and postpone, at XM's option, certain payments, with interest, to GM.

XM makes bandwidth available to OnStar Corporation for audio and data transmissions to owners of XM-enabled GM vehicles, regardless of whether the owner is an XM subscriber. OnStar's use of XM's bandwidth must be in compliance with applicable laws, must not compete or adversely interfere with XM's business, and must meet XM's quality standards. XM also granted to OnStar a certain amount of time to use XM's studios on an annual basis and agreed to provide certain audio content for distribution on OnStar's services.

We recorded total revenue from GM, primarily consisting of subscriber revenue, of $6,992 for the three months ended March 31, 2009.

We recognized Sales and marketing expense with GM of $8,094 for the three months ended March 31, 2009. We recognized Revenue share and royalties expense with GM of $17,674 for the three months ended March 31, 2009. We recognized Subscriber acquisition costs with GM of $9,261 for the three months ended March 31, 2009.

As of March 31, 2009, amounts due from GM and prepaid expenses with GM recorded in Related party current assets were $5,120 and $93,322, respectively. As of March 31, 2009, prepaid expenses with GM recorded in Related party long-term assets were $109,676. As of December 31, 2008, amounts due from GM and prepaid expenses with GM recorded in Related party current assets were $10,132 and $94,444, respectively. As of December 31, 2008, prepaid expenses with GM recorded in Related party long-term assets were $116,296.

As of March 31, 2009 and December 31, 2008, amounts due to GM recorded in Related party current liabilities were $49,458 and $63,023, respectively. As of March 31, 2009 and December 31, 2008, amounts due to GM recorded in Related party long-term liabilities were $15,336 and $0, respectively.

American Honda

XM makes a certain amount of its bandwidth available to American Honda. American Honda has a representative on our board of directors and is considered a related party. American Honda's use of XM's bandwidth must be in compliance with applicable laws, must not compete or adversely interfere with XM's business, and must meet XM's quality standards. This agreement remains in effect so long as American Honda holds a certain amount of its investment in us. In January 2007, XM announced a 10-year extension to its arrangement with American Honda to be its supplier of satellite radio and related data services in Honda and Acura vehicles. XM also agreed to make incentive payments to American Honda for each purchaser of a Honda or Acura vehicle that becomes a self-paying XM subscriber and share with American Honda a portion of the subscription revenue attributable to Honda and Acura vehicles with installed XM radios.

We recorded total revenue from American Honda, primarily consisting of subscriber revenue, of $2,832 for the three months ended March 31, 2009.

We recognized Sales and marketing expense with American Honda of $1,331 for the three months ended March 31, 2009. We recognized Revenue share and royalties expense with American Honda of $1,435 for the three months ended March 31, 2009.

As of March 31, 2009 and December 31, 2008, amounts due from American Honda recorded in Related party current assets were $2,041 and $2,194, respectively.

As of March 31, 2009 and December 31, 2008, amounts due to American Honda recorded in Related party current liabilities were $3,502 and $4,190, respectively.

(Dollar amounts in thousands, unless otherwise stated)

(10) Investments

Investments consist of the following:

	March 31, 2009	December 31, 2008
Marketable securities	$11,138	$ 10,525
Restricted investments	3,250	141,250
Embedded derivative accounted for separately from the host contract	3	2
Equity method investments	1,770	8,873
Total investments	$16,161	$ 160,650

SIRIUS Canada

We have a 49.9% economic interest in SIRIUS Canada. Our investment in SIRIUS Canada is recorded using the equity method since we have a significant influence, but less than a controlling voting interest in SIRIUS Canada. Under this method, our investment in SIRIUS Canada, originally recorded at cost, is adjusted quarterly to recognize our proportionate share of net earnings or losses as they occur, rather than at the time dividends or other distributions are received, limited to the extent of our investment in, advances to and commitments to fund SIRIUS Canada. Our share of net earnings or losses of SIRIUS Canada is recorded to Loss on investments in our unaudited consolidated statements of operations. We recorded $969 and $0 for the three months ended March 31, 2009 and 2008, respectively, for our share of SIRIUS Canada's net loss. As of March 31, 2009, the carrying value of our equity method investment in SIRIUS Canada was $0.

XM Canada

We have a 23.33% economic interest in XM Canada. The amount of the Merger purchase price allocated to the fair value of our investment in XM Canada was $41,188. Our investment in XM Canada is recorded using the equity method (on a one-month lag) since we have significant influence, but less than a controlling voting interest in XM Canada. Under this method, our investment in XM Canada is adjusted quarterly to recognize our share of net earnings or losses as they occur, rather than at the time dividends or other distributions are received, limited to the extent of our investment in, advances to, and commitments to fund XM Canada. Our share of net earnings or losses of XM Canada is recorded to Loss on investments in our unaudited consolidated statements of operations. We recorded $3,903 for the three months ended March 31, 2009 for our share of XM Canada's net loss. During the three months ended March 31, 2009, we reduced the carrying value of our investment in XM Canada due to decreases in fair value that were considered to be other than temporary and recorded an impairment charge of $3,034. In addition, during the three months ended March 31, 2009, we recorded $166 as a foreign exchange loss to Accumulated other comprehensive loss, net of tax.

XM Holdings holds an investment in Cdn$4,000 face value of 8% convertible unsecured subordinated debentures issued by XM Canada for which the embedded conversion feature is required under SFAS No. 133 to be bifurcated from the host contract. The host contract is accounted for as an available-for-sale security at fair value with changes in fair value recorded to Accumulated other comprehensive loss, net of tax. The embedded conversion feature is accounted for as a derivative at fair value with changes in fair value recorded in earnings as Interest and investment income. As of March 31, 2009, the carrying value of our equity method investment in XM Canada was $1,770, while the carrying value of the host contract and embedded derivative related to our investment in the debentures was $2,537 and $3, respectively. As of December 31, 2008, the carrying value of our equity method investment in XM Canada was $8,873, while the carrying value of the host contract and embedded derivative related to our investment in the debentures was $2,540 and $2, respectively.

Auction Rate Certificates

Auction rate certificates are long-term securities structured to reset their coupon rates by means of an auction. We account for our investment in auction rate certificates as available-for-sale securities. As of March 31, 2009 and December 31, 2008, the carrying value of these securities was $8,601 and $7,985, respectively.

Restricted Investments

Restricted investments relate to deposits placed into escrow for the benefit of third parties pursuant to programming agreements and reimbursement obligations under letters of credit issued for the benefit of lessors of office space. During the three months ended March 31, 2009, $138,000 of escrowed funds were released to programming providers. As of March 31, 2009 and December 31,

(Dollar amounts in thousands, unless otherwise stated)

2008, the carrying value of our short-term restricted investments was $0. As of March 31, 2009 and December 31, 2008, the carrying value of our long-term restricted investments was $3,250 and $141,250, respectively.

(11) Debt

Our debt consists of the following:

	Conversion Price (per share)	Long Term Debt	
		March 31, 2009	December 31, 2008
SIRIUS Debt			
LM Credit Agreement	N/A	$ 250,000	$ —
Less: discount		(127,055)	—
Senior Secured Term Loan due 2012	N/A	246,250	246,875
9 5/8% Senior Notes due 2013	N/A	500,000	500,000
3 1/4% Convertible Notes due 2011	$ 5.30	230,000	230,000
2 1/2% Convertible Notes due 2009	4.41	—	189,586
8 3/4% Convertible Subordinated Notes due 2009	$ 28.46	1,744	1,744
XM and XM Holdings Debt			
Amended and Restated Credit Agreement due 2011	N/A	325,000	—
Less: discount		(49,497)	—
Senior Secured Term Loan due 2009	N/A	—	100,000
7% Exchangeable Senior Subordinated Notes due 2014	$ 1.88	550,000	550,000
9.75% Senior Notes due 2014	N/A	5,260	5,260
13% Senior Notes due 2013	N/A	778,500	778,500
Less: discount		(72,596)	(74,986)
10% Convertible Senior Notes due 2009	$ 10.87	227,515	400,000
Less: discount		(6,854)	(16,449)
10% Senior PIK Secured Notes due 2011	N/A	172,485	—
Less: discount		(16,743)	—
10% Senior Secured Discount Convertible Notes due 2009	$ 0.69	33,249	33,249
Add: premium		23,344	34,321
Senior Secured Revolving Credit Facility due 2009	N/A	—	250,000
Add: premium		—	151
Other debt:			
Capital leases	N/A	21,694	23,215
Total debt		3,092,296	3,251,466
Less: current maturities			
Related party		21,500	—
Non-related party		356,303	399,726
Total current maturities		377,803	399,726
Total long-term		2,714,493	2,851,740
Less: related party		186,216	—
Total long-term, excluding related party		$2,528,277	$2,851,740

During the first quarter of 2009, Liberty Media invested in us an aggregate of $350,000 in the form of loans, and committed to invest an additional $180,000 in loans.

On February 17, 2009, we entered into an investment Agreement with Liberty Radio, LLC. Pursuant to the Investment Agreement, we agreed to issue to Liberty Radio, LLC 12,500,000 shares of the Series B Preferred Stock in partial consideration for the LM Credit Agreement, the Amended and Restated Credit Agreement due 2011 and the XM Credit Agreement (the “Loan Investments”), as more fully described below. We paid Liberty Media a structuring fee of $30,000 in connection with these transactions.

SIRIUS Debt

LM Credit Agreement

On February 17, 2009, SIRIUS entered into a Credit Agreement (the "LM Credit Agreement") with Liberty Media Corporation, as administrative agent and collateral agent. The LM Credit Agreement provides for a $250,000 term loan and $30,000 of purchase money loans. Concurrently with entering into the LM Credit Agreement, SIRIUS borrowed $250,000 under the term loan facility. The proceeds of the term loan were used (i) to repay at maturity our outstanding 2 1/2% Convertible Notes due February 17, 2009 and (ii) for general corporate purposes, including related transaction costs.

The loans under the LM Credit Agreement have a stated interest rate of 15% per annum. Commencing on March 31, 2010, the loans amortize in quarterly installments equal to (i) 0.25% of the aggregate principal amount of the loans outstanding on January 1, 2010 and (ii) after December 31, 2011, 25% of the aggregate principal amount of the loans outstanding on January 1, 2012. The loan matures on December 20, 2012. In addition, we pay a commitment fee of 2.0% per annum on the unused portion of the purchase money loan facility.

The loans under the LM Credit Agreement are guaranteed by Satellite CD Radio, Inc. and Sirius Asset Management Company LLC, SIRIUS' wholly owned subsidiaries. The loans are secured by a lien on substantially all of SIRIUS' assets. The affirmative covenants, negative covenants and event of default provisions in the LM Credit Agreement are substantially similar to those in the Senior Secured Term Loan, dated as of June 20, 2007, among SIRIUS, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent.

Senior Secured Term Loan due 2012

In June 2007, SIRIUS entered into a term credit agreement with a syndicate of financial institutions. The term credit agreement provides for a senior secured term loan (the "Senior Secured Term Loan") of $250,000, which has been fully drawn. Interest under the Senior Secured Term Loan is based, at our option, on (i) adjusted LIBOR plus 2.25% or (ii) the higher of (a) the prime rate and (b) the Federal Funds Effective Rate plus 1/2 of 1.00%, plus 1.25%. The current interest rate is 2.8125%. The Senior Secured Term Loan amortizes in equal quarterly installments of 0.25% of the initial aggregate principal amount for the first four and a half years, with the balance of the loan thereafter being repaid in four equal quarterly installments. The Senior Secured Term Loan matures on December 20, 2012.

The Senior Secured Term Loan is guaranteed by our wholly owned subsidiaries, including Satellite CD Radio, Inc. (the "Guarantor"), and is secured by a lien on substantially all of SIRIUS' and the Guarantor's assets, including SIRIUS' three in-orbit satellites, one ground spare satellite and the shares of the Guarantor.

The Senior Secured Term Loan contains customary affirmative covenants and event of default provisions. The negative covenants contained in the Senior Secured Term Loan are substantially similar to those contained in the indenture governing SIRIUS' 9 5/8% Senior Notes due 2013.

9 5/8% Senior Notes due 2013

In August 2005, SIRIUS issued $500,000 in aggregate principal amount of 9 5/8% Senior Notes due 2013 (the "9 5/8% Notes") resulting in net proceeds, after debt issuance costs, of $493,005. The 9 5/8% Notes mature on August 1, 2013 and interest is payable semi-annually on February 1 and August 1 of each year. The obligations under the 9 5/8% Notes are not secured by any of our assets.

3 1/4% Convertible Notes due 2011

In October 2004, SIRIUS issued $230,000 in aggregate principal amount of 3 1/4% Convertible Notes due 2011 (the "3 1/4% Notes") resulting in net proceeds, after debt issuance costs, of $224,813. The 3 1/4% Notes are convertible, at the option of the holder, into shares of our common stock at any time at a conversion rate of 188.6792 shares of common stock for each $1,000 principal amount, or $5.30 per share of common stock, subject to certain adjustments. The 3 1/4% Notes mature on October 15, 2011 and interest is payable semi-annually on April 15 and October 15 of each year. The obligations under the 3 1/4% Notes are not secured by any of our assets.

2 1/2% Convertible Notes due 2009

In February 2004, SIRIUS issued $250,000 in aggregate principal amount of 2 1/2% Convertible Notes due 2009 (the "2 1/2% Notes") resulting in net proceeds, after debt issuance costs, of $244,625. In March 2004, SIRIUS issued an additional $50,000 in aggregate principal amount of the 2 1/2% Notes pursuant to an option granted in connection with the initial offering of the notes, resulting in net proceeds of $48,975. During 2008, $110,414 in aggregate principal amount of the 2 1/2% Notes were exchanged for

shares of our common stock. During the three months ended March 31, 2009, but prior to the maturity date of the 2 1/2% Notes, $18,000 in aggregate principal amount of the 2 1/2% Notes were exchanged for shares of our common stock. The remaining principal balance of $171,586 of the 2 1/2% Notes matured on February 17, 2009, and was paid in cash at maturity.

8 3/4% Convertible Subordinated Notes due 2009

In 1999, SIRIUS issued 8 3/4% Convertible Subordinated Notes due 2009 (the "8 3/4% Notes"). The 8 3/4% Notes are convertible, at the option of the holder, into shares of our common stock at any time at a conversion rate of 35.134 shares of common stock for each $1,000 principal amount, or $28.4625 per share of common stock, subject to certain adjustments. The remaining balance of the 8 3/4% Notes matures on September 29, 2009 and interest is payable semi-annually on March 29 and September 29 of each year. The obligations under the 8 3/4% Notes are not secured by any of our assets.

Space Systems/Loral Credit Agreement

In July 2007, SIRIUS amended and restated its existing Credit Agreement with Space Systems/Loral (the "Loral Credit Agreement"). Under the Loral Credit Agreement, Space Systems/Loral agreed to make loans to SIRIUS to finance the purchase of its fifth and sixth satellites through June 10, 2010. Loral's commitment is limited to approximately $25,688, or 80% of the amount due with respect to the construction of SIRIUS' sixth satellite. Loans made under the Loral Credit Agreement are secured by SIRIUS' rights under the Satellite Purchase Agreement with Space Systems/Loral, including its rights to these satellites. The loans are also entitled to the benefits of a subsidiary guarantee from Satellite CD Radio, Inc., the subsidiary that holds SIRIUS' FCC license, and any future material subsidiary that may be formed by SIRIUS. The maturity date of the loans is the earliest to occur of (i) June 10, 2010, (ii) 90 days after the sixth satellite becomes available for shipment and (iii) 30 days prior to the scheduled launch of the sixth satellite. The Loral Credit Agreement contains certain conditions to borrowings. As a result of these borrowing conditions, we could be limited in our ability to borrow under this facility. Any loans made under the Loral Credit Agreement generally will bear interest at a variable rate equal to 3-month LIBOR plus 4.75%. The daily unused balance bears interest at a rate per annum equal to 0.50%, payable quarterly on the last day of each March, June, September and December. The Loral Credit Agreement permits SIRIUS to prepay all or a portion of the loans outstanding without penalty. SIRIUS has not borrowed under the Loral Credit Agreement.

XM and XM Holdings Debt

Amended and Restated Credit Agreement due 2011

On March 6, 2009, XM amended and restated (i) the $100,000 Senior Secured Term Loan due 2009, dated as of June 26, 2008, among XM, XM Holdings, the lenders named therein and UBS AG, as administrative agent (the "UBS Term Loan"), and (ii) the $250,000 Senior Secured Revolving Credit Facility due 2009, dated as of May 5, 2006, among XM, XM Holdings, the lenders named therein and JPMorgan Chase Bank, N.A., as administrative agent (the "JPM Revolver" and, together with the UBS Term Loan, the "Previous Facilities"). The Previous Facilities were combined as term loans into the Amended and Restated Credit Agreement, dated as of March 6, 2009, among XM, XM Holdings, the lenders named therein and JPMorgan Chase Bank, N.A., as administrative agent (the "First-Lien Credit Agreement"), and Liberty Media LLC ("Liberty") purchased $100,000 aggregate principal amount of such loans from the lenders. XM paid a restructuring fee of 2% to the existing lenders under the Previous Facilities.

Loans under the First-Lien Credit Agreement held by existing lenders (the "Tranche A" and the "Tranche B" term loans) mature on May 5, 2010 and the remaining loans purchased by Liberty (the "Tranche C" term loans) mature on May 5, 2011. The Tranche A and the Tranche B term loans are subject to scheduled quarterly amortization payments of $25,000 starting on March 31, 2009 with all remaining amounts ($150,000) due on the maturity date. The Tranche C term loans are subject to a partial amortization of $25,000 on March 31, 2010, with all remaining amounts ($75,000) due on the final maturity date. Pursuant to these maturities and the scheduled amortization payments, of the outstanding principal amount, $100,000 of the $350,000 is due in 2009; $175,000 is due in 2010; and $75,000 is due in 2011. We paid $25,000 on March 31, 2009. The loans bear interest at rates ranging from prime plus 11% to LIBOR (subject to a 3% floor) plus 12%. The current interest rate is 15.00%.

The loans under the First-Lien Credit Agreement are guaranteed by XM Holdings and each of the subsidiary guarantors named therein. The loans are secured by a first lien on substantially all of the assets of XM Holdings, XM and certain subsidiaries named therein. The affirmative covenants, negative covenants and event of default provisions contained in the First-Lien Credit Agreement are substantially similar to those contained in the Previous Facilities, except that (i) XM must maintain cash reserves of $75,000 (without taking into account any proceeds from the Second-Lien Credit Agreement (as defined below)), (ii) SIRIUS must maintain cash reserves of $35,000, (iii) XM Holdings and XM must maintain certain EBITDA levels set forth therein and (iv) an event of default shall occur upon the acceleration of any our material indebtedness or in the event of our voluntary or involuntary bankruptcy.

7% Exchangeable Senior Subordinated Notes due 2014

In August 2008, XM issued $550,000 aggregate principal amount of 7% Exchangeable Senior Subordinated Notes due 2014 (the "Exchangeable Notes"). The Exchangeable Notes are senior subordinated obligations of XM and rank junior in right of payment to its existing and future senior debt and equally in right of payment with its existing and future senior subordinated debt. XM Holdings, XM Equipment Leasing LLC and XM Radio Inc. have guaranteed the Exchangeable Notes on a senior subordinated basis. The Exchangeable Notes are not guaranteed by SIRIUS or Satellite CD Radio, Inc. Interest is payable semi-annually in arrears on June 1 and December 1 of each year at a rate of 7% per annum. The Exchangeable Notes mature on December 1, 2014. The Exchangeable Notes are exchangeable at any time at the option of the holder into shares of our common stock at an initial exchange rate of 533.3333 shares of common stock per $1,000 principal amount of Exchangeable Notes, which is equivalent to an approximate exchange price of $1.875 per share of common stock.

9.75% Senior Notes due 2014

XM has outstanding $5,260 aggregate principal amount of 9.75% Senior Notes due 2014 (the "9.75% Notes"). Interest on the 9.75% Notes is payable semi-annually on May 1 and November 1 at a rate of 9.75% per annum. The 9.75% Notes are unsecured and mature on May 1, 2014. XM, at its option, may redeem the 9.75% Notes at declining redemption prices at any time on or after May 1, 2010, subject to certain restrictions. Prior to May 1, 2010, XM may redeem the 9.75% Notes, in whole or in part, at a price equal to 100% of the principal amount thereof, plus a make-whole premium and accrued and unpaid interest to the date of redemption.

On March 6, 2009, XM executed and delivered a Third Supplemental Indenture (the "XM 9.75% Notes Supplemental Indenture"). The XM 9.75% Notes Supplemental Indenture amended the indenture to eliminate substantially all of the restrictive covenants, eliminated certain events of default and modified or eliminated certain other provisions contained in the indenture and the 9.75% Notes.

13% Senior Notes due 2013

In July 2008, XM Escrow LLC ("Escrow LLC"), a wholly owned subsidiary of XM Holdings, issued $778,500 aggregate principal amount of 13% Senior Notes due 2013 (the "13% Notes"). Interest is payable semi-annually in arrears on February 1 and August 1 of each year at a rate of 13% per annum. The 13% Notes were issued for $700,105, resulting in an original issuance discount of $78,395. The 13% Notes are unsecured and mature in 2013. Escrow LLC merged with and into XM. Upon the merger, the 13% Notes became obligations of XM and became guaranteed by XM Holdings, XM Equipment Leasing LLC and XM Radio Inc.

10% Convertible Senior Notes due 2009

XM Holdings has issued $400,000 aggregate principal amount of 10% Convertible Senior Notes due 2009 (the "10% Convertible Notes"). Interest is payable semi-annually at a rate of 10% per annum. The 10% Convertible Notes mature on December 1, 2009. The 10% Convertible Notes may be converted by the holder, at its option, into shares of our common stock at a conversion rate of 92.0 shares of our common stock per $1,000 principal amount, which is equivalent to a conversion price of $10.87 per share of common stock (subject to adjustment in certain events). As a result of the fair valuation at the acquisition date, we recognized an initial discount of $23,700. On February 13, 2009, we exchanged $172,485 aggregate principal amount of the outstanding 10% Convertible Notes for a like principal amount XM Holdings' 10% Senior PIK Secured Notes due June 2011.

We accounted for the exchange as a modification of debt under EITF Issue No. 96-19,*Debtor's Accounting for a Modification or Exchange of Debt Instruments*. Upon the exchange, we recorded $2,008 to General and administrative expense in our unaudited consolidated statements of operations and $10,990 of additional debt discount in our unaudited consolidated balance sheets.

10% Senior PIK Secured Notes due 2011

On February 13, 2009, we exchanged $172,485 aggregate principal amount of outstanding 10% Convertible Notes for a like principal amount XM Holdings' 10% Senior PIK Secured Notes due June 2011 (the "New Notes").

The New Notes are fully and unconditionally guaranteed by XM 1500 Eckington LLC and XM Investment LLC (together, the "Subsidiary Guarantors") and are secured by a first-priority lien on substantially all of the property of the Subsidiary Guarantors. XM Holdings may, at its option, redeem some or all of the New Notes at any time at 100% of the principal amount prepaid, together with accrued and unpaid interest, if any.

We paid a fee equal to, at each exchanging noteholders' election, either (i) 833 shares of our common stock (the "Structuring Fee Shares") for every $1 principal amount of 10% Convertible Notes exchanged or (ii) an amount in cash equal to $0.05 for every $1 principal amount of 10% Convertible Notes exchanged. The total number of Structuring Fee Shares delivered was 59,178,819, and the aggregate cash delivered was approximately $5,100.

10% Senior Secured Discount Convertible Notes due 2009

XM Holdings and XM, as co-obligors, have outstanding $33,249 aggregate principal amount of 10% Senior Secured Discount Convertible Notes due 2009 (the "10% Discount Convertible Notes"). Interest is payable semi-annually at a rate of 10% per annum. The 10% Discount Convertible Notes mature on December 31, 2009. At any time, a holder of the notes may convert all or part of the accreted value of the notes at a conversion price of $0.69 per share. The 10% Discount Convertible Notes rank equally in right of payment with all of XM Holdings' and XM's other existing and future senior indebtedness, and are senior in right of payment to all of XM Holdings' and XM's existing and future subordinated indebtedness. As a result of the fair valuation at the acquisition date, we recognized an initial premium of $57,550.

Second-Lien Credit Agreement

On February 17, 2009, XM entered into a Credit Agreement (the "XM Credit Agreement") with Liberty Media Corporation, as administrative agent and collateral agent. The XM Credit Agreement provides for a $150,000 term loan.

On March 6, 2009, XM amended and restated the XM Credit Agreement (the "Second-Lien Credit Agreement") with Liberty Media Corporation. Pursuant to the Second-Lien Credit Agreement, XM may borrow $150,000 aggregate principal amount of term loans on December 1, 2009. The proceeds of the loans will be used to repay a portion of the 10% Convertible Notes of XM Holdings on the stated maturity date thereof. The Second-Lien Credit Agreement matures on March 1, 2011, and bears interest at 15% per annum. XM pays a commitment fee of 2.0% per annum on the undrawn portion of the Second-Lien Credit Agreement until the date of disbursement of the loans or the termination of the commitments. As of March 31, 2009, there were no amounts outstanding under this credit facility.

The loans under the Second-Lien Credit Agreement are guaranteed by XM Holdings and each of the subsidiary guarantors named therein. The loan is secured by a second lien on substantially all the assets of XM Holdings, XM and certain subsidiaries named therein. The affirmative covenants, negative covenants and event of default provisions contained in the Second-Lien Credit Agreement are substantially similar to those contained in the First-Lien Credit Agreement.

Covenants and Restrictions

The 9 5/8% Notes, Loral Credit Agreement, Senior Secured Term Loan, LM Credit Agreement, First-Lien Credit Agreement, 13% Notes and Second-Lien Credit Agreement require compliance with certain covenants that restrict our ability to, among other things, (i) incur additional indebtedness, (ii) incur liens, (iii) pay dividends or make certain other restricted payments, investments or acquisitions, (iv) enter into certain transactions with affiliates, (v) merge or consolidate with another person, (vi) sell, assign, lease or otherwise dispose of all or substantially all of our assets, and (vii) make voluntary prepayments of certain debt, in each case subject to exceptions as provided in the applicable indenture or credit agreement. SIRIUS operates XM Holdings as an unrestricted subsidiary for purposes of compliance with the covenants contained in its debt instruments. The First-Lien Credit Agreement requires XM and SIRIUS to maintain levels of cash and cash equivalents of at least $75,000 and $35,000, respectively; and XM Holdings and XM must maintain certain EBITDA levels set forth therein. The Second-Lien Credit Agreement also requires minimum levels of cash and cash equivalents and EBITDA. If we fail to comply with these covenants, the 9 5/8% Notes, LM Credit Agreement, 13% Notes and any loans outstanding under the Loral Credit Agreement, the Senior Secured Term Loan, LM Credit Agreement, First-Lien Credit Agreement and Second-Lien Credit Agreement could become immediately payable and the Loral Credit Agreement could be terminated.

At March 31, 2009, we were in compliance with all financial covenants.

(12) Stockholders' Equity

Common Stock, par value $0.001 per share

We are authorized to issue up to 8,000,000,000 shares of common stock as of March 31, 2009 and December 31, 2008. There were 3,856,659,213 and 3,651,765,837 shares of common stock issued and outstanding as of March 31, 2009 and December 31, 2008, respectively.

As of March 31, 2009, approximately 3,398,956,000 shares of common stock were reserved for issuance in connection with outstanding convertible debt, preferred stock, warrants, incentive stock plans and common stock to be granted to third parties upon satisfaction of performance targets. During the three months ended March 31, 2009, employees did not exercise any stock options.

In January 2004, SIRIUS signed a seven-year agreement with a sports programming provider. Upon execution of this agreement, SIRIUS delivered 15,173,070 shares of common stock valued at $40,967 to that programming provider. These shares of

common stock are subject to transfer restrictions which lapse over time. We recognized expense associated with these shares of $1,641 during each of the three months ended March 31, 2009 and 2008. Of the remaining $11,631 in common stock value, $5,852 and $5,779 are included in Other current assets and Other long-term assets, respectively, in our consolidated balance sheets as of March 31, 2009. Of the remaining $13,272 in common stock value, $5,852 and $7,420 are included in Other current assets and Other long-term assets, respectively, in our consolidated balance sheets as of December 31, 2008.

Convertible Preferred Stock, par value $0.001 per share

We are authorized to issue up to 50,000,000 shares of undesignated preferred stock as of March 31, 2009. There were 24,808,959 shares of Series A convertible preferred stock issued and outstanding as of March 31, 2009 and December 31, 2008. There were 12,500,000 shares of Convertible Perpetual Preferred Stock, Series B (the "Series B Preferred Stock"), issued and outstanding as of March 31, 2009.

The Series B Preferred Stock is convertible into shares of our common stock at the rate of 206.9581409 shares of common stock for each share of Series B Preferred Stock, representing 40% of our outstanding shares of common stock (after giving effect to such conversion). This conversion rate will be subject to adjustment from time to time in certain circumstances such that Liberty Radio LLC will maintain a 40% ownership of all outstanding common shares, inclusive of the Series B Preferred Stock on an as converted basis. As holders of the Series B Preferred Stock, Liberty Radio LLC is entitled to a number of votes equal to the number of shares of our common stock into which each such Series B Preferred Stock share is convertible. Liberty Radio LLC will also receive dividends and distributions ratably with our common stock, on an as-converted basis. With respect to dividend rights, the Series B Preferred Stock ranks evenly with our common stock, the Series A Preferred Stock, and each other class or series of our equity securities not expressly provided as ranking senior to the Series B Preferred Stock. With respect to liquidation rights, the Series B Preferred Stock ranks evenly with each other class or series of our equity securities not expressly provided as ranking senior to the Series B Preferred Stock, and will rank senior to our common stock and the Series A Preferred Stock.

We accounted for the Series B Preferred Stock issuance by recording a $227,716 increase to additional paid-in capital for the amount of allocated proceeds received and an additional $186,188 increase to paid-in capital for the beneficial conversion feature, which was recognized as a charge to retained earnings.

Warrants

We have issued warrants to purchase shares of common stock in connection with distribution and programming agreements, satellite purchase agreements and certain debt issuances. As of March 31, 2009, approximately 54,667,000 warrants to acquire approximately 87,090,000 shares of common stock with an average exercise price of $4.05 per share were outstanding. We recognized expense of $1,318 during the three months ended March 31, 2009 due to the cancellation of certain warrants and the issuance of replacement warrants expiring in March 2015. These warrants vest over time or upon the achievement of milestones and expire at various times through June 2014. For the three months ended March 31, 2009 and 2008, we recognized aggregate warrant related expense of $2,522 and $2,770, respectively.

(13) Benefits Plans

We maintain three share-based benefits plans. We satisfy awards and options granted under these plans through the issuance of new shares. During the three months ended March 31, 2009 and 2008, we recognized share-based payment expense of $20,179 and $22,262, respectively. For a summarized schedule of share-based payment expense, see the appended footnote to our unaudited consolidated statements of operations. We did not realize any income tax benefits from share-based benefits plans during the three months ended March 31, 2009 and 2008, as a result of a full valuation allowance that is maintained for substantially all net deferred tax assets.

2003 Long-Term Stock Incentive Plan

SIRIUS maintains the Amended and Restated Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan (the "2003 Plan"). Employees, consultants and members of our board of directors are eligible to receive awards under the 2003 Plan. The 2003 Plan provides for the grant of stock options, restricted stock, restricted stock units and other stock-based awards that the compensation committee of our board of directors may deem appropriate. Vesting and other terms of stock-based awards are set forth in the agreements with the individuals receiving the awards. Stock-based awards granted under the 2003 Plan are generally subject to a vesting requirement. Stock-based awards generally expire ten years from the date of grant. Each restricted stock unit entitles the holder to receive one share of common stock upon vesting. As of March 31, 2009, approximately 54,930,000 shares of common stock were available for future grant under the 2003 Plan.

(Dollar amounts in thousands, unless otherwise stated)

2007 Stock Incentive Plan

XM Holdings maintains a 2007 Stock Incentive Plan (the "2007 Plan") under which officers, other employees and other key individuals of XM Holdings may be granted various types of equity awards, including restricted stock, stock units, stock options, stock appreciation rights, dividend equivalent rights and other stock awards. Stock option awards under the 2007 Plan generally vest ratably over three years based on continuous service, while restricted stock generally vests ratably over one or three years based on continuous service. Stock option awards are granted with an exercise price equal to the market price of our common stock at the date of grant and expire no later than ten years from the date of grant. Grants of equity awards, other than stock options or stock appreciation rights, reduce the number of shares available for future grant by 1.5 times the number of shares granted under such equity awards. As of March 31, 2009, there were approximately 63,154,000 shares available under the 2007 Plan for future grant.

XM Talent Option Plan

XM Holdings maintains a Talent Option Plan (the "Talent Plan") under which non-employee programming consultants to XM Holdings may be granted stock option awards. Stock option awards under the Talent Plan generally vest ratably over three years based on continuous service. Stock option awards are generally granted with an exercise price equal to the market price of our common stock at the date of grant and expire no later than ten years from the date of grant. As of March 31, 2009, there were 1,564,000 options available under the Talent Plan for future grant.

The following table summarizes the weighted-average assumptions used to compute reported share-based payment expense to employees and members of our board of directors for the three months ended March 31, 2009 and 2008.

	For the Three Months Ended March 31,	
	2009	2008
Risk-free interest rate	N/A	2.6%
Expected life of options - years	N/A	4.06
Expected stock price volatility	N/A	80%
Expected dividend yield	N/A	$ —

The following table summarizes the range of assumptions used to compute reported share-based payment expense to third parties, other than non-employee members of our board of directors, for the three months ended March 31, 2009 and 2008:

	For the Three Months Ended March 31,	
	2009	2008
Risk-free interest rate	2.1%	1.6-2.5%
Expected life - years	6.19	2.0-4.08
Expected stock price volatility	166%	80%
Expected dividend yield	$ —	$ —

The following table summarizes stock option activity under our share-based payment plans for the three months ended March 31, 2009 (shares in thousands):

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, December 31, 2008	165,436	$ 4.42		
Granted	—	$ —		
Exercised	—	$ —		
Forfeited, cancelled or expired	(10,346)	$ 9.05		
Outstanding, March 31, 2009	155,090	$ 4.11	5.83	$ 1,428
Exercisable, March 31, 2009	120,868	$ 4.46	5.17	$ —

The weighted average grant date fair value of options granted during the three months ended March 31, 2008 was $1.73. The total intrinsic value of stock options exercised during the three months ended March 31, 2008 was $62.

We recognized share-based payment expense associated with stock options of $12,255 and $11,054 for the three months ended March 31, 2009 and 2008, respectively.

The following table summarizes the non-vested restricted stock and restricted stock unit activity under our share-based payment plans for the three months ended March 31, 2009 (shares in thousands):

	Shares	Weighted-Average Grant Date Fair Value
Nonvested, December 31, 2008	19,931	$ 2.84
Granted	—	$ —
Vested	(6,948)	$ 3.10
Forfeited	(827)	$ 2.88
Nonvested, March 31, 2009	12,156	$ 2.68

The weighted average grant date fair value of restricted stock units granted during the three months ended March 31, 2008 was $2.87. The total intrinsic value of restricted stock units that vested during the three months ended March 31, 2009 and 2008 was $934 and $8,052, respectively.

We recognized share-based payment expense associated with restricted stock units and shares of restricted stock of $6,857 and $4,273 for the three months ended March 31, 2009 and 2008, respectively.

Total unrecognized compensation costs related to unvested share-based payment awards granted to employees and members of our board of directors at March 31, 2009 and December 31, 2008, net of estimated forfeitures, was $72,188 and $90,310, respectively. The weighted-average period over which the compensation expense for these awards is expected to be recognized is three years as of March 31, 2009.

(Dollar amounts in thousands, unless otherwise stated)

401(k) Savings Plans

We sponsor the Sirius Satellite Radio 401(k) Savings Plan (the "Sirius Plan") and the XM Satellite Radio 401(k) Savings Plan (the "XM Plan") for eligible employees. The Sirius Plan allows eligible employees to voluntarily contribute from 1% to 50% of their pre-tax salary subject to certain defined limits, while the XM Plan allows eligible employees to defer the maximum amount of their compensation allowable under law on a pre-tax basis through contributions to the savings plan. Under the Sirius Plan, SIRIUS matches 50% of an employee's voluntary contributions, up to 6% of an employee's pre-tax salary, in the form of shares of common stock. Matching contributions under the Sirius Plan vest at a rate of 33 1/3% for each year of employment and are fully vested after three years of employment. Under the XM Plan, XM Holdings matches 50% of an employee's voluntary contributions, up to 6% of an employee's pre-tax salary, in cash. Matching contributions under the XM Plan vest immediately. Expense resulting from the matching contribution to the plans was $923 and $865 for the three months ended March 31, 2009 and 2008, respectively.

SIRIUS may also elect to contribute to the profit sharing portion of the Sirius Plan based upon the total compensation of eligible participants. These additional contributions, referred to as profit-sharing contributions, are determined by the compensation committee of our board of directors. SIRIUS employees are only eligible to receive profit-sharing contributions during any year in which they are employed on the last day of the year. We reduced our accrual for our profit-sharing contribution during the three months ended March 31, 2009 resulting in a negative $3,721 profit-sharing contribution expense for the three months ended March 31, 2009. Profit-sharing contribution expense was $1,657 for the three months ended March 31, 2008.

(14) Income Taxes

We recorded income tax expense of $1,115 and $543 for the three months ended March 31, 2009 and 2008, respectively. Such expense primarily represents the recognition of a deferred tax liability related to the difference in accounting for the FCC license intangible assets, which are amortized over 15 years for tax purposes but are not amortized for book purposes.

(15) Commitments and Contingencies

The following table summarizes our expected contractual cash commitments as of March 31, 2009:

	Remaining 2009	2010	2011	2012	2013	Thereafter	Total
Long-term debt obligations	$ 347,394	$ 190,886	$ 485,267	$ 484,402	$ 1,278,500	$ 555,248	$ 3,341,697
Cash interest payments	240,348	288,912	264,284	215,443	147,244	35,505	1,191,736
Satellite and transmission	91,717	145,923	80,325	7,672	7,926	33,111	366,674
Programming and content	191,623	240,846	135,609	123,907	32,483	14,350	738,818
Marketing and distribution	50,856	41,215	24,685	14,533	3,000	4,500	138,789
Satellite performance incentive payments	3,211	4,393	4,704	5,041	5,404	42,678	65,431
Operating lease obligations	30,604	36,585	22,210	18,265	14,812	14,666	137,142
Other	37,903	10,738	1,540	5	—	—	50,186
Total	$ 993,656	$ 959,498	$ 1,018,624	$ 869,268	$ 1,489,369	$ 700,058	$ 6,030,473

Long-term debt obligations. Long-term debt obligations include principal payments on outstanding debt.

Cash interest payments. Cash interest payments include interest due on outstanding debt through maturity.

Satellite and transmission. We have entered into agreements with third parties to operate and maintain the off-site satellite telemetry, tracking and control facilities and certain components of our terrestrial repeater networks. We have also entered into various agreements to design and construct satellites for use in our systems and to launch those satellites. SIRIUS has entered into an agreement with Space Systems/Loral to design and construct a fifth and sixth satellite. SIRIUS plans to launch one satellite on a Proton rocket under an existing contract with International Launch Services. In January 2008, SIRIUS entered into an agreement with International Launch Services to secure two additional satellite launches on Proton rockets. This agreement provides SIRIUS with the flexibility to defer the second launch date if it chooses, and the ability to cancel either of these launches upon payment of a cancellation fee.

XM Holdings has also entered into an agreement with Space Systems/Loral to construct its fifth satellite, XM-5. In August 2007, XM's agreement with Space Systems/Loral was amended to defer payments on the remaining construction costs until the earlier of post-launch or January 2010.

Programming and content. We have entered into various programming agreements. Under the terms of these agreements, we are obligated to provide payments to other entities that may include fixed payments, advertising commitments and revenue sharing arrangements.

Marketing and distribution. We have entered into various marketing, sponsorship and distribution agreements to promote our brand and are obligated to make payments to sponsors, retailers, automakers and radio manufacturers under these agreements. Certain programming and content agreements also require us to purchase advertising on properties owned or controlled by the licensors. We also reimburse automakers for certain engineering and development costs associated with the incorporation of satellite radios into vehicles they manufacture. In addition, in the event certain new products are not shipped by a distributor to its customers within 90 days of the distributor's receipt of goods, we have agreed to purchase and take title to the product.

Satellite performance incentive payments. Boeing Satellite Systems International, Inc., the manufacturer of XM's four in-orbit satellites, may be entitled to future in-orbit performance payments with respect to two of XM's four satellites. As of March 31, 2009, we have accrued $28,475 related to contingent in-orbit performance payments for XM-3 and XM-4 based on expected operating performance over their fifteen year design life. Boeing may also be entitled to an additional $10,000 if XM-4 continues to operate above baseline specifications during the five years beyond the satellite's fifteen year design life.

Operating lease obligations. We have entered into cancelable and non-cancelable operating leases for office space, equipment and terrestrial repeaters. These leases provide for minimum lease payments, additional operating expense charges, leasehold improvements, and rent escalations that have initial terms ranging from one to fifteen years, and certain leases that have options to renew. The effect of the rent holidays and rent concessions are recognized on a straight-line basis over the lease term.

Other. We have entered into various agreements with third parties for general operating purposes. In addition to the minimum contractual cash commitments described above, we have entered into agreements with automakers, radio manufacturers, distributors and others that include per-radio, per-subscriber, per-show and other variable cost arrangements. These future costs are dependent upon many factors, including subscriber growth, and are difficult to anticipate; however, these costs may be substantial. We may enter into additional programming, distribution, marketing and other agreements that contain similar provisions.

We are required under the terms of certain agreements to provide letters of credit and deposit monies in escrow, which place restrictions on cash and cash equivalents. As of March 31, 2009 and December 31, 2008, $3,250 and $141,250, respectively, was classified as Restricted investments as a result of obligations under these letters of credit and escrow deposits.

We do not have any other significant off-balance sheet arrangements that are reasonably likely to have a material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Legal Proceedings

FCC Merger Order. On July 25, 2008, the FCC adopted an order approving the Merger. The order became effective immediately upon adoption. This order was published in the Federal Register on September 8, 2008. On September 4, 2008, Mt. Wilson FM Broadcasters, Inc. filed a Petition for Reconsideration of the FCC's merger order. This Petition for Reconsideration remains pending.

Copyright Royalty Board Proceeding. In January 2008, the Copyright Royalty Board, or CRB, of the Library of Congress issued its decision regarding the royalty rate payable by XM and SIRIUS under the statutory license covering the performance of sound recordings over their satellite digital audio radio services for the six-year period starting January 1, 2007 and ending December 31, 2012. Under the terms of the CRB's decision, we paid a royalty of 6.0% of gross revenues, subject to certain exclusions, for 2007 and 2008, we will pay 6.5% for 2009, 7.0% for 2010, 7.5% for 2011 and 8.0% for 2012. SoundExchange has appealed the decision of the CRB to the United States Court of Appeals for the District of Columbia Circuit. Oral arguments were heard in March 2009. The parties are awaiting the Court's decision in this matter.

U.S. Electronics Arbitration. In May 2006, U.S. Electronics Inc., a former licensed distributor and manufacturer of SIRIUS radios, commenced an arbitration proceeding against SIRIUS. U.S. Electronics alleged that SIRIUS breached its contract; failed to pay monies owed under the contract; tortiously interfered with U.S. Electronics' relationships with retailers and manufacturers; and otherwise acted in bad faith. U.S. Electronics sought up to $133 million in damages. In August 2008, following a 20-day arbitration hearing, a panel of three arbitrators unanimously issued a 149-page Final Award dismissing with prejudice all of U.S. Electronics' claims, including its claims for lost profits. U.S. Electronics has filed suit in the New York State Court seeking to vacate the decision of the arbitrators.

Atlantic Recording Corporation, BMG Music, Capital Records, Inc., Elektra Entertainment Group Inc., Interscope Records, Motown Record Company, L.P., Sony BMG Music Entertainment, UMG Recordings, Inc., Virgin Records, Inc. and Warner Bros. Records Inc. v. XM Satellite Radio Inc. In May 2006, the plaintiffs filed this action in the United States District Court for the Southern District of New York. The complaint seeks monetary damages and equitable relief, and alleges that XM radios that include advanced recording functionality infringe upon plaintiffs' copyrighted sound recordings. XM filed a motion to dismiss this matter, and that motion was denied in January 2007. XM has resolved the lawsuit with respect to Universal Music Group, Warner Music Group, Sony BMG Music Entertainment and EMI Group, and each of these parties has withdrawn as a party to the lawsuit, and this lawsuit has been dismissed with respect to such parties.

Music publishing companies and certain other record companies also have filed lawsuits, purportedly on a class basis, with similar allegations. We believe these allegations are without merit and that our products comply with applicable copyright law, including the Audio Home Recording Act. We intend to vigorously defend this matter. There can be no assurance regarding the ultimate outcome of these matters, or the significance, if any, to our business, consolidated results of operations or financial position.

Matthew Enderlin v. XM Satellite Radio Holdings Inc. and XM Satellite Radio Inc. In January 2006, the plaintiff filed this action in the United States District Court for the Eastern District of Arkansas on behalf of a purported nationwide class of all XM subscribers. The complaint alleges that XM engaged in deceptive trade practices under Arkansas and other state laws by representing that its music channels are commercial-free. The court stayed the litigation and directed the parties to arbitration. XM instituted arbitration with the American Arbitration Association pursuant to the compulsory arbitration clause in its customer service agreement. The plaintiff has filed a counterclaim in the arbitration on behalf of the class that he seeks to represent. We believe this matter is without merit and intend to vigorously defend the ongoing arbitration. There can be no assurance regarding the ultimate outcome of this matter, or the significance, if any, to our business, consolidated results of operations or financial position.

Other Matters. In the ordinary course of business, we are a defendant in various lawsuits and arbitration proceedings, including actions filed by former employees, parties to contracts or leases and owners of patents, trademarks, copyrights or other intellectual property. None of these actions are, in our opinion, likely to have a material adverse effect on our cash flows, financial position or results of operations.

(16) Condensed Consolidating Financial Information

Sirius Asset Management, LLC and Satellite CD Radio, Inc. (collectively, the "Guarantor Subsidiaries") are our wholly owned subsidiaries. The Guarantor Subsidiaries have fully and unconditionally, jointly and severally, directly or indirectly, guaranteed, on an unsecured basis, the debt issued by us in connection with certain of our financings. Our unrestricted subsidiary, XM Holdings and its consolidated subsidiaries, are non-guarantor subsidiaries.

These condensed consolidating financial statements should be read in conjunction with the consolidated financial statements of Sirius XM Radio Inc. and Subsidiaries.

Basis of Presentation

In presenting our condensed consolidating financial statements, the equity method of accounting has been applied to (i) our interests in the Guarantor Subsidiaries and (ii) the Guarantor Subsidiaries' interests in the Non-Guarantor Subsidiaries, where applicable, even though all such subsidiaries meet the requirements to be consolidated under U.S. generally accepted accounting principles. All intercompany balances and transactions between us, the Guarantor Subsidiaries and the Non-Guarantor Subsidiaries have been eliminated, as shown in the column "Eliminations."

Our accounting bases in all subsidiaries, including goodwill and identified intangible assets, have been "pushed down" to the applicable subsidiaries.

SIRIUS XM RADIO INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF MARCH 31, 2009

(in thousands)	Sirius XM Radio Inc.	Sirius Asset Mgmt LLC	Satellite CD Radio	Non - Guarantors	Eliminations	Consolidated Sirius XM Radio Inc.
Current assets:						
Cash and cash equivalents	$ 174,260	$ —	$ —	$ 201,226	$ —	$ 375,486
Accounts receivable, net	91,259	—	—	49,118	—	140,377
Due from subsidiaries/affiliates	33,463	—	—	4,019	(37,482)	—
Inventory, net	16,767	—	—	3,122	—	19,889
Prepaid expenses	43,382	—	—	80,830	—	124,212
Related party current assets	1,172	—	—	107,471	—	108,643
Other current assets	30,685	—	—	58,740	(18,558)	70,867
Total current assets	390,988	—	—	504,526	(56,040)	839,474
Property and equipment, net	831,119	17,199	—	848,546	—	1,696,864
Investment in subsidiary/affiliates	(515,383)	—	—	—	515,383	—
FCC licenses	—	—	83,654	2,000,000	—	2,083,654
Restricted investments	3,000	—	—	250	—	3,250
Deferred financing fees, net	11,504	—	—	33,809	—	45,313
Intangible assets, net	—	—	—	668,241	—	668,241
Goodwill	—	—	—	—	1,834,856	1,834,856
Related party long-term assets	15,011	—	—	184,610	—	199,621
Other long-term assets	36,578	—	—	77,067	—	113,645
Total assets	$ 772,817	$ 17,199	$ 83,654	$ 4,317,049	$ 2,294,199	$ 7,484,918
Current liabilities:						
Accounts payable and accrued expenses	$ 344,034	$ —	$ —	$ 234,187	$ (7,639)	$ 570,582
Accrued interest	11,552	—	—	46,653	—	58,205
Due to subsidiary/affiliates	—	17,489	477	19,516	(37,482)	—
Deferred revenue	554,749	—	—	479,594	7,246	1,041,589
Current portion of deferred credit on executory contracts	—	—	—	237,944	—	237,944
Current maturities of long-term debt	4,244	—	—	330,314	21,745	356,303
Current maturities of long-term related party debt	307	—	—	21,193	—	21,500
Related party current liabilities	1,135	—	—	59,351	(6,392)	54,094
Total current liabilities	916,021	17,489	477	1,428,752	(22,522)	2,340,217
Long-term debt	973,751	—	—	1,364,489	190,037	2,528,277
Long-term related party debt	122,639	—	—	63,577	—	186,216
Deferred revenue, net of current portion	118,102	—	—	133,149	—	251,251
Deferred credit on executory contracts	—	—	—	980,364	—	980,364
Deferred tax liability	14,870	—	15,298	887,041	(11,773)	905,435
Related party long-term liabilities	—	—	—	15,336	—	15,336
Other long-term liabilities	5,979	—	—	27,315	—	33,294
Total liabilities	2,151,361	17,489	15,775	4,900,023	155,742	7,240,390
Commitments and contingencies	—	—	—	—	—	—
Stockholders' equity (deficit):						
Preferred and common stock	3,894	—	—	—	—	3,894
Accumulated other comprehensive loss	(7,439)	—	—	(7,439)	7,439	(7,439)
Additional paid-in-capital	10,196,932	—	83,654	5,995,418	(6,079,072)	10,196,932
Retained earnings (accumulated deficit)	(11,571,931)	(290)	(15,775)	(6,570,953)	8,210,090	(9,948,859)
Total stockholders' equity (deficit)	(1,378,544)	(290)	67,879	(582,974)	2,138,457	244,528
Total liabilities and stockholders' equity (deficit)	$ 772,817	$ 17,199	$ 83,654	$ 4,317,049	$ 2,294,199	$ 7,484,918

SIRIUS XM RADIO INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF DECEMBER 31, 2008

(in thousands)	Sirius XM Radio Inc.	Sirius Asset Mgmt LLC	Satellite CD Radio	Non-Guarantors	Eliminations	Consolidated Sirius XM Radio Inc.
Current assets:						
Cash and cash equivalents	$ 173,647	$ —	$ —	$ 206,799	$ —	$ 380,446
Accounts receivable, net	95,247	—	—	52,727	—	147,974
Due from subsidiaries/affiliates	64,279	—	—	2,751	(67,030)	—
Inventory, net	19,973	—	—	4,489	—	24,462
Prepaid expenses	29,852	—	—	37,351	—	67,203
Related party current assets	1,814	—	—	112,363	—	114,177
Other current assets	17,513	—	—	53,004	(11,773)	58,744
Total current assets	402,325	—	—	469,484	(78,803)	793,006
Property and equipment, net	816,562	12,326	—	874,588	—	1,703,476
Investment in subsidiary/affiliates	(525,687)	—	—	—	525,687	—
FCC licenses	—	—	83,654	2,000,000	—	2,083,654
Restricted investments	21,000	—	—	120,250	—	141,250
Deferred financing fees, net	9,853	—	—	30,303	—	40,156
Intangible assets, net	—	—	—	688,671	—	688,671
Goodwill	—	—	—	—	1,834,856	1,834,856
Related party long-term assets	—	—	—	124,607	—	124,607
Other long-term assets	46,735	—	—	34,284	—	81,019
Total assets	$ 770,788	$ 12,326	$ 83,654	$ 4,342,187	$ 2,281,740	$ 7,490,695
Current liabilities:						
Accounts payable and accrued expenses	$ 405,303	$ —	$ —	$ 245,598	$ (8,081)	$ 642,820
Accrued interest	25,920	—	—	50,543	—	76,463
Due to subsidiary/affiliates	—	12,481	477	15,497	(28,455)	—
Deferred revenue	557,392	—	—	419,707	8,081	985,180
Current portion of deferred credit on executory contracts	—	—	—	234,774	—	234,774
Current maturities of long-term debt	4,244	—	—	355,739	39,743	399,726
Related party current liabilities	23,018	—	—	83,930	(38,575)	68,373
Total current liabilities	1,015,877	12,481	477	1,405,788	(27,287)	2,407,336
Long-term debt	1,163,961	—	—	1,439,102	248,677	2,851,740
Deferred revenue, net of current portion	116,634	—	—	131,255	—	247,889
Deferred credit on executory contracts	—	—	—	1,037,190	—	1,037,190
Deferred tax liability	4,990	—	14,761	886,475	(11,773)	894,453
Other long-term liabilities	7,225	—	—	36,325	—	43,550
Total liabilities	2,308,687	12,481	15,238	4,936,135	209,617	7,482,158
Commitments and contingencies	—	—	—	—	—	—
Stockholders' equity (deficit):						
Common and preferred stock	3,677	—	—	—	—	3,677
Accumulated other comprehensive loss	(7,871)	—	—	(7,871)	7,871	(7,871)
Additional paid-in-capital	9,724,991	—	83,654	5,870,502	(5,954,156)	9,724,991
Retained earnings (accumulated deficit)	(11,258,696)	(155)	(15,238)	(6,456,579)	8,018,408	(9,712,260)
Total stockholders' equity (deficit)	(1,537,899)	(155)	68,416	(593,948)	2,072,123	8,537
Total liabilities and stockholders' equity (deficit)	$ 770,788	$ 12,326	$ 83,654	$ 4,342,187	$ 2,281,740	$ 7,490,695

SIRIUS XM RADIO INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2009

(in thousands)	Sirius XM Radio Inc.	Sirius Asset Mgmt LLC	Satellite CD Radio	Non-Guarantors	Eliminations	Consolidated Sirius XM Radio Inc.
Revenue	$ 284,558	$ —	$ —	$ 302,421	$ —	$ 586,979
Cost of services	139,571	—	—	129,376	—	268,947
Sales and marketing	15,700	—	—	36,130	—	51,830
Subscriber acquisition costs	46,740	—	—	26,328	—	73,068
General and administrative	27,562	—	—	31,752	—	59,314
Engineering, design and development	5,027	—	—	4,751	—	9,778
Depreciation and amortization	27,405	135	—	54,827	—	82,367
Restructuring and related costs	614	—	—	—	—	614
Total operating expenses	262,619	135	—	283,164	—	545,918
Income (loss) from operations	21,939	(135)	—	19,257	—	41,061
Other income (expense):						
Interest and investment income	210	—	—	528	—	738
Interest expense, net of amounts capitalized	(15,976)	—	—	(68,200)	18,433	(65,743)
Gain (loss) on change in value of embedded derivative	—	—	—	(58,203)	58,203	—
Loss from redemption of debt, net	(17,330)	—	—	(627)	—	(17,957)
Loss on investments	(116,015)	—	—	(6,937)	115,046	(7,906)
Other income (expense)	125	—	—	386	—	511
Income (loss) before income taxes	(127,047)	(135)	—	(113,796)	191,682	(49,296)
Income tax expense	—	—	(537)	(578)	—	(1,115)
Net income (loss)	(127,047)	(135)	(537)	(114,374)	191,682	(50,411)
Preferred stock beneficial conversion feature	—	—	—	(186,188)	—	(186,188)
Net income (loss) attributable to common stockholders	$ (127,047)	$ (135)	$ (537)	$ (300,562)	$ 191,682	$ (236,599)

SIRIUS XM RADIO INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2008

(in thousands)	Sirius XM Radio Inc.	Sirius Asset Mgmt LLC	Satellite CD Radio	Non-Guarantors	Eliminations	Consolidated Sirius XM Radio Inc.
Revenue	$ 270,350	$ —	$ —	$ —	$ —	$ 270,350
Cost of services	146,006	—	—	338	—	146,344
Sales and marketing	37,524	—	—	943	—	38,467
Subscriber acquisition costs	89,907	—	—	(83)	—	89,824
General and administrative	48,778	—	—		—	48,778
Engineering, design and development	8,656	—	—	—	—	8,656
Depreciation and amortization	26,888	18	—	—	—	26,906
Restructuring and related costs	—	—	—	—	—	—
Total operating expenses	357,759	18	—	1,198	—	358,975
Income (loss) from operations	(87,409)	(18)	—	(1,198)	—	(88,625)
Other income (expense):						
Interest and investment income	2,802	—	—	—	—	2,802
Interest expense, net of amounts capitalized	(17,675)	—	—	—	—	(17,675)
Loss on investments	(1,759)	—	—	—	1,759	—
Other income (expense)	(77)	—	—	—	—	(77)
Income (loss) before income taxes	(104,118)	(18)	—	(1,198)	1,759	(103,575)
Income tax expense	—	—	(543)	—	—	(543)
Net income (loss)	$ (104,118)	$ (18)	$ (543)	$ (1,198)	$ 1,759	$ (104,118)

SIRIUS XM RADIO INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF
STOCKHOLDERS' EQUITY (DEFICIT) AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2009

(in thousands)	Sirius XM Radio Inc.	Sirius Asset Mgmt LLC	Satellite CD Radio	Non-Guarantors	Eliminations	Consolidated Sirius XM Radio Inc.
Balance at December 31, 2008	$ (1,537,899)	$ (155)	$ 68,416	$ (593,948)	$2,072,123	$ 8,537
Net income (loss)	(127,047)	(135)	(537)	(114,374)	191,682	(50,411)
Other comprehensive loss:						
Unrealized gain on available-for-sale securities, net of tax	649	—	—	649	(649)	649
Foreign currency translation adjustment	(217)	—	—	(217)	217	(217)
Total comprehensive loss	(126,615)	(135)	(537)	(113,942)	191,250	(49,979)
Issuance of preferred stock - related party, net of issuance costs	224,004	—	—	—	—	224,004
Issuance of common stock to employees and employee benefit plans, net of forfeitures	624	—	—	—	—	624
Structuring fee on 10% Senior PIK Notes due 2011	5,918	—	—	—	—	5,918
Share-based payment expense	20,260	—	—	—	—	20,260
Exchange of 2 1/2% Convertible Notes due 2009, including accrued interest	35,164					35,164
Contributed capital	—	—	—	124,916	(124,916)	—
Balance at March 31, 2009	$ (1,378,544)	$ (290)	$ 67,879	$ (582,974)	$2,138,457	$ 244,528

SIRIUS XM RADIO INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2009

(in thousands)	Sirius XM Radio Inc.	Sirius Asset Mgmt LLC	Satellite CD Radio	Non-Guarantors	Eliminations	Consolidated Sirius XM Radio Inc.
Net cash provided by (used in) operating activities	$ 27,025	$ 5,008	$ —	$ 41,019	$ (6,181)	$ 66,871
Cash flows from investing activities:						
Additions to property and equipment	(62,575)	(5,008)	—	(3,557)	—	(71,140)
Merger-related costs	623	—	—	—	—	623
Net cash used in investing activities	(61,952)	(5,008)	—	(3,557)	—	(70,517)
Cash flows from financing activities:						
Preferred stock issuance costs, net	(3,712)	—	—	—	—	(3,712)
Related party long-term borrowings net of costs	211,463	—	—	—	—	211,463
Debt issuance costs	—	—	—	(6,181)	6,181	—
Payment of premiums on redemption of debt	—	—	—	(10,072)	—	(10,072)
Repayment of long-term borrowings	(172,211)	—	—	(26,782)	—	(198,993)
Net cash provided by (used in) financing activities	35,540	—	—	(43,035)	6,181	(1,314)
Net increase (decrease) in cash and cash equivalents	613	—	—	(5,573)	—	(4,960)
Cash and cash equivalents at beginning of period	173,647	—	—	206,799	—	380,446
Cash and cash equivalents at end of period	$ 174,260	$ —	$ —	$ 201,226	$ —	$ 375,486

SIRIUS XM RADIO INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2008

(in thousands)	Sirius XM Radio Inc.	Sirius Asset Mgmt LLC	Satellite CD Radio	Non-Guarantors	Eliminations	Consolidated Sirius XM Radio Inc.
Net cash (used in) provided by operating activities	$ (153,205)	$ 3,047	$ —	$ 10,866	$ —	$ (139,292)
Cash flows from investing activities:						
Additions to property and equipment	(36,178)	(3,047)	—	—	—	(39,225)
Purchases of restricted and other investments	(3,000)	—	—	—	—	(3,000)
Merger-related costs	(10,018)	—	—	—	—	(10,018)
Sale of restricted and other investments	5,008	—	—	—	—	5,008
Net cash used in investing activities	(44,188)	(3,047)	—	—	—	(47,235)
Cash flows from financing activities:						
Proceeds from exercise of warrants and stock options	840	—	—	—	—	840
Repayment of long-term borrowings	(625)	—	—	—	—	(625)
Net cash provided by financing activities	215	—	—	—	—	215
Net (decrease) increase in cash and cash equivalents	(197,178)	—	—	10,866	—	(186,312)
Cash and cash equivalents at beginning of period	430,225	—	—	8,595	—	438,820
Cash and cash equivalents at end of period	$ 233,047	$ —	$ —	$ 19,461	$ —	$ 252,508

(17) Subsequent Event

On April 28, 2009, our board of directors adopted a rights plan to protect against limitations on our ability to use our net operating loss carryforwards and certain other tax benefits (the "NOLs") to reduce potential future federal income tax obligations. We have experienced and continue to experience substantial operating losses, and under the Internal Revenue Code and rules promulgated thereunder we may "carry forward" these losses in certain circumstances to offset current and future earnings and reduce our federal income tax liability. We believe that we currently may be able to carry forward our NOLs, and these NOLs may be a substantial asset to us although we presently have a related valuation allowance recorded. An "ownership change," as defined in Section 382 of the Internal Revenue Code may substantially limit, our ability to use the NOLs significantly impairing the value of that asset. The terms of the rights and the rights plan are set forth in a Rights Agreement, by and between us and The Bank of New York Mellon, as rights agent, dated as of April 29, 2009 (the "Rights Plan").

The Rights Plan is intended to act as a deterrent to any person or group (an "Acquiring Person") acquiring 4.9% or more of our outstanding common stock (assuming for purposes of this calculation that all of our outstanding convertible preferred stock is converted into common stock) without the approval of our board of directors. The Rights Plan exempts future acquisitions of common stock by Liberty Radio, LLC and its affiliates, but does not in any respect alter the respective rights and obligations of the Company and Liberty Radio, LLC and its affiliates under the terms of the Investment Agreement dated as of February 17, 2009, between us and Liberty Radio, LLC. Any rights held by an Acquiring Person are void and may not be exercised. Our board of directors may, in its sole discretion, exempt any person or group from being deemed an Acquiring Person for purposes of the Rights Plan.

The Rights Plan will continue in effect until August 1, 2011, unless it is terminated or redeemed earlier by our board of directors. We plan to submit the Rights Plan to stockholder vote prior to June 30, 2010, and the failure to obtain this approval will result in a termination of the Rights Plan.

For further information regarding the Rights Plan, please refer to the Rights Agreement, which is incorporated by reference as an exhibit to this Report.

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

(All dollar amounts referenced in this Item 2 are 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," "intend," "plan," "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, 2008 (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 Item 1A 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 substantial indebtedness of SIRIUS, XM Holdings and XM;
- the possibility that the benefits of the merger with XM Holdings may not be fully realized or may take longer to realize; and the risks associated with the undertakings made to the FCC and the effects of those undertakings on the business of XM and SIRIUS in the future;
- the useful life of our satellites, which have experienced component failures including, with respect to a number of satellites, failures on their solar arrays, and, in certain cases, are not insured;
- our dependence upon automakers, many of which have experienced a dramatic drop in sales and are in financial distress, and other third parties, such as manufacturers and distributors of satellite radios, retailers and programming providers; and
- the competitive position of SIRIUS and XM versus other forms of audio and video entertainment including terrestrial radio, HD radio, internet radio, mobile phones, iPods and other MP3 devices, and emerging next-generation networks and technologies.

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 of these forward-looking statements. In addition, any forward-looking statement speaks only as of the date on which it 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 the statement is made, 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 actual results to differ materially from those contained in any forward-looking statements.

Executive Summary

We broadcast in the United States our music, sports, news, talk, entertainment, traffic and weather channels for a subscription fee through our proprietary satellite radio systems — the SIRIUS system and the XM system. On July 28, 2008, our wholly owned subsidiary, Vernon Merger Corporation, merged (the "Merger") with and into XM Satellite Radio Holdings Inc. and, as a result, XM Satellite Radio Holdings Inc. is now our wholly owned subsidiary. The SIRIUS system consists of three in-orbit satellites, approximately 120 terrestrial repeaters that receive and retransmit signals, satellite uplink facilities and studios. The XM system consists of four in-orbit satellites, over 700 terrestrial repeaters that receive and retransmit signals, satellite uplink facilities and studios. Subscribers can also receive certain of our music and other channels over the Internet.

Our satellite radios are primarily distributed through automakers ("OEMs"); through more than 19,000 retail locations; and through our websites. We have agreements with every major automaker to offer SIRIUS or XM satellite radios as factory or dealer-installed equipment in their vehicles. SIRIUS and XM radios are also offered to customers of rental car companies, including Hertz and Avis.

As of March 31, 2009, we had 18,599,434 subscribers. Our subscriber totals include subscribers under our regular pricing plans; discounted pricing plans; subscribers that have prepaid, including payments either made or due from automakers for prepaid subscriptions included in the sale or lease price of a new vehicle; certain radios activated for daily rental fleet programs; subscribers to SIRIUS Internet Radio and XM Radio Online, our Internet services; and certain subscribers to our weather, traffic, data and video services.

Our primary source of revenue is subscription fees, with most of our customers subscribing on an annual, semi-annual, quarterly or monthly basis. We offer discounts for pre-paid and long-term subscriptions as well as discounts for multiple subscriptions on each platform. In 2009, we increased the discounted price for additional subscriptions from $6.99 per month to $8.99 per month. We also derive revenue from activation fees, the sale of advertising on select non-music channels, the direct sale of satellite radios, components and accessories, and other ancillary services, such as our Backseat TV, data and weather services.

In certain cases, automakers include a subscription to our radio services in the sale or lease price of vehicles. The length of these prepaid subscriptions varies, but is typically three to twelve months. In many cases, we receive subscription payments from automakers in advance of the activation of our service. We also reimburse various automakers for certain costs associated with satellite radios installed in their vehicles.

We also have an interest in the satellite radio services offered in Canada. Subscribers to the SIRIUS Canada service and the XM Canada service are not included in our subscriber count.

We entered into several agreements which improved our financial position. We entered into an agreement with General Motors to extend the term of XM's distribution agreement to 2020 and to improve the economic terms of the arrangement. We entered into agreements with certain other third parties to, among other things, restructure lump sum payments coming due; eliminate escrow arrangements in exchange for prepayment of the amount released; and extend agreements. We may enter into similar agreements with additional third parties.

On August 5, 2008, Sirius Satellite Radio Inc. changed its name to Sirius XM Radio Inc. XM Satellite Radio Holdings Inc., together with its subsidiaries, is operated as an unrestricted subsidiary under the agreements governing our existing indebtedness. As an unrestricted subsidiary, transactions between the companies are required to comply with various contractual provisions in our respective debt instruments.

Unaudited Pro Forma Information

Our discussion of our unaudited pro forma information includes non-GAAP financial results that assume the Merger occurred on January 1, 2007. These financial results exclude the impact of purchase price accounting adjustments and refinancing transactions. The discussion also includes the following non-GAAP financial measures: average self-pay monthly churn; conversion rate; average monthly revenue per subscriber, or ARPU; subscriber acquisition cost, or SAC, as adjusted, per gross subscriber addition; customer service and billing expenses, as adjusted, per average subscriber; free cash flow; and adjusted income (loss) from operations. We believe this non-GAAP financial information provides meaningful supplemental information regarding our operating performance and is used for internal management purposes, when publicly providing the business outlook, and as a means to evaluate period-to-period comparisons. Please refer to the footnotes (pages 50 through 56) following our discussion of results of operations for the definitions and a further discussion of the usefulness of such non-GAAP financial information.

Subscribers and Key Operating Metrics. The following tables contain our pro forma subscribers and key operating metrics for the three months ended March 31, 2009 and 2008:

Unaudited Actual and Pro Forma Quarterly Subscribers and Metrics:

	Unaudited Three Months Ended March 31,	
	2009 (Actual)	2008 (Proforma)
Beginning subscribers	19,003,856	17,348,622
Gross subscriber additions	1,338,961	2,041,656
Deactivated subscribers	(1,743,383)	(1,415,747)
Net additions	(404,422)	625,909
Ending subscribers	18,599,434	17,974,531
Retail	8,537,056	9,189,927
OEM	9,958,349	8,692,319
Rental	104,029	92,285
Ending subscribers	18,599,434	17,974,531
Retail	(368,031)	(48,788)
OEM	(37,604)	659,051
Rental	1,213	15,646
Net additions	(404,422)	625,909
Self-pay	15,436,410	14,313,406
Paid promotional	3,163,024	3,661,125
Ending subscribers	18,599,434	17,974,531
Self-pay	(113,247)	440,060
Paid promotional	(291,175)	185,849
Net additions	(404,422)	625,909

	Unaudited Pro Forma Three Months Ended March 31,	
	2009	2008
Average self-pay monthly churn (1)(7)	2.2%	1.9%
Conversion rate (2)(7)	44.9%	51.0%
ARPU (3)(7)	$ 10.43	$ 10.48
SAC, as adjusted, per gross subscriber addition (4)(7)	$ 61	$ 82
Customer service and billing expenses, as adjusted, per average subscriber (5)(7)	$ 1.06	$ 1.14
Total revenue	$ 605,480	$ 578,804
Free cash flow (6)(7)	$ (3,646)	$ (311,099)
Adjusted income (loss) from operations (8)	$ 108,841	$ (70,154)
Net loss	$ (62,877)	$ (233,387)

Note: See pages 50 through 56 for footnotes.

Subscribers. At March 31, 2009 we had 18,599,434 subscribers, an increase of 624,903 subscribers, or 3%, from the 17,974,531 subscribers as of March 31, 2008. Self-pay subscribers increased 1,123,004 since March 31, 2008 while subscribers in paid promotional trials fell 498,101, reflecting the decline in North American auto sales. Gross subscriber additions decreased approximately 34% during the three months ended March 31, 2009 compared to the three months ended March 31, 2008. OEM gross subscriber additions decreased due to the 38% decline in the North American automobile sales and retail gross subscriber additions decreased due to declines in consumer spending. Deactivation rates for self-pay subscriptions increased to 2.2% per month in the quarter reflecting reductions in consumer discretionary spending and subscriber response to our recent increase in prices for multi-subscription accounts, the institution of a monthly charge for our streaming service and channel line-up changes in November 2008;

deactivations due to non-conversions of subscribers in paid promotional trial periods increased as production penetration rates increased.

ARPU. Total ARPU was $10.43 and $10.48 for the three months ended March 31, 2009 and 2008, respectively. The decrease was driven mainly by a decrease in net advertising revenue per average subscriber, offset by an increase due to the sale of "Best of" programming.

SAC, As Adjusted, Per Gross Subscriber Addition. SAC, as adjusted, per gross subscriber addition was $61 and $82 for the three months ended March 31, 2009 and 2008, respectively. The decrease was primarily driven by fewer OEM installations relative to gross subscriber additions, improved OEM subsidies and higher aftermarket inventory reserves in the three months ended March 31, 2008 compared to the three months ended March 31, 2009.

Customer Service and Billing Expenses, As Adjusted, Per Average Subscriber. Customer service and billing expenses, as adjusted, per average subscriber was $1.06 and $1.14 for the three months ended March 31, 2009 and 2008, respectively. The decline was primarily due to efficiencies across a larger subscriber base.

Adjusted Income (Loss) from Operations. Our adjusted income (loss) from operations was $108,841 and ($70,154) for the three months ended March 31, 2009 and 2008, respectively. Adjusted income (loss) from operations was favorably impacted by the $26,676 increase in revenues and the $152,319 decrease in expenses included in adjusted income (loss) from operations.

Unaudited Pro Forma Results of Operations. Set forth below are certain pro forma items that give effect to the Merger as if it had occurred on January 1, 2007. The pro forma information below does not give effect to any adjustments as a result of the purchase price accounting for the Merger, nor the goodwill impairment charge taken during 2008. See footnote 8 (pages 51 to 52) for a reconciliation of net loss to adjusted income (loss) from operations.

	Unaudited Pro Forma Three Months Ended March 31,	
	2009	2008
Revenue:		
Subscriber revenue, including effects of rebates	$573,081	$ 536,509
Advertising revenue, net of agency fees	12,304	17,526
Equipment revenue	9,909	10,384
Other revenue	10,186	14,385
Total revenue	605,480	578,804
Operating expenses:		
Satellite and transmission	19,741	25,731
Programming and content	96,678	107,922
Revenue share and royalties	121,261	111,142
Customer service and billing	59,262	60,067
Cost of equipment	7,993	16,139
Sales and marketing	51,008	79,080
Subscriber acquisition costs	83,710	161,334
General and administrative	48,575	71,478
Engineering, design and development	8,411	16,065
Depreciation and amortization	51,483	72,389
Share-based payment expense	21,500	39,766
Restructuring and related costs	614	—
Total operating expenses	570,236	761,113
Income (loss) from operations	35,244	(182,309)
Other expense	(97,006)	(50,204)
Loss before income taxes	(61,762)	(232,513)
Income tax expense	(1,115)	(874)
Net loss	$ (62,877)	$ (233,387)

Highlights for the Three Months Ended March 31, 2009. Our revenue grew 5%, or $26,676, in the three months ended March 31, 2009 compared to the same period in 2008. This revenue growth was driven by a 6% growth in average subscribers. This increase, combined with a decrease of 48% in subscriber acquisition costs and a decrease of 23% in fixed costs, excluding restructuring and related costs, depreciation and amortization and share-based payment expense, resulted in improved adjusted income (loss) from operations of $108,841 in the three months ended March 31, 2009 compared to ($70,154) in the same period in 2008. Total operating expenses, excluding restructuring and related costs, depreciation and amortization and share-based payment expense, decreased by 23%, or $152,319, during the three months ended March 31, 2009 compared to the same period in 2008.

Satellite and transmission costs decreased 23%, or $5,990, in the three months ended March 31, 2009 compared to the same period in 2008 due to reductions in maintenance costs, repeater lease expense, and personnel costs. Programming and content costs decreased 10%, or $11,244, in the three months ended March 31, 2009 compared to the same period in 2008, due mainly to reductions in personnel and on-air talent costs as well as savings on various content agreements. Revenue share and royalties increased by 9%, or $10,119, while maintaining a relatively flat percentage of revenue in the three months ended March 31, 2009 compared to the same period in 2008. Customer service and billing costs decreased by $805 in the three months ended March 31, 2009 compared to the same period in 2008 due to scale efficiencies over a larger subscriber base. Cost of equipment decreased by 50%, or $8,146, in the three months ended March 31, 2009 compared to the same period in 2008 as a result of a decrease in our direct to customer sales and lower inventory write-downs. Sales and marketing costs decreased 35%, or $28,072, and have decreased as a percentage of revenue from 14% to 8% in the three months ended March 31, 2009 compared to the same period in 2008 due to reduced advertising and cooperative marketing spend, as well as, reductions to personnel costs and third party distribution support expenses.

Subscriber acquisition costs decreased 48%, or $77,624, and decreased as a percentage of revenue from 28% to 14% in the three months ended March 31, 2009 compared to the same period in 2008. This improvement was driven by a 26% improvement in SAC, as adjusted, per gross addition due to fewer OEM installations relative to gross subscriber additions, improved OEM subsidies and higher aftermarket inventory reserves in the three months ended March 31, 2008 compared to the three months ended March 31, 2009. Subscriber acquisition costs also decreased as a result of the 34% decline in gross additions during the three months ended March 31, 2009.

General and administrative costs decreased 32%, or $22,903, mainly due to the absence of charges related to certain legal and regulatory matters incurred in 2008 and lower personnel costs. Engineering, design and development costs decreased 48%, or $7,654, in the three months ended March 31, 2009 compared to the same period in 2008, due to lower costs associated with manufacturing of radios, OEM tooling and manufacturing, and personnel.

Other expenses increased 93%, or $46,802, in the three months ended March 31, 2009 compared to the same period in 2008 driven mainly by an increase in interest expense of $25,390 and loss from redemption of debt of $17,957. Interest expense increased due primarily to the issuance of the 13% Senior Notes due 2013 and the 7% Exchangeable Senior Subordinated Notes due 2014 in the third quarter of 2008.

Unaudited Actual Results of Operations

Our discussion of our unaudited actual results of operations includes the following non-GAAP financial measures: average self-pay monthly churn; conversion rate; average monthly revenue per subscriber, or ARPU; subscriber acquisition cost, or SAC, as adjusted, per gross subscriber addition; customer service and billing expenses, as adjusted, per average subscriber; free cash flow; and adjusted income (loss) from operations. We believe these non-GAAP financial measures provide meaningful supplemental information regarding our operating performance and are used for internal management purposes, when publicly providing the business outlook, and as a means to evaluate period-to-period comparisons. Please refer to the footnotes (pages 50 to 56) following our discussion of results of operations for the definitions and a further discussion of the usefulness of such non-GAAP financial measures.

The discussion of our results of operations for the three months ended March 31, 2009 and 2008 includes the financial results of XM from the date of the Merger. The inclusion of these results may render direct comparisons with results for prior periods less meaningful. Accordingly, the discussion below addresses trends we believe are significant.

Subscriber and Key Operating Metrics. The following tables contain our actual subscribers and key operating metrics for the three months ended March 31, 2009 and 2008:

Unaudited Actual Quarterly Subscribers and Metrics:

	Unaudited Actual Three Months Ended March 31,	
	2009	2008
Beginning subscribers	19,003,856	8,321,785
Gross subscriber additions	1,338,961	1,003,422
Deactivated subscribers	(1,743,383)	(680,888)
Net additions	(404,422)	322,534
Ending subscribers	18,599,434	8,644,319
Retail	8,537,056	4,643,215
OEM	9,958,349	3,986,818
Rental	104,029	14,286
Ending subscribers	18,599,434	8,644,319
Retail	(368,031)	2,506
OEM	(37,604)	321,186
Rental	1,213	(1,158)
Net additions	(404,422)	322,534
Self-pay	15,436,410	5,897,669
Paid promotional	3,163,024	2,746,650
Ending subscribers	18,599,434	8,644,319
Self-pay	(113,247)	212,605
Paid promotional	(291,175)	109,929
Net additions	(404,422)	322,534

	Unaudited Actual Three Months Ended March 31,	
	2009	2008
Average self-pay monthly churn (1)(7)	2.2%	2.1%
Conversion rate (2)(7)	44.9%	47.1%
ARPU (7)(10)	$ 10.13	$ 10.42
SAC, as adjusted, per gross subscriber addition (7)(11)	$ 53	$ 91
Customer service and billing expenses, as adjusted, per average subscriber (7)(12)	$ 1.06	$ 1.05
Total revenue	$586,979	$ 270,350
Free cash flow (7)(13)	$ (3,646)	$(186,535)
Adjusted income (loss) from operations (14)	$144,221	$ (39,457)
Net loss	$ (50,411)	$(104,118)

Note: See pages 50 through 56 for footnotes.

Subscribers. At March 31, 2009 we had 18,599,434 subscribers, an increase of 115% from the 8,644,319 subscribers as of March 31, 2008. The increase was principally a result of the 9,716,070 subscribers acquired in the Merger. Gross additions increased 33% due to the inclusion of XM in our operating results for the quarter, offset in part by declines in retail and OEM gross subscriber additions resulting from declines in North American automotive sales and the effects of reduced consumer spending. Deactivations include the results of XM from the date of the Merger. The deactivation rate for self-pay subscriptions increased while the conversion rate for subscribers in paid promotional trial periods decreased. We believe the decrease resulted from a combination of factors, including reductions in consumer discretionary spending, the subscriber response to our recent increase in prices for multi-subscription accounts, the institution of a monthly charge for our Internet service and our channel line-up changes in November 2008.

ARPU. Total ARPU was $10.13 and $10.42 for the three months ended March 31, 2009 and 2008, respectively. The decrease was driven by the effect of purchase price accounting adjustments, subscriber winback programs and a decline in net advertising revenue per average subscriber as subscriber growth exceeded the growth in ad revenues.

We expect ARPU to fluctuate based on promotions, rebates offered to subscribers and corresponding take-rates, plan mix, subscription prices, advertising sales and the identification of additional revenue from subscribers.

SAC, As Adjusted, Per Gross Subscriber Addition. SAC, as adjusted, per gross subscriber addition was $53 and $91 for the three months ended March 31, 2009 and 2008, respectively. The decrease was primarily driven by improved OEM subsidies, higher aftermarket inventory reserves in the three months ended March 31, 2008 compared to the three months ended March 31, 2009 and improved equipment margins.

We expect SAC, as adjusted, per gross subscriber addition to decline as the costs of subsidized components of SIRIUS and XM radios decrease in the future. Our SAC, as adjusted, per gross subscriber addition will be impacted by our increasing mix of OEM additions and the effects of purchase price accounting adjustments.

Customer Service and Billing Expenses, As Adjusted, Per Average Subscriber. Customer service and billing expenses, as adjusted, per average subscriber increased 1% to $1.06 for the three months ended March 31, 2009 from $1.05 for the three months ended March 31, 2008. The increase was primarily due to the inclusion of XM, which has historically experienced higher customer service and billing expenses.

We expect customer service and billing expenses, as adjusted, per average subscriber to decrease on an annual basis as our subscriber base grows due to scale efficiencies in our call centers and other customer care and billing operations.

Adjusted Income (Loss) from Operations. Our adjusted income (loss) from operations was $144,221 and ($39,457) for the three months ended March 31, 2009 and 2008, respectively. Adjusted income (loss) from operations was favorably impacted by the $316,629 increase in revenues, partially offset by the $130,868 increase in expenses. See footnote 14 (page 56) for a reconciliation of net loss to adjusted income (loss) from operations.

Three Months Ended March 31, 2009 Compared with Three Months Ended March 31, 2008 — Actual

Total Revenue

Subscriber Revenue. Subscriber revenue includes subscription fees, activation fees and the effects of rebates.

- *Three Months*: For the three months ended March 31, 2009 and 2008, subscriber revenue was $556,392 and $255,640, respectively, an increase of 118% or $300,752. The Merger was responsible for approximately $284,469 of the increase and the remaining increase was primarily attributable to subscriber growth.

The following table contains a breakdown of our subscriber revenue for the periods presented:

	For the Three Months Ended March 31,	
	2009	2008
Subscription fees	$550,575	$250,467
Activation fees	6,056	6,298
Effect of rebates	(239)	(1,125)
Total subscriber revenue	$556,392	$255,640

Future subscriber revenue will be dependent upon, among other things, the growth of our subscriber base, promotions, rebates offered to subscribers and corresponding take-rates, plan mix, subscription prices and the identification of additional revenue streams from subscribers. We expect subscription revenue to increase due to the inclusion of the full period results of XM.

Advertising Revenue. Advertising revenue includes the sale of advertising on our non-music channels, net of agency fees. Agency fees are based on a stated percentage per the advertising agreements applied to gross billing revenue.

- *Three Months*: For the three months ended March 31, 2009 and 2008, net advertising revenue was $12,304 and $8,408, respectively, which represents an increase of $3,896. The Merger was responsible for approximately $4,520 of the increase, which was offset by a decrease in ad revenue due to the decline in the current economic environment and the national radio advertising market.

Our advertising revenue is subject to fluctuation based on the national advertising environment. We believe these general economic conditions have negatively affected our advertising revenue in recent quarters. We expect advertising revenue to grow as our subscribers increase, as we continue to improve brand awareness and content, and as we increase the size and effectiveness of our advertising sales force. Additionally, advertising revenue will increase as a result of the inclusion of the full period results of XM.

Equipment Revenue. Equipment revenue includes revenue and royalties from the sale of SIRIUS and XM radios, components and accessories.

- *Three Months*: For the three months ended March 31, 2009 and 2008, equipment revenue was $9,909 and $6,063, respectively, which represents an increase of $3,846. The Merger was responsible for approximately $5,917 of the increase. The equipment revenue increase was partially offset by a decrease in sales through our direct to consumer distribution channel.

We expect equipment revenue to increase as we introduce new products, integrate XM products and as sales grow through our direct to consumer distribution channel as well as the inclusion of the full period results of XM.

Operating Expenses

Satellite and Transmission. Satellite and transmission expenses consist of costs associated with the operation and maintenance of our satellites; satellite telemetry, tracking and control system; terrestrial repeater network; satellite uplink facility; and broadcast studios.

- *Three Months*: For the three months ended March 31, 2009 and 2008, satellite and transmission expenses were $20,279 and $7,822, respectively, which represents an increase of $12,457 primarily due to the impact of the Merger. XM satellite and transmission expense accounted for $14,770 during the three months ended March 31, 2009.

We expect satellite and transmission expenses to decrease as we consolidate terrestrial repeater sites and realize other cost savings as a result of the Merger; however such expenses are expected to increase in the aggregate due to the inclusion of the full period results of XM.

Programming and Content. Programming and content expenses include costs to acquire, create and produce content and on-air talent costs. We have entered into various agreements with third parties for music and non-music programming that require us to pay license fees, share advertising revenue, purchase advertising on media properties owned or controlled by the licensor and pay other guaranteed amounts. Purchased advertising is recorded as a sales and marketing expense and the cost of sharing advertising revenue is recorded as Revenue share and royalties in the period the advertising is broadcast.

- *Three Months*: For the three months ended March 31, 2009 and 2008, programming and content expenses were $80,408 and $61,692, respectively, which represents an increase of $18,716. The increase includes $27,538 of XM's programming and content expense, which was partially offset by reductions in personnel and on-air talent costs as well as savings on various content agreements.

Our programming and content expenses, excluding share-based payment expense, are expected to decrease as we reduce duplicate programming and content costs, however such expenses are expected to increase in the aggregate due to the inclusion of the full period results of XM.

Revenue Share and Royalties. Revenue share and royalties include distribution and content provider revenue share, residuals and broadcast and web streaming royalties. Residuals are monthly fees paid based upon the number of subscribers using SIRIUS and XM radios purchased from retailers. Advertising revenue share is recorded to revenue share and royalties in the period the advertising is broadcast.

- *Three Months*: For the three months ended March 31, 2009 and 2008, revenue share and royalties were $100,466 and $42,320, respectively, which represents an increase of $58,146. The increase was primarily attributable to the $49,682 effect of including XM's revenue share and royalty expense as a result of the Merger, an increase in our revenues and an increase in the statutory royalty rate due for the performance of sound recordings.

We expect these costs to increase as our revenues grow, as we expand our distribution of SIRIUS and XM radios through automakers, as a result of statutory increases in the royalty rate for sound recording performances and as a result of the inclusion of the full period results of XM.

Customer Service and Billing. Customer service and billing expenses include costs associated with the operation of our customer service centers and subscriber management systems as well as bad debt expense.

- *Three Months:* For the three months ended March 31, 2009 and 2008, customer service and billing expenses were $59,801 and $26,922, respectively, which represents an increase of $32,879 primarily due to the Merger. XM's customer services and billing expense accounted for $33,732 during the three months ended March 31, 2009.

We expect our customer care and billing expenses to decrease on a per subscriber basis, but increase overall as our subscriber base grows due to increased call center operating costs, transaction fees and bad debt expense associated with a larger subscriber base as well as the inclusion of the full period results of XM.

Cost of Equipment. Cost of equipment includes costs from the sale of SIRIUS and XM radios, components and accessories.

- *Three Months*: For the three months ended March 31, 2009 and 2008, cost of equipment was $7,993 and $7,588, respectively, which represents an increase of $405. The Merger-related increase of $3,465 was offset mainly by lower sales volume and lower inventory related charges.

We expect cost of equipment to vary in the future with changes in sales through our direct to consumer distribution channel; however, such expenses are expected to increase as a result of the inclusion of the full period results of XM.

Sales and Marketing. Sales and marketing expenses include costs for advertising, media and production, including promotional events and sponsorships; cooperative marketing; customer retention and compensation. Cooperative marketing costs include fixed and variable payments to reimburse retailers and automakers for the cost of advertising and other product awareness activities.

- *Three Months:* For the three months ended March 31, 2009 and 2008, sales and marketing expenses were $51,830 and $38,467, respectively, which represents an increase of $13,363. The Merger-related increase of $32,119 was offset partially by reductions in consumer advertising and cooperative marketing, personnel costs and third party distribution support expenses.

We expect sales and marketing expenses, excluding share-based payment expense, to decrease as we consolidate our advertising and promotional activities, gain efficiencies in marketing management and eliminate overlapping distribution support costs, however such expenses are expected to increase in the aggregate due to the inclusion of the full period results of XM.

Subscriber Acquisition Costs. Subscriber acquisition costs include hardware subsidies paid to radio manufacturers, distributors and automakers, including subsidies paid to automakers who include a SIRIUS or XM radio and a prepaid subscription to our service in the sale or lease price of a new vehicle; subsidies paid for chip sets and certain other components used in manufacturing radios; commissions paid to retailers and automakers as incentives to purchase, install and activate SIRIUS and XM radios; product warranty obligations; provisions for inventory allowance; and compensation costs associated with stock-based awards granted in connection with certain distribution agreements. The majority of subscriber acquisition costs are incurred and expensed in advance of, or concurrent with, acquiring a subscriber. Subscriber acquisition costs do not include advertising, loyalty payments to distributors and dealers of SIRIUS and XM radios, and revenue share payments to automakers and retailers of SIRIUS and XM radios.

- *Three Months*: For the three months ended March 31, 2009 and 2008, subscriber acquisition costs were $73,068 and $89,824, respectively, which represents a decrease of $16,756. This decrease was primarily due to improved OEM subsidies and higher aftermarket inventory reserves in the three months ended March 31, 2008 compared to the three months ended March 31, 2009, partially offset by the impact of the Merger. XM's subscriber acquisition costs accounted for $26,250 during the three months ended March 31, 2009.

We expect total subscriber acquisition costs to fluctuate as increases or decreases in our gross subscriber additions are accompanied by continuing declines in the costs of subsidized components of SIRIUS and XM radios, but increase overall as a result of the inclusion of the full period results of XM. We intend to continue to offer subsidies, commissions and other incentives to acquire subscribers.

General and Administrative. General and administrative expenses include rent and occupancy, finance, legal, human resources, information technology and investor relations costs.

- *Three Months*: For the three months ended March 31, 2009 and 2008, general and administrative expenses were $59,314 and $48,778, respectively, which represents an increase of $10,536, primarily due to the impact of the Merger, offset by lower costs for certain merger, litigation and regulatory matters.

We expect our general and administrative expenses, excluding share-based payment expense, to decrease in future periods as we integrate XM. General and administrative expenses may fluctuate in certain periods as a result of litigation costs; however such expenses are expected to increase in the aggregate due to inclusion of the full period results of XM.

Engineering, Design and Development. Engineering, design and development expenses include costs to develop our future generation of chip sets and new products, research and development for broadcast information, and costs associated with the incorporation of our radios into vehicles manufactured by automakers.

- *Three Months*: For the three months ended March 31, 2009 and 2008, engineering, design and development expenses were $9,778 and $8,656, respectively, which represents an increase of $1,122. This increase was primarily due to the impact of the Merger, partially offset by lower costs associated with manufacturing of radios, OEM tooling and manufacturing, and personnel.

We expect engineering, design and development expenses, excluding share-based payment expense, to decrease in future periods as we complete the integration of SIRIUS and XM and gain efficiencies in engineering, design and development activities, however such expenses are expected to increase in the aggregate due to inclusion of the full period results of XM.

Other Income (Expense)

Interest and Investment Income. Interest and investment income includes realized gains and losses, dividends and interest income, including amortization of the premium and discount arising at purchase.

- *Three Months*: For the three months ended March 31, 2009 and 2008, interest and investment income was $738 and $2,802, respectively. The decrease of $2,064 was primarily attributable to lower interest rates in 2009 and a lower average cash balance.

Interest Expense. Interest expense includes interest on outstanding debt, reduced by interest capitalized in connection with the construction of our satellites and launch vehicles.

- *Three Months*: For the three months ended March 31, 2009 and 2008, interest expense was $65,743 and $17,675, respectively, which represents an increase of $48,068. Interest expense increased significantly as a result of the Merger, due to additional debt and higher interest rates. Increases in interest expense were partially offset by the capitalized interest associated with satellite construction and related launch vehicle.

Loss from Redemption of Debt. Loss from redemption of debt includes losses incurred as a result of the conversion of our 2 1/2% Convertible Notes due 2009.

- *Three Months*: For the three months ended March 31, 2009 and 2008, loss from redemption of debt was $17,957 and $0, respectively.

Loss on Investments. Loss on investments includes our share of SIRIUS Canada's and XM Canada's net losses, and losses recorded from our investment in XM Canada when the fair value was determined to be other than temporary.

- *Three Months*: For the three months ended March 31, 2009 and 2008, loss on investment was $7,906 and $0, respectively. The increase was attributable to an impairment charge recorded on our investment in XM Canada in the amount of $3,034 during the three months ended March 31, 2009 and the inclusion of our share of SIRIUS Canada's and XM Canada's net losses for the three months ended March 31, 2009.

Income Taxes

Income Tax Expense. Income tax expense represents the recognition of a deferred tax liability related to the difference in accounting for our FCC licenses, which is amortized over 15 years for tax purposes but not amortized for book purposes in accordance with U.S. generally accepted accounting principles.

- *Three Months:* We recorded income tax expense of $1,115 and $543 for the three months ended March 31, 2009 and 2008, respectively. The increase is attributed to the inclusion of XM.

Liquidity and Capital Resources

Cash Flows for the Three Months Ended March 31, 2009 Compared with Three Months Ended March 31, 2008

As of March 31, 2009 and 2008, we had $375,486 and $252,508, respectively, in cash and cash equivalents and $380,446 as of December 31, 2008.

The following table presents a summary of our cash flow activity for the periods set forth below.

	For the Three Months Ended March 31,		Variances
	2009	2008	2009 vs. 2008
Cash flows provided by (used in) operating activities	$ 66,871	$ (139,292)	$ 206,163
Cash flows used in investing activities	(70,517)	(47,235)	(23,282)
Cash flows (used in) provided by financing activities	(1,314)	215	(1,529)
Net decrease in cash and cash equivalents	(4,960)	(186,312)	181,352
Cash and cash equivalents at beginning of period	380,446	438,820	(58,374)
Cash and cash equivalents at end of period	$ 375,486	$ 252,508	$ 122,978

Cash Flows Provided by (Used in) Operating Activities

Net cash provided by operating activities was $66,871 for the three months ended March 31, 2009 compared with net cash used in operating activities of $139,292 for the three months ended March 31, 2008. The increase of $206,163 in cash provided by operating activities was primarily the result of a decreased net loss, net of non-cash operating activities of $100,116 and a decrease in cash used in other operating assets and liabilities of $106,047.

Cash Flows Used in Investing Activities

Net cash used in investing activities increased $23,282 to $70,517 for the three months ended March 31, 2009 from $47,235 for the three months ended March 31, 2008. The increase was primarily the result of an increase in capital expenditures of $31,915 associated with our satellite construction and launch vehicle, offset by a decrease of $10,641 in Merger-related costs.

We will incur significant capital expenditures to construct and launch our new satellites and to improve our terrestrial repeater network and broadcast and administrative infrastructure. These capital expenditures will support our growth and the resiliency of our operations, and will also support the delivery of future new revenue streams.

Cash Flows (Used in) Provided by Financing Activities

Net cash used in financing activities increased $1,529 to $1,314 for the three months ended March 31, 2009 compared with net cash provided by financing activities of $215 for the three months ended March 31, 2008. The increase in cash used in financing activities was primarily due to $211,463 in net proceeds received from our credit agreement with Liberty Media, offset by an increase of $198,368 in debt repayment, principally to the holders of our 2 1/2% Convertible Notes due 2009, $10,072 in premiums on the redemption of debt and $3,712 in preferred stock issuance costs.

Financings and Capital Requirements

We have historically financed our operations through the sale of debt and equity securities. It will be more difficult to obtain additional financing if prevailing instability in the credit and financial markets continues. The Certificate of Designations for our Series B Preferred Stock provides that so long as Liberty beneficially owns at least half of its initial equity investment, we need the consent of Liberty for certain actions, including the grant or issuance of our equity securities and the incurrence of debt in amounts greater than a stated threshold.

Future Liquidity and Capital Resource Requirements

We have entered into a series of transactions to improve our liquidity and strengthen our balance sheet, including:

- the issuance of an aggregate of 539,611,513 shares of our common stock for $128,412 aggregate principal amount of our 2 1/2% Convertible Notes due 2009;
- the exchange of $172,485 aggregate principal amount of outstanding 10% Convertible Senior Notes due 2009 of XM Holdings for a like principal amount of XM Holdings' 10% Senior PIK Secured Notes due June 2011;

- the execution of agreements with Liberty Media Corporation and its affiliate, Liberty Radio LLC, pursuant to which they have invested an aggregate of $350,000 in the form of loans to us, are committed to invest an additional $180,000 in loans to us, and have received a significant equity interest in us; and
- the execution of agreements with holders of the Senior Secured Term Loan due 2009 and Senior Secured Revolving Credit Facility due 2009 and Liberty Media Corporation and its affiliate, Liberty Radio LLC, pursuant to which maturities were extended under the Amended and Restated Credit Agreement due 2011.

See Note 11 to our unaudited consolidated financial statements in Item 1 of this Form 10-Q for additional information on certain of these transactions.

Debt Maturing in 2009 and 2010. We have approximately $538,280 of debt maturing in 2009 and 2010, including:

- at SIRIUS, $1,744 of 8 3/4% Convertible Subordinated Notes that mature on September 29, 2009;
- at SIRIUS, $4,375 pursuant to the Senior Secured Term Loan in which quarterly installments of 0.25% of the initial aggregate principal amount are due for the first four and a half years, with the balance of the loan thereafter being repaid in four equal quarterly installments. The Senior Secured Term Loan matures on December 20, 2012;
- at SIRIUS, $2,500 pursuant to the LM Credit Agreement in which quarterly installments equal to (i) 0.25% of the aggregate principal amount of the loans outstanding on January 1, 2010 are due beginning March 31, 2010 and (ii) after December 31, 2011, 25% of the aggregate principal amount of the loans outstanding on January 1, 2012. The loan matures on December 20, 2012;
- at XM Holdings, $227,515 of 10% Convertible Senior Notes that mature on December 1, 2009;
- at XM Holdings and XM (as co-obligors), $33,249 of 10% Senior Secured Discount Convertible Notes that mature on December 31, 2009;
- at XM, a $325,000 credit facility, $75,000 of which is due in the remaining nine months of 2009, $25,000 of which is due on March 31, 2010, $150,000 of which is due on May 5, 2010 and $75,000 of which is due in May 2011; and
- at XM Holdings, $18,897 of capital lease payments.

We believe our existing cash balances, available borrowings under credit facilities and our cash flows from operating activities will be sufficient to repay these debt obligations maturing in 2009 and 2010.

Debt Maturing in 2011. As a result of our 2011 debt maturities, our existing cash balances, available borrowings under credit facilities and our cash flows from operating activities may not be sufficient to fund our projected cash needs. We may not be able to access additional sources of refinancing on similar terms or pricing as those that are currently in place, or at all, or otherwise obtain other sources of funding. An inability to access replacement or additional sources of liquidity to fund our cash needs or to refinance or otherwise fund the repayment of our maturing debt could adversely affect our growth, our financial condition, or results of operations, and our ability to make payments on our debt, and could force us to seek the protection of the bankruptcy laws. It will be more difficult to obtain additional financing if prevailing instability in credit and financial markets continues.

Credit Agreement with Space Systems/Loral. In July 2007, SIRIUS amended and restated its Credit Agreement with Space Systems/Loral (the "Loral Credit Agreement"). Under the Loral Credit Agreement, Space Systems/Loral agreed to make loans to SIRIUS to finance the purchase of SIRIUS' fifth and sixth satellites. Loral's commitment is limited to approximately $25,688, or 80% of the amount due with respect to the construction of our sixth satellite. Loans made under the Loral Credit Agreement will be secured by SIRIUS' rights under the Satellite Purchase Agreement with Space Systems/Loral, including SIRIUS' rights to the new satellites. The loans are also entitled to the benefits of a subsidiary guarantee from Satellite CD Radio, Inc., the subsidiary that holds SIRIUS' FCC license, and any future material subsidiary that may be formed by SIRIUS. The maturity date of the loans is the earliest to occur of (i) June 10, 2010, (ii) 90 days after our sixth satellite becomes available for shipment, and (iii) 30 days prior to the scheduled launch of the sixth satellite. Any loans made under the Loral Credit Agreement generally will bear interest at a variable rate equal to three-month LIBOR plus 4.75%. The Loral Credit Agreement permits SIRIUS to prepay all or a portion of the loans outstanding without penalty.

SIRIUS has not requested any loans under the Loral Credit Agreement with Space Systems/Loral. The Loral Credit Agreement contains certain conditions to borrowing.

Operating Liquidity. Based upon our current plans, and other than our need to refinance our debt maturing in 2011, we believe that we have sufficient cash, cash equivalents, available borrowings under our credit facilities and marketable securities to cover the estimated funding needs through cash flow breakeven, the point at which revenues are sufficient to fund expected operating expenses, capital expenditures, working capital requirements, interest payments and taxes. The ability to meet our debt and other obligations depends on our future operating performance and on economic, financial, competitive and other factors. We continually review our operations for opportunities to adjust the timing of expenditures to ensure that sufficient resources are maintained. We have the ability

and intend to manage the timing and related expenditures of certain activities, including the launch of satellites, the deferral of capital projects, as well as the deferral of other discretionary expenses. Our financial projections are based on assumptions, which we believe are reasonable but contain significant uncertainties. There can be no assurance that our plan will be successful.

We are the sole stockholder of XM Holdings and its subsidiaries and its business is operated as an unrestricted subsidiary under the agreements governing our existing indebtedness. Under certain circumstances, SIRIUS may be unwilling or unable to contribute or loan XM capital to support its operations. Similarly, under certain circumstances, XM may be unwilling or unable to contribute or loan SIRIUS capital to support its operations. To the extent XM's funds are insufficient to support its business, XM may be required to seek additional financing, which may not be available on favorable terms, or at all. If XM is unable to secure additional financing, its business and results of operations may be adversely affected.

Tightening credit policies could also adversely impact our operational liquidity by making it more difficult or costly for our subscribers to access credit, and could have an adverse impact on our operational liquidity as a result of possible changes to our payment arrangements that credit card companies and other credit providers could unilaterally make.

We regularly evaluate our plans and strategy. These evaluations often result in changes to our plans and strategy, some of which may be material and significantly change our cash requirements or cause us to achieve cash flow breakeven at a later date. These changes in our plans or strategy may include: the acquisition of unique or compelling programming; the introduction of new features or services; significant new or enhanced distribution arrangements; investments in infrastructure, such as satellites, equipment or radio spectrum; and acquisitions of third parties that own programming, distribution, infrastructure, assets, or any combination of the foregoing. In addition, our operations will also be affected by the FCC order approving the Merger which imposed certain conditions upon, among other things, our program offerings and our ability to increase prices. Our future liquidity also may be adversely affected by, among other things, the nature and extent of the benefits achieved by operating XM as a wholly owned unrestricted subsidiary under our existing indebtedness.

Off-Balance Sheet Arrangements

We are required under the terms of certain agreements to provide letters of credit and deposit monies in escrow, which place restrictions on cash and cash equivalents. As of March 31, 2009 and December 31, 2008, $3,250 and $141,250, respectively, was classified as restricted investments as a result of obligations under these letters of credit and escrow deposits. In February 2009, we released to programming providers an aggregate of $138,000 held in escrow in satisfaction of future obligations under our agreements with them.

We do not have any significant off-balance sheet arrangements other than those disclosed is Item 1. Note 15, Commitments and Contingencies that are reasonably likely to have a material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

2003 Long-Term Stock Incentive Plan

SIRIUS maintains the Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan (the "2003 Plan"). Employees, consultants and members of our board of directors are eligible to receive awards under the 2003 Plan. The 2003 Plan provides for the grant of stock options, restricted stock, restricted stock units and other stock-based awards that the compensation committee of our board of directors may deem appropriate. Vesting and other terms of stock-based awards are set forth in the agreements with the individuals receiving the awards. Stock-based awards granted under the 2003 Plan are generally subject to a vesting requirement. Stock option awards are granted with an exercise price equal to the market price of our common stock at the date of grant and expire no later than ten years from the date of grant. Each restricted stock unit entitles the holder to receive one share of our common stock upon vesting.

As of March 31, 2009, approximately 54,930,000 shares of our common stock were available for grant under the 2003 Plan. During the three months ended March 31, 2009, employees did not exercise stock options.

2007 Stock Incentive Plan

XM Holdings maintains a 2007 Stock Incentive Plan (the "2007 Plan") under which officers, other employees and other key individuals of XM may be granted various types of equity awards, including restricted stock, stock units, stock options, stock appreciation rights, dividend equivalent rights and other stock awards. Stock option awards under the 2007 Plan generally vest ratably over three years based on continuous service, while restricted stock generally vests ratably over one or three years based on continuous service. Stock option awards are granted with an exercise price equal to the market price of our common stock at the date of grant and expire no later than ten years from the date of grant. Grants of equity awards other than stock options or stock appreciation rights reduce the number of shares available for future grant by 1.5 times the number of shares granted under such equity awards. Since the Merger, there have been no grants of awards from the 2007 Plan. As of March 31, 2009, there were approximately 63,154,000 shares available for future grant under the 2007 Plan.

XM Talent Option Plan

XM Holdings maintains a Talent Option Plan (the "Talent Plan") under which non-employee programming consultants to XM may be granted stock option awards. Stock option awards under the Talent Plan generally vest ratably over three years based on continuous service. Stock option awards are generally granted with an exercise price equal to the market price of our common stock at the date of grant and expire no later than ten years from the date of grant. Since the Merger, there have been no grants of awards from the Talent Plan. As of March 31, 2009, there were 1,564,000 options available under the Talent Plan for future grant.

As of March 31, 2009, approximately 167,246,000 stock options, shares of restricted stock and restricted stock units were outstanding under all of our plans.

Contractual Cash Commitments

For a discussion of our "Contractual Cash Commitments" refer to Note 15 to our unaudited consolidated financial statements in Item 1 of this Form 10-Q.

Related Party Transactions

For a discussion of "Related Party Transactions" refer to Note 9 to our unaudited consolidated financial statements in Item 1 of this Form 10-Q.

Critical Accounting Policies and Estimates

For a discussion of our "Critical Accounting Policies and Estimates" refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" within our Annual Report on Form 10-K for the year ended December 31, 2008 and Note 3 to the unaudited consolidated financial statements in Item 1 of this Form 10-Q.

Footnotes to Results of Operations

(1) Average self-pay monthly churn represents the monthly average of self-pay deactivations by the quarter divided by the average self-pay subscriber balance for the quarter.

(2) We measure the percentage of subscribers that receive our service and convert to self-paying after the initial promotion period. We refer to this as the "conversion rate." At the time of sale, vehicle owners generally receive between three and twelve month prepaid trial subscriptions and we receive a subscription fee from the OEM. Promotional periods generally include the period of trial service plus 30 days to handle the receipt and processing of payments. We measure conversion rate three months after the period in which the trial service ends. Based on our experience it may take up to 90 days after the trial service ends for subscribers to respond to our marketing communications and become self-paying subscribers.

(3) ARPU is derived from total earned subscriber revenue and net advertising revenue, divided by the number of months in the period, divided by the daily weighted average number of subscribers for the period. ARPU is calculated as follows (in thousands, except for per subscriber amounts):

	Unaudited Pro Forma Three Months Ended March 31,	
	2009	2008
Subscriber revenue	$ 573,081	$ 536,509
Net advertising revenue	12,304	17,526
Total subscriber and net advertising revenue	$ 585,385	$ 554,035
Daily weighted average number of subscribers	18,713,485	17,615,684
ARPU	$ 10.43	$ 10.48

(4) SAC, as adjusted, per gross subscriber addition is derived from subscriber acquisition costs and margins from the direct sale of radios and accessories, excluding share-based payment expense divided by the number of gross subscriber additions for the period. SAC, as adjusted, per gross subscriber addition is calculated as follows (in thousands, except for per subscriber amounts):

	Unaudited Pro Forma Three Months Ended March 31,	
	2009	2008
Subscriber acquisition cost	$ 83,710	$ 161,348
Less: share-based payment expense granted to third parties and employees	—	(14)
Less/Add: margin from direct sales of radios and accessories	(1,916)	5,755
SAC, as adjusted	$ 81,794	$ 167,089
Gross subscriber additions	1,338,961	2,041,656
SAC, as adjusted, per gross subscriber addition	$ 61	$ 82

(5) Customer service and billing expenses, as adjusted, per average subscriber is derived from total customer service and billing expenses, excluding share-based payment expense, divided by the number of months in the period, divided by the daily weighted average number of subscribers for the period. Customer service and billing expenses, as adjusted, per average subscriber is calculated as follows (in thousands, except for per subscriber amounts):

	Unaudited Pro Forma Three Months Ended March 31,	
	2009	2008
Customer service and billing expenses	$ 59,918	$ 61,232
Less: share-based payment expense	(656)	(1,165)
Customer service and billing expenses, as adjusted	$ 59,262	$ 60,067
Daily weighted average number of subscribers	18,713,485	17,615,684
Customer service and billing expenses, as adjusted, per average subscriber	$ 1.06	$ 1.14

(6) Free cash flow is calculated as follows:

	Unaudited Pro Forma Three Months Ended March 31,	
	2009	2008
Net cash used in operating activities	$ 66,871	$(246,988)
Additions to property and equipment	(71,140)	(56,093)
Merger related costs	623	(10,018)
Restricted and other investment activity	—	2,000
Free cash flow	$ (3,646)	$(311,099)

(7) Average self-pay monthly churn; conversion rate; ARPU; SAC, as adjusted, per gross subscriber addition; customer service and billing expenses, as adjusted, per average subscriber; and free cash flow are not measures of financial performance under U.S. generally accepted accounting principles ("GAAP"). We believe these non-GAAP financial measures provide meaningful supplemental information regarding our operating performance and are used by us for budgetary and planning purposes; when publicly providing our business outlook; as a means to evaluate period-to-period comparisons; and to compare our performance to that of our competitors. We also believe that investors also use our current and projected metrics to monitor the performance of our business and to make investment decisions.

We believe the exclusion of share-based payment expense in our calculations of SAC, as adjusted, per gross subscriber addition and customer service and billing expenses, as adjusted, per average subscriber is useful given the significant variation in expense that can result from changes in the fair market value of our common stock, the effect of which is unrelated to the operational conditions that give rise to variations in the components of our subscriber acquisition costs and customer service and billing expenses. Specifically, the exclusion of share-based payment expense in our calculation of SAC, as adjusted, per gross subscriber addition is critical in being able to understand the economic impact of the direct costs incurred to acquire a subscriber and the effect over time as economies of scale are reached.

These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP. These non-GAAP financial measures may be susceptible to varying calculations; may not be comparable to other similarly titled measures of other companies; and should not be considered in isolation, as a substitute for, or superior to measures of financial performance prepared in accordance with GAAP.

(8) We refer to net loss before interest and investment income, interest expense net of amounts capitalized, income tax expense, loss from redemption of debt, loss on investments, other expense (income), restructuring and related cost, depreciation and amortization, and share related payment expense as adjusted income (loss) from operations. Adjusted income (loss) from operations is not a measure of financial performance under U.S. GAAP. We believe adjusted income (loss) from operations is a useful measure of our operating performance. We use adjusted income (loss) from operations for budgetary and planning purposes; to assess the relative profitability and on-going performance of our consolidated operations; to compare our performance from period–to-period; and to compare our performance to that of our competitors. We also believe adjusted income (loss) from operations is useful to investors to compare our operating performance to the performance of other communications, entertainment and media companies. We believe that investors use current and projected adjusted income (loss) from operations to estimate our current or prospective enterprise value and to make investment decisions.

Because we fund and build-out our satellite radio system through the periodic raising and expenditure of large amounts of capital, our results of operations reflect significant charges for interest and depreciation expense. We believe adjusted income (loss) from operations provides useful information about the operating performance of our business apart from the costs associated with our capital structure and physical plant. The exclusion of interest and depreciation and amortization expense is useful given fluctuations in interest rates and significant variation in depreciation and amortization expense that can result from the amount and timing of capital expenditures and potential variations in estimated useful lives, all of which can vary widely across different industries or among companies within the same industry. We believe the exclusion of taxes is appropriate for comparability purposes as the tax positions of companies can vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the various jurisdictions in which they operate. We believe the exclusion of restructuring and related costs is useful given the non-recurring nature of these transactions. We also believe the exclusion of share-based payment expense is useful given the significant variation in expense that can result from changes in the fair market value of our common stock. To compensate for the exclusion of taxes, other (expense) income, depreciation and amortization and share-based payment expense, we separately measure and budget for these items.

There are material limitations associated with the use of adjusted income (loss) from operations in evaluating our company compared with net loss, which reflects overall financial performance, including the effects of taxes, other income (expense), depreciation and amortization, restructuring and related costs and share-based payment expense. We use adjusted income (loss) from operations to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Investors that wish to compare and evaluate our operating results after giving effect for these costs, should refer to net loss as disclosed in our unaudited consolidated statements of operations. Since adjusted income (loss) from operations is a non-GAAP financial measure, our calculation of adjusted income (loss) from operations may be susceptible to varying calculations; may not be comparable to other similarly titled measures of other companies; and should not be considered in isolation, as a substitute for, or superior to measures of financial performance prepared in accordance with GAAP.

The reconciliation of the pro forma unadjusted net loss to the pro forma adjusted income (loss) from operations is calculated as follows (see footnotes for reconciliation of the pro forma amounts to their respective GAAP amounts):

	Unaudited Pro Forma Three Months Ended March 31,	
(in thousands)	**2009**	**2008**
Reconciliation of Net loss to Adjusted income (loss) from operations:		
Net loss	$ (62,877)	$(233,387)
Add back Net loss items excluded from Adjusted income (loss) from operations:		
Interest and investment income	(738)	(4,477)
Interest expense, net of amounts capitalized	72,392	47,002
Income tax expense	1,115	874
Loss from redemption of debt	17,957	—
Loss on investments	7,906	4,177
Other expense (income)	(511)	3,502
Income (loss) from operations	35,244	(182,309)
Restructuring and related costs	614	—
Depreciation and amortization	51,483	72,389
Share-based payment expense	21,500	39,766
Adjusted income (loss) from operations	$108,841	$ (70,154)

There are material limitations associated with the use of a pro forma unadjusted results of operations in evaluating our company compared with our GAAP Results of operations, which reflects overall financial performance. We use pro forma unadjusted results of operations to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Investors that wish to compare and evaluate our operating results after giving effect for these costs, should refer to Results of operations as disclosed in our unaudited consolidated statements of operations. Since pro forma unadjusted results of operations is a non-GAAP financial measure, our calculations may not be comparable to other similarly titled measures of other companies; and should not be considered in isolation, as a substitute for, or superior to measures of financial performance prepared in accordance with GAAP.

(9) The following tables reconcile our GAAP Results of operations to our non-GAAP pro forma unadjusted results of operations:

	Unaudited For the Three Months Ended March 31, 2009			
	As Reported	Purchase Price Accounting Adjustments	Allocation of Share-based Payment Expense	Pro Forma
Revenue:				
Subscriber revenue, including effects of rebates	$ 556,392	$ 16,689	$ —	$ 573,081
Advertising revenue, net of agency fees	12,304	—	—	12,304
Equipment revenue	9,909	—	—	9,909
Other revenue	8,374	1,812	—	10,186
Total revenue	586,979	18,501	—	605,480
Operating expenses (depreciation and amortization shown separately below) (1)				
Cost of services:				
Satellite and transmission	20,279	327	(865)	19,741
Programming and content	80,408	18,890	(2,620)	96,678
Revenue share and royalties	100,466	20,795	—	121,261
Customer service and billing	59,801	117	(656)	59,262
Cost of equipment	7,993	—	—	7,993
Sales and marketing	51,830	3,658	(4,480)	51,008
Subscriber acquisition costs	73,068	10,642	—	83,710
General and administrative	59,314	472	(11,211)	48,575
Engineering, design and development	9,778	301	(1,668)	8,411
Depreciation and amortization	82,367	(30,884)	—	51,483
Share-based payment expense	—	—	21,500	21,500
Restructuring and related costs	614	—	—	614
Total operating expenses	545,918	24,318	—	570,236
Income (loss) from operations	41,061	(5,817)	—	35,244
Other income (expense)				
Interest and investment income	738	—	—	738
Interest expense, net of amounts capitalized	(65,743)	(6,649)	—	(72,392)
Loss from redemption of debt	(17,957)	—	—	(17,957)
Loss on investments	(7,906)	—	—	(7,906)
Other (expense) income	511	—	—	511
Total other expense	(90,357)	(6,649)	—	(97,006)
Loss before income taxes	(49,296)	(12,466)	—	(61,762)
Income tax expense	(1,115)	—	—	(1,115)
Net loss	(50,411)	(12,466)	—	(62,877)
Preferred stock beneficial conversion feature	(186,188)	—	—	(186,188)
Net loss attributable to common stockholders	$(236,599)	$ (12,466)	$ —	$(249,065)

(1) Amounts related to share-based payment expense included in operating expenses were as follows:

Satellite and transmission	$ 758	$ 107	$ —	$ 865
Programming and content	2,489	131	—	2,620
Customer service and billing	539	117	—	656
Sales and marketing	4,287	193	—	4,480
Subscriber acquisition costs	—	—	—	—
General and administrative	10,739	472	—	11,211
Engineering, design and development	1,367	301	—	1,668
Total share-based payment expense	$ 20,179	$ 1,321	$ —	$ 21,500

	Unaudited For the Three Months Ended March 31, 2008			
	As Reported	Predecessor Financial Information	Allocation of Share-based Payment Expense	Pro Forma
Revenue:				
Subscriber revenue, including effects of rebates	$ 255,640	$ 280,869	$ —	$ 536,509
Advertising revenue, net of agency fees	8,408	9,118	—	17,526
Equipment revenue	6,063	4,321	—	10,384
Other revenue	239	14,146	—	14,385
Total revenue	270,350	308,454	—	578,804
Operating expenses (depreciation and amortization shown separately below) (1)				
Cost of services:				
Satellite and transmission	7,822	20,141	(2,232)	25,731
Programming and content	61,692	51,562	(5,332)	107,922
Revenue share and royalties	42,320	68,822	—	111,142
Customer service and billing	26,922	34,310	(1,165)	60,067
Cost of equipment	7,588	8,551	—	16,139
Sales and marketing	38,467	49,505	(8,892)	79,080
Subscriber acquisition costs	89,824	71,524	(14)	161,334
General and administrative	48,778	41,220	(18,520)	71,478
Engineering, design and development	8,656	11,020	(3,611)	16,065
Depreciation and amortization	26,906	45,483	—	72,389
Share-based payment expense	—	—	39,766	39,766
Total operating expenses	358,975	402,138	—	761,113
Loss from operations	(88,625)	(93,684)	—	(182,309)
Other income (expense)				
Interest and investment income	2,802	1,675	—	4,477
Interest expense, net of amounts capitalized	(17,675)	(29,327)	—	(47,002)
Loss from redemption of debt	—	—	—	—
Loss on investments	—	(4,177)	—	(4,177)
Other (expense) income	(77)	(3,425)	—	(3,502)
Total other expense	(14,950)	(35,254)	—	(50,204)
Loss before income taxes	(103,575)	(128,938)	—	(232,513)
Income tax expense	(543)	(331)	—	(874)
Net loss	$(104,118)	$(129,269)	$ —	$(233,387)

(1) Amounts related to share-based payment expense included in operating expenses were as follows:

Satellite and transmission	$ 797	$ 1,435	$ —	$ 2,232
Programming and content	2,789	2,543	—	5,332
Customer service and billing	276	889	—	1,165
Sales and marketing	5,240	3,652	—	8,892
Subscriber acquisition costs	14	—	—	14
General and administrative	11,998	6,522	—	18,520
Engineering, design and development	1,148	2,463	—	3,611
Total share-based payment expense	$ 22,262	$ 17,504	$ —	$ 39,766

(10) ARPU is derived from total earned subscriber revenue and net advertising revenue, divided by the number of months in the period, divided by the daily weighted average number of subscribers for the period. ARPU is calculated as follows (in thousands, except for per subscriber amounts):

	Unaudited Actual Three Months Ended March 31,	
	2009	2008
Subscriber revenue	$ 556,392	$ 255,640
Net advertising revenue	12,304	8,408
Total subscriber and net advertising revenue	$ 568,696	$ 264,048
Daily weighted average number of subscribers	18,713,485	8,446,343
ARPU	$ 10.13	$ 10.42

(11) SAC, as adjusted, per gross subscriber addition is derived from subscriber acquisition costs and margins from the direct sale of radios and accessories, excluding share-based payment expense divided by the number of gross subscriber additions for the period. SAC, as adjusted, per gross subscriber addition is calculated as follows (in thousands, except for per subscriber amounts):

	Unaudited Actual Three Months Ended March 31,	
	2009	2008
Subscriber acquisition cost	$ 73,068	$ 89,824
Less: share-based payment expense granted to third parties and employees	—	(14)
Less/Add: margin from direct sales of radios and accessories	(1,916)	1,525
SAC, as adjusted	$ 71,152	$ 91,335
Gross subscriber additions	1,338,961	1,003,422
SAC, as adjusted, per gross subscriber addition	$ 53	$ 91

(12) Customer service and billing expenses, as adjusted, per average subscriber is derived from total customer service and billing expenses, excluding share-based payment expense, divided by the number of months in the period, divided by the daily weighted average number of subscribers for the period. Customer service and billing expenses, as adjusted, per average subscriber is calculated as follows (in thousands, except for per subscriber amounts):

	Unaudited Actual Three Months Ended March 31,	
	2009	2008
Customer service and billing expenses	$ 59,801	$ 26,922
Less: share-based payment expense	(539)	(276)
Customer service and billing expenses, as adjusted	$ 59,262	$ 26,646
Daily weighted average number of subscribers	18,713,485	8,446,343
Customer service and billing expenses, as adjusted, per average subscriber	$ 1.06	$ 1.05

(13) Free cash flow is calculated as follows:

	Unaudited Actual Three Months Ended March 31,	
	2009	2008
Net cash used in operating activities	$ 66,871	$(139,292)
Additions to property and equipment	(71,140)	(39,225)
Merger related costs	623	(10,018)
Restricted and other investment activity	—	2,000
Free cash flow	$ (3,646)	$(186,535)

(14) We refer to net loss before interest and investment income, interest expense net of amounts capitalized, income tax expense, loss from redemption of debt, loss on investments, other expense (income), restructuring and related cost, depreciation and amortization, and share related payment expense as adjusted income (loss) from operations. Adjusted income (loss) from operations is not a measure of financial performance under U.S. GAAP. We believe adjusted income (loss) from operations is a useful measure of our operating performance. We use adjusted income (loss) from operations for budgetary and planning purposes; to assess the relative profitability and on-going performance of our consolidated operations; to compare our performance from period-to-period; and to compare our performance to that of our competitors. We also believe adjusted income (loss) from operations is useful to investors to compare our operating performance to the performance of other communications, entertainment and media companies. We believe that investors use current and projected adjusted income (loss) from operations to estimate our current or prospective enterprise value and to make investment decisions.

Because we fund and build-out our satellite radio system through the periodic raising and expenditure of large amounts of capital, our results of operations reflect significant charges for interest and depreciation expense. We believe adjusted income (loss) from operations provides useful information about the operating performance of our business apart from the costs associated with our capital structure and physical plant. The exclusion of interest and depreciation expense is useful given fluctuations in interest rates and significant variation in depreciation and amortization expense that can result from the amount and timing of capital expenditures and potential variations in estimated useful lives, all of which can vary widely across different industries or among companies within the same industry. We believe the exclusion of taxes is appropriate for comparability purposes as the tax positions of companies can vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the various jurisdictions in which they operate. We believe the exclusion of restructuring and related costs is useful given the non-recurring nature of these transactions. We also believe the exclusion of share-based payment expense is useful given the significant variation in expense that can result from changes in the fair market value of our common stock. To compensate for the exclusion of taxes, other (expense) income, depreciation and amortization and share-based payment expense, we separately measure and budget for these items.

There are material limitations associated with the use of adjusted income (loss) from operations in evaluating our company compared with net loss, which reflects overall financial performance, including the effects of taxes, other income (expense), depreciation and share-based payment expense. We use adjusted income (loss) from operations to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Investors that wish to compare and evaluate our operating results after giving effect for these costs, should refer to net loss as disclosed in our unaudited consolidated statements of operations. Since adjusted income (loss) from operations is a non-GAAP financial measure, our calculation of adjusted income (loss) from operations may be susceptible to varying calculations; may not be comparable to other similarly titled measures of other companies; and should not be considered in isolation, as a substitute for, or superior to measures of financial performance prepared in accordance with GAAP.

Adjusted income (loss) from operations is calculated as follows:

	Unaudited Actual	
	Three Months Ended March 31,	
(in thousands)	2009	2008
Reconciliation of Net loss to Adjusted income (loss) from operations:		
Net loss	$ (50,411)	$(104,118)
Add back Net loss items excluded from Adjusted income (loss) from operations:		
Interest and investment income	(738)	(2,802)
Interest expense, net of amounts capitalized	65,743	17,675
Income tax expense	1,115	543
Loss from redemption of debt	17,957	—
Loss on investments	7,906	—
Other expense (income)	(511)	77
Loss from operations	41,061	(88,625)
Restructuring and related costs	614	—
Depreciation and amortization	82,367	26,906
Share-based payment expense	20,179	22,262
Adjusted income (loss) from operations	$144,221	$ (39,457)

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

As of March 31, 2009, we did not have any derivative financial instruments. We do not hold or issue any free-standing derivatives. We hold investments in marketable securities, which consist of auction rate certificates and a notes investment. We classify our marketable securities as available-for-sale. We hold an investment in auction rate certificates which are classified as available-for-sale. These securities are consistent with the investment objectives contained within our investment policy. The basic objectives of our investment policy are the preservation of capital, maintaining sufficient liquidity to meet operating requirements and maximizing yield.

Our debt includes fixed and variable rate instruments and the fair market value of our debt is sensitive to changes in interest rates. Under our current policies, we do not use interest rate derivative instruments to manage our exposure to interest rate fluctuations.

ITEM 4. CONTROLS AND PROCEDURES

Controls and Procedures

As of March 31, 2009, an evaluation was performed under the supervision and with the participation of our management, including Mel Karmazin, our Chief Executive Officer, and David J. Frear, our Executive Vice President and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our management, including our Chief Executive Officer and our Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of March 31, 2009. There has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting during the three months ended March 31, 2009.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

FCC Merger Order. On July 25, 2008, the FCC adopted an order approving the Merger. The order became effective immediately upon adoption. This order was published in the Federal Register on September 8, 2008. On September 4, 2008, Mt. Wilson FM Broadcasters, Inc. filed a Petition for Reconsideration of the FCC's merger order. This Petition for Reconsideration remains pending.

Copyright Royalty Board Proceeding. In January 2008, the Copyright Royalty Board, or CRB, of the Library of Congress issued its decision regarding the royalty rate payable by XM and SIRIUS under the statutory license covering the performance of sound recordings over their satellite digital audio radio services for the six-year period starting January 1, 2007 and ending December 31, 2012. Under the terms of the CRB's decision, we paid a royalty of 6.0% of gross revenues, subject to certain exclusions, for 2007 and 2008, we will pay 6.5% for 2009, 7.0% for 2010, 7.5% for 2011 and 8.0% for 2012. SoundExchange has appealed the decision of the CRB to the United States Court of Appeals for the District of Columbia Circuit. Oral arguments were heard in March 2009. The parties are awaiting the Court's decision in this matter.

U.S. Electronics Arbitration. In May 2006, U.S. Electronics Inc., a former licensed distributor and manufacturer of SIRIUS radios, commenced an arbitration proceeding against SIRIUS. U.S. Electronics alleged that SIRIUS breached its contract; failed to pay monies owed under the contract; tortiously interfered with U.S. Electronics' relationships with retailers and manufacturers; and otherwise acted in bad faith. U.S. Electronics sought up to $133 million in damages. In August 2008, following a 20-day arbitration hearing, a panel of three arbitrators unanimously issued a 149-page Final Award dismissing with prejudice all of U.S. Electronics' claims, including its claims for lost profits. U.S. Electronics has filed suit in the New York State Court seeking to vacate the decision of the arbitrators.

Atlantic Recording Corporation, BMG Music, Capital Records, Inc., Elektra Entertainment Group Inc., Interscope Records, Motown Record Company, L.P., Sony BMG Music Entertainment, UMG Recordings, Inc., Virgin Records, Inc. and Warner Bros. Records Inc. v. XM Satellite Radio Inc. In May 2006, the plaintiffs filed this action in the United States District Court for the Southern District of New York. The complaint seeks monetary damages and equitable relief, and alleges that XM radios that include advanced recording functionality infringe upon plaintiffs' copyrighted sound recordings. XM filed a motion to dismiss this matter, and that motion was denied in January 2007. XM has resolved the lawsuit with respect to Universal Music Group, Warner Music Group, Sony BMG Music Entertainment and EMI Group, and each of these parties has withdrawn as a party to the lawsuit, and this lawsuit has been dismissed with respect to such parties.

Music publishing companies and certain other record companies also have filed lawsuits, purportedly on a class basis, with similar allegations. We believe these allegations are without merit and that our products comply with applicable copyright law, including the Audio Home Recording Act. We intend to vigorously defend this matter. There can be no assurance regarding the ultimate outcome of these matters, or the significance, if any, to our business, consolidated results of operations or financial position.

Matthew Enderlin v. XM Satellite Radio Holdings Inc. and XM Satellite Radio Inc. In January 2006, the plaintiff filed this action in the United States District Court for the Eastern District of Arkansas on behalf of a purported nationwide class of all XM subscribers. The complaint alleges that XM engaged in a deceptive trade practices under Arkansas and other state laws by representing that its music channels are commercial-free. The court stayed the litigation and directed the parties to arbitration. XM instituted arbitration with the American Arbitration Association pursuant to the compulsory arbitration clause in its customer service agreement. The plaintiff has filed a counterclaim in the arbitration on behalf of the class that he seeks to represent. We believe this matter is without merit and intend to vigorously defend the ongoing arbitration. There can be no assurance regarding the ultimate outcome of this matter, or the significance, if any, to our business, consolidated results of operations or financial position.

Other Matters. In the ordinary course of business, we are a defendant in various lawsuits and arbitration proceedings, including actions filed by former employees, parties to contracts or leases and owners of patents, trademarks, copyrights or other intellectual property. None of these actions are, in our opinion, likely to have a material adverse effect on our cash flows, financial position or results of operations.

ITEM 1A. RISK FACTORS

Other than as set forth below, there have been no material changes to the risk factors previously disclosed in response to Part 1, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2008.

The bankruptcy of Chrysler LLC and other major automakers may negatively affect our subscriber growth, business and prospects.

On April 30, 2009, Chrysler LLC filed for bankruptcy protection under Title 11 of the United States Code. Chrysler's bankruptcy may have certain adverse effects on us, including:

- Chrysler has announced that it plans to idle its plants during the pendency of its bankruptcy case. We do not expect to generate a significant number of new subscribers from Chrysler while its plants are closed. During the year ended December 31, 2008, Chrysler produced approximately 900,000 vehicles which included a satellite radio and a prepaid subscription to our service. These subscribers represented approximately 16% of our gross subscriber additions in 2008.
- As part of its bankruptcy case, Chrysler may reject or assume its agreement with us. If Chrysler rejects our agreement, we could lose a significant source of future subscribers to our service, but we would be released from our obligations to Chrysler to share revenue, provide equipment subsidizes and make other payments. We do not have any reason to believe Chrysler will reject its agreement with us.
- Chrysler's bankruptcy could also disrupt and/or delay the payment of certain amounts to us, particularly amounts owed to us by Chrysler on the date of the bankruptcy filing for subscriptions to our service.

There is also significant uncertainty surrounding General Motors' future and potential filing for bankruptcy protection. A bankruptcy filing by General Motors could have similar effects on our subsidiary, XM. Specifically, a General Motors bankruptcy could reduce the number of subscribers we realize from General Motors, would allow General Motors to accept or reject its agreement with XM, and could disrupt and/or delay the payment of certain amounts to XM. Similarly, if General Motors rejected its agreement with XM, XM would be released from significant financial obligations to General Motors.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5. OTHER INFORMATION

Note applicable.

ITEM 6. EXHIBITS

See Exhibits Index attached hereto.

EXHIBIT INDEX

Exhibit		Description
3.1	_	Amended and Restated Certificate of Incorporation of the Company, dated March 4, 2003 (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).
3.2	_	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of the Company, dated July 28, 2008 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated August 1, 2008).
3.3	_	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of the Company, dated December 18, 2008 (incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form S-3 dated December 30, 2008).
3.4	_	Amended and Restated By-Laws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
3.5	_	Certificate of Amendment of the Amended and Restated By-Laws of the Company, dated July 28, 2008 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated August 1, 2008).
3.6	_	Certificate of Designations of Series A Convertible Preferred Stock of the Company, dated July 28, 2008 (incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K dated August 1, 2008).
3.7	_	Certificate of Designations of Series B-1 Convertible Perpetual Preferred Stock of the Company, dated March 5, 2009 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 6, 2009).
3.8	_	Certificate of Designations of Series B-2 Convertible Perpetual Preferred Stock of the Company, dated March 5, 2009 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated March 6, 2009).
4.1	_	Form of certificate for shares of the Company's Common Stock (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-1 (File No. 33-74782)).
4.2	_	Form of certificate for shares of XM Satellite Radio Holdings Inc.'s Class A common stock (incorporated by reference to Exhibit 3 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form 8-A filed on September 23, 1999).
4.3	_	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 Company's Registration Statement on Form S-4 (File No. 333-82303)).
4.4	_	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).
4.5	_	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).
4.6	_	Form of 8 3/4% 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).

Exhibit		Description
4.7	_	Warrant Agreement, dated March 15, 2000, between XM Satellite Radio Holdings Inc., as Issuer, and United States Trust Company of New York, as Warrant Agent (incorporated by reference to Amendment No. 1 to Exhibit 4.5 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-1, File No. 333-39176).
4.8	_	Warrant Registration Rights Agreement, dated March 15, 2000, among XM Satellite Radio Holdings Inc., Bear, Stearns & Co., Inc., Donaldson, Lufkin and Jenrette Securities Corporation, Salomon Smith Barney Inc. and Lehman Brothers Inc. (incorporated by reference to Exhibit 4.6 to Amendment No. 1 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-1, File No. 333-39176).
4.9	_	Form of Warrant (incorporated by reference to Exhibit 4.7 to Amendment No. 1 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-1, File No. 333-39176).
4.10	_	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)).
4.11	_	Common Stock Purchase Warrant granted by the Company to Ford Motor Company dated October 7, 2002 (incorporated by reference to Exhibit 4.16 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002).
4.12	_	Security Agreement, dated as of January 28, 2003, among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc., XM Equipment Leasing LLC, and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.2 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed on January 29, 2003).
4.13	_	Amended and Restated Security Agreement, dated as of January 28, 2003, between XM Satellite Radio Inc. and The Bank of New York (incorporated by reference to Exhibit 4.3 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed on January 29, 2003).
4.14	_	Warrant Agreement, dated as of January 28, 2003, between XM Satellite Radio Holdings Inc. and The Bank of New York (incorporated by reference to Exhibit 4.6 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed on January 29, 2003).
4.15	_	Second Amended and Restated Registration Rights Agreement, dated as of January 28, 2003, among XM Satellite Radio Holdings Inc. and certain shareholders and noteholders named therein (incorporated by reference to Exhibit 10.5 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed with the SEC on January 29, 2003).
4.16	_	Form of 10% Senior Secured Discount Convertible Note due 2009 (incorporated by reference to Exhibit 4.9 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed on January 29, 2003).
4.17	_	Global Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.11 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed on January 29, 2003).
4.18	_	Second Supplemental Indenture, dated as of March 4, 2003, among the Company, The Bank of New York (as successor to United States Trust Company of Texas, N.A.), as resigning trustee, and HSBC Bank USA, as successor trustee, relating to the Company's 8 3/4% Convertible Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).

Exhibit		Description
4.19	_	Third Supplemental Indenture, dated as of March 7, 2003, between the Company and HSBC Bank USA, as trustee, relating to the Company's 8 1/4% Convertible Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).
4.20	_	Indenture, dated as of May 23, 2003, between the Company and The Bank of New York, as trustee (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated May 30, 2003).
4.21	_	First Amendment to Security Agreement, dated as of June 12, 2003, among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc., XM Equipment Leasing LLC and The Bank of New York (incorporated by reference to Exhibit 4.9 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-4, File No. 333-106823).
4.22	_	Third Amended and Restated Shareholders and Noteholders Agreement, dated as of June 16, 2003, among XM Satellite Radio Holdings Inc. and certain shareholders and noteholders named therein (incorporated by reference to Exhibit 10.1 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).
4.23	_	Amended and Restated Note Purchase Agreement, dated as of June 16, 2003, among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc. and certain investors named therein (incorporated by reference to Exhibit 10.40 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).
4.24	_	Form of Amendment to Third Amended and Restated Shareholders and Noteholders Agreement, dated as of January 13, 2004, among XM Satellite Radio Holdings Inc. and the parties thereto (incorporated by reference to Exhibit 10.61 to XM Satellite Radio Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2003).
4.25	_	Third Supplemental Indenture, dated as of October 13, 2004, between the Company and The Bank of New York, as trustee, relating to the Company's 3 1/4% Convertible Notes due 2011 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated October 13, 2004).
4.26	_	Indenture, dated as of May 1, 2006, among XM Satellite Radio Holdings Inc., XM Satellite Radio Inc. and The Bank of New York, as trustee, relating to the 9.75% Senior Notes due 2014 (incorporated by reference to Exhibit 4.1 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed on May 5, 2006).
4.27	_	Form of 9.75% Senior Note due 2014 (incorporated by reference to Exhibit 4.3 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed on May 5, 2006).
4.28	_	Indenture, dated as of August 9, 2005, between the Company and The Bank of New York, as trustee, relating to the Company's 9 5/8% Senior Notes due 2013 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 12, 2005).
4.29	_	Form of 10% senior secured note (incorporated by reference to Exhibit 10.6 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed February 14, 2007).
4.30	_	Common Stock Purchase Warrant granted by the Company to DaimlerChrysler AG dated October 1, 2007 (incorporated by reference to Exhibit 4.13 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007).
4.31	_	Agreement, dated as of June 26, 2008, among XM Satellite Radio Holdings Inc., the undersigned holders of XM's 1.75% Convertible Senior Notes due 2009, Brown Rudnick LLP and the Company (incorporated by reference to Exhibit 10.7 to XM Satellite Radio Holding Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008).

Exhibit		Description
4.32	_	First Supplemental Indenture, dated July 24, 2008, between XM Satellite Radio Holdings Inc. and The Bank of New York Mellon, relating to the 1.75% Convertible Senior Notes due 2009 (incorporated by reference to Exhibit 4.64 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.33		Purchase Agreement, dated as of July 24, 2008, among XM Escrow LLC, XM Satellite Radio Inc., XM Satellite Radio Holdings Inc., XM Equipment Leasing LLC, XM Radio Inc., J.P. Morgan Securities Inc., Morgan Stanley & Co. Incorporated and UBS Securities LLC, relating to the 13% Senior Notes due 2014 (incorporated by reference to Exhibit 4.65 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.34	_	Purchase Agreement, dated as of July 28, 2008, among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc., XM Equipment Leasing LLC, XM Radio Inc., the Company, J.P. Morgan Securities Inc., Morgan Stanley & Co. Incorporated and UBS Securities LLC, relating to the 7% Exchangeable Senior Subordinated Notes due 2014 (incorporated by reference to Exhibit 4.66 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.35	_	First Supplemental Warrant Agreement, dated July 28, 2008, among the Company, XM Satellite Radio Holdings Inc. and The Bank of New York Mellon relating to the Warrants, dated March 15, 2000, with the United States Trust Company of New York (incorporated by reference to Exhibit 4.67 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.36	_	First Supplemental Warrant Agreement, dated July 28, 2008, among the Company, XM Satellite Radio Holdings Inc. and The Bank of New York Mellon, relating to the Warrants, dated January 28, 2003, with The Bank of New York Mellon as warrant agent (incorporated by reference to Exhibit 4.68 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.37	_	Written instrument, dated July 28, 2008, between the Company and XM Satellite Radio Holdings Inc. relating to the Warrant Agreement with Space Systems / Loral, dated June 3, 2005 (incorporated by reference to Exhibit 4.69 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.38	_	Written instrument, dated July 28, 2008, between the Company and XM Satellite Radio Holdings Inc. relating to the Warrant Agreement with Boeing Satellite Systems International Inc., dated July 31, 2003 and assigned to Bank of America, N.A. on May 24, 2006 (incorporated by reference to Exhibit 4.70 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.39	_	Second Supplemental Indenture, dated July 28, 2008, between XM Satellite Radio Holdings Inc. and the Company, relating to the 1.75% Convertible Senior Notes due 2009 (incorporated by reference to Exhibit 4.71 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.40	_	First Supplemental Indenture, dated July 28, 2008, among XM Satellite Radio Inc., as issuer, XM Satellite Radio Holdings Inc., XM Equipment Leasing LLC, XM Radio Inc. and The Bank of New York Mellon, relating to the 9.75% Senior Notes due 2014 (incorporated by reference to Exhibit 4.72 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).

Exhibit		Description
4.41	_	Second Supplemental Indenture, dated July 28, 2008, among XM Satellite Radio Inc., as issuer, XM Satellite Radio Holdings Inc., XM Equipment Leasing LLC, XM Radio Inc. and The Bank of New York Mellon, relating to the 9.75% Senior Notes due 2014 (incorporated by reference to Exhibit 4.73 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.42	_	Notice from XM Satellite Radio Holdings Inc., dated July 28, 2008, relating to the 10% Senior Discount Convertible Notes due 2009 (incorporated by reference to Exhibit 4.75 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.43	_	Indenture, dated as of July 31, 2008, among XM Escrow LLC and The Bank of New York Mellon, relating to the 13% Senior Notes due 2014 (incorporated by reference to Exhibit 4.77 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.44	_	Supplemental Indenture, dated as of July 31, 2008, among XM Satellite Radio Holdings Inc., XM Satellite Radio Inc., XM Equipment Leasing LLC, XM Radio Inc., and The Bank of New York Mellon, relating to the 13% Senior Notes due 2014 (incorporated by reference to Exhibit 4.78 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.45	_	Supplemental Indenture, dated as of July 31, 2008, among XM Satellite Radio Holdings Inc., XM Escrow LLC and The Bank of New York Mellon, relating to the 13% Senior Notes due 2014 (incorporated by reference to Exhibit 4.79 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.46	_	Indenture, dated as of August 1, 2008 among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc., XM Equipment LLC, XM Radio Inc., the Company and The Bank of New York Mellon, as trustee, relating to the 7% Exchangeable Senior Subordinated Notes due 2014 (incorporated by reference to Exhibit 4.80 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.47	_	Registration Rights Agreement, dated August 1, 2008, among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc., XM Equipment Leasing LLC, XM Radio Inc., the Company, J.P. Morgan Securities Inc., Morgan Stanley & Co. Incorporated and UBS Securities LLC, relating to the 7% Exchangeable Senior Subordinated Notes due 2014 (incorporated by reference to Exhibit 4.81 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
4.48	_	Form of Media-Based Incentive Warrant, dated as of January 27, 2009, issued by the Company to NFL Enterprises LLC (incorporated by reference to Exhibit 4.48 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
4.49	_	Note Purchase Agreement, dated as of February 13, 2009, among the Company, XM Satellite Radio Holdings Inc., XM 1500 Eckington LLC, XM Investment LLC and the purchasers listed on schedule I thereto, relating to XM Satellite Radio Holdings Inc.'s Senior PIK Secured Notes due 2011 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 17, 2009).
4.50	_	Indenture, dated as of February 13, 2009, among the Company, XM Satellite Radio Holdings Inc., XM 1500 Eckington LLC, XM Investment LLC and U.S. Bank National Association, as trustee and collateral trustee, relating to XM Satellite Radio Holdings Inc.'s Senior PIK Secured Notes due 2011 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on February 17, 2009).
4.51	_	Form of Senior PIK Secured Notes due 2011 (incorporated by reference to Exhibit A of Exhibit 4.2 to the Company's Current Report on Form 8-K filed on February 17, 2009)).

Exhibit		Description
4.52	_	Security Agreement, dated as of February 13, 2009, among XM 1500 Eckington LLC, XM Investment LLC and U.S. Bank National Association, as collateral trustee, relating to XM Satellite Radio Holdings Inc.'s Senior PIK Secured Notes due 2011 (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on February 17, 2009).
4.53	_	Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of February 13, 2009, from XM 1500 Eckington LLC, as grantor, to Stewart Title of Maryland Inc., as trustee for the benefit of U.S. Bank National Association as collateral agent, as beneficiary (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on February 17, 2009).
4.54	_	Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of February 13, 2009, from XM Investment LLC, as grantor, to Stewart Title of Maryland Inc., as trustee for the benefit of U.S. Bank National Association as collateral agent, as beneficiary (incorporated by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K filed on February 17, 2009).
4.55	_	Registration Rights Agreement, dated as of February 13, 2009, among the Company, XM Satellite Radio Holdings Inc., XM 1500 Eckington LLC, XM Investment LLC and the purchasers signatory thereto, relating to XM Satellite Radio Holdings Inc.'s Senior PIK Secured Notes due 2011 (incorporated by reference to Exhibit 4.6 to the Company's Current Report on Form 8-K filed on February 17, 2009).
4.56	_	Investment Agreement, dated as of February 17, 2009, between the Company and Liberty Radio LLC (incorporated by reference to Exhibit 4.55 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
4.57	_	Third Supplemental Indenture, dated as of March 6, 2009, among XM Satellite Radio Inc., XM Equipment Leasing LLC, XM Radio Inc. and the Bank of New York Mellon, as trustee, relating to the 9.75% Senior Notes due 2014 (incorporated by reference to Exhibit 4.56 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
4.58	_	Rights Agreement, dated as of April 29, 2009, between the Company and The Bank of New York Mellon, as rights agent (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 29, 2009).
10.1	_	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).
**10.2	_	Operational Assistance Agreement, dated as of June 7, 1999, between XM Satellite Radio Inc. and Clear Channel Communications, Inc. (incorporated by reference to Exhibit 10.10 to Amendment No. 1 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-1, File No. 333-83619).
**10.3	_	Technology Licensing Agreement among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc., WorldSpace Management Corporation and American Mobile Satellite Corporation, dated as of January 1, 1998, amended by Amendment No. 1 to Technology Licensing Agreement, dated June 7, 1999 (incorporated by reference to Exhibit 10.3 to XM Satellite Radio Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2007).
***10.4	_	Third Amended and Restated Distribution and Credit Agreement, dated as of February 6, 2008, among General Motors Corporation, XM Satellite Radio Holdings Inc. and XM Satellite Radio Inc. (incorporated by reference to Exhibit 10.63 to XM Satellite Radio Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2007).

Exhibit		Description
10.5	_	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).
**10.6	_	Third Amended and Restated Satellite Purchase Contract for In-Orbit Delivery, dated as of May 15, 2001, between XM Satellite Radio Inc. and Boeing Satellite Systems International Inc. (incorporated by reference to Exhibit 10.36 to Amendment No. 1 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-3, File No. 333-89132).
10.7	_	Assignment and Novation Agreement, dated as of December 5, 2001, between XM Satellite Radio Holdings Inc., XM Satellite Radio Inc. and Boeing Satellite Systems International Inc. (incorporated by reference to Exhibit 10.3 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed on December 6, 2001).
**10.8	_	Amendment to the Satellite Purchase Contract for In-Orbit Delivery, dated as of December 5, 2001, between XM Satellite Radio Inc. and Boeing Satellite Systems International Inc. (incorporated by reference to Exhibit 10.4 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed on December 6, 2001).
10.9	_	GM/DIRECTV Director Designation Agreement, dated as of January 28, 2003, among XM Satellite Radio Holdings Inc., General Motors Corporation and DIRECTV Enterprises LLC (incorporated by reference to Exhibit 10.43 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed on January 29, 2003).
10.10	_	Amended and Restated Assignment and Use Agreement, dated as of January 28, 2003, between XM Satellite Radio Inc. and XM Radio Inc. (incorporated by reference to Exhibit 10.7 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed on January 29, 2003).
10.11	_	Amended and Restated Director Designation Agreement, dated as of February 1, 2003, among XM Satellite Radio Holdings Inc. and the shareholders and noteholders named therein (incorporated by reference to Exhibit 10.42 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2003).
**10.12	_	Amended and Restated Amendment to the Satellite Purchase Contract for In-Orbit Delivery, dated May 23, 2003, among XM Satellite Radio Inc. and XM Satellite Radio Holdings Inc. and Boeing Satellite Systems International, Inc. (incorporated by reference to Exhibit 10.53 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).
**10.13	_	July 2003 Amendment to the Satellite Purchase Contract for In-Orbit Delivery, dated July 31, 2003, among XM Satellite Radio Inc. and XM Satellite Radio Holdings Inc. and Boeing Satellite Systems International, Inc. (incorporated by reference to Exhibit 10.54 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).
**10.14	_	Contract for Launch Services, dated August 5, 2003, between Sea Launch Limited Partnership and XM Satellite Radio Holdings Inc. (incorporated by reference to Exhibit 10.55 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).
10.15	_	Amendment No. 1 to Amended and Restated Director Designation Agreement, dated as of September 9, 2003, among XM Satellite Radio Holdings Inc. and the shareholders and noteholders named therein (incorporated by reference to Exhibit 10.56 to XM Satellite Radio Holdings Inc.'s Quarterly Report in Form 10-Q for the quarter ended September 30, 2003).

Exhibit		Description
10.16	_	December 2003 Amendment to the Satellite Purchase Contract for In-Orbit Delivery, dated December 19, 2003, among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc. and Boeing Satellite Systems International, Inc. (incorporated by reference to Exhibit 10.57 to XM Satellite Radio Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2003).
10.17	_	Term Credit Agreement, dated as of June 20, 2007, among the Company, the lenders party thereto, and Morgan Stanley Senior Funding, Inc., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 20, 2007).
10.18	_	Amended and Restated Customer Credit Agreement, dated as of July 30, 2007, between the Company and Space Systems/Loral, Inc. (incorporated by reference to Exhibit 4.19 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007).
10.19	_	First Amendment and Waiver to Amended and Restated Credit Agreement, dated as of May 22, 2008, between the Company and Space Systems/Loral, Inc. (incorporated by reference to Exhibit 4.18 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
10.20	_	First Amendment dated as of June 26, 2008 to the Intercreditor Agreement dated as of May 5, 2006 among The Bank of New York, in its capacity as collateral agent under certain intercreditor agreements dated as of January 28, 2003, JP Morgan Chase Bank, N.A., in its capacity as administrative agent under the Original Facility, JP Morgan Chase Bank, N.A., as new collateral agent for the secured parties under that certain Collateral Agency Agreement dated as of June 26, 2008 and General Motors Corporation, acknowledged and agreed to by XM Satellite Radio Inc., XM Satellite Radio Holdings Inc. and certain other parties (incorporated by reference to Exhibit 10.4 to XM Satellite Radio Holding Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008).
10.21	_	Consent and Amendment Agreement, dated as of July 10, 2008, among XM Satellite Radio Holdings Inc. and the undersigned holders of XM Satellite Radio Holdings Inc.'s 1.75% Convertible Senior Notes due 2009 (incorporated by reference to Exhibit 10.8 to XM Satellite Radio Holding's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008).
10.22	_	Waiver and Letter Agreement, dated as of July 14, 2008, among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc. and certain beneficial owners of XM Satellite Radio Inc.'s 9.75% Senior Notes due 2014 (incorporated by reference to Exhibit 10.6 to XM Satellite Radio Inc.'s Current Report on Form 8-K filed on July 17, 2008).
10.23	_	Share Lending Agreement, dated July 28, 2008, between the Company and Morgan Stanley Capital Services, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
10.24	_	Share Lending Agreement, dated July 28, 2008, between the Company and UBS AG, London Branch (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).
10.25	_	Underwriting Agreement, dated July 28, 2008, among the Company, Morgan Stanley & Co. Incorporated and UBS Securities LLC, relating to the Share Lending Agreements (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008).

Exhibit		Description
10.26	_	Term Credit Agreement, dated as of February 17, 2009, among the Company, the lender parties thereto and Liberty Media Corporation, as administrative agent and collateral agent (filed herewith).
10.27	_	Term Loan Guarantee and Collateral Agreement, dated as of February 17, 2009, among the Company, The subsidiary guarantors named therein and Liberty Media Corporation, as collateral agent (filed herewith).
10.28	_	Purchase Money Loan Guarantee and Collateral Agreement, dated as of February 17, 2009, among the Company, the subsidiary guarantors named therein and Liberty Media Corporation, as and collateral agent (filed herewith).
10.29	_	Credit Agreement, dated as of February 17, 2009, among XM Satellite Radio Holdings Inc., XM Satellite Radio Inc., the lender parties thereto and Liberty Media Corporation, as lender and administrative agent (filed herewith).
10.30	_	Amended and Restated Credit Agreement, dated as of March 6, 2009, among XM Satellite Radio Holdings Inc., XM Satellite Radio Inc., the lender parties thereto and Liberty Media Corporation, as administrative agent (incorporated by reference to Exhibit 10.26 to XM Satellite Radio Inc.'s Registration Statement on Form S-1, File No. 333-158079).
10.31	_	Guarantee and Collateral Agreement, dated as of March 6, 2009, among XM Satellite Radio Holdings Inc., XM Satellite Radio Inc., the subsidiary guarantors named therein and Liberty Media Corporation, as administrative agent (incorporated by reference to Exhibit 10.27 to XM Satellite Radio Inc.'s Registration Statement on Form S-1, File No. 333-158079).
10.32	_	Amended and Restated Credit Agreement, dated as of March 6, 2009, among XM Satellite Radio Holdings Inc., XM Satellite Radio Inc., the lender parties thereto and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.28 to XM Satellite Radio Inc.'s Registration Statement on Form S-1, File No. 333-158079).
10.33	_	Intercreditor Agreement, dated as of March 6, 2009, among XM Satellite Radio Inc., JPMorgan Chase Bank, N.A. and Liberty Media Corporation agent (incorporated by reference to Exhibit 10.29 to XM Satellite Radio Inc.'s Registration Statement on Form S-1, File No. 333-158079).
10.34	_	Second Amendment to Security Agreement, dated as of March 6, 2009, among XM Satellite Radio Holdings Inc., XM Satellite Radio Inc., XM Equipment Leasing LLC and JPMorgan Chase Bank, N.A., as collateral agent (incorporated by reference to Exhibit 10.30 to XM Satellite Radio Inc.'s Registration Statement on Form S-1, File No. 333-158079).
10.35	_	Joinder Agreement, dated as of March 6, 2009, among XM Satellite Radio Holdings Inc., XM Satellite Radio Inc., XM Equipment Leasing LLC and JPMorgan Chase Bank, N.A., as collateral agent (incorporated by reference to Exhibit 10.31 to XM Satellite Radio Inc.'s Registration Statement on Form S-1, File No. 333-158079).
10.36	_	Amended and Restated Guarantee Agreement, dated as of March 6, 2009, among XM Satellite Radio Holdings Inc., certain of its subsidiaries named therein and certain subsidiaries of XM Satellite Radio Inc. and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.32 to XM Satellite Radio Inc.'s Registration Statement on Form S-1, File No. 333-158079).
10.37		Amended and Restated Purchase Money Loan Guarantee and Collateral Agreement, dated as of April 30, 2009, among the Company, the subsidiary guarantors named therein and Liberty Media Corporation, as collateral agent (filed herewith).

Exhibit		Description
*10.38	_	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).
*10.39	_	Form of Employee Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.19 to Amendment No. 1 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-1, File No. 333-83619).
*10.40	_	Non-Qualified Stock Option Agreement between Gary Parsons and XM Satellite Radio Holdings Inc., dated July 16, 1999 (incorporated by reference to Exhibit 10.23 to Amendment No. 5 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-1, File No. 333-83619).
*10.41	_	Form of Director Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.25 to Amendment No. 5 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-1, File No. 333-83619).
*10.42	_	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)).
*10.43	_	XM Satellite Radio Holdings Inc. Talent Option Plan (incorporated by reference to Exhibit 99.1 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-8, File No. 333-65022).
*10.44	_	Form of 2003 Executive Stock Option Agreement (incorporated by reference to Exhibit 10.52 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2003).
*10.45	_	1998 Shares Award Plan (incorporated by reference to Exhibit 4.1 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-8, File No. 333-106827).
*10.46	_	Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.2 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-8, File No. 333-106827).
*10.47	_	Employment Agreement, dated as of June 3, 2003, between the Company and David J. Frear (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).
*10.48	_	Employment Agreement, dated as of May 5, 2004, between the Company and Scott A. Greenstein (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
*10.49	_	Amended and Restated Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan (incorporated by reference to Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
*10.50	_	Form of Employment Agreement, dated as of August 6, 2004, among XM Satellite Radio Holdings Inc., XM Satellite Radio Inc. and Gary Parsons (incorporated by reference to Exhibit 10.40 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
*10.51	_	Form of 2004 Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.42 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
*10.52	_	Employment Agreement, dated as of November 8, 2004, between Patrick L. Donnelly and the Company (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004).

Exhibit		Description
*10.53	_	Employment Agreement dated November 18, 2004 between the Company and Mel Karmazin (incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004).
*10.54	_	Form of Restricted Stock Agreement for executive officers (incorporated by reference to Exhibit 10.39 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2005).
*10.55	_	First Amendment, dated as of August 8, 2005, to the Employment Agreement, dated as of May 5, 2004, between the Company and Scott Greenstein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 12, 2005).
*10.56	_	Restricted Stock Unit Agreement, dated as of August 9, 2005, between the Company and James E. Meyer (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated August 12, 2005).
*10.57	_	First Amendment, dated as of August 10, 2005, to the Employment Agreement, dated as of June 3, 2003, between the Company and David Frear (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated August 12, 2005).
*10.58	_	Amendment No. 1 to Employment Agreement, dated as of April 4, 2007, among Gary Parsons, XM Satellite Radio Holdings Inc. and XM Satellite Radio Inc. (incorporated by reference to Exhibit 10.1 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed April 10, 2007).
*10.59	_	Form of Severance Agreement for executive officers other than Chairman, CEO, President and COO (incorporated by reference to Exhibit 10.4 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed April 10, 2007).
*10.60	_	First Amendment, dated as of May 21, 2007, to the Employment Agreement, dated as of November 8, 2004, between Patrick L. Donnelly and the Company (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 22, 2007).
*10.61	_	Form of Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.2 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed June 1, 2007).
*10.62	_	Form of Restricted Stock Agreement (incorporated by reference to Exhibit 10.3 to XM Satellite Radio Holdings Inc.'s Current Report on Form 8-K filed June 1, 2007).
*10.63	_	Amended and Restated Employment Agreement, dated as of June 6, 2007, between James E. Meyer and the Company (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 7, 2007).
*10.64	_	XM Satellite Radio Holdings Inc. 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.5 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2007).
*10.65	_	Second Amendment, dated as of February 12, 2008, to the Employment Agreement, dated as of June 3, 2003, between the Company and David J. Frear (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 13, 2008).
*10.66	_	Amendment No. 2 to Employment Agreement, dated as of February 27, 2008, among Gary Parsons, XM Satellite Radio Holdings Inc. and XM Satellite Radio Inc. (incorporated by reference to Exhibit 10.64 to XM Satellite Radio Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2007)

Exhibit		Description
*10.67	_	Amendment No. 3 to Employment Agreement, dated as of June 26, 2008, among Gary Parsons, XM Satellite Radio Holdings Inc. and XM Satellite Radio Inc. (incorporated by reference to Exhibit 10.5 to XM Satellite Radio Holding's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008).
*10.68	_	Employment Agreement, dated as of September 26, 2008, between the Company and Dara F. Altman (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 1, 2008).
31.1	_	Certificate of Mel Karmazin, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	_	Certificate of David J. Frear, Executive Vice President and Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	_	Certificate of Mel Karmazin, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.2	_	Certificate of David J. Frear, Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).

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

** Pursuant to the Commission's Orders Granting Confidential Treatment under Rule 406 of the Securities Act of 1933 or Rule 24(b)-2 under the Securities Exchange Act of 1934, certain confidential portions of this Exhibit were omitted by means of redacting a portion of the text.

*** Confidential treatment has been requested with respect to portions of this Exhibit that have been omitted by redacting a portion of the text.

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 XM Radio INC.

By: /s/ DAVID J. FREAR
David J. Frear
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

May 8, 2009

Exhibit 10.26

EXECUTION COPY

TERM CREDIT AGREEMENT

dated as of

February 17, 2009,

among

SIRIUS XM RADIO INC.,

The Lenders Party Hereto

and

LIBERTY MEDIA CORPORATION
as Administrative Agent and Collateral Agent

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CREDIT AGREEMENT dated as of February 17, 2009, among SIRIUS XM RADIO INC., a Delaware corporation (the "Borrower"), the LENDERS from time to time party hereto and LIBERTY MEDIA CORPORATION, as Administrative Agent and Collateral Agent.

The Borrower has requested the Lenders (such term and each other capitalized term used and not otherwise defined herein having the meaning assigned to it in Article I) to extend credit in the form of Term Loans to the Borrower in US Dollars in an aggregate principal amount of $250,000,000 and Purchase Money Loans to the Borrower in US Dollars in an aggregate principal amount of not more than $30,000,000. The proceeds of the Term Loans are to be used (i) to repay the aggregate principal outstanding of the 2 1/2% Convertible Notes at maturity and (ii) for general corporate purposes of the Borrower and its Subsidiaries. The proceeds of the Purchase Money Loans are to be used to finance the acquisition of assets, including additions and improvements, of the Borrower and its Subsidiaries.

The Lenders are willing to make the Loans upon the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"2 1/2% Convertible Notes" means the 2 1/2% Convertible Notes of the Borrower due 2009 issued pursuant to the 2 1/2% Convertible Notes Indenture.

"2 1/2% Convertible Notes Indenture" means the Indenture dated as of May 23, 2003, between the Borrower and The Bank of New York, as trustee.

"9 5/8% Senior Notes Indenture" means the Indenture dated as of August 9, 2005, between the Borrower and The Bank of New York, as trustee.

"9 5/8% Senior Notes" means the 9 5/8% Senior Notes of the Borrower due 2013 issued pursuant to the 9 5/8% Senior Notes Indenture.

"8 3/4% Subordinated Notes" means the 8 3/4% Convertible Subordinated Notes of the Borrower due 2009 issued pursuant to the Indenture dated as of September 29, 1999, between the Borrower and United States Trust Company of Texas, N.A., as trustee.

"Additional Assets" means (a) any property, plant, license or equipment used in a Related Business, (b) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Borrower or another Restricted Subsidiary or (c) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; provided, however, that any such Restricted Subsidiary described in clause (b) or (c) above is engaged in a Related Business.

"Administrative Agent" means Liberty, in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes hereof, "control", when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For purposes of Section 6.05 only, "Affiliate" shall also mean any beneficial owner of Capital Stock representing 10% or more of the total voting power of the Voting Stock (on a fully diluted basis) of the Borrower (excluding any Person permitted to report such ownership on Schedule 13G under the Exchange Act) or of rights or warrants to purchase such Capital Stock (whether or not currently exercisable) and any Person who would be an Affiliate of any such beneficial owner pursuant to the first sentence hereof.

"Affiliate Transaction" has the meaning assigned to such term in Section 6.05.

"Agents" means the Administrative Agent and the Collateral Agent.

"Asset Disposition" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Borrower or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "disposition"), of:

(a) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Borrower or a Restricted Subsidiary);

(b) all or substantially all the assets of any division or line of business of the Borrower or any Restricted Subsidiary; or

(c) any other assets of the Borrower or any Restricted Subsidiary outside of the ordinary course of business of the Borrower or such Restricted Subsidiary;

other than, in the case of clauses (a), (b) and (c) above,

(i) a disposition by a Restricted Subsidiary to the Borrower or by the Borrower or a Restricted Subsidiary to a Restricted Subsidiary;

(ii) for purposes of Sections 2.07 and 6.04 only, a disposition that constitutes a Restricted Payment (or would constitute a Restricted Payment but for the exclusions from the definition thereof) and that is not prohibited by Section 6.02 and the making of an Asset Swap;

(iii) a disposition of assets with a fair market value of less than $10,000,000;

(iv) a disposition of cash or Temporary Cash Investments;

(v) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien);

(vi) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property, provided, however, that such licensing or sublicensing shall not interfere in any material respect with the Borrower's or such Restricted Subsidiary's continuing use of such intellectual property or other general intangibles and licenses, leases or subleases of other property; and

(vii) foreclosure on assets.

"Asset Swap" means concurrent purchase and sale or exchange of Related Business Assets between the Borrower or any of its Restricted Subsidiaries and another Person; provided that any cash received must be applied in accordance with Section 2.07.

"Assignment and Assumption" means an Assignment and Assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Attributable Debt" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate then borne by the 9 5/8% Senior Notes or, if none shall be outstanding, by the Loans, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); provided, however, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of the term of "Capital Lease Obligation".

"Available Purchase Money Loan Commitment" shall mean, with respect to any Lender at any time, an amount equal to the excess, if any, of (a) the amount of the Purchase Money Loan Commitment of such Lender at such time over (b) the aggregate principal amount of all Purchase Money Loans made by such Lender prior to such time.

"Average Life" means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

(a) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment by

(b) the sum of all such payments.

"Board of Directors" means the Board of Directors of the Borrower or any committee thereof duly authorized to act on behalf of such Board.

"Board of Governors" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" has the meaning assigned to such term in the heading of this Agreement.

"Borrower-Holdings Merger" means (a) a merger or consolidation of XM Satellite Radio Holdings Inc. with or into Sirius XM Radio Inc. or a merger or consolidation of Sirius XM Radio Inc. with or into XM Satellite Radio Holdings Inc. or (b) any assignment, transfer, conveyance or other disposition of all or substantially all of the properties or assets of XM Satellite Radio Holdings Inc. to Sirius XM Radio Inc. or of Sirius XM Radio Inc. to XM Satellite Radio Holdings Inc.

"Borrower-XM Merger" means (a) a merger or consolidation of XM Satellite Radio Inc. with or into Sirius XM Radio Inc. or a merger or consolidation of Sirius XM Radio Inc. with or into XM Satellite Radio Inc. or (b) any assignment, transfer, conveyance or other disposition of all or substantially all of the properties or assets of XM Satellite Radio Inc. to Sirius XM Radio Inc. or of Sirius XM Radio Inc. to XM Satellite Radio Inc.

"Borrowing Request" means a request by the Borrower for a Loan in accordance with Section 2.03(a).

"Business Day" means any day that is not a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York.

"Call Premium" means, with respect to any applicable prepayment under Section 2.07(a) or 2.08, an amount equal to 5.0% of the aggregate principal amount of such prepayment.

"Capital Lease Obligation" means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. For purposes of Section 6.08, a Capital Lease Obligation will be deemed to be secured by a Lien on the property being leased.

"Capital Stock" of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Casualty Event" means any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any Restricted Subsidiary with a fair market value immediately prior to such event equal to or greater than $500,000.

"Change of Control" means the occurrence of any of the following events:

(a) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (a) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Borrower (for the purposes of this clause (a), such other person shall be deemed to beneficially own any Voting Stock of a Person held by any other Person (the "parent entity"), if such other person is the beneficial owner (as defined in this clause (a)), directly or indirectly, of more than 50% of the voting power of the Voting Stock of such parent entity);

(b) individuals who on the date of this Agreement constituted the Board of Directors (together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of the Borrower was approved by a vote of a majority of the directors of the Borrower then still in office who were either directors on the date of this Agreement or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office; or

(c) the merger or consolidation of the Borrower with or into another Person or the merger of another Person with or into the Borrower, or the sale of all or substantially all the assets of the Borrower (determined on a consolidated basis) to another Person.

Notwithstanding the foregoing, none of the consummation of a Borrower-Holdings Merger, the consummation of a Borrower-XM Merger, the consummation of a Holdings-XM Merger or the formation, by merger or otherwise, of a parent entity of the Borrower shall constitute a Change of Control under paragraph (c) above if holders of securities that represented 100% of the Voting Stock of the Borrower immediately prior to such transaction (or other securities into which such securities are converted as part of such transaction) own, directly or indirectly, at least a majority of the Voting Power of the Voting Stock of the Borrower immediately after such transaction.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means any and all "Collateral", as defined in any applicable Security Document.

"Collateral Agent" means Liberty, in its capacity as the collateral agent for the Secured Parties.

"Collateral Agreements" means the collective reference to the Term Loan Guarantee and Collateral Agreement and the Purchase Money Guarantee and Collateral Agreement.

"Commitments" means the collective reference to Term Loan Commitments and the Purchase Money Loan Commitments.

"Consolidated Income Tax Expense" means, with respect to the Borrower for any period, the provision for federal, state, local and foreign taxes based on income or profits (including franchise taxes) payable by the Borrower and its Restricted Subsidiaries for such period, as determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, for any period, (a) the total interest expense of the Borrower and its Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including amortization of debt issuance costs and original issue discount), plus (b) to the extent not included in such interest expense, without duplication, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations and Attributable Debt and commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of (c) the effect of all payments made or received pursuant to Hedging Obligations.

"Consolidated Leverage Ratio" as of any date of determination means the ratio of (a) the aggregate amount of Indebtedness of the Borrower and its Restricted Subsidiaries as of such date of determination to (b) Consolidated Operating Cash Flow for the most recent four consecutive fiscal quarters ending prior to such date of determination for which financial information is available (the "Reference Period"); provided, however, that:

(i) if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is an Incurrence of Indebtedness, the amount of such Indebtedness shall be calculated after giving effect on a *pro forma* basis to such Indebtedness;

(ii) if the Borrower or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness that was outstanding as of the end of such fiscal quarter or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged on the date of the transaction giving rise to the need to calculate the Consolidated Leverage Ratio (other than, in each case, Indebtedness Incurred under any revolving credit facility), the aggregate amount of Indebtedness shall be calculated on a *pro forma* basis and Consolidated Operating Cash Flow shall be calculated as if the Borrower or such Restricted Subsidiary had not earned the interest income, if any, actually earned during the Reference Period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness;

(iii) if since the beginning of the Reference Period the Borrower or any Restricted Subsidiary shall have made any Asset Disposition, the Consolidated Operating Cash Flow for the Reference Period shall be reduced by an amount equal to the Consolidated Operating Cash Flow (if positive) directly attributable to the assets that are the subject of such Asset Disposition for the Reference Period or increased by an amount equal to the Consolidated Operating Cash Flow (if negative) directly attributable thereto for the Reference Period;

(iv) if since the beginning of the Reference Period the Borrower or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets that constitutes all or substantially all of an operating unit of a business, Consolidated Operating Cash Flow for the Reference Period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition had occurred on the first day of the Reference Period; and

(v) if since the beginning of the Reference Period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Borrower or any Restricted Subsidiary since the beginning of such Reference Period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (iii) or (iv) above if made by the Borrower or a Restricted Subsidiary during the Reference Period, Consolidated Operating Cash Flow for the Reference Period shall be calculated after giving *pro forma* effect thereto as if such Asset Disposition, Investment or acquisition had occurred on the first day of the Reference Period.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the *pro forma* calculations shall be determined in accordance with GAAP in good faith by a Financial Officer of the Borrower. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months). If any Indebtedness is Incurred under a revolving credit facility and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated based on the average daily balance of such Indebtedness for the four fiscal quarters subject to the *pro forma* calculation to the extent such Indebtedness was Incurred solely for working capital purposes.

"Consolidated Net Income" means, for any period, the net income of the Borrower and its consolidated Subsidiaries; provided, however, that there shall not be included in such Consolidated Net Income:

(a) any net income of any Person (other than the Borrower) if such Person is not a Restricted Subsidiary, except that:

(i) subject to the exclusion contained in clauses (c), (d) and (e) below, the Borrower's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Borrower or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (b) below); and

(ii) the Borrower's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from the Borrower or a Restricted Subsidiary;

(b) any net income of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Borrower, except that:

(i) subject to the exclusion contained in clauses (c), (d) and (e) below, the Borrower's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to the Borrower or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary, to the limitation contained in this clause); and

(ii) the Borrower's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(c) any gain (or loss) realized upon the sale or other disposition of any assets of the Borrower or its consolidated Subsidiaries (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(d) extraordinary gains or losses; and

(e) the cumulative effect of a change in accounting principles,

in each case, for such period. Notwithstanding the foregoing, for the purpose of Section 6.02 only, there shall be excluded from Consolidated Net Income any repurchases, repayments or redemptions of Investments, proceeds realized on the sale of Investments or return of capital to the Borrower or a Restricted Subsidiary to the extent such repurchases, repayments, redemptions, proceeds or returns increase the amount of Restricted Payments permitted under such Section pursuant to paragraph (a)(iii)(D) thereof.

"Consolidated Operating Cash Flow" means, with respect to the Borrower and its Restricted Subsidiaries on a consolidated basis, for any period, an amount equal to Consolidated Net Income for such period increased (without duplication) by the sum of:

(a) Consolidated Income Tax Expense accrued for such period to the extent deducted in determining Consolidated Net Income for such period;

(b) Consolidated Interest Expense for such period to the extent deducted in determining Consolidated Net Income for such period; and

(c) depreciation, amortization and any other noncash items for such period to the extent deducted in determining Consolidated Net Income for such period (other than any noncash item that requires the accrual of, or a reserve for, cash charges for any future period) of the Borrower and the Restricted Subsidiaries (including amortization of capitalized debt issuance costs for such period, any noncash compensation expense realized for grants of stock options or other rights to officers, directors, consultants and employees and noncash charges related to equity granted to third parties), all of the foregoing determined on a consolidated basis in accordance with GAAP, and decreased by noncash items to the extent they increase Consolidated Net Income (including the partial or entire reversal of reserves taken in prior periods, but excluding reversals of accruals or reserves for cash charges taken in prior periods) for such period.

"Consolidated Total Assets" means the total assets of the Borrower and its consolidated Restricted Subsidiaries, as shown on the most recent balance sheet of the Borrower, determined on a consolidated basis in accordance with GAAP.

"Default" means any event or condition that is, or after notice or passage of time or both would, unless cured or waived, become an Event of Default.

"Designated Joint Ventures" means any Person formed for the purpose of, or whose principal business is, offering a satellite radio service outside the continental United States; provided, however, that the aggregate Investment in such Persons by the Borrower and its Restricted Subsidiaries does not exceed $100,000,000 in the aggregate at any time outstanding (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value).

"Disqualified Stock" means, with respect to any Person, any Capital Stock that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(a) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person that is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or

(c) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part;

in each case on or prior to the date that is 91 days after the Maturity Date; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" shall not constitute Disqualified Stock if:

(i) the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions of Sections 4.06 and 4.10 of the 9 5/8% Senior Notes Indenture, as in effect on the date of this Agreement; and

(ii) any such requirement only becomes operative after compliance with the provisions set forth herein, including Section 2.07.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to this Agreement; provided, however, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"Domestic Subsidiary" means any Subsidiary organized and existing under the laws of the United States of America, any State thereof or the District of Columbia.

"Effective Date" means the date on which the conditions specified in Sections 4.01 and 4.02 are satisfied, or waived in accordance with Section 9.02, with respect to the Term Loans made hereunder.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, Release or threatened Release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, obligation, damage, loss, claim, action, suit, judgment, order, fine, penalty, fee, expense or cost, contingent or otherwise (including any liability for natural resource damages, costs of environmental remediation or indemnities), directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or

threatened Release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) prior to the effectiveness of the applicable provisions of the Pension Act, the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA) or, on and after the effectiveness of the applicable provisions of the Pension Act, any failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, in each case whether or not waived, (c) the filing pursuant to, prior to the effectiveness of the applicable provisions of the Pension Act, Section 412(d) of the Code or Section 303(d) of ERISA or, on and after the effectiveness of the applicable provisions of the Pension Act, Section 412(c) of the Code or Section 302(c) of ERISA, of an application for a waiver of the minimum funding standard with respect to any Plan, (d) on and after the effectiveness of the applicable provisions of the Pension Act, a determination that any Plan is, or is expected to be, in "at-risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code), (e) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan, (f) the receipt by the Borrower or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan, (f) the incurrence by the Borrower or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA or, on and after the effectiveness of the applicable provisions of the Pension Act, in endangered or critical status, within the meaning of Section 305 of ERISA.

"Event of Default" has the meaning assigned to such term in Article VII.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Taxes" means, with respect to any Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America (or any political subdivision thereof), or by the jurisdiction under

which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profit taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) above and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.17(b)), any withholding tax that (i) is in effect and would apply to amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to any withholding tax pursuant to Section 2.15(a), or (ii) is attributable to such Foreign Lender's failure to comply with Section 2.15(e).

"FCC" means the Federal Communications Commission, and any successor entity performing similar functions.

"FCC Licenses" means all authorizations, orders, licenses and permits issued by the FCC to the Borrower or any of its Restricted Subsidiaries under which the Borrower or any of its Restricted Subsidiaries is authorized to provide satellite digital radio service in the United States, to launch and operate any of its Satellites and the TT&C Stations related thereto or to operate any of its transmit only, receive only or transmit and receive earth stations.

"FCC Licenses Subsidiary" means Satellite CD Radio, Inc., a Delaware corporation and a Wholly Owned Subsidiary, and any other Restricted Subsidiary formed for the sole purpose of holding FCC Licenses and all of the issued and outstanding Capital Stock of which is owned by a Loan Party.

"Fee Letter" means the fee letter dated as of the date hereof between the Borrower and Liberty.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Pledge Agreement" means a pledge or charge agreement with respect to each portion of the Collateral that constitutes Capital Stock of a Foreign Subsidiary, in form and substance reasonably satisfactory to the Administrative Agent.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(b) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" when used as a verb shall have a corresponding meaning.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, and all other substances or wastes of any nature regulated, limited or prohibited pursuant to any Environmental Law.

"Hedging Agreement" means any interest rate protection agreement or foreign currency exchange agreement or other interest or currency exchange rate hedging arrangement.

"Hedging Obligations" of any Person means the obligations of such Person under:

(a) currency exchange or interest rate swap agreements, currency exchange or interest rate cap agreements or currency exchange or interest rate collar agreements; or

(b) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange or interest rate prices.

"Holdings-XM Merger" means (a) a merger or consolidation of XM Satellite Radio Inc. with or into XM Satellite Radio Holdings Inc. or a merger or consolidation of XM Satellite Radio Holdings Inc. with or into XM Satellite Radio Inc. or (b) any assignment, transfer, conveyance or other disposition of all or substantially all of the properties or assets of XM Satellite Radio Inc. to XM Satellite Radio Holdings Inc. or of XM Satellite Radio Holdings Inc. to XM Satellite Radio Inc.

"Incur" means issue, assume, Guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be

deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. Solely for purposes of determining compliance with Section 6.01:

(a) amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;

(b) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms; and

(c) the obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of redemption or making of a mandatory offer to purchase such Indebtedness will not be deemed to be the Incurrence of Indebtedness. Will not be deemed to the Incurrence of Indebtedness.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

(a) the principal in respect of (i) indebtedness of such Person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;

(b) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such Person;

(c) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding any accounts payable or other liability to trade creditors arising in the ordinary course of business), in each case only if and to the extent due more than 12 months after the delivery of property;

(d) the principal component of all obligations of such Person for the reimbursement of any obligor on any letter of credit, bankers' acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (a) through (c) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following payment on the letter of credit);

(e) the principal component of the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person or, with respect to any Preferred Stock of any Restricted Subsidiary of such Person, the principal amount of such Preferred Stock to be determined in accordance with this Agreement (but excluding, in each case, any accrued dividends);

(f) all obligations of the type referred to in clauses (a) through (e) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;

(g) all obligations of the type referred to in clauses (a) through (f) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the fair market value of such property or assets and the amount of the obligation so secured; and

(h) to the extent not otherwise included in this definition, Hedging Obligations of such Person.

Notwithstanding the foregoing, in connection with the purchase by the Borrower or any Restricted Subsidiary of any business, the term "Indebtedness" will exclude post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter. Furthermore, in no event shall the Borrower's obligations to pay amounts under any programming or content acquisition arrangements, in each case, consistent with past practice, be considered Indebtedness.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all obligations as described above; provided, however, that in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitee" has the meaning ascribed to such term in Section 9.03.

"Independent Qualified Party" means an investment banking firm, accounting firm or appraisal firm of national standing; provided, however, that such firm is not an Affiliate of the Borrower.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other

property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. If the Borrower or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Borrower or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. Except as otherwise provided for herein, the amount of an Investment shall be its fair market value at the time the Investment is made and without giving effect to subsequent changes in value; provided that none of the following will be deemed to be an Investment:

(i) Hedging Obligations entered into in the ordinary course of business and in compliance with this Agreement;

(ii) endorsements of negotiable instruments and documents in the ordinary course of business;

(iii) an acquisition of assets by the Borrower or a Subsidiary for consideration to the extent such consideration consists of Common Stock of the Borrower; and

(iv) advances, deposits, escrows or similar arrangements in respect of retail or automotive distribution arrangements, programming or content acquisitions or extensions.

For purposes of the definition of "Unrestricted Subsidiary", the definition of "Restricted Payment" and Section 6.02, the term "Investment" shall include:

(A) the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of the Borrower at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Borrower shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (1) the Borrower's "Investment" in such Subsidiary at the time of such redesignation less (2) the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(B) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"Investment Agreement" means the Investment Agreement dated as of the date hereof between the Borrower and Liberty.

"Investment Agreement Termination Date" has the meaning assigned to such term in Section 2.08(a).

"IP Security Agreements" means, collectively, (a) the Copyright Security Agreement between the Loan Parties party thereto and the Collateral Agent, substantially in the form of Exhibit C-1, and (b) the Patent and Trademark Security Agreement between the Loan Parties party thereto and the Collateral Agent, substantially in the form of Exhibit C-2.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that shall have ceased to be a party hereto pursuant to an Assignment and Assumption.

"Liberty" means Liberty Media Corporation.

"Liberty Parties" has the meaning ascribed to such term in the Investment Agreement.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means this Agreement, the Collateral Agreements, the other Security Documents and each promissory note delivered pursuant to this Agreement.

"Loan Parties" means the Borrower and the Subsidiary Guarantors.

"Loans" means the collective reference to the Term Loans and Purchase Money Loans.

"Loral Credit Agreement" means the Customer Credit Agreement dated as of May 31, 2006, between the Borrower and Space Systems/Loral, Inc.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations or financial condition of the Borrower and the Restricted Subsidiaries, taken as a whole, or (b) the rights of or benefits available to the Lenders under any Loan Document.

"Material Indebtedness" means Indebtedness (including Hedging Obligations, but excluding Loans and Guarantees of the Obligations) of the Borrower and the Subsidiaries in an aggregate principal amount of $25,000,000 or more, provided that, without regard to the amounts outstanding thereunder, if any, the obligations of the Borrower under the Loral Credit Agreement shall be deemed to constitute Material Indebtedness. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Subsidiary in respect of any Hedging Obligations at any time shall be the aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Hedging Obligations were terminated at such time.

"Material Subsidiary" means, on any date of determination, (a) each FCC Licenses Subsidiary and (b) each other Restricted Subsidiary, other than Restricted Subsidiaries that do not represent more than 5% for any such Subsidiary individually, or more than 10% in the aggregate for all such Subsidiaries, of either (a) Consolidated Total Assets or (b) consolidated total revenues of the Borrower as of the end of, or for the period of, four fiscal quarters most recently ended for which financial statements are available.

"Maturity Date" means December 20, 2012.

"Moody's" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"Mortgage" means a mortgage, deed of trust, assignment of leases and rents, leasehold mortgage or other security document granting a Lien on any Mortgaged Property to secure the Obligations. Each Mortgage shall be reasonably satisfactory in form and substance to the Administrative Agent.

"Mortgaged Property" means (a) each parcel of real property and the improvements thereto owned by a Loan Party (i) that has an estimated fair market value of $2,500,000 or more or (ii) on which any TT&C Station is located (if located in the United States) and (b) each leasehold interest in real property held by a Loan Party to the extent such leasehold interest is material to the business or operations of the Borrower and its Restricted Subsidiaries and could not readily be replaced on terms not materially less favorable to the lessee.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Available Cash" means:

(a) with respect to any Asset Disposition, any Asset Swap or any Casualty Event, payments in cash and cash equivalents received therefrom (including any cash and cash equivalent payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to such properties or assets or received in any other form that is not cash or cash equivalents), in each case net of:

(i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such event;

(ii) all payments made on any Indebtedness (other than Loans and Secured Indebtedness Incurred pursuant to Section 6.01(a) or 6.01(b)(i) (except if such Secured Indebtedness constitutes Purchase Money Indebtedness)) that is secured by any assets subject to such event, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or,

in the case of an Asset Disposition or an Asset Swap, that must by its terms, or in order to obtain a necessary consent to such Asset Disposition or Asset Swap, or by applicable law, be repaid out of the proceeds from such Asset Disposition or Asset Swap;

(iii) all distributions and other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of such event;

(iv) in the case of any Asset Disposition or Asset Swap, the deduction of appropriate amounts provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets disposed in such Asset Disposition or such Asset Swap and retained by the Borrower or any Restricted Subsidiary after such Asset Disposition or such Asset Swap; and

(v) in the case of any Asset Disposition or Asset Swap, any portion of the purchase price from such Asset Disposition or such Asset Swap placed in escrow, whether as a reserve for adjustment of the purchase price, for satisfaction of indemnities in respect of such Asset Disposition or such Asset Swap or otherwise in connection therewith; provided, however, that upon the termination of that escrow, Net Available Cash will be increased by any portion of funds in the escrow that are released to the Borrower or any Restricted Subsidiary; and

(b) in the case of any Incurrence of Indebtedness, the Net Cash Proceeds therefrom.

"Net Cash Proceeds", with respect to any issuance or sale of Capital Stock or Indebtedness, means the cash proceeds of such issuance or sale, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Notes Issue Date" means August 9, 2005.

"Obligations" means (a) the due and punctual payment by the Borrower of (i) the principal of and premium (including, without limitation, the Call Premium), if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) all other monetary obligations of the Borrower to any of the Secured Parties under this Agreement or any other Loan Document, including obligations to pay fees, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) and (b) the due and punctual payment or performance of all other obligations of any Loan Party under or pursuant to this Agreement or any other Loan Document.

"Offer Period" has the meaning assigned to such term in Section 2.08(a).

"Other Taxes" means any and all present or future recording, stamp, documentary, excise, transfer, sales, property or similar taxes, charges or levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Payment Date" means the last day of each March, June, September and December and, with respect to any Loan, the date of any repayment or prepayment made in respect of such Loan.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Pension Act" means the Pension Protection Act of 2006, as amended from time to time.

"Perfection Certificate" means a certificate in the form of Exhibit D or any other form approved by the Administrative Agent.

"Permitted Holder" means (a) any Liberty Party and (b) any other Person, directly or indirectly, controlled by any of the foregoing.

"Permitted Investment" means the following Investments by the Borrower or any Restricted Subsidiary:

(a) Investments in the Borrower, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; provided, however, that the primary business of such Restricted Subsidiary is a Related Business;

(b) another Person if, as a result of such Investment, such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Borrower or a Restricted Subsidiary; provided, however, that such Person's primary business is a Related Business;

(c) Investments in cash and Temporary Cash Investments;

(d) Investments in receivables owing to the Borrower or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Borrower or any such Restricted Subsidiary deems reasonable under the circumstances;

(e) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(f) loans or advances to employees made in the ordinary course of business consistent with past practices of the Borrower or such Restricted Subsidiary;

(g) Investments in stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Borrower or any Restricted Subsidiary or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of a debtor;

(h) Investments in any Person to the extent such Investment represents the non-cash portion of the consideration received for (i) an Asset Disposition as permitted pursuant to Section 6.04 or (ii) a disposition of assets not constituting an Asset Disposition;

(i) Investments in any Person where such Investment was acquired by the Borrower or any of its Restricted Subsidiaries (i) in exchange for any other Investment or accounts receivable held by the Borrower or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (ii) as a result of a foreclosure by the Borrower or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(j) Investments in any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business by the Borrower or any Restricted Subsidiary;

(k) Investments in any Person to the extent such Investments consist of Hedging Obligations otherwise permitted under Section 6.01;

(l) Investments in any Person to the extent such Investment exists on the date of this Agreement, and any extension, modification or renewal of any such Investments existing on the date of this Agreement, but only to the extent not involving additional advances, contributions or other Investments of cash or other assets or other increases thereof (other than as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investment as in effect on the date of this Agreement);

(m) Investments in Persons to the extent such Investments, when taken together with all other Investments made pursuant to this clause (m) that are at the time outstanding, do not exceed the greater of (i) $300,000,000 or (ii) 15% of Consolidated Total Assets (as determined based on the consolidated balance sheet of the Borrower as of the end of the most recent fiscal quarter for which financial statements are available prior to such Investment) at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(n) Designated Joint Ventures;

(o) Investments in a joint venture with XM Satellite Radio Inc., or an Affiliate or successor thereof, the proceeds of which Investments are used solely to develop interoperable radio technology capable of receiving and processing radio system signals

broadcast by both the Borrower and XM Satellite Radio Inc., for the licensing of other satellite radio technology from the Borrower and XM Satellite Radio Inc. in connection therewith and for activities reasonably ancillary thereto in accordance with the Joint Development Agreement between the Borrower and XM Satellite Radio Inc., as in effect on the date of this Agreement or as it may be amended in a manner not materially adverse to the Borrower;

(p) Any Investment that becomes an Investment of the Borrower as a result of a Borrower-Holdings Merger or a Borrower-XM Merger; and

(q) any Asset Swap made in accordance with Section 4.06.

"Permitted Liens" means, with respect to any Person:

(a) pledges or deposits by such Person under worker's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(b) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings, or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review and Liens arising solely by virtue of any statutory or common law provision relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution, provided, however, that (i) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Borrower or a Restricted Subsidiary in excess of those set forth by regulations promulgated by the Federal Reserve Board and (ii) such deposit account is not intended by the Borrower or any Restricted Subsidiary to provide collateral to the depository institution;

(c) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings;

(d) Liens in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business, provided, however, that such letters of credit do not constitute Indebtedness;

(e) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the business of such Person or to the

ownership of its properties and that were not Incurred in connection with Indebtedness and do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(f) Liens securing Indebtedness Incurred to finance the construction, purchase or lease of, or repairs, improvements or additions to, property, plant or equipment of such Person; provided, however, that the Lien may not extend to any other property owned by such Person or any of its Restricted Subsidiaries at the time the Lien is Incurred (other than assets and property affixed or appurtenant thereto), and the Indebtedness (other than any interest thereon) secured by the Lien may not be Incurred more than 180 days after the later of the acquisition, completion of construction, repair, improvement, addition or commencement of full operation of the property subject to the Lien;

(g) Liens existing on the date of this Agreement and set forth on Schedule 6.08;

(h) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Restricted Subsidiary of such Person; provided, however, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(i) Liens on property at the time such Person or any of its Restricted Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; provided, however, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(j) Liens securing Indebtedness or other obligations of a Subsidiary of such Person owing to such Person or a Wholly Owned Subsidiary of such Person;

(l) Liens to secure Indebtedness Incurred under (i) Section 6.01(b)(i); provided however that any Liens securing Refinancing Indebtedness in respect of the Senior Secured Term Credit Agreement shall rank equally and ratably with the Liens securing the Obligations on terms reasonably satisfactory to the Administrative Agent or, in the Borrower's sole discretion, be subordinated to the Liens securing the Obligations and (ii) Section 6.01(b)(viii) to the extent such Hedging Obligations can be secured pursuant to the terms of the Senior Secured Term Credit Agreement;

(m) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights) that do not materially interfere with the ordinary conduct of the business of the Borrower or any of its Restricted Subsidiaries;

(n) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by the Borrower and its Restricted Subsidiaries in the ordinary course of business;

(o) Liens in connection with advances, deposits, escrows and similar arrangements in the ordinary course of business in respect of retail or automotive distribution arrangements and programming and content acquisitions or extensions;

(p) any Lien that becomes a Lien of the Borrower as a result of a Borrower-Holdings Merger or a Borrower-XM Merger; and

(q) Liens to secure any Refinancing Indebtedness (including Refinancing Indebtedness with respect to such Refinancing Indebtedness) that Refinances, as a whole or in part, any Indebtedness secured by any Lien referred to in the foregoing clause (f), (g), (h) or (i); provided, however, that:

(i) such new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(ii) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clause (f), (g), (h) or (i) at the time the original Lien became a Permitted Lien and (B) an amount necessary to pay any fees and expenses, including premiums, related to such Refinancing.

Notwithstanding the foregoing, the term "Permitted Liens" will not include any Lien described in clause (f), (h) or (i) above to the extent such Lien applies to any Additional Assets acquired directly or indirectly with Net Available Cash pursuant to Section 2.07. For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness.

"Permitted Subordinated Obligations" means Subordinated Obligations of the Borrower that at the time of Incurrence have a weighted Average Life of not less than the lesser of five years and the remaining weighted Average Life of the Loans and that are convertible at the option of the holders thereof into Capital Stock (other than Disqualified Stock) of the Borrower.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or any other entity.

"Phase II Funding Date" means the day on which the XM Credit Agreement becomes effective pursuant to its terms and the lenders thereunder make their loans available to XM Satellite Radio Inc. pursuant to the terms thereto.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Prepayment Event" means:

(a)(i) any Asset Disposition (including any Sale/Leaseback Transaction constituting an Asset Disposition) and (ii) any Asset Swap;

(b) any Casualty Event; and

(c) the Incurrence by the Borrower or any Restricted Subsidiary after the date of this Agreement of any Indebtedness (including any Refinancing Indebtedness in respect of the Senior Secured Term Credit Agreement) with a weighted Average Life at the time of such Incurrence that is less than that of the Loans, to the extent such Indebtedness is Incurred pursuant to Section 6.01(a) (other than solely as a result of Section 6.01(d)(iii)), 6.01(b)(i) or 6.01(b)(xv).

"Purchase Money Collateral Agreement" means the Guarantee and Collateral Agreement among the Borrower, the Subsidiary Guarantors and the Collateral Agent, substantially in the form of Exhibit B-2, and all supplements thereto.

"Purchase Money Collateral and Guarantee Requirement" means, at any time, the requirement that:

(a) the Administrative Agent shall have received from each Loan Party (i) a counterpart of the Purchase Money Collateral Agreement duly executed and delivered on behalf of such Loan Party and (ii) in the case of any Person that becomes a Loan Party after the date of this Agreement, a supplement to the Purchase Money Collateral Agreement, in the form specified therein, duly executed and delivered on behalf of such Loan Party;

(b) all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Collateral Agent to be filed, registered or recorded to create the Liens intended to be created by the Purchase Money Collateral Agreement and perfect such Liens to the extent required by, and with the priority required by, the Collateral Agreement, shall have been filed, registered or recorded or delivered to the Collateral Agent for filing, registration or recording;

(c) each Loan Party shall have obtained all consents and approvals required to be obtained by it in connection with the execution and delivery of all Security Documents to which it is a party, the performance of its obligations thereunder and the granting by it of the Liens thereunder;

provided, that the foregoing definition shall not require the creation or perfection of pledges of or security interests in, or the obtaining of title insurance or legal opinions with respect to, particular assets of the Loan Parties if and for so long as, in the reasonable judgment of the

Collateral Agent, the cost (including the burden of compliance with applicable law) of creating or perfecting such pledges or security interests in such assets or obtaining title insurance or legal opinions with respect of such assets shall be excessive in view of the benefits to be obtained by the Lenders therefrom. The Collateral Agent may grant extensions of time for the perfection of security interests in or the obtaining of title insurance or legal opinions with respect to particular assets (including extensions beyond the date of this Agreement) where it determines that such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the Security Documents.

"Purchase Money Indebtedness" means Indebtedness:

(a) consisting of the deferred purchase price of an asset, conditional sale obligations, obligations under any title retention agreement and other purchase money obligations, in each case where the maturity of such Indebtedness does not exceed the anticipated useful life of the asset being financed, and

(b) Incurred to finance the acquisition by the Borrower or a Restricted Subsidiary of such asset, including additions and improvements;

provided, however, that such Indebtedness is Incurred within 180 days after the acquisition by the Borrower or a Restricted Subsidiary of such asset.

"Purchase Money Loan" has the meaning set forth in Section 2.01.

"Purchase Money Loan Borrowing Request" means a request by the Borrower for a Purchase Money Loan in accordance with Section 2.03(b).

"Purchase Money Loan Commitment" means, with respect to each Lender at any time, the commitment of such Lender to make Purchase Money Loans hereunder, expressed as an amount representing the maximum principal amount of the Purchase Money Loan to be made by such Lender hereunder at such time, as set forth on Schedule 2.02 or, if such Lender has entered into one or more Assignment and Assumptions, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 9.04(d), as such amount may be reduced at or prior to such time pursuant to Section 2.07(d). The aggregate amount of the Purchase Money Loan Commitments as of the date hereof is $30,000,000.

"Purchase Money Loan Commitment Fee" has the meaning provided in Section 2.10(b).

"Purchase Money Loan Commitment Fee Rate" means, with respect to the Available Purchase Money Loan Commitment on any day, 2.0%*per annum.*

"Purchase Money Loan Termination Date" means the earliest of (a) December 31, 2009, (b) the date on which the Purchase Money Loan Commitments are terminated in accordance with Section 2.07(d) and (c) the first date on which the aggregate amount of Purchase Money Loans is equal to the Purchase Money Loan Commitments then in effect.

"Purchase Money Secured Parties" has the meaning assigned to such term in the Purchase Money Collateral Agreement.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. The terms "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that Refinances any Indebtedness of the Borrower or any Restricted Subsidiary existing on the date of this Agreement or Incurred in compliance with this Agreement, including Indebtedness that Refinances Refinancing Indebtedness; provided, however, that:

(a) such Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced;

(b) such Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced;

(c) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced; and

(d) if the Indebtedness being Refinanced is subordinated in right of payment to the Obligations, such Refinancing Indebtedness (i) is subordinated in right of payment to the Obligations at least to the same extent as the Indebtedness being Refinanced, (ii) has a Stated Maturity that is after the later of (A) at least 91 days after the Maturity Date and (B) the Stated Maturity of the Indebtedness being Refinanced and (iii) has an Average Life at the time such Refinancing Indebtedness is Incurred that is greater than (A) the Average Life of the Loans and (B) the Average Life of the Indebtedness being Refinanced;

(e) to the extent otherwise permitted hereunder, any Liens securing Refinancing Indebtedness in respect of the Senior Secured Term Credit shall rank equally and ratably with the Liens securing the Obligations on terms reasonably satisfactory to the Administrative Agent or, in the Borrower's sole discretion, be subordinated to the Liens securing the Obligations.

provided further, however, that Refinancing Indebtedness shall not include (A) Indebtedness of a Subsidiary that Refinances Indebtedness of the Borrower or (B) Indebtedness of the Borrower or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"Register" has the meaning set forth in Section 9.04(d).

"Related Business" means any business in which the Borrower or any of the Restricted Subsidiaries was engaged on the date of this Agreement and any business related, ancillary or complementary to such business or any business the assets of which, in the good faith determination of the Board of Directors, are useful or may be used in any such business.

"Related Business Assets" means assets used or useful in a Related Business.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, trustees, agents and advisors of such Person and such Person's Affiliates.

"Release" means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure, facility or fixture.

"Replacement Satellite Vendor Indebtedness" means Indebtedness of the Borrower provided by a satellite or satellite launch vendor, insurer or insurance agent or Affiliate thereof for (a) the construction, launch and insurance of all or part of one or more replacement satellites or satellite launches for such satellites, where "replacement satellite" means a satellite that is used for continuation of the Borrower's satellite service as a replacement for, or supplement to, a satellite that is retired or relocated (due to a deterioration in operating useful life) within the existing service area or reasonably determined by the Borrower to no longer meet the requirements for such service, or (b) the replacement of a spare satellite that has been launched or that is no longer capable of being launched or suitable for launch.

"Required Facility Lenders" means (i) with respect to the Term Loans, at any time, Lenders having aggregate Term Loans (or, prior to the borrowings hereunder, Term Loan Commitments) representing more than 50% of the aggregate principal amount of the Term Loans hereunder (or, prior to the initial borrowings hereunder, the Term Loan Commitments) at such time and (ii) with respect to the Purchase Money Loans, at any time, Lenders having aggregate Purchase Money Loans (or, prior to the initial borrowings hereunder of the Purchase Money Loans, Purchase Money Loan Commitments) representing more than 50% of the aggregate principal amount of the Purchase Money Loans (or, prior to the borrowings hereunder, Purchase Money Loan Commitments) at such time.

"Required Lenders" means, at any time, Lenders having aggregate Loans (or, prior to the borrowings hereunder, Commitments) representing more than 50% of the aggregate principal amount of the Loans (or, prior to the initial borrowings hereunder, the Commitments) at such time.

"Restricted Payment" with respect to any Person means:

(a) the declaration or payment of any dividends or any other distributions of any sort in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) or similar payment to the direct or indirect holders of its Capital Stock (other than (i) dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock), (ii) dividends or distributions payable solely to the Borrower or a Restricted Subsidiary and (iii) *pro rata* dividends or

other distributions made by a Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation));

(b) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Capital Stock of the Borrower held by any Person (other than by a Restricted Subsidiary) or of any Capital Stock of a Restricted Subsidiary held by any Affiliate of the Borrower (other than by a Restricted Subsidiary), including in connection with any merger or consolidation and including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of the Borrower that is not Disqualified Stock);

(c)(i) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Permitted Subordinated Obligations of the Borrower or (ii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations of the Borrower (other than, in the case of this clause (ii), (A) from the Borrower or a Restricted Subsidiary or (B) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations (other than Permitted Subordinated Obligations) purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement); or

(d) the making of any Investment (other than a Permitted Investment) in any Person.

"Restricted Subsidiary" means any Subsidiary that is not an Unrestricted Subsidiary.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

"Sale/Leaseback Transaction" means an arrangement relating to property owned by the Borrower or a Restricted Subsidiary on the Effective Date or thereafter acquired by the Borrower or a Restricted Subsidiary whereby the Borrower or a Restricted Subsidiary transfers such property to a Person and the Borrower or a Restricted Subsidiary leases it from such Person.

"Satellite" means any satellite owned by, or leased to, the Borrower or any Restricted Subsidiary and any satellite that is the subject of any satellite purchase agreement between or among the Borrower or any Restricted Subsidiary, on the one hand, and any prime contractor and manufacturer of such satellite, on the other hand (whether such satellite is in the process of manufacture, has been delivered for launch or is in orbit (whether or not in operational service)).

"Secured Indebtedness" means any Indebtedness of the Borrower or a Restricted Subsidiary secured by a Lien on any property or assets of the Borrower or a Restricted Subsidiary.

"Secured Parties" means, collectively, the Term Loan Secured Parties and the Purchase Money Secured Parties.

"Security Documents" means the Collateral Agreements, the IP Security Agreements, the Mortgages, the Foreign Pledge Agreements and each other security agreement or other instrument or document executed and delivered pursuant to Section 5.11 or 5.12 to secure any of the Obligations.

"Senior Secured Term Credit Agreement" means the Term Credit Agreement, dated as of June 20, 2007, among the Borrower, the lenders party thereto and Morgan Stanley Senior Funding Inc., as administrative agent and collateral agent.

"Specified FCC Licenses" means the FCC Licenses held in the name of the Borrower that are set forth on Schedule 6.11 hereto.

"Stated Maturity" means, with respect to any Indebtedness, the date specified in the documents evidencing or governing such Indebtedness as the fixed date on which the final payment of principal of such Indebtedness is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repayment or repurchase of such Indebtedness at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"Subordinated Obligation" means, with respect to a Person, any Indebtedness of such Person (whether outstanding on the date of this Agreement or thereafter Incurred) that is subordinate or junior in right of payment to the Obligations pursuant to a written agreement to that effect (which agreement (a) shall be in substance, in all material respects, at least as favorable to the Lenders as the subordination provisions applicable to the 8 3/4% Subordinated Notes or (b) shall be in form and substance satisfactory to the Administrative Agent).

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the total voting power of the Voting Stock or, in the case of a partnership, more than 50% of the equity or more than 50% of the general partnership interests are, as of such date, owned, controlled or held by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Borrower.

"Subsidiary Guarantor" means any Restricted Subsidiary that is a Domestic Subsidiary and a Material Subsidiary.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Temporary Cash Investments" means any of the following:

(a) any investment in direct obligations of the United States of America or any agency thereof or obligations guaranteed by the United States of America or any agency thereof;

(b) investments in demand and time deposit accounts, certificates of deposit and money market deposits maturing within 365 days of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, any State thereof or any foreign country recognized by the United States of America, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of $50,000,000 (or the foreign currency equivalent thereof) and has outstanding debt that is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act of 1933, as amended) or any money-market fund sponsored by a registered broker dealer or mutual fund distributor;

(c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) above entered into with a bank meeting the qualifications described in clause (b) above;

(d) investments in commercial paper, maturing not more than 365 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Borrower) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P;

(e) auction rate preferred stock issued by a corporation and certificates issued by a corporation or municipality or government entity (other than an Affiliate of the Borrower) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States with a rating at the time as of which any investment therein is made of "A" (or higher) according to Moody's or S&P;

(f) investments in securities with maturities of twelve months or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by Moody's or "A" by S&P; and

(g) investments in money market funds that, in the aggregate, have at least $1,000,000,000 in assets.

"Term Loan" has the meaning set forth in Section 2.01.

"Term Loan Collateral Agreement" means the Guarantee and Collateral Agreement among the Borrower, the Subsidiary Guarantors and the Collateral Agent, substantially in the form of Exhibit B-1, and all supplements thereto.

"Term Loan Collateral and Guarantee Requirement" means, at any time, the requirement that:

(a) the Administrative Agent shall have received from each Loan Party either (i) a counterpart of the Term Loan Collateral Agreement duly executed and delivered on behalf of such Loan Party or (ii) in the case of any Person that becomes a Loan Party after the date of this Agreement, a supplement to the Term Loan Collateral Agreement, in the form specified therein, duly executed and delivered on behalf of such Loan Party;

(b) all outstanding Capital Stock of each FCC Licenses Subsidiary and each other Material Subsidiary shall have been pledged pursuant to the Term Loan Collateral Agreement or, in the case of Foreign Subsidiaries, at the request of the Collateral Agent, pursuant to a Foreign Pledge Agreement (except that the Loan Parties shall not be required to pledge more than 65% of the outstanding voting Capital Stock of any Foreign Subsidiary), and, to the extent required under the Term Loan Collateral Agreement, the Collateral Agent shall have received certificates or other instruments representing all such Capital Stock, together with undated stock powers or other instruments of transfer with respect thereto endorsed in blank;

(c) all Indebtedness (other than any such Indebtedness of the Borrower or a Subsidiary in an aggregate principal amount of less than $500,000) of the Borrower and each Subsidiary that is owing to any Loan Party shall be evidenced by a promissory note and shall have been pledged pursuant to the Term Loan Collateral Agreement and, to the extent required under the Term Loan Collateral Agreement, the Collateral Agent shall have received all such promissory notes, together with undated instruments of transfer with respect thereto endorsed in blank;

(d) all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Collateral Agent to be filed, registered or recorded to create the Liens intended to be created by the Term Loan Collateral Agreement and perfect such Liens to the extent required by, and with the priority required by, the Collateral Agreement, shall have been filed, registered or recorded or delivered to the Collateral Agent for filing, registration or recording;

(e) the Collateral Agent shall have received (i) counterparts of a Mortgage with respect to each Mortgaged Property duly executed and delivered by the record owner or, subject to receipt of any required consent of the applicable lessor, the lessee, as the case may be, of such Mortgaged Property, (ii) a policy or policies of title insurance issued by a nationally recognized title insurance company insuring the Lien of each such Mortgage as a valid first Lien on the Mortgaged Property described therein, free of any other Liens except as expressly permitted by Section 6.08, together with such endorsements, coinsurance and reinsurance as the Collateral Agent may reasonably request, and (iii) such surveys, abstracts, appraisals, legal opinions and other documents as the Collateral Agent may reasonably request with respect to any Mortgage or Mortgaged Property; and

(f) each Loan Party shall have obtained all consents and approvals required to be obtained by it in connection with the execution and delivery of all Security Documents to which it is a party, the performance of its obligations thereunder and the granting by it of the Liens thereunder;

provided, that the foregoing definition shall not require the creation or perfection of pledges of or security interests in, or the obtaining of title insurance or legal opinions with respect to, particular assets of the Loan Parties if and for so long as, in the reasonable judgment of the Collateral Agent, the cost (including the burden of compliance with applicable law) of creating or perfecting such pledges or security interests in such assets or obtaining title insurance or legal opinions with respect of such assets shall be excessive in view of the benefits to be obtained by the Lenders therefrom. Without limiting the foregoing, the Collateral Agent agrees that it shall not request Capital Stock of any Foreign Subsidiary be pledged pursuant to a Foreign Pledge Agreement unless the Borrower consents thereto (such consent not to be unreasonably withheld, taking into account the benefits to be afforded by such Foreign Pledge Agreement to the ability of the Collateral Agent to exercise its rights under, or otherwise enforce, the Liens granted to it on such Capital Stock pursuant to the Security Documents in relation to the cost of preparation of such Foreign Pledge Agreement). The Collateral Agent may grant extensions of time for the perfection of security interests in or the obtaining of title insurance or legal opinions with respect to particular assets (including extensions beyond the date of this Agreement) where it determines that such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the Security Documents.

"Term Loan Commitment" means, with respect to each Lender, the commitment of such Lender to make Term Loans hereunder on the date of this Agreement, expressed as an amount representing the maximum principal amount of the Term Loan to be made by such Lender hereunder. The amount of each Lender's Term Loan Commitment is set forth on Schedule 2.01. The aggregate amount of the Term Loan Commitments on the date hereof is $250,000,000.

"Term Loan Secured Parties" has the meaning assigned to such term in the Term Loan Guarantee and Collateral Agreement

"Transactions" means the execution, delivery and performance by the Loan Parties of the Loan Documents, the borrowing of Loans and the use of the proceeds of the Loans.

"TT&C Station" means an earth station operated by the Borrower or any Restricted Subsidiary for the purpose of providing tracking, telemetry, control and monitoring of any Satellite.

"Unrestricted Subsidiary" means:

(a) any Subsidiary of the Borrower that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below;

(b) XM; and

(c) any subsidiary of an Unrestricted Subsidiary.

The Board of Directors may designate any Subsidiary of the Borrower (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or holds any Lien on any property of, the Borrower or any other Subsidiary of the Borrower that is not a subsidiary of the Subsidiary to be so designated; provided, however, that (a) either (i) the Subsidiary to be so designated has total assets of $1,000 or less or (ii) if such Subsidiary has assets greater than $1,000, such designation would be permitted under Section 6.02, (b) no FCC Licenses Subsidiary may be designated as an Unrestricted Subsidiary and (c) so long as the 9 5/8 % Senior Notes Indenture, or any indenture or other agreement governing any Refinancing Indebtedness with respect to the 9 5/8 Senior Notes, is in effect and permits designations of Subsidiaries as "unrestricted subsidiaries", no Subsidiary may be designated as an Unrestricted Subsidiary hereunder unless such Subsidiary shall have been designated as an "unrestricted subsidiary" under the 9 5/8% Senior Notes Indenture or such other indenture or agreement.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation (a) the Borrower could Incur $1.00 of additional Indebtedness under Section 6.01(a), (b) no Default shall have occurred and be continuing and (c) all actions required to be taken with respect to such designated Subsidiary or its assets under Sections 5.11 and 5.12 shall have been taken. Any such designation by the Board of Directors shall be evidenced to the Administrative Agent by promptly delivering to the Administrative Agent a copy of the resolution of the Board of Directors giving effect to such designation and a certificate signed by two Financial Officers of the Borrower, certifying that such designation complied with the foregoing provisions.

"USA PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

"US Dollars" or "$" means the lawful money of the United States of America.

"Voting Stock" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means a Restricted Subsidiary all the Capital Stock of which (other than directors' qualifying shares) is owned by the Borrower or one or more other Wholly Owned Subsidiaries.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"XM" means XM Satellite Radio Holdings Inc., a Delaware corporation.

"XM Credit Agreement" means the credit agreement dated as of the date hereof among XM Satellite Radio Inc., XM, the lenders party thereto and Liberty, as administrative agent.

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder" and words of similar import shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.03. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP as in effect from time to time; provided that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make a term loan (the Term Loan") to the Borrower on the date hereof in US Dollars in a principal amount equal to such Lender's Term Loan Commitment. Subject to the terms and conditions set forth herein, each Lender agrees to make purchase money loans (the "Purchase Money Loan") to the Borrower (i) at any time after the Effective Date but not later than 10 Business Days thereafter in US Dollars in a principal amount not to exceed $15,000,000 and (ii) in a single disbursement on or after the Phase II Funding Date and prior to the Purchase Money Loan Termination Date in an aggregate principal amount which, when added to the aggregate Purchase Money Loans made pursuant to this Section 2.01 shall not exceed the Purchase Money Loan Commitments then in effect. Amounts repaid or prepaid in respect of Loans may not be reborrowed.

SECTION 2.02. Loans. (a) Each Term Loan shall be made by the Lenders ratably in accordance with their Term Loan Commitments and each Purchase Money Loan shall be made by the Lenders ratably in accordance with their Purchase Money Loan Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required hereunder.

(b) Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.15 and 2.16 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

SECTION 2.03. Borrowing Procedure. (a) To request a borrowing of Term Loans or Purchase Money Loans, as the case may be, on the date hereof, the Borrower shall notify the Administrative Agent of such request by telephone not later than 8:30 a.m., New York City time, on the date hereof. Such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of a written Borrowing Request signed by the Borrower. Such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the Term Loans and the Purchase Money Loans, as the case may be, requested; and

(ii) the location and number of the Borrower's account to which funds are to be disbursed, which shall be an account in New York City.

(b) To request a borrowing of Purchase Money Loans at any time on or after the Phase II Funding Date, the Borrower shall notify the Administrative Agent of such request by telephone prior to 10:30 a.m. (New York City Time) at least three Business Days prior to the proposed date of borrowing of such Purchase Money Loans. Such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of a written Borrowing Request signed by the Borrower. Such telephonic and written Purchase Money Loan Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate principal amount of the Purchase Money Loans to be made (the aggregate amount of which shall not be less than $1,000,000 and shall not, when added to the aggregate amount of Purchase Money Loans previously made, exceed the Purchase Money Loan Commitments);

(ii) the date on which such Purchase Money Loans are to be made available to the Borrower (which date shall be a Business Day); and

(iii) the location and number of the Borrower's account to which funds are to be disbursed, which shall be an account in New York City.

(c) Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Term Loan or Purchase Money Loan, as the case may be.

SECTION 2.04. Funding of Loans. (a) Subject to the terms and conditions set forth herein, each Lender shall make each Loan to be made by it hereunder by wire transfer of immediately available funds by 11:00 a.m., New York City time, to the account of the Administrative Agent designated by it for such purpose by notice to the Lenders in the manner provided below.

(b) The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower previously identified by the Borrower to the Administrative Agent.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the date on which a Loan is to be made available to the Borrower that such Lender will not make available to the Administrative Agent such Lender's share of any Loan to be made hereunder, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of such Loan available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the rate reasonably determined by the Administrative Agent to be the cost to it of funding such amount or (ii) in the case of the Borrower, the interest rate then applicable to the subject Loan. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan.

SECTION 2.05. Repayment of Loans; Evidence of Debt (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the accounts of the applicable Lenders the then unpaid principal amount of each Loan on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the accounts of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the subject Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it to the Borrower be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent (it being understood and agreed that any such note shall have an "OID legend"). Thereafter, the Loans evidenced by each such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.06. Amortization of Loans. (a) Subject to adjustment for prepayments as set forth in paragraph (b) of this Section, the Borrower shall repay to the Administrative Agent, for the ratable account of the Lenders, the Loans commencing on March 31, 2010, such repayment to be made on the last day of each December, March, June and September occurring thereafter and prior to the Maturity Date and to be in an aggregate principal amount for each such date equal to (i) on or prior to December 31, 2011, 0.25% of the aggregate principal amount of the Loans outstanding on January 1, 2010 and (ii) after December 31, 2011, 25% of the aggregate principal amount of the Loans outstanding on January 1, 2012. To the extent not previously repaid, all Loans shall be due and payable on the Maturity Date.

(b) Any prepayment of a Loan pursuant to Section 2.07 shall be applied to reduce subsequent scheduled repayments of the Loans to be made pursuant to this Section in the manner directed by the Borrower.

(c) Each repayment shall be applied ratably to the outstanding Loans. Repayments shall be accompanied by accrued interest on the principal amount repaid.

SECTION 2.07. Prepayment of Loans; Termination of Purchase Money Loan Commitments. (a) Subject to the requirements of this Section, the Borrower shall have the right at any time and from time to time to prepay any Loan in whole or in part, without premium or penalty other than, in the case of any such prepayment prior to the earlier of the Phase II Funding Date and December 31, 2009, the Call Premium on the principal amount prepaid. Any optional prepayment of the Loans shall be allocated by the Borrower between the Term Loans and the Purchase Money Loans as directed by the Borrower in the notice delivered to the Administrative Agent pursuant to Section 2.07(c) with respect to such prepayment.

(b) In the event and on each occasion that any Net Available Cash is received by or on behalf of the Borrower or any Restricted Subsidiary in respect of any Prepayment Event, the Borrower shall, on the day such Net Available Cash is received

(or, in the case of a Prepayment Event described in clause (a) or (b) of the definition of "Prepayment Event", within three Business Days after such Net Available Cash is received) apply the portion of the Net Available Cash from such Prepayment Event that is not required to be applied to prepay the loans outstanding under the Senior Secured Term Credit Agreement pursuant to section 2.07(b) thereof to the prepayment of the Loans hereunder, provided that, notwithstanding anything to the contrary, to the extent any mandatory prepayments under the Senior Secured Term Credit Agreement are waived by lenders thereunder in respect of any Prepayment Event, the Borrower shall be required to make the applicable mandatory prepayments under this Section 2.07(b) with 100% of the amount of Net Available Cash received in connection with such Prepayment Event. The Borrower shall, to the fullest extent possible under Section 2.07(b)(ii) of the Senior Secured Term Credit Agreement, apply Net Available Cash received in connection with any Prepayment Event to the prepayment of the Loans hereunder.

(c) Prior to any prepayment of Loans under this Section, the Borrower shall notify the Administrative Agent by telephone (confirmed by facsimile) of any prepayment hereunder not later than 12:00 noon, New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of Loans to be prepaid; provided that a notice of prepayment of the Loans may state that such notice is conditioned upon the effectiveness of other financings or the occurrence of the Prepayment Event with respect to which such notice is made, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Prepayments shall be accompanied by accrued interest on the amount repaid.

(d) The Borrower shall have the right, upon not less than one Business Day's notice to the Administrative Agent, to terminate the Purchase Money Loan Commitments or, from time to time, to reduce the amount of the Purchase Money Loan Commitments. Any such reduction shall be in an amount equal to $1,000,000, or a whole multiple thereof, and shall reduce permanently the Purchase Money Loan Commitments then in effect.

SECTION 2.08. Investment Agreement Termination Date Prepayment. (a) Not later than three Business Days after the date on which the Borrower delivers a notice of termination pursuant to Section 4.6(c) of the Investment Agreement, the Borrower shall offer to each Lender (by delivery of a prepayment offer to the Administrative Agent) to repay all (but not part) of its outstanding Loans. The prepayment offer shall be conditioned upon the termination of the Investment Agreement pursuant to Section 4.6(c) being consummated and shall state: (i) the proposed date of such prepayment (which shall be no earlier than five Business Days and no later than 10 Business Days from the date of such prepayment offer), (ii) the prepayment price (which, with respect to each Lender, shall be calculated as the sum of (A) the aggregate principal amount of the outstanding Loans made by such Lender plus the Call Premium and (B) all accrued interest on the principal amount being prepaid to the date of prepayment), (iii) that each Lender that accepts such offer must accept such offer with respect to all (but not part) of its Loans, and (iv) that each Lender must accept such offer by delivering notice of such acceptance to the Administrative Agent within five Business Days after the date on which the Borrower makes its offer to the Lenders (the "Offer Period").

(b) The Borrower shall comply with the terms of each such prepayment offer. Each Lender shall have the right to accept such offer prior to the expiration of the Offer Period.

(c) The Commitments of each Lender that accepts a prepayment offer in accordance with this Section shall terminate in their entirety on the date such Lender's Loans are repaid.

SECTION 2.09. Termination of Commitments. The Term Loan Commitments shall terminate upon the earlier of (a) the borrowing of the Term Loans on the date hereof and (b) 5:00 p.m., New York City time, on the date hereof. The Purchase Money Loan Commitments shall terminate on the Purchase Money Loan Termination Date.

SECTION 2.10. Fees. (a) The Borrower agrees to pay to the Administrative Agent, for its own account and in immediately available funds, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent in the Fee Letter. Fees paid hereunder shall not be refundable.

(b) The Borrower agrees to pay to the Administrative Agent for the account of each Lender (in each case pro rata according to the respective Purchase Money Loan Commitments of all such Lenders), a commitment fee (the "Purchase Money Loan Commitment Fee") for the period from and including the date hereof to the Purchase Money Loan Termination Date, computed at the Purchase Money Loan Commitment Fee Rate on the average daily amount of the Available Purchase Money Loan Commitments of such Lender during the period for which payment is made, payable quarterly in arrears on each Payment Date and on the Purchase Money Loan Termination Date, commencing on the first such date to occur after the date hereof.

SECTION 2.11. Interest. (a) The Term Loans and the Purchase Money Loans each shall bear interest at 15.0% per annum.

(b) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to 2.0% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraph of this Section.

(c) Accrued interest on each Loan shall be payable in arrears on each Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (b) of this Section shall be payable on demand and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

(d) All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

SECTION 2.12. [RESERVED].

SECTION 2.13. [RESERVED].

SECTION 2.14. [RESERVED].

SECTION 2.15. Taxes. (a) Any and all payments by or on account of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or the applicable Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 15 Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability setting forth in reasonable detail the circumstances giving rise thereto and the calculations used by such Lender to determine the amount thereof delivered to the Borrower by a Lender, or by the Administrative Agent, on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and duly executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate. Without limiting the foregoing, in the case of a Foreign Lender that is claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest," such Foreign Lender shall also deliver a properly completed and duly executed certificate representing that such Foreign Lender is not a bank for purposes of Section 881(c)(3)(A) of the Code, is not a 10% shareholder of the Borrower (within the meaning of Section 881(c)(3)(B) of the Code) and is not a "controlled foreign corporation" related to the Borrower (within the meaning of Section 881(c)(3)(C) of the Code).

(f) If the Administrative Agent or any Lender determines, in its sole discretion, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.15, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.15 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

SECTION 2.16. Payments Generally; Pro Rata Treatment; Sharing of Setoffs. (a) The Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or of amounts payable under Section 2.15, or otherwise) prior to the time expressly required hereunder or under such other Loan Document (or, if no such time is expressly required, prior to 12:00 noon, New York City time) on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent to the account specified by the Administrative Agent for such purpose in a notice delivered to the Borrower; provided that payments pursuant to Sections 2.15 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any Lender or other Person promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder of principal or interest in respect of any Loan shall be made in US Dollars.

(b) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of their respective Loans and accrued interest thereon; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(c) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due for the account of all or certain of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the applicable Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with banking industry practices on interbank compensation.

(d) If any Lender shall fail to make any payment required to be made by it to the Administrative Agent pursuant to this Agreement, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender’s obligations to the Administrative Agent until all such unsatisfied obligations are fully paid.

SECTION 2.17. Mitigation Obligations; Replacement of Lenders. (a) If the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable, direct, out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, (ii) any Lender defaults in its obligation to fund Loans hereunder, or (iii) at any time after the earlier of the Phase II Funding Date and December 31, 2009, in connection with any proposed amendment, modification, termination waiver or consent with respect to any of the provisions hereof as contemplated by Section 9.02(b), the consent of Required Lenders shall have been obtained but the consent of any Lender whose consent is required for the effectiveness of such amendment, modification, termination, waiver or consent shall not have been obtained, then, in each such case, the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if another Lender accepts such assignment); provided that (A) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, (B) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon and all other amounts payable to it hereunder, from the assignee or the Borrower, (C) in the case of any assignment resulting from payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments and (D) in the case of any assignment in connection with clause (iii) above, the assignee shall, at the time of such assignment, provide such consent. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants as follows:

SECTION 3.01. Organization; Powers. The Borrower and each Restricted Subsidiary is duly organized, validly existing and in good standing under the laws of its

jurisdiction of organization, has all requisite power and authority to conduct its business as now conducted and is qualified to do business in, and is in good standing in, each jurisdiction where such qualification is required, except where the failure to be so qualified or in good standing, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary corporate action. This Agreement is, and the other Loan Documents when executed and delivered will be, duly executed and delivered by the Borrower and the other Loan Parties party thereto, and this Agreement constitutes, and each of the other Loan Documents when executed and delivered will constitute, a legal, valid and binding obligations of the Loan Parties party thereto, enforceable against such Loan Parties in accordance with their terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.03. Governmental Consents; No Conflicts. The Transactions (a) do not require any authorization or approval or other action by, or any notice to or filing with, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect, (ii) filings necessary to perfect Liens created under the Loan Documents and (iii) such consents, approvals, registrations and filings of or with the FCC as may be required in connection with the exercise by any Agent of rights under the Loan Documents with respect to Collateral following an Event of Default, (b) will not violate the charter, bylaws or other organizational documents of the Borrower or any of the Subsidiaries, (c) will not (i) violate or result in a default under any indenture (including the 9 5/8% Senior Notes Indenture), agreement or other instrument binding upon the Borrower or any of the Subsidiaries or their assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of the Subsidiaries or (ii) violate any applicable law or regulation or any order of any Governmental Authority, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of the Restricted Subsidiaries, except Liens created under the Loan Documents, other than, in the case of clause (a) or (c) above, where the foregoing could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.04. Financial Statements; No Material Adverse Change. (a) The consolidated balance sheet of the Borrower and the Subsidiaries and the related consolidated statements of operations, stockholders' equity and cash flows of the Borrower and the Subsidiaries (i) as at December 31, 2007, and for the year then ended, which financial statements are accompanied by the report of Ernst & Young LLP, and (ii) as at September 30, 2008, and for the fiscal quarter and the portion of the fiscal year then ended, certified by the chief financial officer of the Borrower, as heretofore furnished to the Lenders, fairly present in all material respects the consolidated financial position of the Borrower and the Subsidiaries as at such dates and their consolidated results of operations, stockholders' equity and cash flows for the periods then ended in conformity with GAAP, subject to normal year-end audit adjustments and the absence of certain footnotes in the case of the statements referred to in clause (ii) above.

(b) Except as disclosed in the financial statements referred to above or the notes thereto, after giving effect to the Transactions, none of the Borrower or the Restricted Subsidiaries has, as of the date of this Agreement, any material contingent liabilities, unusual long-term commitments or unrealized losses.

SECTION 3.05. Properties. (a) The Borrower and each Restricted Subsidiary has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for defects in title that do not materially interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Each of the Borrower and the Restricted Subsidiaries owns or is licensed to use all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower and the Restricted Subsidiaries does not infringe upon the rights of any other Person, except for such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(c) The Borrower and each Restricted Subsidiary has complied with all obligations under all leases to which it is a party, and all such leases are in full force and effect, except, in each case, where the failure so to comply or to be in effect, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower and each Restricted Subsidiary enjoys peaceful and undisturbed possession under all such leases, other than leases in respect of which the failure to enjoy peaceful and undisturbed possession could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority now pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any Restricted Subsidiary or any of their properties (a) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (b) that involve this Agreement, any other Loan Document or the Transactions. No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement or any other Loan Document, or directing that the Transactions not be consummated as herein or therein provided.

SECTION 3.07. Environmental Matters. Except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, none of the Borrower or any Subsidiary (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (b) has become subject to any Environmental Liability, (c) has received notice of any claim with respect to any Environmental Liability or (d) knows of any basis for any Environmental Liability.

SECTION 3.08. Compliance with Laws and Agreements. The Borrower and each Subsidiary is in compliance in all respects with all laws, regulations and orders of any Governmental Authority applicable to them or their properties and all indentures, agreements and other instruments binding upon them or their properties, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.09. Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 3.10. Taxes. The Borrower and each Subsidiary has timely filed or caused to be filed all Tax returns and reports required to have been filed by it and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $100,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans by more than $100,000.

SECTION 3.12. Disclosure. The Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any of the other Loan Parties is subject that, individually or in the aggregate, could reasonably result in a Material Adverse Effect. None of the reports, certificates or any other written information prepared and furnished by or on behalf of the Loan Parties to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading, provided, that with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed by it to be reasonable at the time the projections were prepared.

SECTION 3.13. Subsidiaries. Schedule 3.13 sets forth, as of the date of this Agreement, the name and jurisdiction of organization of, and the percentage of each class of Capital Stock owned by the Borrower or any Subsidiary in, each Subsidiary, identifying each Subsidiary that is a Material Subsidiary as such.

SECTION 3.14. Insurance. The Borrower and the Restricted Subsidiaries maintain in force, with financially sound and reputable insurance companies, and pay all premiums and costs related to, insurance coverage in such amounts (with no greater risk retention) and against such risks as are customarily maintained by companies of established repute engaged in the same or similar businesses as the Borrower and the Restricted Subsidiaries.

SECTION 3.15. Solvency. Immediately after the consummation of the Transactions to occur on the date of this Agreement, including the making of the Loans to be made hereunder and after giving effect to the application of the proceeds thereof, (a) the fair value of the assets of the Loan Parties, taken as a whole at a fair valuation, will exceed their aggregate debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of the Loan Parties, taken as a whole, will be greater than the amount that will be required to pay the probable liability of their aggregate debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Loan Parties, taken as a whole, will be able to pay their aggregate debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Loan Parties, taken as a whole, will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the date of this Agreement.

SECTION 3.16. Collateral Matters. (a) (i) When executed and delivered, the Term Loan Collateral Agreement will be effective to create in favor of the Collateral Agent, for the benefit of the Term Loan Secured Parties, a valid and enforceable security interest in the Collateral (as defined therein) and (x) when the Collateral constituting certificated securities (as defined in the Uniform Commercial Code) is delivered to the Collateral Agent, together with instruments of transfer duly endorsed in blank, the Term Loan Collateral Agreement will constitute a fully perfected Lien on, and security interest in, all right, title and interest of the pledgors thereunder in such Collateral, prior and superior in right to any Person other than the "Secured Parties" (as defined in the Senior Secured Term Credit Agreement (it being understood and agreed, for the avoidance of doubt, that no such Collateral shall be delivered to the Collateral Agent so long as it is required to be delivered to the "Collateral Agent" (as defined in the Senior Secured Term Credit Agreement) pursuant to the terms of the Senior Secured Term Credit Agreement or any of the "Loan Documents" (as defined in the Senior Secured Term Credit Agreement), and (y) when financing statements in appropriate form are filed in the offices specified in the Perfection Certificate, the Collateral Agreement will constitute a fully perfected Lien on and security interest in all right, title and interest of the Loan Parties in the remaining Collateral to the extent perfection can be obtained by filing Uniform Commercial Code financing statements, prior and superior to the rights of any Person other than the "Secured Parties" (as defined in the Senior Secured Term Credit Agreement) except for rights secured by Permitted Liens. (ii) When executed and delivered, the Purchase Money Loan Collateral Agreement will be effective to create in favor of the Collateral Agent, for the benefit of the Purchase Money Loan Secured Parties, a valid and enforceable security interest in the Collateral (as defined therein) and when financing statements in appropriate form are filed in the relevant offices, the Purchase Money Loan Collateral Agreement will constitute a fully perfected Lien on and security interest in all right, title and interest of the Loan Parties in the Purchase Money Loan Collateral to the extent perfection can be obtained by filing Uniform Commercial Code financing statements, prior and superior to the rights of any Person other than the "Secured Parties" (as defined in the Senior Secured Term Credit Agreement) except for rights secured by Permitted Liens.

(b) Schedule 3.16 sets forth, as of the date of this Agreement, each Mortgaged Property. Each Mortgage, upon execution and delivery by the parties thereto, will create in favor of the Collateral Agent, for the benefit of the Term Loan Secured Parties, a legal, valid and enforceable Lien on all the applicable mortgagor's right, title and interest in and to the Mortgaged Property subject thereto and the proceeds thereof and, when the Mortgages have been filed in the jurisdictions specified in Schedule 3.16, the Mortgages will constitute a fully perfected Lien on all right, title and interest of the mortgagors in the Mortgaged Properties and the proceeds thereof, prior and superior in right to any other Person, except for rights secured by Permitted Liens.

(c) Upon the recordation of the Term Loan Collateral Agreement or a memorandum of such Agreement with the United States Patent and Trademark Office and the United States Copyright Office, the Lien created under the Term Loan Collateral Agreement will constitute a fully perfected Lien on all right, title and interest of the Loan Parties in the Intellectual Property (as defined in the Term Loan Collateral Agreement) in which a security interest may be perfected by filing in the United States and its territories and possessions, in each case prior and superior in right to any Person other than the "Secured Parties (as defined in the Senior Secured Term Credit Agreement), except for rights secured by Permitted Liens (it being understood that subsequent recordings in the United States Patent and Trademark Office or the United States Copyright Office may be necessary to perfect a Lien on registered trademarks and trademark applications or copyrights, respectively, acquired by the Loan Parties after the date of this Agreement).

SECTION 3.17. Satellites. Schedule 3.17 sets forth, as of the date of this Agreement, each Satellite, including for each Satellite that is in orbit the orbital slot and number and frequency band of the transponders on such Satellite.

SECTION 3.18. FCC Licenses, Etc. Schedule 3.18 sets forth, as of the date of this Agreement, for each Satellite (a) all space station licenses for the launch or operation of such Satellite issued by the FCC to the Borrower or any Restricted Subsidiary and (b) all licenses and all other approvals, orders and authorizations issued or granted by any Governmental Authority outside of the United States for the launch or operation of such Satellite. As of the date hereof, the FCC Licenses and the other licenses, approvals, orders or authorizations set forth on Schedule 3.18 with respect to any Satellite include all material licenses, approvals, orders and authorizations by the FCC or any other Governmental Authority that are required or necessary to launch or operate such Satellite. Each FCC License set forth on Schedule 3.18 is in full force and effect, and the Borrower and its Restricted Subsidiaries have fulfilled and performed in all material respects all of their obligations with respect thereto and have full power and authority to operate thereunder. To the knowledge of the Borrower, no Person has asserted that it has rights to operate a spacecraft in a manner that would interfere with the operation of any Satellite in its intended orbital position.

ARTICLE IV

Conditions

SECTION 4.01. Conditions to Each Loan. The obligations of the Lenders to make any Loans hereunder shall not become effective until each of the following conditions has been satisfied (or waived):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) evidence satisfactory to the Administrative Agent (which may include facsimile transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the date of this Agreement) of (i) Simpson Thacher & Bartlett LLP, counsel for the Borrower, substantially in the form of Exhibit E-1, and (ii) Patrick L. Donnelly, Executive Vice President, General Counsel and Secretary of the Borrower, substantially in the form of Exhibit E-2, in each case covering such matters relating to the Loan Parties, the Loan Documents or the Transactions as the Administrative Agent shall reasonably request.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the formation, existence and good standing of the Loan Parties and the authorization of the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the date hereof, including, to the extent an invoice with respect thereto shall have been received by the Borrower, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document.

(e) Prior to each extension of credit hereunder, the Administrative Agent shall have received a certificate, dated the date of such extension of credit and signed by the chief financial officer of the Borrower, confirming that the conditions set forth in paragraphs (f) and (g) of this Article and, in the case of Purchase Money Loans made after the Effective Date hereof, Section 4.03(b), have been satisfied in connection with the Loans to be made on such date.

(f) At the time of and immediately after giving effect to each Loan hereunder, the representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct in all material respects (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date).

(g) At the time of and immediately after giving effect to each Loan hereunder, no Default shall have occurred or be continuing.

(h) The Administrative Agent shall have received a certificate, dated the date of this Agreement and signed by the chief financial officer of the Borrower, certifying as to the solvency of the Loan Parties on a consolidated basis after giving effect to the Transactions, in form and substance reasonably satisfactory to the Administrative Agent.

(i) The Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

(j) The Lenders and the Borrower shall have executed the XM Credit Agreement and the Investment Agreement.

SECTION 4.02. Conditions to the Extension of the Term Loans. The obligations of the Lenders to make any Term Loans hereunder shall not become effective until each of the following conditions has been satisfied (or waived):

(a) The Term Loan Collateral and Guarantee Requirement shall have been satisfied and the Administrative Agent shall have received a completed and duly executed Perfection Certificate dated the date of this Agreement with respect to each Loan Party, together with all attachments contemplated thereby, including the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to the Loan Parties in the jurisdictions contemplated by the Perfection Certificate and copies of the financing statements (or similar documents) disclosed by such search and evidence reasonably satisfactory to the Administrative Agent that the Liens indicated by such financing statements (or similar documents) are permitted by Section 6.02 or have been released, provided, however, that notwithstanding the foregoing, if the Borrower shall have used commercially reasonable efforts to procure and deliver, but shall nevertheless be unable to deliver, any Mortgage required to be delivered pursuant to the Collateral and Guarantee Requirement, delivery of such Mortgage shall not be a condition to the effectiveness of the obligations of the Lenders to make the Loans hereunder, but shall be required to be accomplished as provided in Section 5.12(c).

SECTION 4.03. Conditions to the Extension of the Purchase Money Loans. The obligations of the Lenders to make any Purchase Money Loans shall not become effective until each of the following conditions precedent has been satisfied (or waived):

(a) The Purchase Money Loan Collateral and Guarantee Requirement shall have been satisfied.

(b) With respect to Purchase Money Loans made after the Effective Date, no material adverse change in the business, assets, properties, liabilities (actual and contingent), operations or financial condition of the Borrower and the Restricted Subsidiaries, taken as a whole shall have occurred since the Effective Date.

(c) In connection with the initial disbursement hereunder, the Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the date the initial disbursement of the Purchase Money Loans are made) of Simpson Thacher & Bartlett LLP, counsel for the Borrower, in form reasonably satisfactory to the Administrative Agent and covering such matters relating to the Purchase Money Loans then being made as the Administrative Agent shall reasonably request.

The Administrative Agent shall notify the Borrower and the Lenders of the effectiveness of the obligations of the subject Lenders hereunder, and such notice shall be conclusive and binding.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent, for distribution to each Lender:

(a) as soon as available and in any event within 90 days after the end of each fiscal year of the Borrower, the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries and related consolidated statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, and accompanied by an opinion thereon of KPMG LLP or another independent certified public accountants of recognized national standing, which opinion shall be without a "going concern" qualification or exception or qualification arising out of the scope of the audit for each fiscal year of the Borrower ending on or after December 31, 2009 and shall state that said consolidated financial statements present fairly in all material respects the consolidated financial position and results of operations of the Borrower and its consolidated Subsidiaries as at the end of, and for, such fiscal year in accordance with GAAP consistently applied;

(b) as soon as available and in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, an unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries and related consolidated statements of operations as of the end of and for such fiscal quarter and related consolidated statements of operations, stockholders' equity and cash flows for the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the consolidated financial position and results of operations of the Borrower and its consolidated Subsidiaries, in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of certain footnotes;

(c) concurrently with the delivery of financial statements under clause (a) above, a consolidated budget for the fiscal year following that to which such financial statements relate as presented to the Board of Directors, which shall include, with respect to the Borrower and its Subsidiaries, ending total subscribers, gross and net subscriber additions by type, churn by plan, total revenue, subscription revenue, subscription average revenue per unit (ARPU), gross margin, subscription margin, research and development expenses, programming expenses, advertising and marketing expenses, subscriber acquisition costs, cost per gross and net add, EBITDA (as calculated in the consolidated budget presented to the Board of Directors), deferred subscription revenue balance, Indebtedness, cash and cash capital expenditures;

(d) together with each financial statement delivered pursuant to clauses (a) and (b) above, a certificate signed by a Financial Officer (i) stating that no Default exists or, if any does exist, stating the nature and status thereof and describing the action the Borrower proposes to take with respect thereto and (ii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements of the Borrower referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(e) promptly after the same becomes publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with the Securities and Exchange Commission under the Exchange Act or with any national securities exchange, as the case may be;

(f) promptly after the same are sent, copies of all financial statements and reports that the Borrower or any Subsidiary sends to the holders of any class of its debt securities or public equity securities; and

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Restricted Subsidiary, or compliance with the terms of any Loan Document, as the Administrative Agent or any Lender may reasonably request.

Information required to be delivered to the Administrative Agent pursuant to this Section shall be deemed to have been distributed to the Lenders if such information, or one or more periodic or other reports containing such information, shall have been posted by the Administrative Agent on an IntraLinks or similar site to which the Lenders have been granted access or shall be available on the website of the Securities and Exchange Commission at http://www.sec.gov (and a confirming electronic correspondence shall have been delivered or caused to be delivered to the Lenders, providing notice of such posting or availability). Information required to be delivered pursuant to this Section may also be delivered by electronic communications pursuant to procedures approved by the Administrative Agent.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect; and

(d) any other development that resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Borrower will, and will cause each Restricted Subsidiary to, preserve and maintain its legal existence and the rights, licenses (including FCC Licenses), permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business, except to the extent that failures to keep in effect such rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names and, in the case of Restricted Subsidiaries only, legal existence could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 5.04. Books and Records; Inspection and Audit Rights. The Borrower will, and will cause each of the Restricted Subsidiaries to, keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all requirements of applicable law shall be made of all dealings and transactions in relation to its business and activities. The Borrower will permit, and cause each Restricted Subsidiary to permit, the Administrative Agent, and its representatives and agents, upon reasonable prior notice, (a) to visit and inspect any of the properties, (b) to examine and make extracts from the books and records and (c) to discuss the affairs, finances and condition of, in each case, the Borrower and its Restricted Subsidiaries, with, and to be advised as to the same by, their respective officers, directors and (subject to the consent of the Borrower, unless an Event of Default shall have occurred and is continuing) independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 5.05. Maintenance of Properties. The Borrower will, and will cause each of the Restricted Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, which shall include, in the case of Satellites (other than Satellites yet to be launched), the provision of tracking, telemetry, control and monitoring of Satellites in their designated orbital positions, in each case in accordance with prudent and diligent standards in the commercial satellite industry.

SECTION 5.06. Compliance with Laws. The Borrower will, and will cause each Subsidiary to, comply with the requirements of all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including all Environmental Laws) and to maintain all FCC Licenses and all other governmental licenses, approvals, orders or authorizations required to provide satellite digital radio services, to launch or operate any Satellite and the TT&C Stations related thereto and to transmit signals to and receive transmissions from the Satellites in full force and effect, except where failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.07. Payment of Taxes, Etc. The Borrower will, and will cause each Subsidiary to, pay and discharge before the same shall become delinquent (a) all material Taxes imposed upon it or upon its income, profit or property and (b) all material lawful claims that, if unpaid, might by law become a Lien upon its property, except where (i)(A) such Tax or claim is being contested in good faith and by proper proceedings and (B) with respect to which the Borrower shall have established appropriate reserves in accordance with GAAP or (ii) the failure to make any such payments, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08. Insurance. The Borrower will, and will cause each of the Restricted Subsidiaries to, maintain in force, with financially sound and reputable insurance companies, insurance (including launch insurance) in such amounts (with no greater risk retention) and against such risks as are customarily maintained by companies of established repute engaged in the same or similar businesses. Each such policy of insurance shall (a) name the Collateral Agent, on behalf of the relevant Secured Parties, as an additional insured thereunder, (b) in the case of each casualty insurance policy, contain a loss payable clause or endorsement, reasonably satisfactory in form and substance to the Administrative Agent, that names the Collateral Agent, on behalf of the relevant Secured Parties, as the loss payee thereunder and (c) provide for at least 30 days' prior written notice to the Administrative Agent of any cancellation of such policy, provided that, the Collateral Agent may waive all or part of the requirements set forth in this sentence if it determines that such requirements cannot be satisfied without undue effort or expense. Notwithstanding the foregoing, so long as any loans remain outstanding under the Senior Secured Term Credit Agreement, the Borrower shall use commercially reasonable efforts to cause each such policy of insurance to (a) name the Collateral Agent, on behalf of the Secured Parties, as an additional insured thereunder, (b) in the case of each casualty insurance policy, contain a loss payable clause or endorsement, reasonably satisfactory in form and substance to the Administrative Agent, that names the Collateral Agent, on behalf of the Secured Parties, as the loss payee thereunder and (c) provide for at least 30 days' prior written notice to the Administrative Agent of such policy, provided that, with respect to clause (b) above, the terms of the loss payable clause or endorsement satisfactory to the "Administrative Agent" (as defined under the Senior Secured Term Credit Agreement) shall be deemed to be satisfactory to the Administrative Agent to the extent that they apply mutatis mutandis to the Administrative Agent.

SECTION 5.09. Information Regarding Collateral. (a) The Borrower will furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's corporate name, (ii) in the location of any Loan Party's chief executive office or its principal place of business, (iii) in any Loan Party's identity or corporate structure or (iv) in any Loan Party's Federal Taxpayer Identification Number. The Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been or are concurrently made under the Uniform Commercial Code or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. The Borrower also agrees promptly to notify the Administrative Agent if any material portion of the Collateral is damaged or destroyed.

(b) Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.01(a), the Borrower shall deliver to the Administrative Agent a certificate of a Financial Officer and the chief legal officer of the Borrower setting forth the information required pursuant to the Perfection Certificate or confirming that there has been no change in such information since the date of the Perfection Certificate delivered on the Effective Date or the date of the most recent certificate delivered pursuant to this Section.

SECTION 5.10. Use of Proceeds. The Borrower will use the proceeds of Loans only for the purposes referred to in the recitals to this Agreement. No part of the proceeds of any Loans will be used, whether directly or indirectly, for any purpose that entails a violation of any of the regulations of the Board of Governors, including Regulations U and X.

SECTION 5.11. Additional Subsidiaries. If any additional Restricted Subsidiary is formed or acquired after the Effective Date, or any Unrestricted Subsidiary is designated as a Restricted Subsidiary, or any Restricted Subsidiary becomes a Material Subsidiary, the Borrower will, in each case promptly after such event, notify the Administrative Agent thereof and cause the Term Loan Collateral and Guarantee Requirement and Purchase Money Collateral and Guarantee Requirements to be satisfied with respect to such Restricted Subsidiary (other than any such Subsidiary that is not a Material Subsidiary) and with respect to any Capital Stock in (if such Subsidiary is a Material Subsidiary) or Indebtedness of such Restricted Subsidiary owned by or on behalf of any Loan Party.

SECTION 5.12. Further Assurances. (a) The Borrower will, and will cause each Subsidiary to, execute and deliver, or to cause to be executed and delivered, any and all further documents, certificates, agreements and instruments, and take all such further actions (including the filing and recording of Uniform Commercial Code financing statements, fixture filings, mortgages, deeds of trust and other documents), (i) that may be required under any applicable law or regulation to cause the Term Loan Collateral and Guarantee Requirement or Purchase Money Collateral and Guarantee Requirement, as the case may be, to be and remain satisfied at all times or (ii) that any Agent may reasonably request for purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of more fully perfecting or renewing the rights of the Collateral Agent in the Collateral or ensuring the priority of the Liens securing the Obligations, all at the expense of the Loan Parties. Upon the exercise, at any time that an Event of Default shall have occurred and is continuing, by any Agent of any power, right, privilege or remedy pursuant to this Agreement or any other Loan Document that

requires any consent, approval, recording, qualification or authorization of any Governmental Authority or any other Person, the Borrower will, and will cause its Restricted Subsidiaries to, execute and deliver, or will cause the execution and delivery of, all applications, certifications, agreements, instruments and other documents that such Agent may reasonably request from the Borrower or any Restricted Subsidiary in connection therewith.

(b) If any material assets (including any real property that constitutes a Mortgaged Property or improvements thereto or any interest therein) are acquired by the Borrower or any Subsidiary Guarantor after the Effective Date (other than assets constituting Collateral under the Term Loan Collateral Agreement that become subject to the Lien of the Collateral Agreement upon acquisition thereof), the Borrower will promptly notify the Administrative Agent thereof, and, if requested by the Administrative Agent, the Borrower will cause such assets to be subjected to a Lien securing the Obligations and will take, and cause the applicable Subsidiary Guarantor to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (a) of this Section, all at the expense of the Loan Parties.

(c) As promptly as practicable, and in any event within 5 days, after the Effective Date, the Borrower will, or will cause the applicable Subsidiary Guarantors to, deliver all Mortgages would have been required to be delivered on the Effective Date but for the proviso set forth in Section 4.02(b), in each case except to the extent otherwise agreed to by the Collateral Agent pursuant to its authority set forth in the definition of the term "Term Loan Collateral and Guarantee Requirement".

(d) If at any time the Borrower or any of its Restricted Subsidiaries grants a lien on any property or assets now owned or hereafter acquired by it that does not constitute Collateral, the Borrower will, and will cause each Subsidiary to, execute and deliver, or to cause to be executed and delivered, any and all further documents, certificates, agreements and instruments, and take all such further actions (including the filing and recording of Uniform Commercial Code financing statements, fixture filings, mortgages, deeds of trust and other documents), (i) that may be required under any applicable law or regulation to subject such property or assets to the security interest created under the Security Documents and cause the Term Loan Collateral and Guarantee Requirement or Purchase Money Collateral and Guarantee Requirement, as the case may be, to be and remain satisfied at all times with respect to such property or assets or (ii) that any Agent may reasonably request for purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of more fully perfecting or renewing the rights of the Collateral Agent in the Collateral or ensuring the priority of the Liens securing the Obligations, all at the expense of the Loan Parties.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Limitation on Indebtedness. (a) The Borrower shall not, and shall not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that the Borrower shall be entitled to Incur Indebtedness if on the date of such Incurrence (i) no Event of Default has occurred and is continuing or would result therefrom and (ii) after giving effect thereto on a *pro forma* basis, the Consolidated Leverage Ratio would be less than 6.00 to 1.

(b) Notwithstanding the foregoing paragraph (a), the Borrower and the Restricted Subsidiaries shall be entitled to Incur any or all of the following Indebtedness:

(i) Indebtedness of the Borrower outstanding under the Senior Secured Term Credit Agreement and guarantees thereof by the Subsidiary Guarantors and Refinancing Indebtedness in respect thereof and other Indebtedness Incurred by the Borrower or any of its Restricted Subsidiaries under this clause (i) that, when taken together with all Indebtedness outstanding under the Senior Secured Term Credit Agreement and all other Indebtedness Incurred pursuant to this clause (i) and then outstanding, does not exceed $250,000,000 at any time outstanding;

(ii) Indebtedness of the Borrower in an aggregate principal amount that, when taken together with all other Indebtedness of the Borrower Incurred pursuant to this clause (ii) and then outstanding, does not exceed 175% of the Net Cash Proceeds received by the Borrower subsequent to the Notes Issue Date from the issue or sale of Capital Stock of the Borrower, including cash contributions received by the Borrower following a Borrower-Holdings or a Borrower-XM Merger, (in each case, other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary or an employee stock ownership plan or to a trust established by the Borrower or any of its Subsidiaries for the benefit of their employees) or any cash capital contribution received by the Borrower from its stockholders subsequent to the Notes Issue Date; provided, however, that any Indebtedness Incurred under this clause (ii) shall have a weighted Average Life that is greater than the then remaining weighted Average Life of the Loans and a final maturity date that is later than the date that is 91 days after the Maturity Date; provided further, however, that any Net Cash Proceeds received by the Borrower from the issue or sale of its Capital Stock or cash capital contributions received by the Borrower and used to Incur Indebtedness pursuant to this clause (ii) shall be excluded from the calculation of amounts under Sections 6.02(a)(iii)(B) and 6.02(b)(i);

(iii) Indebtedness owed to and held by the Borrower or a Restricted Subsidiary; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Borrower or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon and (B) if the Borrower or any Subsidiary Guarantor is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all Obligations;

(iv) Indebtedness created under the Loan Documents;

(v) Indebtedness outstanding on the date of this Agreement and set forth on Schedule 6.01(b)(v);

(vi) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Subsidiary was acquired by the Borrower (other than Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Subsidiary became a Subsidiary or was acquired by the Borrower); provided, however, that on the date of such acquisition and after giving pro forma effect thereto, the Borrower would have been entitled to Incur at least $1.00 of additional Indebtedness pursuant to Section 6.01(a);

(vii) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to Section 6.01(a) or pursuant to clause (ii), (v) or (vi) of this Section 6.01(b) or this clause (vii); provided, however, that to the extent such Refinancing Indebtedness directly or indirectly Refinances Indebtedness of a Subsidiary Incurred pursuant to clause (vi), such Refinancing Indebtedness shall be Incurred only by such Subsidiary;

(viii) Hedging Obligations directly related to Indebtedness permitted to be Incurred by the Borrower and its Restricted Subsidiaries pursuant to this Agreement;

(ix) obligations in respect of workers' compensation claims, self-insurance obligations, performance, bid and surety bonds and completion guarantees provided by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(x) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of its Incurrence;

(xi) Subordinated Obligations Incurred by the Borrower to finance the purchase, lease or improvement of property (real or personal) or equipment that is used or useful in a Related Business (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) within 180 days of such purchase, lease or improvement, and any Refinancing Indebtedness Incurred to Refinance such Indebtedness; provided, however, that, except to the extent permitted by the following proviso, any Indebtedness Incurred under this clause (xi) shall have a weighted Average Life that is greater than the then remaining weighted Average Life of the Loans and a final maturity date that is later than the

date that is 91 days after the Maturity Date; provided further, however, that the Borrower may Incur Permitted Subordinated Obligations pursuant to this clause (xi) in an amount that, when added together with the amount of all other Permitted Subordinated Obligations Incurred pursuant to this clause (xi) and then outstanding, does not exceed $250,000,000;

(xii) Purchase Money Indebtedness, Attributable Debt in respect of Sale/Leaseback Transactions and Capital Lease Obligations of the Borrower or any of its Restricted Subsidiaries, and Refinancing Indebtedness in respect thereof, in an aggregate amount not in excess of $50,000,000 at any time outstanding;

(xiii) Indebtedness arising from agreements of the Borrower or any of its Restricted Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or Capital Stock of a Restricted Subsidiary, provided, however, the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Borrower and its Restricted Subsidiaries in connection with such disposition;

(xiv) Replacement Satellite Vendor Indebtedness, and Refinancing Indebtedness in respect thereof;

(xv) Indebtedness of the Borrower or of any of its Restricted Subsidiaries in an aggregate principal amount that, when taken together with all other Indebtedness of the Borrower and its Restricted Subsidiaries Incurred pursuant to this clause (xvi) and then outstanding, does not exceed $50,000,000; and

(xvi) Any Indebtedness which becomes an Obligation of the Borrower as a result of a Borrower-Holdings Merger or a Borrower-XM Merger;

(c) Notwithstanding the foregoing, neither the Borrower nor any Restricted Subsidiary shall be entitled to Incur any Indebtedness pursuant to Section 6.01(b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations of the Borrower or a Subsidiary Guarantor unless such Indebtedness shall be subordinated to the Obligations to at least the same extent as such Subordinated Obligations.

(d) For purposes of determining compliance with this Section 6.01:

(i) in the event that an item of Indebtedness (or any portion thereof) meets the criteria of more than one of the types of Indebtedness described herein, the Borrower, in its sole discretion, shall classify such item of Indebtedness (or any portion thereof) at the time of Incurrence and shall only be required to include the amount and type of such Indebtedness in one of the above clauses;

(ii) the Borrower shall be entitled to divide and classify (and later reclassify) an item of Indebtedness in more than one of the types of Indebtedness described above; provided that Secured Indebtedness Incurred pursuant to clause (i) of Section 6.01(b) may not be reclassified as Indebtedness of another type, other than as Indebtedness permitted by clause (xiii) of Section 6.01(b);

(iii) any Indebtedness of the Borrower Incurred under clause (i) (other than any such Indebtedness that is Secured Indebtedness), (ii), (xii) or (xvi) of Section 6.01(b) shall cease to be deemed Incurred or outstanding for purposes of those clauses, but instead shall be deemed to be Incurred under Section 6.01(a), from and after the first date on which the Borrower could have Incurred such Indebtedness under Section 6.01(a) without reliance on any of such clauses;

(iv) Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included; and

(v) the principal amount of any Disqualified Stock of the Borrower or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof.

SECTION 6.02. Limitation on Restricted Payments. (a) The Borrower shall not, and shall not permit any Restricted Subsidiary, directly or indirectly, to make a Restricted Payment if at the time the Borrower or such Restricted Subsidiary makes such Restricted Payment:

(i) a Default shall have occurred and be continuing (or would result therefrom);

(ii) the Borrower is not entitled to Incur an additional $1.00 of Indebtedness under Section 6.01(a) after giving effect, on a pro forma basis, to such Restricted Payment; or

(iii) the aggregate amount of such Restricted Payment and all other Restricted Payments since the Notes Issue Date would exceed the sum of (without duplication):

(A) 100% of Consolidated Operating Cash Flow accrued during the period (treated as one accounting period) from the beginning of the first fiscal quarter during which the Borrower generates positive Consolidated Operating Cash Flow to the end of the most recent fiscal quarter for which financial statements are available, less 140% of the Consolidated Interest Expense for the same period; plus

(B) 100% of the aggregate Net Cash Proceeds received by the Borrower from the issuance or sale of its Capital Stock (other than Disqualified Stock) subsequent to the Notes Issue Date (other than an issuance or sale to a Subsidiary and other than an issuance or sale to an employee stock ownership plan or to a trust established by the Borrower or any of its Subsidiaries for the benefit of their employees) and 100% of any cash capital contribution received by the Borrower from its stockholders subsequent to the Notes Issue Date; provided, however, that any Net Cash Proceeds received by the Borrower from the issue or sale of its Capital Stock or cash capital contributions received by the Borrower and used to make Restricted Payments pursuant to Section 6.02(b)(i) or to Incur Indebtedness pursuant Section 6.01(b)(ii) shall be excluded from the calculation of Net Cash Proceeds and cash capital contributions under this clause (B) (in the case of such Indebtedness, except to the extent such Indebtedness has been treated, pursuant to Section 6.01(d)(iii), as Incurred pursuant to Section 6.01(a)); plus

(C) the amount by which Indebtedness of the Borrower or any Restricted Subsidiary is reduced on the Borrower's balance sheet upon the conversion or exchange subsequent to the Notes Issue Date of any Indebtedness convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Borrower (less the amount of any cash, or the fair value of any other property, distributed by the Borrower upon such conversion or exchange); plus

(D) an amount equal to the sum of (1) the net reduction in the Investments (other than Permitted Investments) made by the Borrower or any Restricted Subsidiary in any Person resulting from repurchases, repayments or redemptions of such Investments by such Person, proceeds realized on the sale of such Investment and proceeds representing the return of capital (excluding dividends and distributions to the extent included in Consolidated Operating Cash Flow), in each case received by the Borrower or any Restricted Subsidiary, and (2) to the extent such Person is an Unrestricted Subsidiary, the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the fair market value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; provided, however, that the foregoing sum shall not exceed, in the case of any such Person or Unrestricted Subsidiary, the amount of Investments (excluding Permitted Investments) previously made (and treated as a Restricted Payment) by the Borrower or any Restricted Subsidiary in such Person or Unrestricted Subsidiary.

(b) The preceding provisions of Section 6.02(a) shall not prohibit:

(i) any Restricted Payment made out of the Net Cash Proceeds of the substantially concurrent issuance or sale of, or made by exchange for, Capital Stock of the Borrower (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary or an employee stock ownership plan or to a trust

established by the Borrower or any of its Subsidiaries for the benefit of their employees) or a substantially concurrent cash capital contribution received by the Borrower from its stockholders; provided, however, that (A) such Restricted Payment shall be excluded from subsequent calculations of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale or such cash capital contribution (to the extent so used for such Restricted Payment) shall be excluded from the calculation of amounts under Sections 6.01(d)(iii) and 6.02(a)(iii)(B);

(ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations (other than Permitted Subordinated Obligations) of the Borrower made by exchange for, or out of the proceeds of the substantially concurrent Incurrence of, Indebtedness of the Borrower that is permitted to be Incurred pursuant to Section 6.01; provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded from subsequent calculations of the amount of Restricted Payments;

(iii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Permitted Subordinated Obligations of the Borrower Incurred pursuant to Section 6.01(b)(xi) made by exchange for, or out of the proceeds of the substantially concurrent Incurrence of, Subordinated Obligations of the Borrower that are permitted to be Incurred pursuant to Section 6.01 and that have, at the time of Incurrence, a weighted Average Life that is greater than the then remaining weighted Average Life of the Loans and a Stated Maturity that is later than the date that is 91 days after the Maturity Date; provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded from subsequent calculations of the amount of Restricted Payments;

(iv) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with this Section 6.02; provided, however, that such dividend shall be included in subsequent calculations of the amount of Restricted Payments;

(v) so long as no Default has occurred and is continuing, (A) the purchase, redemption or other acquisition of shares of Capital Stock of the Borrower or any of its Subsidiaries from employees, former employees, directors or former directors of the Borrower or any of its Subsidiaries (or permitted transferees of such employees, former employees, directors or former directors), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock; provided, however, that the aggregate amount of such Restricted Payments (excluding amounts representing cancellation of Indebtedness) shall not exceed $5,000,000 in any calendar year; provided further, however, that such repurchases and other acquisitions shall be excluded from

subsequent calculations of the amount of Restricted Payments; and (B) loans or advances to employees of the Borrower or any Subsidiary the proceeds of which are used to purchase Capital Stock of the Borrower, in an aggregate amount not in excess of $2,000,000 at any one time outstanding; provided, however, that the amount of such loans and advances shall be excluded from subsequent calculations of the amount of Restricted Payments;

(vi) the declaration or payment of dividends on Disqualified Stock issued after the date of this Agreement pursuant to Section 6.01; provided, however, that at the time of declaration of such dividend, no Default shall have occurred and be continuing or would result therefrom; provided further, however, that such dividends shall be excluded from subsequent calculations of the amount of Restricted Payments;

(vii) repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other convertible securities if such Capital Stock represents a portion of the exercise price thereof; provided, however, that such Restricted Payments shall be excluded from subsequent calculations of the amount of Restricted Payments;

(viii) cash payments in lieu of the issuance of fractional shares in connection with a reverse stock split of the Capital Stock of the Borrower or the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Borrower; provided, however, that any such cash payment shall not be for the purpose of evading the limitation of this Section 6.02 (as determined in good faith by the Board of Directors); provided further, however, that such payments shall be excluded in subsequent calculations of the amount of Restricted Payments;

(ix) payments of intercompany subordinated Indebtedness, the Incurrence of which was permitted under Section 6.01(b)(iii); provided, however, that no Default has occurred and is continuing or would result therefrom; provided further, however, that such payments shall be excluded from subsequent calculations of the amount of Restricted Payments;

(x) the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Borrower or any Restricted Subsidiary (other than Disqualified Stock) held by any employee of the Borrower made in lieu of withholding taxes resulting from the exercise, exchange or conversion of stock options, warrants or other similar rights; provided, however, that no Default has occurred and is continuing or would otherwise result therefrom; provided further, however, that such payments shall be excluded from subsequent calculations of the amount of Restricted Payments; or

(xi) other Restricted Payments in an amount not to exceed $25,000,000 in the aggregate for any calendar year (with unused amounts in any calendar year being permitted to be carried over for the next succeeding calendar year);

provided, however, such Restricted Payments, when taken together with all other Restricted Payments made pursuant to this clause (xi), do not exceed $100,000,000 in the aggregate; provided further that no Default has occurred and is continuing or would otherwise result therefrom; provided further, however, that such payments shall be excluded from subsequent calculations of the amount of Restricted Payments.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Borrower or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount and any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Borrower acting in good faith.

SECTION 6.03. Limitation on Restrictive Agreements. The Borrower shall not, and shall not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on (a) the ability of any Restricted Subsidiary to pay dividends or make any other distributions on its Capital Stock to the Borrower or a Restricted Subsidiary or pay any Indebtedness owed to the Borrower, (b) the ability of any Restricted Subsidiary to make any loans or advances to the Borrower or to Guarantee Indebtedness of the Borrower, (c) the ability of any Restricted Subsidiary to transfer any of its property or assets to the Borrower or (d) the ability of the Borrower or any Restricted Subsidiary to create, incur or permit to exist any Lien on any of its properties or assets, except:

(i) with respect to clauses (a), (b), (c) and (d),

(A) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the date of this Agreement;

(B) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Capital Stock or Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by the Borrower (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by the Borrower) and outstanding on such date;

(C) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in Section 6.03(i)(A) or 6.03(i)(B) or this clause (C) or contained in any amendment to an agreement referred to in Section 6.03(i)(A) or 6.03(i)(B) or this clause (C); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such refinancing agreement or amendment are no more restrictive than encumbrances and restrictions with respect to such

Restricted Subsidiary contained in such predecessor agreements on the date of this Agreement or the date such Restricted Subsidiary became a Restricted Subsidiary, whichever is applicable;

(D) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(E) any encumbrance or restriction consisting of net worth provisions in leases and other agreements entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business; and

(F) any encumbrance or restriction consisting of customary provisions in joint venture agreements relating to joint ventures that are not Restricted Subsidiaries and other similar agreements entered into in the ordinary course of business; and

(ii) with respect to clauses (c) and (d) only,

(A) any encumbrance or restriction consisting of customary nonassignment provisions in leases governing leasehold interests to the extent such provisions restrict the assignment or transfer of the lease or the property leased thereunder;

(B) any encumbrance or restriction contained in security agreements, pledges or mortgages securing Indebtedness of the Borrower of a Restricted Subsidiary permitted under this Agreement to the extent such encumbrance or restriction applies only to the property subject to such security agreements, pledges or mortgages;

(C) any encumbrance or restriction consisting of (1) purchase money obligations for property acquired in the ordinary course of business and (2) Capital Lease Obligations permitted under this Agreement, in each case, that impose encumbrances or restrictions of the nature described in Section 6.03(c) or 6.03(d) on the property so acquired; and

(D) any encumbrance or restriction pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Borrower or any Restricted Subsidiary.

SECTION 6.04. Limitation on Sales of Assets and Subsidiary Stock. (a) The Borrower shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Disposition unless:

(i) the Borrower or such Restricted Subsidiary receives consideration at the time of such Asset Disposition at least equal to the fair market value (including as to the value of all non-cash consideration), as determined in good faith by the Board of Directors, of the shares and assets subject to such Asset Disposition;

(ii) at least 75% of the consideration thereof received by the Borrower or such Restricted Subsidiary is in the form of cash or cash equivalents;

(iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Borrower or such Restricted Subsidiary, as the case may be, in accordance with Section 2.07.

For the purposes of this Section 6.04(a), the following are deemed to be cash or cash equivalents:

(A) the assumption or discharge of Indebtedness of the Borrower (other than obligations in respect of Disqualified Stock of the Borrower) or any Restricted Subsidiary and the release of the Borrower or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition; and

(B) securities received by the Borrower or any Restricted Subsidiary from the transferee that are promptly converted by the Borrower or such Restricted Subsidiary into cash, to the extent of cash received in that conversion.

(b) The Borrower shall not, and shall not permit any Restricted Subsidiary to, engage in any Asset Swaps, unless:

(i) at the time of entering into such Asset Swap and immediately after giving effect to such Asset Swap, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(ii) in the event such Asset Swap involves the transfer by the Borrower or any Restricted Subsidiary of assets having an aggregate fair market value, as determined by the Board of Directors of the Borrower in good faith, in excess of $10,000,000, the terms of such Asset Swap have been approved by a majority of the members of the Board of Directors of the Borrower; and

(iii) in the event such Asset Swap involves the transfer by the Borrower or any Restricted Subsidiary of assets having an aggregate fair market value, as determined by the Board of Directors of the Borrower in good faith, in excess of $50,000,000, the Borrower has received a written opinion from an independent investment banking firm of nationally recognized standing that such Asset Swap is fair to the Borrower or such Restricted Subsidiary, as the case may be, from a financial point of view.

(c) Notwithstanding the foregoing, the Borrower shall not permit XM or any of its subsidiaries to, directly or indirectly, consummate any Asset Disposition or to engage in any Asset Swaps prior to the Phase II Funding Date. In addition, the Borrower shall not sell, lease, transfer or otherwise dispose of any shares of Capital Stock of XM (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Borrower or a Restricted Subsidiary) prior to the Phase II Funding Date to any Person (other than a Wholly Owned Subsidiary that is a Restricted Subsidiary).

SECTION 6.05. Limitation on Affiliate Transactions. (a) The Borrower shall not, and shall not permit any Restricted Subsidiary to, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Borrower (an "Affiliate Transaction") unless:

(i) the terms of the Affiliate Transaction are no less favorable to the Borrower or such Restricted Subsidiary than those that could be obtained at the time of the Affiliate Transaction in arm's-length dealings with a Person who is not an Affiliate;

(ii) if such Affiliate Transaction involves an amount in excess of $5,000,000, the terms of the Affiliate Transaction are set forth in writing and a majority of the non-employee directors of the Borrower disinterested with respect to such Affiliate Transaction have determined in good faith that the criteria set forth in clause (i) are satisfied and have approved the relevant Affiliate Transaction as evidenced by a resolution of the Board of Directors; and

(iii) if such Affiliate Transaction involves an amount in excess of $20,000,000, the Board of Directors shall also have received a written opinion from an Independent Qualified Party to the effect that such Affiliate Transaction is fair, from a financial standpoint, to the Borrower and its Restricted Subsidiaries or is not less favorable to the Borrower and its Restricted Subsidiaries than could reasonably be expected to be obtained at the time in an arm's-length transaction with a Person who was not an Affiliate.

(b) The provisions of the preceding paragraph (a) shall not prohibit:

(i) any Investment (other than a Permitted Investment) or other Restricted Payment, in each case permitted to be made pursuant to (but only to the extent included in the calculation of the amount of Restricted Payments made pursuant to) Section 6.02(a)(iii);

(ii) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors;

(iii) loans or advances to employees in the ordinary course of business in accordance with the past practices of the Borrower or its Restricted Subsidiaries, but in any event not to exceed $2,000,000 in the aggregate outstanding at any one time;

(iv) the payment of reasonable and customary fees to, and indemnity provided on behalf of, directors of the Borrower and its Restricted Subsidiaries who are not employees of the Borrower or its Restricted Subsidiaries;

(v) any transaction with the Borrower, a Restricted Subsidiary or joint venture or similar entity which would constitute an Affiliate Transaction solely because the Borrower or a Restricted Subsidiary owns an equity interest in or otherwise controls such Restricted Subsidiary, joint venture or similar entity;

(vi) the issuance or sale of any Capital Stock (other than Disqualified Stock) of the Borrower;

(vii) transactions contemplated or required by the Investment Agreement;

(viii) any agreement set forth on Schedule 6.05(b)(viii), as these agreements may be amended, modified, supplemented, extended or renewed from time to time (so long as any amendment, modification, supplement, extension or renewal is not less favorable to the Borrower or the Restricted Subsidiaries), and the transactions evidenced thereby; and

(ix) a Borrower-Holdings Merger or a Borrower-XM Merger.

SECTION 6.06. Limitation on Line of Business. The Borrower shall not, and shall not permit any Restricted Subsidiary, to engage in any business other than a Related Business.

SECTION 6.07. Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries. The Borrower:

(a) shall not, and shall not permit any Restricted Subsidiary to, sell, lease, transfer or otherwise dispose of any Capital Stock of any Restricted Subsidiary to any Person (other than the Borrower or a Wholly Owned Subsidiary that is a Restricted Subsidiary), and

(b) shall not permit any Restricted Subsidiary to issue any of its Capital Stock (other than, if necessary, shares of its Capital Stock constituting directors' or other legally required qualifying shares) to any Person (other than to the Borrower or a Wholly Owned Subsidiary that is a Restricted Subsidiary), unless

(i) immediately after giving effect to such issuance, sale or other disposition, neither the Borrower nor any of its Restricted Subsidiaries own any Capital Stock of such Restricted Subsidiary;

(ii) such issuance, sale or other disposition is treated as an Asset Disposition and immediately after giving effect to such issuance, sale or other disposition, such Restricted Subsidiary would continue to be a Restricted Subsidiary; or

(iii) immediately after giving effect to such issuance, sale or other disposition, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect thereto is treated as a new Investment by the Borrower and such Investment would be permitted to be made under Section 6.02 if made on the date of such issuance, sale or other disposition.

(c) For purposes of this Section 6.07, the creation of a Lien on any Capital Stock of a Restricted Subsidiary to secure Indebtedness of the Borrower or any of its Restricted Subsidiaries will not be deemed to be subject to this Section 6.07; provided, however, that any sale or other disposition by the secured party of such Capital Stock following foreclosure of its Lien will be subject to this Section 6.07.

(d) Prior to the Phase II Funding Date, the Borrower shall not permit XM to issue any of its Capital Stock (other than, if necessary, shares of its Capital Stock constituting director's stock or other legally required qualifying shares) to any Person (other than to the Borrower or a Wholly Owned Subsidiary of the Borrower).

SECTION 6.08. Limitations on Liens. The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, create, incur, assume or permit to exist any Lien on all or any portion of the Collateral, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except for (a) Liens created under the Loan Documents and (b) the Permitted Liens.

SECTION 6.09. Limitation on Sale/Leaseback Transactions. The Borrower shall not, and shall not permit any Restricted Subsidiary to, enter into any Sale/Leaseback Transaction with respect to any property unless:

(1) the Borrower or such Restricted Subsidiary would be entitled to (A) Incur Indebtedness in an amount equal to the Attributable Debt with respect to such Sale/Leaseback Transaction pursuant to Section 6.01 and (B) create a Lien on such property securing such Attributable Debt pursuant to Section 6.08;

(2) the net proceeds received by the Borrower or any Restricted Subsidiary in connection with such Sale/Leaseback Transaction are at least equal to the fair market value (as determined by the Board of Directors) of such property; and

(3) the Borrower applies the proceeds of such transaction in compliance with Section 2.07.

SECTION 6.10. Fundamental Changes. The Borrower shall not, and shall not permit any Restricted Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing or would result therefrom (a) any Person may merge into any Restricted Subsidiary in a transaction in which the surviving entity is a Subsidiary and (if any party to such merger is a Subsidiary Guarantor) is a Subsidiary Guarantor, (b) any Restricted Subsidiary may liquidate or dissolve into another Restricted Subsidiary if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders, (c) a Borrower-Holdings Merger or a Borrower-XM Merger and (d) any Wholly Owned Restricted Subsidiary (other than a Subsidiary Guarantor) may merge with and into the Borrower to form a parent entity of the Borrower so long as the Borrower is the surviving corporation; provided that any such merger involving a Person that is not a Wholly Owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.02; provided further that in the case of any Borrower – Holdings Merger or Borrower – XM Merger, (i) the resulting, surviving or transferee Person (the "Successor Company" shall be a Person organized and existing under the laws of the United State of America, any State thereof or the District of Columbia, and (ii) the Successor Company (if not the Borrower) shall (A) expressly assume the Borrower's Obligations in respect of the Loans and the Borrower's Obligations and the Borrower's covenants under the Loan Documents to which it is or is to be a party in a writing satisfactory in form and substance to the Administrative Agent and (B) take or have taken all action to satisfy the Purchase Money Collateral and Guarantee Requirement and the Term Loan Collateral and Guarantee Requirement and take or have taken such other action as may be necessary or desirable, or as the Administrative Agent may reasonably request, in order to preserve the Liens, and continue the perfection thereof with the same priority, as granted and provided for or purported to be granted and provided for by the Security Documents.

SECTION 6.11. Activities of the FCC Licenses Subsidiaries. The Borrower shall not permit any FCC Licenses Subsidiary (a) to conduct any business operations other than the ownership of the FCC Licenses and activities incidental thereto, (b) to own or acquire any assets other than the FCC Licenses and assets that are incidental to its existence and permitted activities and (c) to Incur any Indebtedness other than (i) the Obligations, (ii) Guarantees of Indebtedness under the Loral Credit Agreement, and of Refinancing Indebtedness with respect thereto permitted by Section 6.01(b)(vii), in an aggregate amount not to exceed $100,000,000 at any time, and (iii) Guarantees of Indebtedness Incurred pursuant to Section 6.01(b)(i), in an aggregate amount not to exceed $250,000,000 at any time. The Borrower will cause all FCC Licenses at all times to be held in the name of a FCC Licenses Subsidiary that is a Wholly Owned Subsidiary whose Capital Stock has been pledged in accordance with the provision of the Collateral and Guarantee Requirement, and will cause such FCC Licenses Subsidiaries to be the sole legal and beneficial owners thereof; provided, however, that the Specified FCC Licenses and any authorizations to operate terrestrial repeaters may be held in the name of the Borrower, with the Borrower being the sole legal and beneficial owner thereof.

SECTION 6.12. Hedging Agreements. The Borrower shall not, and shall not permit any Restricted Subsidiary to, enter into any Hedging Agreement, other than Hedging Agreements entered into in the ordinary course of business to hedge or mitigate risks to which the Borrower or any Restricted Subsidiary is exposed in the conduct of its business or the management of its liabilities.

SECTION 6.13. Amendments to Senior Secured Term Credit Agreement. The Borrower shall not agree to any material amendment, restatement, supplement or other modification to (i) at any time, Articles III, V, VI or VII of the Senior Secured Term Credit Agreement or any other provision thereof containing representations and warranties, covenants or events of default, (ii) if and only if the Phase II Funding Date shall not have occurred on or prior to December 31, 2009, Article II of the Senior Secured Term Credit Agreement or any other provision thereof relating to economic terms, (any material amendment, restatement, supplement or other modification described in clauses (i) and (ii), a "Specified Change"), in each case, without, simultaneously with any such Specified Change, agreeing to make corresponding changes to this Agreement, provided that any corresponding change to a Specified Change described in clause (ii) only shall become effective after December 31, 2009 and shall apply solely on a going forward basis. Notwithstanding the foregoing, nothing in this Section 6.13 shall prevent the Borrower from agreeing to any Specified Change if the "Lenders" or "Required Lenders" (in each case as defined in the Senior Secured Term Credit Agreement) have approved such Specified Change and the Required Lenders have not approved such Specified Change in accordance with Section 9.02(b).

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur and be continuing:

(1) the Borrower shall fail to pay (i) any amount of principal of any Loan when and as the same shall become due and payable, whether at the due date thereof, at a date fixed for prepayment thereof or otherwise; (ii) any interest on any Loan, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five days; or (iii) any fee or other amount (other than an amount referred to in clause (i) or (ii) above) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(2) any representation or warranty made or deemed made by or on behalf of Borrower or any Loan Party in any Loan Document, or in any certificate furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(3) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the existence of the Borrower), 5.10 or in Article VI;

(4) the Borrower or any other Loan Party shall fail to perform or observe any other covenant, condition or agreement contained in this Agreement or any other Loan Document on its part to be performed or observed (other than those failures or breaches referred to in clauses (1), (2) and (3) above), and such failure shall remain unremedied for 30 days after written notice thereof has been given to the Borrower by the Administrative Agent or the Required Lenders;

(5) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (e) shall not apply to Secured Indebtedness that becomes due as a result of the voluntary sale or transfer, or the casualty or condemnation, of the property or assets securing such Indebtedness;

(6) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(7) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (6) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(8) the Borrower or any Material Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(9) one or more judgments for the payment of money in an aggregate amount in excess of $25,000,000 (net of any amounts with respect to which a reputable and creditworthy insurance company has acknowledged liability in a manner satisfactory to the Administrative Agent) shall be rendered against the Borrower, any Restricted Subsidiary or any combination thereof and the same

shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any material assets of the Borrower or any Restricted Subsidiary to enforce any such judgment;

(10) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Restricted Subsidiaries in an aggregate amount exceeding $25,000,000;

(11) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected Lien on any material portion of the Collateral, with the priority required by the applicable Security Document, except (i) as a result of the sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents or (ii) as a result of the Collateral Agent's failure to maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Term Loan Collateral Agreement; or

(12) a Change of Control shall have occurred;

then, and in every such event (other than an event with respect to the Borrower described in clause (6) or (7) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) declare the unused Commitments of each Lender and the obligation of each Lender to make Loans hereunder to be terminated, whereupon the same shall forthwith terminate, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (f) or (g) of this Article, the Commitments of each Lender and the obligation of each Lender to make Loans hereunder shall automatically be terminated and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

The Administrative Agent

Each of the Lenders hereby irrevocably appoints the Agents as its agents and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to them by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The entity serving as the Administrative Agent or the Collateral Agent shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent or the Collateral Agent, and entity and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent or the Collateral Agent.

The Agents shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Agents shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) neither Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers that, under the terms of the Loan Documents, such Agent is required to exercise as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances, as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Agents shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of the Subsidiaries that is communicated to or obtained by the entity serving as an Agent or any of its Affiliates in any capacity. Neither Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. Neither Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by the Borrower or a Lender, and neither Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Agents may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by them, and shall not be liable for any action taken or not taken by them in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through its respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Agents and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility provided for herein as well as activities as an Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Borrower, to appoint a successor; provided that such consent of the Borrower shall not be required if an Event of Default has occurred and is continuing at the time of such appointment. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders appoint a successor Administrative Agent (with the consent of the Borrower, provided that such consent of the Borrower shall not be required if an Event of Default has occurred and is continuing at the time of such appointment) which shall be a financial institution with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed in writing between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Subject to the appointment and acceptance of a successor Collateral Agent as provided in this paragraph, the Collateral Agent may resign at any time by notifying the Administrative Agent, the Lenders and the Borrower. Upon any such resignation, the Administrative Agent shall have the right, with the consent of the Borrower, to appoint a successor; provided that such consent of the Borrower shall not be required if an Event of Default has occurred and is continuing at the time of such appointment. Upon the acceptance of its appointment as Collateral Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent, and the retiring Collateral Agent shall be discharged from its duties and obligations hereunder. After the Collateral Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Collateral Agent.

Each Lender acknowledges that it has, independently and without reliance upon either Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon either Agent or any

other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(1) if to the Borrower, to it at Sirius XM Radio Inc., 1221 Avenue of the Americas, 36th Floor, New York, New York 10020, Attention of Patrick Donnelly (Facsimile No. (212) 584-5353, Telephone No. (212) 584-5180); with a copy to Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Attention of Gary Sellers (Facsimile No. (212) 455-2502, Telephone No. (212) 455-2695);

(2) if to the Administrative Agent or the Collateral Agent, to Liberty Media Corporation, 12300 Liberty Blvd, Englewood, CO 80112, Attention of David Flowers (Facsimile No. (720) 875-5915, Telephone No. (720) 875-5411, with a copy to Baker Botts LLP, 30 Rockefeller Plaza, Floor 45, New York, NY 10112 Attention of Marc Leaf and Martin Toulouse (Facsimile No. (212) 259-2559 / (212) 259-2587, Telephone No. (212) 408-2559 / (212) 408-2597;

(3) if to any Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the

generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) None of this Agreement, any other Loan Document or any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, in each case with the consent of the Required Lenders; provided that no such agreement shall (i) increase any Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon without the written consent of each Lender adversely affected thereby, (iii) postpone the maturity of any Loan, or any date of any scheduled payment of the principal amount of any Loan, or any date for payment of any interest thereon, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.16(b) or 2.16(c) in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender adversely affected thereby, (v) change any of the provisions of this Section or the percentage set forth in the definition of "Required Lenders" or "Required Facility Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender, (vi) change any of the provisions in Article IV without the written consent of the Required Facility Lenders adversely affected thereby, (vii) release all or substantially all the Subsidiary Guarantors from their obligations under the Term Loan Collateral Agreement or the Purchase Money Collateral Agreement, or (viii) release all or substantially all of the Collateral from the Liens of the Security Documents, without the written consent of each Lender affected thereby; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of either Agent without the prior written consent of such Agent.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one firm of counsel (in addition to local counsel) for the Administrative Agent, in connection with the syndication of the credit facility provided for herein, the preparation and administration of this Agreement or the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all reasonable out-of-pocket expenses (including reasonable fees, charges and disbursements of one firm of counsel for the Administrative Agent and one firm of counsel, as well as local counsel and one firm of bankruptcy counsel, for the Lenders) incurred by the Administrative Agent and any Lender, in connection with the enforcement or protection

of its rights in connection with any Loan Document, including its rights under this Section, or in connection with the Loans made hereunder.

(b) The Borrower shall indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any other agreement or instrument contemplated hereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on or from any Mortgaged Property or any other property currently or formerly owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and whether or not such claim, litigation, investigation or proceeding is brought by the Borrower or any of its Affiliates or a third party; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent or any of its Related Parties under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed loss, claim, damage, liability or expense, as the case may be, was incurred by or asserted against the Administrative Agent (or such Related Party) in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the sum (without duplication) of the total Loans at the time.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly after written demand thereof.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents and the Lenders), any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loans at the time owing to it); with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(i) the Borrower (such consent not to be unreasonably withheld);*provided* that no consent of the Borrower shall be required for (A) any assignment after the first anniversary of the date hereof, (B) an assignment to a Lender, an Affiliate of a Lender, a Liberty Party or an Approved Fund (as defined below), or (C) if an Event of Default has occurred and is continuing;

(ii) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund;

(iii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Loans (which remaining amount shall be deemed to include, for purposes of this clause, the aggregate amount of Loans held by any Affiliate of the assigning Lender), the amount of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000 unless each of the Borrower and the Administrative Agent otherwise consents, provided that no consent of the Borrower shall be required (x) in connection with assignments by Liberty, in its capacity as the initial Lender, during the 30-day period following the Effective Date, provided that Liberty shall provide to the Borrower the name of the assignee prior to the effectiveness of such assignments, and (y) if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption and a processing and recordation fee of $3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Subsidiaries and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For purposes of this Section 9.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(c) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (f) of this Section.

(d) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, each Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section, if applicable, and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(f) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (g) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15 and 9.08 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section, provided that such Participant agrees to be subject to Section 2.16(b) as though it were a Lender.

(g) A Participant shall not be entitled to receive any greater payment under Section 2.13 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.15(e) as though it were a Lender.

(h) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or, in the case of a Lender that is an investment fund, to the trustee under the indenture to which such fund is a party, and this Section shall not apply to any such pledge or

assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties herein or in any other Loan Document or in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto or thereto and shall survive the execution and delivery of this Agreement and any other Loan Document and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents, the Fee Letter and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Article IV, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Agent, each Lender and each of their Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Agent, Lender or

Affiliate to or for the credit or the account of the Borrower against any overdue obligations of the Borrower now or hereafter existing under this Agreement held by such Agent or Lender, irrespective of whether or not such Agent or Lender shall have made any demand under this Agreement. The rights of each Agent and Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Agent or Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE

THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. The Administrative Agent and each Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) on a need-to-know basis, to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority, (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (B) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (vi) with the consent of the Borrower or (viii) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section or (B) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(a) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(b) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER , THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

SECTION 9.13. Release of Subsidiary Guarantors and Collateral. (a) Notwithstanding any contrary provision herein or in any other Loan Document, if the Borrower shall request the release under any Collateral Agreement or any other Security Document of any Restricted Subsidiary or any Collateral to be sold or otherwise disposed of (including through the sale or disposition of any Restricted Subsidiary owning any such Subsidiary or Collateral) to a Person other than the Borrower or a Subsidiary in a transaction permitted under the terms of this Agreement and shall deliver to the Collateral Agent a certificate to the effect that such sale or other disposition and the application of the proceeds thereof will comply with the terms of this Agreement, the Collateral Agent, if satisfied that the applicable certificate is correct, shall, without the consent of any Lender, execute and deliver all such instruments, releases, financing statements or other agreements, and take all such further actions, as shall be necessary to effectuate the release of such Subsidiary or such Collateral substantially simultaneously with or at any time after the completion of such sale or other disposition. Any such release shall be without recourse to, or representation or warranty by, the Collateral Agent and shall not require the consent of any Lender. The Collateral Agent shall execute and deliver all such instruments, releases, financing statements or other agreements, and take all such further actions, as shall be necessary to effectuate the release of Collateral required by this paragraph.

(b) Without limiting the provisions of Section 9.03, the Borrower shall reimburse each Agent for all costs and expenses, including attorneys' fees and disbursements, incurred by it in connection with any action contemplated by this Section.

SECTION 9.14. USA PATRIOT Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the USA PATRIOT Act. The Borrower shall promptly, following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

SECTION 9.15. Specific Performance. The parties agree that irreparable damage would occur and that the Lenders and the other Secured Parties would not have any adequate remedy at law in the event that Section 5.12(a) of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that

the Administrative Agent and the Required Lenders shall be entitled to an injunction or injunctions to prevent breaches of such Section by the Borrower and to enforce specifically the terms and provisions of such Section in any court referred to in Section 9.09(b), this being in addition to any other remedy to which they are entitled at law or in equity. The Borrower hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance referred to in the immediately preceding sentence that may be brought by the Administrative Agent or the Required Lenders.

SECTION 9.16. OID Legend. The Loans have been issued with original issue discount ("OID") for purposes of sections 1271 et seq. of the Code. For information regarding the issue price, the yield to maturity, the amount of OID per $1,000 of principal amount and, if applicable, the comparable yield and projected payment, please contact the Borrower at the address set forth in Section 9.01

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

SIRIUS XM RADIO INC.,

By: /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Executive Vice President, General Counsel and Secretary

LIBERTY MEDIA CORPORATION, individually and as Administrative Agent and Collateral Agent,

By: /s/ David Flowers

Name: David Flowers
Title: SVP & Treasurer

Exhibit 10.27

EXECUTION COPY

TERM LOAN GUARANTEE AND COLLATERAL AGREEMENT

dated as of

February 17, 2009,

among

SIRIUS XM RADIO INC.,

ITS SUBSIDIARIES IDENTIFIED HEREIN

and

LIBERTY MEDIA CORPORATION,

as Collateral Agent

TABLE OF CONTENTS

Schedules

Exhibits

TERM LOAN GUARANTEE AND COLLATERAL AGREEMENT dated as of February 17, 2009, among SIRIUS XM RADIO INC., a Delaware corporation (the "Borrower"), the subsidiaries of the Borrower from time to time party hereto and LIBERTY MEDIA CORPORATION ("LMC"), as Collateral Agent.

Reference is made to the Term Credit Agreement dated as of February 17, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders from time to time party thereto and LMC, as Administrative Agent and Collateral Agent. The Term Loan Lenders have agreed to extend credit to the Borrower subject to the terms and conditions set forth in the Credit Agreement. The obligations of the Lenders to extend such credit are conditioned upon, among other things, the execution and delivery of this Agreement. The Subsidiary Guarantors are Affiliates of the Borrower, will derive substantial benefits from the extension of credit to the Borrower pursuant to the Credit Agreement and are willing to execute and deliver this Agreement in order to induce the Term Loan Lenders to extend such credit. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Credit Agreement. (a) Capitalized terms used in this Agreement (including the preamble hereto) and not otherwise defined herein have the meanings specified in the Credit Agreement. All terms used in this Agreement and not defined herein or in the Credit Agreement have the meanings specified in Article 8 or 9 of the New York UCC (as defined herein).

(b) The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. Other Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Accounts Receivable" means any right to payment of a monetary obligation from customers of the Borrower or any of its Subsidiaries, earned by the Borrower or any of its Subsidiaries by the performance of services rendered by it in the ordinary course of business.

"Account Debtor" means any Person who is or who may become obligated to any Loan Party under, with respect to or on account of an Account.

"Article 9 Collateral" has the meaning assigned to such term in Section 4.01.

"Borrower" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Claiming Party" has the meaning assigned to such term in Section 6.02.

"Collateral" means Article 9 Collateral and Pledged Collateral.

"Contributing Party" has the meaning assigned to such term in Section 6.02.

"Copyright License" means any written agreement, now or hereafter in effect, granting any right to any third party under any copyright now or hereafter owned by any Loan Party or that such Loan Party otherwise has the right to license, or granting any right to any Loan Party under any copyright now or hereafter owned by any third party, and all rights of such Loan Party under any such agreement.

"Copyrights" means all of the following now owned or hereafter acquired by any Loan Party: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, supplemental registrations and pending applications for registration in the United States Copyright Office, including those listed on Schedule III.

"Credit Agreement" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"Excluded Equity Interests" has the meaning assigned to such term in Section 3.01.

"Excluded Inventory" means finished goods, chip sets and other raw material components used in manufacturing radios.

"Excluded Satellite Collateral" means (a) so long as the Loral Credit Agreement is in effect, the "Collateral", as defined thereunder on the date hereof, and (b) so long as any Replacement Satellite Vendor Indebtedness of the Borrower or any Restricted Subsidiary owed to a Satellite Vendor and incurred in accordance with the Credit Agreement to finance the construction or purchase by the Borrower or a Restricted Subsidiary of a "replacement satellite" (as defined in the definition of Replacement Satellite Vender Indebtedness) is outstanding, (i) the replacement satellite being financed thereunder (including any work-in-progress thereof), (ii) any General Intangibles arising under any contract or agreement for the construction or purchase of such Satellite, to the extent such General Intangibles are excluded from the Article 9 Collateral pursuant to clause (G) of the first proviso to Section 4.01(a), and (iii) any Proceeds of the foregoing, in each case if and for so long as the grant of a security interest therein to secure the Term Loan Obligations shall constitute or result in a breach or termination pursuant to the terms of, or a default under, the Loral Credit Agreement or the agreements governing or evidencing such other Replacement Satellite Vender Indebtedness, as applicable; provided that such security interest shall attach immediately at such time as the condition causing such breach, termination or default shall cease to be applicable and, to the extent severable, shall attach immediately to any portion of such "Collateral", Satellite, General Intangibles or the Proceeds thereof that does not result in any of the consequences specified in this definition.

"Federal Securities Laws" has the meaning assigned to such term in Section 5.04.

"General Intangibles" means all choses in action and causes of action and all other intangible personal property of every kind and nature (other than Accounts) now owned or hereafter acquired by any Loan Party, including corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, Hedging Agreements and other agreements), Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security interest or other security held by or granted to any Loan Party to secure or support payment by an Account Debtor of any of the Accounts.

"Intellectual Property" means all intellectual property of every kind and nature now owned or hereafter acquired by any Loan Party, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"License" means any Patent License, Trademark License, Copyright License or other license or sublicense agreement relating to intellectual property to which any Loan Party is a party, including those listed on Schedule III.

"LMC" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Loan Parties" means the Borrower and the Subsidiary Guarantors.

"MSSFI" means Morgan Stanley Senior Funding, Inc., as Administrative Agent and Collateral Agent under the MSSFI Credit Agreement.

"MSSFI Collateral Agreement" means that certain Guarantee and Collateral Agreement dated as of June 20, 2007 among MSSFI, the Borrower and the Subsidiary Guarantors.

"MSSFI Credit Agreement" means that certain Term Credit Agreement dated as of June 20, 2007 among MSSFI, the Borrower and the Subsidiary Guarantors, without giving effect to any amendments, restatements or other modifications thereof.

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

"Patent License" means any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a patent, now or hereafter owned by any Loan Party or that any Loan Party otherwise has the right to license, is in existence, or granting to any Loan Party any right to make, use or sell any invention on which a patent, now or hereafter owned by any third party, is in existence, and all rights of any Loan Party under any such agreement.

"Patents" means all of the following now owned or hereafter acquired by any Loan Party: (a) all letters patent of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country, including those listed on Schedule III, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Pledged Collateral" has the meaning assigned to such term in Section 3.01.

"Pledged Debt Securities" has the meaning assigned to such term in Section 3.01.

"Pledged Equity Interests" has the meaning assigned to such term in Section 3.01.

"Pledged Securities" means any promissory notes, stock certificates or other securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

"Purchase Money Obligations" means (a) the due and punctual payment by the Borrower of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Purchase Money Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (ii) all other monetary obligations of the Borrower to any of the Purchase Money Lenders under the Credit Agreement or any other Loan Document, including obligations to pay fees, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), and (b) the due and punctual payment or performance of all other obligations of any Loan Party to any Purchase Money Lender under or pursuant to this Agreement or any other Loan Document

"Satellite Codes" has the meaning assigned to such term in Section 4.03(f).

"Satellite Vendor" means, with respect to any satellite, the prime contractor and manufacturer of such satellite.

"Security Interest" has the meaning assigned to such term in Section 4.01.

"Subsidiary Guarantors" means (a) the Subsidiaries identified on Schedule I and (b) each other Subsidiary that becomes a party to this Agreement as a Subsidiary Guarantor after the Effective Date.

"Term Loan Obligations" means all Obligations other than the Purchase Money Obligations.

"Term Loan Lenders" means the Lenders having Term Loans (or, prior to the borrowings under the Credit Agreement, Term Loan Commitments).

"Term Loan Secured Parties" means (a) the Term Loan Lenders (b) the Administrative Agent, (c) the Collateral Agent, (d) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document, (e) each other Person to whom any of the Term Loan Obligations is owed and (f) the permitted successors and assigns of each of the foregoing.

"Trademark License" means any written agreement, now or hereafter in effect, granting to any third party any right to use any trademark now or hereafter owned by any Loan Party or that any Loan Party otherwise has the right to license, or granting to any Loan Party any right to use any trademark now or hereafter owned by any third party, and all rights of any Loan Party under any such agreement.

"Trademarks" means all of the following now owned or hereafter acquired by any Loan Party: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, including those listed on Schedule III, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

ARTICLE II

Guarantee

SECTION 2.01. Guarantee. (a) Each Subsidiary Guarantor unconditionally guarantees, jointly with the other Subsidiary Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment of the Term Loan Obligations. Each Subsidiary Guarantor further agrees that the Term Loan Obligations may be extended, increased or renewed, in whole or in part, or amended or modified without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension, increase or renewal, or amendment or modification, of any Term Loan Obligation. Each Subsidiary Guarantor does hereby (i) waive notice of acceptance of this guarantee; (ii) waive any notices or demands that are not required by this Agreement or the Credit Agreement, as well as any other notices or demands that may otherwise be imposed by law; (iii) waive any and all rights that such Subsidiary Guarantor may have under any anti deficiency statute or similar protections; (iv) agree not to assert any defense, right of set off or other claim which such Subsidiary Guarantor may have against the Borrower; and (v) waive presentment, demand for performance, notice of nonperformance or dishonor, protest and notice of protest, promptness, diligence in collection and any and all formalities which otherwise might be legally required to charge such Subsidiary Guarantor with liability.

(b) Without limiting the generality of the foregoing, each Subsidiary Guarantor's liability shall be extended to all amounts that constitute part of the Term Loan Obligations and would be owed by any other Loan Party to any Agent or Term Loan Lender under or in respect of the 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 such other Loan Party.

(c) Each Subsidiary Guarantor, and by its acceptance of this guarantee, each Agent and each Term Loan Lender, hereby confirms that it is the intention of all such Persons that this guarantee and the Term Loan Obligations of each Subsidiary Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of Title 11 U.S. Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to this guarantee and the Term Loan Obligations of each Subsidiary Guarantor hereunder. To effectuate the foregoing intention, the Collateral Agent, on behalf of the Term Loan Lenders, and the Subsidiary Guarantors hereby irrevocably agree that the Term Loan Obligations of each Subsidiary Guarantor under this guarantee at any time shall be limited to the maximum amount as will result in the Term Loan Obligations of such Subsidiary Guarantor under this guarantee not constituting a fraudulent conveyance or transfer.

SECTION 2.02. Guarantee of Payment. Each Subsidiary Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Collateral Agent or any other Secured Party to any security held for the payment of the Term Loan Obligations or to any balance of any deposit account or credit on the books of the Collateral Agent or any other Secured Party in favor of the Borrower or any other Person.

SECTION 2.03. No Limitations. (a) Except for termination of a Subsidiary Guarantor's obligations hereunder as expressly provided in Section 7.13, the obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise of any of the Term Loan Obligations, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Term Loan Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor hereunder shall not be discharged or impaired or otherwise affected by (i) the failure of the Collateral Agent or any other Term Loan Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise; (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Subsidiary Guarantor under this Agreement; (iii) the release of, or any impairment of or failure to perfect any Lien on or security interest in, any security held by the Collateral Agent or any other Term Loan Secured Party for the Term Loan Obligations or any of them; (iv) any default, failure or delay, willful or otherwise, in the performance of the Term Loan Obligations; or (v) any other act or omission that may or might in any manner or to any extent vary the risk of any Subsidiary Guarantor or otherwise operate as a discharge of any Subsidiary Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all the Term Loan Obligations). Each Subsidiary Guarantor expressly authorizes the Secured Parties to take and hold security for the payment and performance of the Term Loan Obligations, to exchange, waive or release any or all such

security (with or without consideration), to enforce or apply such security and direct the order and manner of any sale thereof in their sole discretion or to release or substitute any one or more other Subsidiary Guarantors or obligors upon or in respect of the Term Loan Obligations, all without affecting the obligations of any Subsidiary Guarantor hereunder.

(b) To the fullest extent permitted by applicable law, each Subsidiary Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Subsidiary Guarantor or the unenforceability of the Term Loan Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Subsidiary Guarantor, other than the indefeasible payment in full in cash of all the Term Loan Obligations. The Collateral Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Term Loan Obligations, make any other accommodation with the Borrower or any Subsidiary Guarantor or exercise any other right or remedy available to them against the Borrower or any Subsidiary Guarantor, without affecting or impairing in any way the liability of any Subsidiary Guarantor hereunder except to the extent the Term Loan Obligations have been fully and indefeasibly paid in full in cash. To the fullest extent permitted by applicable law, each Subsidiary Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Subsidiary Guarantor against the Borrower or any other Subsidiary Guarantor, as the case may be, or any security. Each Subsidiary Guarantor acknowledges that it will receive substantial direct benefits from the financing arrangements contemplated by the Loan Documents and that the waivers set forth in this Section 2.03 are knowingly made in contemplation of such benefits.

SECTION 2.04. Reinstatement. Each Subsidiary Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Term Loan Obligation is rescinded or must otherwise be restored by the Collateral Agent or any other Term Loan Secured Party upon the bankruptcy or reorganization of the Borrower, any Subsidiary Guarantor or otherwise.

SECTION 2.05. Agreement to Pay; Subrogation. In furtherance of the foregoing and not in limitation of any other right that the Collateral Agent or any other Term Loan Secured Party has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Borrower or any Subsidiary Guarantor to pay any Term Loan Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Subsidiary Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Collateral Agent for distribution to the applicable Term Loan Secured Parties in cash the amount of such unpaid Term Loan Obligation. Upon payment by any Subsidiary Guarantor of any sums to the Collateral Agent as provided above, all rights of such Subsidiary Guarantor against the Borrower or any other Subsidiary Guarantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Article VI.

SECTION 2.06. Information. Each Subsidiary Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and each other Subsidiary Guarantor's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Term Loan Obligations and the nature, scope and extent of the risks that such Subsidiary Guarantor assumes and incurs hereunder, and agrees that none of the Collateral Agent or the other Term Loan Secured Parties will have any duty to advise such Subsidiary Guarantor of information known to it or any of them regarding such circumstances or risks.

ARTICLE III

Pledge of Securities

SECTION 3.01. Pledge. As security for the payment in full of the Term Loan Obligations, each Loan Party hereby pledges to the Collateral Agent, its permitted successors and assigns, for the benefit of the Term Loan Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the benefit of the Term Loan Secured Parties, a security interest in, all of such Loan Party's right, title and interest in, to and under (a)(i) the shares of capital stock and other Equity Interests owned by it on the date hereof (including all such shares and other Equity Interests listed on Schedule II), (ii) any other Equity Interests obtained in the future by such Loan Party and (iii) the certificates representing all such Equity Interests (all the foregoing being called the "Pledged Equity Interests"); provided that the Pledged Equity Interests shall not include more than 65% of the issued and outstanding voting Equity Interests of any Foreign Subsidiary (the Equity Interests so excluded being called the "Excluded Equity Interests"); (b)(i) the debt securities owned by such Loan Party on the date hereof (including all such debt securities listed on Schedule II), (ii) any debt securities in the future issued to such Loan Party and (iii) the promissory notes and any other instruments evidencing such debt securities (all the foregoing being called the "Pledged Debt Securities"); provided that the Pledged Debt Securities shall not include Temporary Cash Investments; (c) all other property that may be delivered to and held by the Collateral Agent pursuant to the terms of this Section 3.01; (d) subject to Section 3.06, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of, the securities referred to in clauses (a) and (b) above; (e) subject to Section 3.06, all rights and privileges of such Loan Party with respect to the securities and other property referred to in clauses (a), (b), (c) and (d) above; and (f) all Proceeds of any of the foregoing (the items referred to in clauses (a) through (f) above being collectively referred to as the "Pledged Collateral").

TO HAVE AND TO HOLD the Pledged Collateral, together with all right, title, interest, powers, privileges and preferences pertaining or incidental thereto, unto the Collateral Agent, its successors and assigns, for the benefit of the Term Loan Secured Parties, forever; *subject*, *however*, to the terms, covenants and conditions hereinafter set forth.

SECTION 3.02. Delivery of the Pledged Collateral. (a) Each Loan Party agrees promptly to deliver or cause to be delivered to the Collateral Agent any and all Pledged Securities except to the extent that such Pledged Securities are required to be delivered to MSSFI under the MSSFI Collateral Agreement.

(b) Upon delivery to the Collateral Agent, (i) all Pledged Securities shall be accompanied by undated stock powers duly executed in blank or other undated instruments of transfer satisfactory to the Collateral Agent and duly executed in blank and by such other instruments and documents as the Collateral Agent may reasonably request and (ii) all other property comprising part of the Pledged Collateral shall be accompanied by proper instruments of assignment duly executed by the applicable Loan Party and such other instruments or documents as the Collateral Agent may reasonably request. Each delivery of Pledged Securities shall be accompanied by a schedule describing such securities, which schedule shall be attached hereto as a supplement to Schedule II and made a part hereof; provided that failure to attach any such schedule hereto shall not affect the validity of such pledge of such Pledged Securities.

SECTION 3.03. Representations, Warranties and Covenants. The Loan Parties jointly and severally represent, warrant and covenant to and with the Collateral Agent, for the benefit of the Term Loan Secured Parties, that:

(a) Schedule II correctly sets forth the percentage of the issued and outstanding units of each class of the Equity Interests of the issuer thereof represented by the Pledged Equity Interests and includes all Equity Interests, debt securities and promissory notes required to be pledged hereunder in order to satisfy the Collateral and Guarantee Requirement;

(b) the Pledged Equity Interests and Pledged Debt Securities have been duly and validly authorized and issued by the issuers thereof and (i) in the case of Pledged Equity Interests (other than interests in any limited liability company), are fully paid and nonassessable and (ii) in the case of Pledged Debt Securities, are legal, valid and binding obligations of the issuers thereof, and there exists no defense, offset or counterclaim to any obligation of the maker or issuer of any Pledged Debt Securities;

(c) except for restrictions and limitations imposed by the Loan Documents, the Communications Act of 1934, as amended, and the regulations promulgated thereunder or securities laws generally, the Pledged Collateral is and will continue to be freely transferable and assignable, and none of the Pledged Collateral is or will be subject to any option, right of first refusal, shareholders agreement or charter or by-law provisions that might prohibit, impair or delay the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder;

(d) each Loan Party has the power and authority to pledge the Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated;

(e) no consent or approval of any Governmental Authority, any securities exchange or any other Person was or is necessary to the validity of the pledge effected hereby (other than such as have been obtained and are in full force and effect);

(f) by virtue of the execution and delivery by the Loan Parties of this Agreement, when any Pledged Securities are delivered to the Collateral Agent in accordance with this Agreement, the Collateral Agent will obtain, for the benefit of the Term Loan Secured Parties, a legal, valid and perfected first priority lien upon and security interest in such Pledged Securities as security for the payment of the Term Loan Obligations; and

(g) each pledge effected hereby is effective to vest in the Collateral Agent, for the benefit of the Term Loan Secured Parties, the rights of the Collateral Agent in the Pledged Collateral as set forth herein.

SECTION 3.04. Certification of Limited Liability Company and Limited Partnership Interests. Each of the Loan Parties (a) represents and warrants that none of the interests in any limited liability company or limited partnership controlled by such Loan Party and pledged hereunder are represented by a certificate or are "securities" within the meaning of Article 8 of the New York UCC and (b) covenants and agrees that it shall at no time elect to treat any such interest as a "security" within the meaning of Article 8 of the New York UCC or issue any certificate representing such interest unless, in each case, it provides prior written notice to the Collateral Agent of such election and immediately pledges and, except to the extent that such Pledged Securities are required to be delivered to MSSFI under the MSSFI Collateral Agreement, delivers any such certificate to the Collateral Agent pursuant to the terms hereof.

SECTION 3.05. Registration in Nominee Name; Denominations. At any time that the Pledged Securities are not required to be delivered to MSSFI under the MSSFI Collateral Agreement, the Collateral Agent, on behalf of the Term Loan Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Securities in its own name as pledgee, the name of its nominee (as pledgee or as sub-agent) or the name of the applicable Loan Party, endorsed or assigned in blank or in favor of the Collateral Agent. Each Loan Party will promptly give to the Collateral Agent copies of any notices or other communications received by it with respect to Pledged Securities registered in the name of such Loan Party. Upon the occurrence and during the continuance of an Event of Default at any time that the Pledged Securities are not required to be delivered to MSSFI under the MSSFI Collateral Agreement, the Collateral Agent shall at all times have the right to exchange the certificates representing Pledged Securities for certificates of smaller or larger denominations for any purpose consistent with this Agreement.

SECTION 3.06. Voting Rights; Dividends and Interest. (a) Unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have notified the Loan Parties that their rights under this Section 3.06 are being suspended:

(i) Each Loan Party shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Securities or any part thereof for any purpose consistent with the terms of this Agreement, the Credit Agreement and the other Loan Documents; provided that such rights and powers shall not be exercised in any manner that could materially and adversely affect the rights inuring to a holder of any Pledged Securities or the rights and remedies of any of the Collateral Agent or the other Term Loan Secured Parties under this Agreement or the Credit Agreement or any other Loan Document or the ability of the Term Loan Secured Parties to exercise the same.

(ii) The Collateral Agent shall execute and deliver to each Loan Party, or cause to be executed and delivered to such Loan Party, all such proxies, powers of attorney and other instruments as such Loan Party may reasonably request for the purpose of enabling such Loan Party to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) above.

(iii) Each Loan Party shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Securities to the extent and only to the extent that such dividends, interest, principal and other distributions are permitted by, and otherwise paid or distributed in accordance with, the terms and conditions of the Credit Agreement, the other Loan Documents and applicable laws; provided that any noncash dividends, interest, principal or other distributions that would constitute Pledged Equity Interests or Pledged Debt Securities, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Securities or received in exchange for Pledged Securities or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be and become part of the Pledged Collateral, and, if received by any Loan Party, shall not be commingled by such Loan Party with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of the Collateral Agent and the other Term Loan Secured Parties and shall be forthwith delivered to the Collateral Agent in the same form as so received (with any necessary endorsements, stock powers and other instruments of transfer).

(b) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified the Loan Parties of the suspension of their rights under paragraph (a)(iii) of this Section 3.06, then all rights of any Loan Party to dividends, interest, principal or other distributions that such Loan Party is authorized to receive pursuant to paragraph (a)(iii) of this Section 3.06 shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions to the extent such dividends, interest, principal or other distributions are not required to be delivered to MSSFI under the MSSFI Collateral Agreement at such time. All dividends, interest, principal or other distributions received by any Loan Party contrary to the provisions of this Section 3.06 shall be held in trust for the benefit of the Collateral Agent and the other Term Loan Secured Parties, shall be segregated from other property or funds of such Loan Party and shall be forthwith delivered to the Collateral Agent upon demand in the same form as so received (with any necessary endorsement). Any and all money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this paragraph (b) shall be retained by the Collateral Agent in an account to be established by the Collateral Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 5.02. After all Events of Default have been cured or waived, and the Borrower has delivered to the Collateral Agent a certificate to that effect, the Collateral Agent shall promptly repay to each Loan Party (without interest) all dividends, interest, principal or other distributions that such Loan Party would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this Section 3.06 and that remain in such account.

(c) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified the Loan Parties of the suspension of their rights under paragraph (a)(i) of this Section 3.06, then all rights of any Loan Party to exercise the voting and

consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 3.06, and the obligations of the Collateral Agent under paragraph (a)(ii) of this Section 3.06, shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers, subject to any rights of MSSFI to exercise such rights and powers pursuant to the MSSFI Collateral Agreement; provided that, unless otherwise directed by the Required Lenders, the Collateral Agent shall have the right from time to time following and during the continuance of an Event of Default to permit the Loan Parties to exercise such rights. After all Events of Default have been cured or waived, as the case may be, and the Borrower has delivered to the Collateral Agent a certificate to that effect, all rights vested in the Collateral Agent pursuant to this paragraph shall cease, and the Loan Parties shall have the voting and consensual rights and powers they would otherwise be entitled to exercise pursuant to paragraph (a)(i) of this Section 3.06.

(d) Any notice given by the Collateral Agent to the Loan Parties suspending their rights under paragraph (a) of this Section 3.06 (i) may be given by telephone if promptly confirmed in writing, (ii) may be given to one or more of the Loan Parties at the same or different times and (iii) may suspend the rights of the Loan Parties under paragraph (a)(i) or paragraph (a)(iii) in part without suspending all such rights (as specified by the Collateral Agent in its sole and absolute discretion) and without waiving or otherwise affecting the Collateral Agent's rights to give additional notices from time to time suspending other rights so long as an Event of Default has occurred and is continuing.

ARTICLE IV

Security Interests in Personal Property

SECTION 4.01. Security Interest. (a) As security for the payment in full of the Term Loan Obligations, each Loan Party hereby pledges to the Collateral Agent, its permitted successors and assigns, for the benefit of the Term Loan Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the benefit of the Term Loan Secured Parties, a security interest (the "Security Interest") in, all right, title or interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by such Loan Party or in which such Loan Party now has or at any time in the future may acquire any right, title or interest (collectively, the "Article 9 Collateral"):

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Documents;

(iv) all Equipment (including (A) the Satellites (including the Satellites commonly referred to as FM-1, FM-2, FM-3 and FM-4) and associated equipment (including all ground segment equipment for tracking, telemetry, control and monitoring of the Satellites located at any TT&C Station) and (B) all software embedded therein and used for tracking, telemetry, control and monitoring of the Satellites located at any TT&C Station);

(v) all Goods, including Fixtures;

(vi) all Instruments;

(vii) all Investment Property;

(viii) all Software and all other Intellectual Property;

(ix) all rights under or relating to the FCC Licenses, subject to the exclusion in clause (F) of the proviso below;

(x) all other General Intangibles (including any agreements relating to the Satellites or associated equipment referred to in clause (a)(iv) above (including any agreement for the construction or purchase of any Satellite, any agreement relating to the tracking, telemetry, control and monitoring of any Satellite, all rights to the geostationary position of any Satellite and any policy of insurance covering risk of loss or damage to any Satellite));

(xi) all Letter-of-Credit Rights;

(xii) all Commercial Tort Claims specified on Schedule IV;

(xiii) all books and records pertaining to the Article 9 Collateral; and

(xiv) 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 and all Supporting Obligations relating thereto;

provided that the Article 9 Collateral shall not include, (A) any Accounts Receivable, (B) any cash or Temporary Cash Investments, (C) subject to the proviso set forth in the definition thereof, any Excluded Satellite Collateral, (D) any Excluded Inventory, (E) the Excluded Equity Interests, (F) to the extent (but only to the extent) that at any time the Collateral Agent may not validly possess a security interest in any FCC License pursuant to the Communications Act of 1934, as amended, and the regulations promulgated thereunder, as in effect at such time, such FCC License, provided that the Article 9 Collateral does include, to the maximum extent permitted by law, all rights incident or appurtenant to such FCC License and the right to receive all proceeds derived from or in connection with the sale, assignment or transfer of such FCC Licenses and (G) any General Intangibles arising under any license, contract or agreement (including any such contract or agreement for the construction or purchase of a Satellite) if and for so long as the grant of such security interest shall constitute or result in a breach or termination pursuant to the terms of, or a default under, such license, contract or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the New York UCC or any other applicable law or principles of equity), provided, however, that such security interest shall attach

immediately at such time as the condition causing such breach, termination or default shall cease to be applicable and, to the extent severable, shall attach immediately to any portion of such license, contract or agreement that does not result in any of the consequences specified this clause, including any Proceeds of such contract or agreement.

(b) Each Loan Party hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in the proper jurisdictions any initial financing statements (including fixture filings) with respect to the Article 9 Collateral or any part thereof and amendments thereto and continuations thereof that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including (i) statements as to whether such Loan Party is an organization, the type of organization and any organizational identification number issued to such Loan Party and (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Article 9 Collateral relates. Each Loan Party agrees to provide such information to the Collateral Agent promptly upon request.

Each Loan Party also ratifies its authorization for the Collateral Agent to file in any proper jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Loan Party, without the signature of any Loan Party, and naming any Loan Party or the Loan Parties as debtors and the Collateral Agent as secured party.

(c) The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Loan Party with respect to or arising out of the Article 9 Collateral (other than the duties expressly created hereunder).

SECTION 4.02. Representations and Warranties. The Loan Parties jointly and severally represent and warrant to the Collateral Agent and the other Term Loan Secured Parties that:

(a) Each Loan Party has good and valid rights in and title to the Article 9 Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority to grant to the Collateral Agent, for the benefit of the Term Loan Secured Parties, the Security Interest in such Article 9 Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval that has been obtained.

(b) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name and place of organization of each Loan Party, is correct and complete as of the Effective Date. The Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations prepared by the Collateral Agent based upon the information provided to the Collateral Agent in the Perfection Certificate for filing in each governmental, municipal or other office specified in Schedule 6 to the Perfection Certificate (or specified by notice from the Borrower to the Collateral Agent after the Effective Date in the case of filings, recordings or registrations required by Section 5.11 or 5.12 of the Credit Agreement), are all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Security Interest in Article 9 Collateral consisting of United States Patents, Trademarks and Copyrights) that are necessary to publish notice of, perfect and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the benefit of the Term Loan Secured Parties) in respect of all Article 9 Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements.

(c) The Article 9 Collateral is owned by the Loan Parties free and clear of any Lien, except for Liens created under the Loan Documents and the Permitted Liens. None of the Loan Parties has filed or consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Article 9 Collateral, (ii) any assignment in which any Loan Party assigns any Collateral or any security agreement or similar instrument covering any Article 9 Collateral with the United States Patent and Trademark Office or the United States Copyright Office or (iii) any assignment in which any Loan Party assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens created under the Loan Documents and the Permitted Liens.

SECTION 4.03. Covenants. (a) Upon the occurrence and during the continuance of an Event of Default, each Loan Party shall, upon reasonable request of the Collateral Agent, promptly prepare and deliver to the Collateral Agent a duly certified schedule or schedules in form and detail satisfactory to the Collateral Agent showing the identity, amount and location of any and all Article 9 Collateral.

(b) Each Loan Party agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request to better assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements (including fixture filings) or other documents in connection herewith or therewith.

Without limiting the generality of the foregoing, each Loan Party hereby authorizes the Collateral Agent, with prompt notice thereof to the Loan Parties, to supplement this Agreement by supplementing Schedule III or adding additional schedules hereto to specifically identify any asset or item that may constitute Copyrights, Licenses, Patents or Trademarks; provided that any Loan Party shall have the right, exercisable within 10 days after it has been notified by the Collateral Agent of the specific identification of such Collateral, to advise the Collateral Agent in writing of any inaccuracy (i) with respect to such supplement or additional schedule or (ii) of the representations and warranties made by such Loan Party hereunder with respect to such Collateral. Each Loan Party agrees that it will use its commercially reasonable efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Collateral.

(c) At its option, the Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, discharge past due taxes, assessments, charges, fees and Liens at any time levied or placed on the Article 9 Collateral and not permitted pursuant to Section 5.07 or 6.08 of the Credit Agreement, and may pay for the maintenance and preservation of the Article 9 Collateral to the extent any Loan Party fails to do so as required by the Credit Agreement or this Agreement, and each Loan Party jointly and severally agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; provided that nothing in this paragraph shall be interpreted as excusing any Loan Party from the performance of, or imposing any obligation on the Collateral Agent or any Term Loan Secured Party to cure or perform, any covenants or other promises of any Loan Party with respect to taxes, assessments, charges, fees or Liens and maintenance as set forth herein or in the other Loan Documents.

(d) Each Loan Party shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof.

(e) Each Loan Party irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Loan Party's true and lawful agent (and attorney-in-fact) for the purpose, after the occurrence and during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of such Loan Party on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Loan Party at any time or times shall fail to obtain or maintain any of the policies of insurance required by the Credit Agreement or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Loan Parties hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this paragraph, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Loan Parties to the Collateral Agent and shall be additional Term Loan Obligations secured hereby.

(f) Each Loan Party will, and will cause each of the Restricted Subsidiaries to, at the Loan Parties' expense, promptly following the request of the Collateral Agent (which may only be made following the occurrence and during the continuance of an Event of Default), (i) deliver to the Collateral Agent, subject to having obtained any consent or approval of, or registration or filing with, any Governmental Authority for such delivery, all access codes, command codes and command encryption necessary to establish access to and perform tracking, telemetry, control and monitoring of any Satellite, including activation and control of any spacecraft subsystems and payload components and the transponders thereon (such access codes, command codes and command encryption being collectively referred to as the "Satellite Codes"), in each case where such Satellite Codes are in possession, or subject to the control, of the Borrower or any Restricted Subsidiary, (ii) use its reasonable best efforts to obtain any consent or approval of, or registration or filing with, any Governmental Authority referred to in clause (i) above or otherwise required to effect any transfer of operational control over any Satellite and related technical data (including any license approving the export or re-export of such Satellite to any Person as designated by the Collateral Agent) and (iii) deliver to the Collateral Agent written evidence of the issuance of any such consent, approval, registration or filing once such consent, approval, registration or filing has been obtained.

(g) Each Loan Party will, and will cause each of the Restricted Subsidiaries to, at the Loan Parties' expense, promptly following the request of the Collateral Agent (which may only be made following the occurrence and during the continuance of an Event of Default), use its reasonable best efforts to obtain from each provider (other than the Borrower or any Restricted Subsidiary) of tracking, telemetry, control and monitoring services for any Satellite, an agreement of such provider with the Collateral Agent (i) to deliver to the Collateral Agent, promptly following notification by the Collateral Agent that an Event of Default has occurred and is continuing, subject to having obtained any consent or approval of, or registration or filing with, any Governmental Authority for such delivery, all Satellite Codes in possession, or subject to the control, of such provider and, following delivery thereof, not change any such Satellite Codes without promptly furnishing to the Collateral Agent the new Satellite Codes, (ii) to use its reasonable best efforts, upon notification by the Collateral Agent that an Event of Default has occurred and is continuing, to obtain any consent or approval of, or registration or filing with, any Governmental Authority referred to in clause (i) above or otherwise required to effect any transfer of operational control over any Satellite for which such provider is providing any of the abovementioned services and related technical data and (iii) to deliver to the Collateral Agent written evidence of the issuance of any such consent, approval, registration or filing once such consent, approval, registration or filing has been obtained. If, notwithstanding the Loan Parties' and the Restricted Subsidiaries' having used their reasonable best efforts to obtain the agreements referred to in this paragraph, any such agreement shall not have been so obtained, each Loan Party shall, and shall cause the Restricted Subsidiaries to, instruct each such provider of tracking, telemetry, control and monitoring services (and each manufacturer of any Satellite that has not yet been launched) to cooperate in providing the Satellite Codes, consents, approvals, registrations and filings referred to in this paragraph.

(h) In the event that the United States signs and ratifies the Protocol on Space Assets to the Capetown Convention on Mobile Equipment, then each Loan Party shall ensure that any international interests (as defined in such Convention) with respect to space assets (as defined in such Protocol) are properly registered with the international registry referred to therein

and shall otherwise take all actions reasonably requested by the Collateral Agent to ensure that the security interest of the Collateral Agent is fully perfected and protected under such Protocol and such Convention.

SECTION 4.04. Other Actions. In order to further insure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Security Interest, each Loan Party agrees, in each case at such Loan Party's own expense, to take the following actions with respect to the following Article 9 Collateral:

(a) *Instruments*. If any Loan Party shall at any time hold or acquire any Instruments constituting Collateral, such Loan Party shall, to the extent that such Instruments are not required to be delivered to MSSFI under the MSSFI Collateral Agreement), forthwith endorse, assign and deliver the same to the Collateral Agent, accompanied by such undated instruments of endorsement, transfer or assignment duly executed in blank as the Collateral Agent may from time to time reasonably request.

(b) *Investment Property*. Except to the extent otherwise provided in Article III or IV, if any Loan Party shall at any time hold or acquire any certificated securities, such Loan Party shall, to the extent that such certificated securities are not required to be delivered to MSSFI under the MSSFI Collateral Agreement, forthwith endorse, assign and deliver the same to the Collateral Agent, accompanied by such undated instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify. If any securities now or hereafter acquired by any Loan Party are uncertificated and are issued to such Loan Party or its nominee directly by the issuer thereof, such Loan Party shall immediately notify the Collateral Agent thereof and, at the Collateral Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either, subject to any prior rights of MSSFI in connection with the MSSFI Collateral Agreement, (i) cause the issuer to agree to comply with instructions from the Collateral Agent as to such securities, without further consent of any Loan Party or such nominee, or (ii) arrange for the Collateral Agent to become the registered owner of the securities. If any securities, whether certificated or uncertificated, or other Investment Property now or hereafter acquired by any Loan Party are held by such Loan Party or its nominee through a securities intermediary or commodity intermediary, such Loan Party shall immediately notify the Collateral Agent thereof and, at the Collateral Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either, subject to any prior rights of MSSFI in connection with the MSSFI Collateral Agreement, (i) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply with entitlement orders or other instructions from the Collateral Agent to such securities intermediary as to such security entitlements, or to apply any value distributed on account of any commodity contract as directed by the Collateral Agent to such commodity intermediary, in each case without further consent of any Loan Party or such nominee, or (ii) in the case of Financial Assets or other Investment Property held through a securities intermediary, arrange for the Collateral Agent to become the entitlement holder with respect to such Investment Property, with the Loan Party being permitted, only with the consent of the Collateral Agent, to exercise rights to withdraw or otherwise deal with such Investment Property. The Collateral Agent agrees with each of the Loan Parties that the Collateral Agent shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary, and shall not

withhold its consent to the exercise of any withdrawal or dealing rights by any Loan Party, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights would occur. The provisions of this paragraph shall not apply to any Financial Assets credited to a securities account for which the Collateral Agent is the securities intermediary.

(c) *Commercial Tort Claims*. If any Loan Party shall at any time hold or acquire a commercial tort claim in an amount reasonably estimated to exceed $500,000, the Loan Party shall promptly notify the Collateral Agent thereof in a writing signed by such Loan Party including a summary description of such claim and grant to the Collateral Agent for the benefit of the Term Loan Secured Parties in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent.

SECTION 4.05. Covenants Regarding Patent, Trademark and Copyright Collateral. (a) Each Loan Party agrees that it will not do any act or omit to do any act (and will exercise commercially reasonable efforts to prevent its licensees from doing any act or omitting to do any act) whereby any Patent that is material to the conduct of such Loan Party's business may become invalidated or dedicated to the public, and agrees that it shall continue to mark any products covered by such a Patent with the relevant patent number as required under applicable law and as is necessary and sufficient to establish and preserve its maximum rights under applicable patent laws.

(b) Each Loan Party will, and will use its commercially reasonable efforts to cause its licensees or its sublicensees to, for each Trademark material to the conduct of such Loan Party's business, (i) maintain such Trademark in full force, free from any adjudication of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark, (iii) if registered, display such Trademark with notice of Federal or foreign registration as required by applicable law to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights.

(c) Each Loan Party will, and will use its commercially reasonable efforts to cause its licensees or sublicensees to, for each work covered by a Copyright material to the conduct of such Loan Party's business, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as required under applicable law and as is necessary and sufficient to establish and preserve its maximum rights under applicable copyright laws.

(d) Each Loan Party shall notify the Collateral Agent promptly if it knows or has reason to know that any Patent, Trademark or Copyright material to the conduct of its business may become abandoned, lapsed or dedicated to the public, or of any materially adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any country) regarding such Loan Party's ownership of any such Patent, Trademark or Copyright, its right to register the same, or its right to keep and maintain the same.

(e) In the event that any Loan Party, either itself or through any agent, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, it shall inform the Collateral Agent within 15 Business Days of such application and, upon request of the Collateral Agent, execute and deliver any and all agreements (including any IP Security Agreements), instruments, documents and papers as the Collateral Agent may reasonably request (and provide) to evidence the Collateral Agent's security interest in such Patent, Trademark or Copyright, and each Loan Party hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(f) Each Loan Party will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each application relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) material to the conduct of such Loan Party's business and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to the conduct of any Loan Party's business, including, when applicable, timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with reasonable business judgment of such Loan Party, to initiate opposition, interference and cancellation proceedings against third parties.

(g) In the event that any Loan Party believes that any Article 9 Collateral consisting of a Patent, Trademark or Copyright material to the conduct of any Loan Party's business has been or is about to be materially infringed, misappropriated or diluted by a third party, such Loan Party promptly shall notify the Collateral Agent and shall take such actions as may be reasonably appropriate under the circumstances, which may include, if consistent with reasonable business judgment of such Loan Party, suit for infringement, misappropriation or dilution and recovery of any and all damages for such infringement, misappropriation or dilution.

(h) Upon and during the continuance of an Event of Default, each Loan Party shall use its commercially reasonable efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License or Trademark License to effect the assignment or sublicense of all such Loan Party's right, title and interest thereunder to the Collateral Agent or its designee for the benefit of the Term Loan Secured Parties.

ARTICLE V

Remedies

SECTION 5.01. Remedies Upon Default. Upon the occurrence and during the continuance of an Event of Default, each Loan Party agrees to deliver, on demand, each item of Collateral to the Collateral Agent or any Person designated by the Collateral Agent, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at

the same or different times: (a) with respect to any Article 9 Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Article 9 Collateral by the applicable Loan Parties to the Collateral Agent (for the benefit of the Term Loan Secured Parties), or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any such Article 9 Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to enter any premises where the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Loan Party agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale of securities (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any sale of Collateral shall hold the property sold absolutely, free from any claim or right on the part of any Loan Party, and each Loan Party hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which such Loan Party now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the applicable Loan Parties 10 days' written notice (which each Loan Party agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent and the other Term Loan

Secured Parties shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Agreement, any Term Loan Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Loan Party (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Term Loan Secured Party from any Loan Party as a credit against the purchase price, and such Term Loan Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Loan Party therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Loan Party shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Term Loan Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 5.01 shall be deemed to conform to the commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

The Collateral Agent acknowledges that the exercise of its rights and remedies hereunder, including the rights set forth in Sections 3.06(b) and 3.06(c) and this Section 5.01, may require prior approval of, or notice to, the FCC pursuant to the Communications Act of 1934, as amended, and the regulations promulgated thereunder.

SECTION 5.02. Application of Proceeds. The Collateral Agent shall apply the proceeds of any collection or sale of Collateral as follows:

FIRST, to the payment of all costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, any other Loan Document or any of the Term Loan Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Loan Document on behalf of any Loan Party and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Term Loan Obligations (the amounts so applied to be distributed among the Term Loan Secured Parties pro rata in accordance with the amounts of the Term Loan Obligations owed to them on the date of any such distribution); and

THIRD, to the Loan Parties, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 5.03. Grant of License to Use Intellectual Property. Solely for the purpose of enabling the Collateral Agent to exercise rights and remedies under this Agreement at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Loan Party hereby grants to the Collateral Agent an irrevocable (except upon the indefeasible payment in full in cash of all the Term Loan Obligations), nonexclusive license (exercisable without payment of royalty or other compensation to the Loan Parties) to use, license or sublicense any of the Article 9 Collateral consisting of Intellectual Property now or hereafter owned by such Loan Party, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Collateral Agent may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default as part of the Collateral Agent's exercise of remedies hereunder.

SECTION 5.04. Securities Act. In view of the position of the Loan Parties in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect being called the "Federal Securities Laws") with respect to any disposition of the Pledged Collateral permitted hereunder. Each Loan Party understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Collateral Agent if the Collateral Agent were to attempt to dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Collateral Agent in any attempt to dispose of all or part of the Pledged Collateral under applicable Blue Sky or other state securities laws or similar laws analogous in purpose or effect. Each Loan Party recognizes that in light of such restrictions and limitations the Collateral Agent may, with respect to any sale of the Pledged Collateral, limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Loan Party acknowledges and agrees that in light of such restrictions and limitations, the Collateral Agent, in its sole and absolute discretion (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Federal Securities Laws and (b) may approach and negotiate with a single potential purchaser to effect such sale. Each Loan Party acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Collateral Agent and the other Term Loan Secured Parties shall incur no responsibility or

liability for a sale of all or any part of the Pledged Collateral at a price that the Collateral Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section 5.04 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Collateral Agent sells.

SECTION 5.05. Registration. Each Loan Party agrees that, upon the occurrence and during the continuance of an Event of Default, if for any reason the Collateral Agent desires to sell any of the Pledged Collateral at a public sale, it will, at any time and from time to time, upon the written request of the Collateral Agent, use its reasonable best efforts to take or to cause the issuer of such Pledged Collateral to take such action and prepare, distribute and/or file such documents, as are required or advisable in the reasonable opinion of counsel for the Collateral Agent to permit the public sale of such Pledged Collateral. Each Loan Party further agrees to indemnify, defend and hold harmless the Collateral Agent, each other Term Loan Secured Party, any underwriter and their respective officers, directors, affiliates and controlling persons from and against all loss, liability, expenses, costs of counsel (including, without limitation, reasonable fees and expenses to the Collateral Agent of legal counsel), and claims (including the costs of investigation) that they may incur insofar as such loss, liability, expense or claim arises out of or is based upon any alleged untrue statement of a material fact contained in any prospectus (or any amendment or supplement thereto) or in any notification or offering circular, or arises out of or is based upon any alleged omission to state a material fact required to be stated therein or necessary to make the statements in any thereof not misleading, except insofar as the same may have been caused by any untrue statement or omission based upon information furnished in writing to such Loan Party or the issuer of such Pledged Collateral by the Collateral Agent or any other Secured Party expressly for use therein. Each Loan Party further agrees, upon such written request referred to above, to use its reasonable best efforts to qualify, file or register, or cause the issuer of such Pledged Collateral to qualify, file or register, any of the Pledged Collateral under the Blue Sky or other securities laws of such states as may be requested by the Collateral Agent and keep effective, or cause to be kept effective, all such qualifications, filings or registrations. Each Loan Party will bear all costs and expenses of carrying out its obligations under this Section 5.05. Each Loan Party acknowledges that there is no adequate remedy at law for failure by it to comply with the provisions of this Section 5.05 and that such failure would not be adequately compensable in damages, and therefore agrees that its agreements contained in this Section 5.05 may be specifically enforced.

ARTICLE VI

Indemnity, Subrogation and Subordination

SECTION 6.01. Indemnity and Subrogation. In addition to all such rights of indemnity and subrogation as the Subsidiary Guarantors may have under applicable law (but subject to Section 6.03), the Borrower agrees that (a) in the event a payment of an obligation shall be made by any Subsidiary Guarantor under this Agreement, the Borrower shall indemnify such Subsidiary Guarantor for the full amount of such payment and such Subsidiary Guarantor shall be subrogated to the rights of the Person to whom such payment shall have been made to

the extent of such payment and (b) in the event any assets of any Subsidiary Guarantor shall be sold pursuant to this Agreement or any other Security Document to satisfy in whole or in part an obligation owed to any Secured Party, the Borrower shall indemnify such Subsidiary Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

SECTION 6.02. Contribution and Subrogation. Each Subsidiary Guarantor (a "Contributing Party") agrees (subject to Section 6.03) that, in the event a payment shall be made by any other Subsidiary Guarantor hereunder in respect of any Obligation or assets of any other Subsidiary Guarantor shall be sold pursuant to any Security Document to satisfy any Obligation (other, in each case, than an Obligation for the incurrence of which such other Subsidiary Guarantor received fair and adequate consideration) and such other Subsidiary Guarantor (the "Claiming Party") shall not have been fully indemnified by the Borrower as provided in Section 6.01, the Contributing Party shall indemnify the Claiming Party in an amount equal to the amount of such payment or the greater of the book value or the fair market value of such assets, as the case may be, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Party on the date hereof and the denominator shall be the aggregate net worth of all the Subsidiary Guarantors on the date hereof (or, in the case of any Subsidiary Guarantor becoming a party hereto pursuant to Section 7.14, the date of the supplement hereto executed and delivered by such Subsidiary Guarantor). Any Contributing Party making any payment to a Claiming Party pursuant to this Section 6.02 shall be subrogated to the rights of such Claiming Party under Section 6.01 to the extent of such payment.

SECTION 6.03. Subordination. (a) Notwithstanding any provision of this Agreement to the contrary, all rights of the Subsidiary Guarantors under Sections 6.01 and 6.02 and all other rights of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Term Loan Obligations. No failure on the part of any Subsidiary Guarantor to make the payments required by Sections 6.01 and 6.02 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Subsidiary Guarantor with respect to its Term Loan Obligations hereunder, and each Subsidiary Guarantor shall remain liable for the full amount of the obligations of such Subsidiary Guarantor hereunder.

(b) Each Subsidiary Guarantor hereby agrees that all Indebtedness and other monetary obligations owed to it by Borrower, any other Subsidiary Guarantor or any other Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the Term Loan Obligations.

ARTICLE VII

Miscellaneous

SECTION 7.01. Notices. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Guarantor shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 7.02. Waivers; Amendment. (a) No failure or delay by the Collateral Agent or any other Secured Party in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent, the Administrative Agent and the other Term Loan Secured Parties hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 7.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Collateral Agent, any Term Loan Lender or any other Person may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Loan Party or Loan Parties with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.02 of the Credit Agreement.

SECTION 7.03. Collateral Agent's Fees and Expenses; Indemnification. (a) The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expenses incurred hereunder as provided in Section 9.03 of the Credit Agreement.

(b) Without limitation of its indemnification obligations under the other Loan Documents, each Loan Party jointly and severally agrees to indemnify the Collateral Agent and the other Indemnitees (as defined in Section 9.03(b) of the Credit Agreement) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of counsel, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or (ii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing or to the Collateral, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and whether or not such claim, litigation, investigation or proceeding is brought by any Loan Party or any of its Affiliates or a third party; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. To the extent permitted by applicable law, none of the Loan Parties shall assert, and each Loan Party hereby waives, any claim against the Collateral Agent or any other Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(c) Any such amounts payable as provided hereunder shall be additional Term Loan Obligations secured hereby and by the other Security Documents relating to the Term Loan Obligations. The provisions of this Section 7.03 shall survive and remain in full force and effect regardless of the termination of this Agreement or any other Loan Document relating to the Term Loan Obligations, the consummation of the transactions contemplated hereby, the repayment of any of the Term Loan Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document relating to the Term Loan Obligations, or any investigation made by or on behalf of the Collateral Agent or any other Term Loan Secured Party. All amounts due under this Section 7.03 shall be payable promptly after written demand therefor.

SECTION 7.04. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Loan Party or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 7.05. Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties herein or in any other Loan Document or in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto or thereto and shall survive the execution and delivery of this Agreement and any other Loan Document and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Collateral Agent or any other Secured Party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid.

SECTION 7.06. Counterparts; Effectiveness; Several Agreement. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. This Agreement shall become effective as to any Loan Party when a counterpart hereof executed on behalf of such Loan Party shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such Loan Party and the Collateral Agent and their respective permitted successors and assigns, and shall inure to the benefit of such Loan Party, the Collateral Agent and the other Term Loan Secured Parties and their respective successors and assigns, except that no Loan Party shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Loan Party and may be amended, modified, supplemented, waived or released with respect to any Loan Party without the approval of any other Loan Party and without affecting the obligations of any other Loan Party hereunder.

SECTION 7.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7.08. Right of Set-Off. If an Event of Default shall have occurred and be continuing, each Agent, each Term Loan Lender and each of their Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Agent, Term Loan Lender or Affiliate to or for the credit or the account of the Subsidiary Guarantors against any overdue obligations of such Subsidiary Guarantor now or hereafter existing under this Agreement or any other Loan Document that are held by such Agent or Term Loan Lender, irrespective of whether or not such Agent or Term Loan Lender shall have made any demand under this Agreement or such other Loan Document. The rights of each Term Loan Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Agent or Term Loan Lender may have.

SECTION 7.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each of the Loan Parties hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party, or its properties in the courts of any jurisdiction.

(c) Each of the Loan Parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section 7.09. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 7.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 7.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.10.

SECTION 7.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 7.12. Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest, the grant of a security interest in the Collateral and all obligations of each Loan Party hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Term Loan Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Term Loan Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Term Loan Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Loan Party in respect of the Obligations or this Agreement.

SECTION 7.13. Termination or Release. (a) This Agreement, the Guarantees made herein, the Security Interest and all other security interests granted hereby shall terminate when all the Term Loan Obligations (other than, with respect to the termination of the Security Interest and all other security interests granted hereby only, any Term Loan Obligations that consists solely of contingent obligations) have been indefeasibly paid in full and the Lenders have no further commitment to lend under the Credit Agreement. In connection with any

termination pursuant to this paragraph, the Collateral Agent shall execute and deliver to any Subsidiary Guarantor, at such Subsidiary Guarantor's expense, all Uniform Commercial Code termination statements and any other documents that such Subsidiary Guarantor shall reasonably request to evidence such termination. Any execution and delivery of documents pursuant to this Section 7.13 shall be without recourse to, or representation of warranty by, the Collateral Agent or any other Term Loan Secured Party.

(b) Release of any Subsidiary Guarantor from its obligations hereunder and of the Security Interest in any Collateral shall be governed by Section 9.13 of the Credit Agreement.

SECTION 7.14. Additional Subsidiaries. Pursuant to Section 5.11 of the Credit Agreement, certain Subsidiaries not originally parties hereto may be required from time to time to enter in this Agreement as Subsidiary Guarantors. Upon execution and delivery by the Collateral Agent and a Subsidiary of an instrument in the form of Exhibit I hereto, such Subsidiary shall become a Subsidiary Guarantor hereunder with the same force and effect as if originally named as a Subsidiary Guarantor herein. The execution and delivery of any such instrument shall not require the consent of any other Loan Party hereunder. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Loan Party as a party to this Agreement.

SECTION 7.15. Collateral Agent Appointed Attorney-in-Fact. Each Loan Party hereby appoints the Collateral Agent the attorney-in-fact of such Loan Party for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Collateral Agent shall have the right, but only upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of such Loan Party (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) to sign the name of any Loan Party on any invoice or bill of lading relating to any of the Collateral; (d) to send verifications of Accounts to any Account Debtor; (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; (g) to notify, or to require any Loan Party to notify, Account Debtors to make payment directly to the Collateral Agent; and (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; provided that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Term Loan Secured Parties shall be accountable only for

amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Loan Party for any act or failure to act hereunder, except for their own gross negligence, bad faith or willful misconduct.

SECTION 7.16. Specific Performance. The parties agree that irreparable damage would occur and that the Term Loan Secured Parties would not have any adequate remedy at law in the event that any provision of Sections 4.03(f), 4.03(g) and 4.03(h) were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Administrative Agent and the Required Lenders shall be entitled to an injunction or injunctions to prevent breaches of such Sections by any Loan Party and to enforce specifically the terms and provisions of this Agreement in any court referred to in Section 7.09(b), this being in addition to any other remedy to which they are entitled at law or in equity. Each Loan Party hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance referred to in the immediately preceding sentence that may be brought by the Administrative Agent or the Required Lenders.

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

SIRIUS XM RADIO INC.,

by /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Executive Vice President, General Counsel and Secretary

SUBSIDIARY GUARANTOR
SIGNATURE PAGE TO THE
TERM LOAN GUARANTEE
AND COLLATERAL AGREEMENT

SATELLITE CD RADIO INC.

by /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Secretary

SUBSIDIARY GUARANTOR
SIGNATURE PAGE TO THE
TERM LOAN GUARANTEE
AND COLLATERAL AGREEMENT

SIRIUS ASSET MANAGEMENT
COMPANY LLC

by /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Secretary

LIBERTY MEDIA CORPORATION, as
Collateral Agent,

by /s/ David Flowers
Name: David Flowers
Title: SVP & Treasurer

Exhibit 10.28

EXECUTION VERSION

PURCHASE MONEY LOAN GUARANTEE AND COLLATERAL AGREEMENT

dated as of

February 17, 2009,

among

SIRIUS XM RADIO INC.,

ITS SUBSIDIARIES IDENTIFIED HEREIN

and

LIBERTY MEDIA CORPORATION,

as Collateral Agent

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Schedules

Exhibits

PURCHASE MONEY LOAN GUARANTEE AND COLLATERAL AGREEMENT dated as of February 17, 2009, among SIRIUS XM RADIO INC., a Delaware corporation (the "Borrower"), the subsidiaries of the Borrower from time to time party hereto and LIBERTY MEDIA CORPORATION ("Liberty"), as Collateral Agent.

Reference is made to the Term Credit Agreement dated as of February 17, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders from time to time party thereto and Liberty, as Administrative Agent and Collateral Agent. The Purchase Money Lenders have agreed to extend credit to the Borrower subject to the terms and conditions set forth in the Credit Agreement. The obligations of the Purchase Money Lenders to extend such credit are conditioned upon, among other things, the execution and delivery of this Agreement. The Subsidiary Guarantors are Affiliates of the Borrower, will derive substantial benefits from the extension of credit to the Borrower pursuant to the Credit Agreement and are willing to execute and deliver this Agreement in order to induce the Purchase Money Lenders to extend such credit. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Credit Agreement. (a) Capitalized terms used in this Agreement (including the preamble hereto) and not otherwise defined herein have the meanings specified in the Credit Agreement. All terms used in this Agreement and not defined herein or in the Credit Agreement have the meanings specified in Article 9 of the New York UCC (as defined herein).

(b) The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. Other Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Article 9 Collateral" has the meaning assigned to such term in Section 3.01.

"Borrower" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Claiming Party" has the meaning assigned to such term in Section 5.02.

"Contributing Party" has the meaning assigned to such term in Section 5.02.

"Credit Agreement" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Intellectual Property" means all intellectual property of every kind and nature now owned or hereafter acquired by any Loan Party, including inventions, designs, patents, copyrights, licenses, trademarks, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"Liberty" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Loan Parties" means the Borrower and the Subsidiary Guarantors.

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

"Purchase Money Obligations" means (a) the due and punctual payment by the Borrower of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Purchase Money Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (ii) all other monetary obligations of the Borrower to any of the Purchase Money Lenders under the Credit Agreement or any other Loan Document, including obligations to pay fees, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), and (b) the due and punctual payment or performance of all other obligations of any Loan Party to any Purchase Money Lender under or pursuant to the Credit Agreement or any other Loan Document.

"Purchase Money Secured Parties" means (a) the Purchase Money Lenders, (b) the Administrative Agent, (c) the Collateral Agent, (d) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document in respect of the Purchase Money Loans, (e) each other Person to whom any of the Purchase Money Obligations is owed and (f) the permitted successors and assigns of each of the foregoing.

"Satellite Codes" has the meaning assigned to such term in Section 3.03(f).

"Satellite Vendor" means, with respect to any satellite, the prime contractor and manufacturer of such satellite.

"Security Interest" has the meaning assigned to such term in Section 3.01.

"Subsidiary Guarantors" means (a) the Subsidiaries identified on Schedule I and (b) each other Subsidiary that becomes a party to this Agreement as a Subsidiary Guarantor after the Effective Date.

"Term Loan Obligations" means all Obligations other than the Purchase Money Obligations.

ARTICLE II

Guarantee

SECTION 2.01. Guarantee. (a) Each Subsidiary Guarantor unconditionally guarantees, jointly with the other Subsidiary Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment of the Purchase Money Obligations. Each Subsidiary Guarantor further agrees that the Purchase Money Obligations may be extended, increased or renewed, in whole or in part, or amended or modified without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension, increase or renewal, or amendment or modification, of any Purchase Money Obligation, and agrees to pay any and all expenses (including, without limitation, fees and expenses of counsel) incurred by any Agent or any Purchase Money Lender in enforcing any rights under this guarantee or any other Loan Document. Each Subsidiary Guarantor does hereby (i) waive notice of acceptance of this guarantee; (ii) waive any notices or demands that are not required by this Agreement or the Credit Agreement, as well as any other notices or demands that may otherwise be imposed by law; (iii) waive any and all rights that such Subsidiary Guarantor may have under any antideficiency statute or similar protections; (iv) agree not to assert any defense, right of set off or other claim which such Subsidiary Guarantor may have against the Borrower; (v) waive presentment, demand for performance, notice of nonperformance or dishonor, protest and notice of protest, promptness, diligence in collection and any and all formalities which otherwise might be legally required to charge such Subsidiary Guarantor with liability; and (vi) waive and agree not to assert or take advantage of assertion or claim that the automatic stay provided by 11 U.S.Code §362 (arising upon the voluntary or involuntary bankruptcy proceeding of the Borrower) or any other stay or delay provided under any debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable to the Borrower, shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of the Collateral Agent to enforce any of its rights which the Collateral Agent may have against such Subsidiary Guarantor pursuant to this Agreement.

(b) Without limiting the generality of the foregoing, each Subsidiary Guarantor's liability shall be extended to all amounts that constitute part of the Purchase Money Obligations and would be owed by any other Loan Party to any Agent or Purchase Money Lender under or in respect of the 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 such other Loan Party.

(c) Each Subsidiary Guarantor, and by its acceptance of this guarantee, each Agent and each Purchase Money Lender, hereby confirms that it is the intention of all such Persons that this guarantee and the Purchase Money Obligations of each Subsidiary Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of Title 11 U.S. Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to this guarantee and the Purchase Money Obligations of each Subsidiary Guarantor hereunder. To effectuate the foregoing intention, the Collateral Agent, on behalf of the Purchase Money Lenders, and the Subsidiary Guarantors hereby irrevocably agree that the Purchase Money Obligations of each Subsidiary Guarantor under this guarantee at any time shall be limited to the maximum amount as will result in the Purchase Money Obligations of such Subsidiary Guarantor under this guarantee not constituting a fraudulent conveyance or transfer.

SECTION 2.02. Guarantee of Payment. Each Subsidiary Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Collateral Agent or any other Secured Party to any security held for the payment of the Purchase Money Obligations or to any balance of any deposit account or credit on the books of the Collateral Agent or any other Secured Party in favor of the Borrower or any other Person.

SECTION 2.03. No Limitations. (a) Except for termination of a Subsidiary Guarantor's obligations hereunder as expressly provided in Section 6.13, the obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise of any of the Purchase Money Obligations, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Purchase Money Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor hereunder shall not be discharged or impaired or otherwise affected by (i) the failure of the Collateral Agent or any other Purchase Money Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise; (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Subsidiary Guarantor under this Agreement; (iii) the release of, or any impairment of or failure to perfect any Lien on or security interest in, any security held by the Collateral Agent or any other Purchase Money Secured Party for the Purchase Money Obligations or any of them; (iv) any default, failure or delay, willful or otherwise, in the performance of the Purchase Money Obligations; or (v) any other act or omission that may or might in any manner or to any extent vary the risk of any Subsidiary Guarantor or otherwise operate as a discharge of any Subsidiary Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all the Purchase Money Obligations). Each Subsidiary Guarantor expressly authorizes the Secured Parties to take and hold security for the payment and performance of the Purchase Money Obligations, to exchange, waive or release any or all such security (with or without consideration), to

enforce or apply such security and direct the order and manner of any sale thereof in their sole discretion or to release or substitute any one or more other Subsidiary Guarantors or obligors upon or in respect of the Purchase Money Obligations, all without affecting the obligations of any Subsidiary Guarantor hereunder.

(b) To the fullest extent permitted by applicable law, each Subsidiary Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Subsidiary Guarantor or the unenforceability of the Purchase Money Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Subsidiary Guarantor, other than the indefeasible payment in full in cash of all the Purchase Money Obligations. The Collateral Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Purchase Money Obligations, make any other accommodation with the Borrower or any Subsidiary Guarantor or exercise any other right or remedy available to them against the Borrower or any Subsidiary Guarantor, without affecting or impairing in any way the liability of any Subsidiary Guarantor hereunder except to the extent the Purchase Money Obligations have been fully and indefeasibly paid in full in cash. To the fullest extent permitted by applicable law, each Subsidiary Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Subsidiary Guarantor against the Borrower or any other Subsidiary Guarantor, as the case may be, or any security. Each Subsidiary Guarantor acknowledges that it will receive substantial direct benefits from the financing arrangements contemplated by the Loan Documents and that the waivers set forth in this Section 2.03 are knowingly made in contemplation of such benefits.

SECTION 2.04. Reinstatement. Each Subsidiary Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Purchase Money Obligation is rescinded or must otherwise be restored by the Collateral Agent or any other Purchase Money Secured Party upon the bankruptcy or reorganization of the Borrower, any Subsidiary Guarantor or otherwise.

SECTION 2.05. Agreement to Pay; Subrogation. In furtherance of the foregoing and not in limitation of any other right that the Collateral Agent or any other Purchase Money Secured Party has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Borrower or any Subsidiary Guarantor to pay any Purchase Money Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Subsidiary Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Collateral Agent for distribution to the applicable Purchase Money Secured Parties in cash the amount of such unpaid Purchase Money Obligation. Upon payment by any Subsidiary Guarantor of any sums to the Collateral Agent as provided above, all rights of such Subsidiary Guarantor against the Borrower or any other Subsidiary Guarantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Article VI.

SECTION 2.06. Information. Each Subsidiary Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and each other Subsidiary Guarantor's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Purchase Money Obligations and the nature, scope and extent of the risks that such Subsidiary Guarantor assumes and incurs hereunder, and agrees that none of the Collateral Agent or the other Purchase Money Secured Parties will have any duty to advise such Subsidiary Guarantor of information known to it or any of them regarding such circumstances or risks.

ARTICLE III

Security Interests in Personal Property

SECTION 3.01. Security Interest. (a) As security for the payment in full of the Purchase Money Obligations, each Loan Party hereby pledges to the Collateral Agent, its permitted successors and assigns, for the benefit of the Purchase Money Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the benefit of the Purchase Money Secured Parties, a security interest (the "Security Interest") in all right, title or interest in or to any and all of the assets and properties of such Loan Party described on Schedule II attached hereto and made a part hereof, as such Schedule II may be supplemented or modified from time to time to describe additional assets and properties of such Loan Party granted to secure such Loan Party's Purchase Money Obligations (collectively, the "Article 9 Collateral"), together with all books and records pertaining to the Article 9 Collateral, and, to the extent not otherwise included, all Proceeds and products of the Article 9 Collateral and all assets and property affixed or appurtenant thereto.

(b) Each Loan Party hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in the proper jurisdictions any initial financing statements (including, if applicable, fixture filings) with respect to the Article 9 Collateral or any part thereof and amendments thereto and continuations thereof that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including (i) statements as to whether such Loan Party is an organization, the type of organization and any organizational identification number issued to such Loan Party and (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Article 9 Collateral relates. Each Loan Party agrees to provide such information to the Collateral Agent promptly upon request.

Each Loan Party also ratifies its authorization for the Collateral Agent to file in any proper jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

(c) The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Purchase Money Secured Party to, or in any way alter or modify, any obligation or liability of any Loan Party with respect to or arising out of the Article 9 Collateral (other than the duties expressly created hereunder).

SECTION 3.02. Representations and Warranties. The Loan Parties jointly and severally represent and warrant to the Collateral Agent and the other Purchase Money Secured Parties that:

(a) Each Loan Party has good and valid rights in and title to the Article 9 Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority to grant to the Collateral Agent, for the benefit of the Purchase Money Secured Parties, the Security Interest in such Article 9 Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval that has been obtained.

(b) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name and place of organization of each Loan Party, is correct and complete as of the Effective Date. The Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations prepared by the Collateral Agent based upon the information provided to the Collateral Agent in the Perfection Certificate for filing in each governmental, municipal or other office specified in Schedule 6 to the Perfection Certificate (or specified by notice from the Borrower to the Collateral Agent after the Effective Date in the case of filings, recordings or registrations required by Section 5.12 of the Credit Agreement), are all the filings, recordings and registrations that are necessary to publish notice of, perfect and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the benefit of the Purchase Money Secured Parties) in respect of all Article 9 Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements.

(c) The Article 9 Collateral is owned by the Loan Parties free and clear of any Lien, except for Liens created under the Loan Documents and the Permitted Liens. None of the Loan Parties has filed or consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Article 9 Collateral or (ii) any assignment in which any Loan Party assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens created under the Loan Documents and the Permitted Liens.

SECTION 3.03. Covenants. (a) Upon the occurrence and during the continuance of an Event of Default, each Loan Party shall, upon reasonable request of the Collateral Agent, promptly prepare and deliver to the Collateral Agent a duly certified schedule or schedules in form and detail satisfactory to the Collateral Agent showing the identity, amount and location of any and all Article 9 Collateral.

(b) Each Loan Party agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request to better assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements (including, if applicable, fixture filings) or other documents in connection herewith or therewith.

Without limiting the generality of the foregoing, each Loan Party hereby authorizes the Collateral Agent, with prompt notice thereof to the Loan Parties, to supplement this Agreement by supplementing Schedule II or adding additional schedules hereto to specifically identify any asset or item that may constitute Article 9 Collateral financed with the proceeds of any Purchase Money Loans; provided that any Loan Party shall have the right, exercisable within 10 days after it has been notified by the Collateral Agent of the specific identification of such additional Article 9 Collateral, to advise the Collateral Agent in writing of any inaccuracy (i) with respect to such supplement or additional schedule or (ii) of the representations and warranties made by such Loan Party hereunder with respect to such Collateral. Each Loan Party agrees that it will use its reasonable best efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Collateral.

(c) At its option, the Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, discharge past due taxes, assessments, charges, fees and Liens at any time levied or placed on the Article 9 Collateral and not permitted pursuant to Section 5.07 or 6.08 of the Credit Agreement, and may pay for the maintenance and preservation of the Article 9 Collateral to the extent any Loan Party fails to do so as required by the Credit Agreement or this Agreement, and each Loan Party jointly and severally agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; provided that nothing in this paragraph shall be interpreted as excusing any Loan Party from the performance of, or imposing any obligation on the Collateral Agent or any Purchase Money Secured Party to cure or perform, any covenants or other promises of any Loan Party with respect to taxes, assessments, charges, fees or Liens and maintenance as set forth herein or in the other Loan Documents.

(d) Each Loan Party shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof.

(e) Each Loan Party irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Loan Party's true and lawful agent (and attorney-in-fact) for the purpose, after the occurrence and during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of such Loan Party on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Loan Party at any time or times shall fail to obtain or maintain any of the policies of insurance required by the Credit Agreement or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Loan Parties hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this paragraph, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Loan Parties to the Collateral Agent and shall be additional Purchase Money Obligations secured hereby.

(f) Each Loan Party will, and will cause each of the Restricted Subsidiaries to, at the Loan Parties' expense, promptly following the request of the Collateral Agent (which may only be made following the occurrence and during the continuance of an Event of Default), (i) deliver to the Collateral Agent, subject to having obtained any consent or approval of, or registration or filing with, any Governmental Authority for such delivery, all access codes, command codes and command encryption necessary to establish access to and perform tracking, telemetry, control and monitoring of any Satellite constituting Article 9 Collateral, including activation and control of any spacecraft subsystems and payload components and the transponders thereon (such access codes, command codes and command encryption being collectively referred to as the "Satellite Codes"), in each case where such Satellite Codes are in possession, or subject to the control, of the Borrower or any Restricted Subsidiary, (ii) use its reasonable best efforts to obtain any consent or approval of, or registration or filing with, any Governmental Authority referred to in clause (i) above or otherwise required to effect any transfer of operational control over any Satellite and related technical data (including any license approving the export or re-export of such Satellite to any Person as designated by the Collateral Agent) and (iii) deliver to the Collateral Agent written evidence of the issuance of any such consent, approval, registration or filing once such consent, approval, registration or filing has been obtained.

(g) Each Loan Party will, and will cause each of the Restricted Subsidiaries to, at the Loan Parties' expense, promptly following the request of the Collateral Agent (which may only be made following the occurrence and during the continuance of an Event of Default), use its reasonable best efforts to obtain from each provider (other than the Borrower or any Restricted Subsidiary) of tracking, telemetry,

control and monitoring services for any Satellite constituting Article 9 Collateral, an agreement of such provider with the Collateral Agent (i) to deliver to the Collateral Agent, promptly following notification by the Collateral Agent that an Event of Default has occurred and is continuing, subject to having obtained any consent or approval of, or registration or filing with, any Governmental Authority for such delivery, all Satellite Codes in possession, or subject to the control, of such provider and, following delivery thereof, not change any such Satellite Codes without promptly furnishing to the Collateral Agent the new Satellite Codes, (ii) to use its reasonable best efforts, upon notification by the Collateral Agent that an Event of Default has occurred and is continuing, to obtain any consent or approval of, or registration or filing with, any Governmental Authority referred to in clause (i) above or otherwise required to effect any transfer of operational control over any Satellite for which such provider is providing any of the abovementioned services and related technical data and (iii) to deliver to the Collateral Agent written evidence of the issuance of any such consent, approval, registration or filing once such consent, approval, registration or filing has been obtained. If, notwithstanding the Loan Parties' and the Restricted Subsidiaries' having used their reasonable best efforts to obtain the agreements referred to in this paragraph, any such agreement shall not have been so obtained, each Loan Party shall, and shall cause the Restricted Subsidiaries to, instruct each such provider of tracking, telemetry, control and monitoring services (and each manufacturer of any Satellite that has not yet been launched) to cooperate in providing the Satellite Codes, consents, approvals, registrations and filings referred to in this paragraph.

(h) In the event that the United States signs and ratifies the Protocol on Space Assets to the Capetown Convention on Mobile Equipment, then each Loan Party shall ensure that any international interests (as defined in such Convention) with respect to space assets (as defined in such Protocol) constituting Article 9 Collateral are properly registered with the international registry referred to therein and shall otherwise take all actions reasonably requested by the Collateral Agent to ensure that the security interest of the Collateral Agent is fully perfected and protected under such Protocol and such Convention.

(i) No Loan Party shall sell, lease, transfer or otherwise dispose of all or any part of any Article 9 Collateral without the prior written consent of the Collateral Agent, which consent shall not be unreasonably withheld.

ARTICLE IV

Remedies

SECTION 4.01. Remedies Upon Default. Upon the occurrence and during the continuance of an Event of Default, each Loan Party agrees to deliver, on demand, each item of Article 9 Collateral to the Collateral Agent or any Person designated by the Collateral Agent, and it is agreed that the Collateral Agent shall have the right to, with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to enter any premises where the Article 9 Collateral may be located for the

purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Loan Party agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Article 9 Collateral at a public or private sale, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. Each such purchaser at any sale of Article 9 Collateral shall hold the property sold absolutely, free from any claim or right on the part of any Loan Party, and each Loan Party hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which such Loan Party now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the applicable Loan Parties 10 days' written notice (which each Loan Party agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Article 9 Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Article 9 Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Article 9 Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Article 9 Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Article 9 Collateral is made on credit or for future delivery, the Article 9 Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent and the other Purchase Money Secured Parties shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Article 9 Collateral so sold and, in case of any such failure, such Article 9 Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Agreement, any Purchase Money Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Loan Party (all said rights being also hereby waived and released to the extent permitted by law), the Article 9 Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Purchase Money Secured Party from any Loan Party as a credit against the purchase price, and such Purchase Money Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Loan Party therefor. For purposes hereof, a written agreement to purchase the Article 9 Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Loan Party shall be entitled to the return of the Article 9 Collateral or

any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Purchase Money Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Article 9 Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 4.01 shall be deemed to conform to the commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

The Collateral Agent acknowledges that the exercise of its rights and remedies hereunder, including the rights set forth in this Section 4.01, may require prior approval of, or notice to, the FCC pursuant to the Communications Act of 1934, as amended, and the regulations promulgated thereunder.

SECTION 4.02. Application of Proceeds. The Collateral Agent shall apply the proceeds of any collection or sale of Article 9 Collateral as follows:

FIRST, to the payment of all costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, any other Loan Document or any of the Purchase Money Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Loan Document on behalf of any Loan Party and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Purchase Money Obligations (the amounts so applied to be distributed among the Purchase Money Secured Parties pro rata in accordance with the amounts of the Purchase Money Obligations owed to them on the date of any such distribution); and

THIRD, to the Loan Parties, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Article 9 Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Article 9 Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 4.03. Grant of License to Use Intellectual Property. Solely for the purpose of enabling the Collateral Agent to exercise rights and remedies under this Agreement at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Loan Party hereby grants to the Collateral Agent an irrevocable (except upon the indefeasible payment in full in cash of all the Purchase Money Obligations), nonexclusive license (exercisable without payment of royalty or other compensation to the Loan Parties) to use, license or sublicense Intellectual Property of such Loan Party that is necessary for the operation, maintenance or use of the Article 9 Collateral now or hereafter owned by such Loan Party, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Collateral Agent may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default as part of the Collateral Agent's exercise of remedies hereunder.

ARTICLE V

Indemnity, Subrogation and Subordination

SECTION 5.01. Indemnity and Subrogation. In addition to all such rights of indemnity and subrogation as the Subsidiary Guarantors may have under applicable law (but subject to Section 5.03), the Borrower agrees that (a) in the event a payment of an obligation shall be made by any Subsidiary Guarantor under this Agreement, the Borrower shall indemnify such Subsidiary Guarantor for the full amount of such payment and such Subsidiary Guarantor shall be subrogated to the rights of the Person to whom such payment shall have been made to the extent of such payment and (b) in the event any assets of any Subsidiary Guarantor shall be sold pursuant to this Agreement or any other Security Document to satisfy in whole or in part an obligation owed to any Secured Party, the Borrower shall indemnify such Subsidiary Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

SECTION 5.02. Contribution and Subrogation. Each Subsidiary Guarantor (a "Contributing Party") agrees (subject to Section 5.03) that, in the event a payment shall be made by any other Subsidiary Guarantor hereunder in respect of any Obligation or assets of any other Subsidiary Guarantor shall be sold pursuant to any Security Document to satisfy any Purchase Money Obligation (other, in each case, than a Purchase Money Obligation for the incurrence of which such other Subsidiary Guarantor received fair and adequate consideration) and such other Subsidiary Guarantor (the "Claiming Party") shall not have been fully indemnified by the Borrower as provided in Section 5.01, the Contributing Party shall indemnify the Claiming Party in an amount equal to the amount of such payment or the greater of the book value or the fair market value of such assets, as the case may be, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Party on the date hereof and the denominator shall be the aggregate net worth of all the Subsidiary Guarantors on the date hereof (or, in the case of any Subsidiary Guarantor becoming a party hereto pursuant to Section 6.14, the date of the supplement hereto executed and delivered by such

Subsidiary Guarantor). Any Contributing Party making any payment to a Claiming Party pursuant to this Section 5.02 shall be subrogated to the rights of such Claiming Party under Section 5.01 to the extent of such payment.

SECTION 5.03. Subordination. (a) Notwithstanding any provision of this Agreement to the contrary, all rights of the Subsidiary Guarantors under Sections 5.01 and 5.02 and all other rights of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Purchase Money Obligations. No failure on the part of any Subsidiary Guarantor to make the payments required by Sections 5.01 and 5.02 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Subsidiary Guarantor with respect to its Purchase Money Obligations hereunder, and each Subsidiary Guarantor shall remain liable for the full amount of the obligations of such Subsidiary Guarantor hereunder.

(b) Each Subsidiary Guarantor hereby agrees that all Indebtedness and other monetary obligations owed to it by Borrower, any other Subsidiary Guarantor or any other Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the Purchase Money Obligations.

ARTICLE VI

Miscellaneous

SECTION 6.01. Notices. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Guarantor shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 6.02. Waivers; Amendment. (a) No failure or delay by the Collateral Agent or any other Secured Party in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent, the Administrative Agent and the other Purchase Money Secured Parties hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 6.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Collateral Agent, any Purchase Money Lender or any other Person may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Loan Party or Loan Parties with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.02 of the Credit Agreement.

SECTION 6.03. Collateral Agent's Fees and Expenses; Indemnification. (a) The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expenses incurred hereunder as provided in Section 9.03 of the Credit Agreement.

(b) Without limitation of its indemnification obligations under the other Loan Documents, each Loan Party jointly and severally agrees to indemnify the Collateral Agent and the other Indemnitees (as defined in Section 9.03(b) of the Credit Agreement) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of counsel, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or (ii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing or to the Article 9 Collateral, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and whether or not such claim, litigation, investigation or proceeding is brought by any Loan Party or any of its Affiliates or a third party; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. To the extent permitted by applicable law, none of the Loan Parties shall assert, and each Loan Party hereby waives, any claim against the Collateral Agent or any other Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(c) Any such amounts payable as provided hereunder shall be additional Purchase Money Obligations secured hereby and by the other Security Documents securing the Purchase Money Obligations. The provisions of this Section 6.03 shall survive and remain in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Purchase Money Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any other Purchase Money Secured Party. All amounts due under this Section 6.03 shall be payable promptly after written demand therefor.

SECTION 6.04. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Loan Party or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 6.05. Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties herein or in any other Loan Document or in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto or thereto and shall survive the execution and delivery of this Agreement and any other Loan Document and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Collateral Agent or any other Secured Party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid.

SECTION 6.06. Counterparts; Effectiveness; Several Agreement. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. This Agreement shall become effective as to any Loan Party when a counterpart hereof executed on behalf of such Loan Party shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such Loan Party and the Collateral Agent and their respective permitted successors and assigns, and shall inure to the benefit of such Loan Party, the Collateral Agent and the other Purchase Money Secured Parties and their respective successors and assigns, except that no Loan Party shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Article 9 Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Loan Party and may be amended, modified, supplemented, waived or released with respect to any Loan Party without the approval of any other Loan Party and without affecting the obligations of any other Loan Party hereunder.

SECTION 6.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 6.08. Right of Set-Off. If an Event of Default shall have occurred and be continuing, each Agent, each Purchase Money Lender and each of their Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Agent, Purchase Money Lender or Affiliate to or for the credit or the account of the Subsidiary Guarantors against any overdue obligations of such Subsidiary Guarantor now or hereafter existing under this Agreement or any other Loan Document that are held by such Agent or Purchase Money Lender, irrespective of whether or not such Agent or Purchase Money Lender shall have made any demand under this Agreement or such other Loan Document. The rights of each Purchase Money Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Agent or Purchase Money Lender may have.

SECTION 6.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each of the Loan Parties hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party, or its properties in the courts of any jurisdiction.

(c) Each of the Loan Parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section 6.09. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 6.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 6.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.10.

SECTION 6.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 6.12. Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest, the grant of a security interest in the Article 9 Collateral and all obligations of each Loan Party hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Purchase Money Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Purchase Money Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Purchase Money Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Loan Party in respect of the Obligations or this Agreement.

SECTION 6.13. Termination or Release. (a) This Agreement, the Guarantees made herein, the Security Interest and all other security interests granted hereby shall terminate when all the Obligations (other than, with respect to the termination of the Security Interest and all other security interests granted hereby only, any Obligations that consists solely of contingent obligations) have been indefeasibly paid in full and the Lenders have no further commitment to lend under the Credit Agreement. In connection with any termination pursuant to this paragraph, the Collateral Agent shall execute and deliver to any Subsidiary Guarantor, at such Subsidiary Guarantor's expense, all Uniform Commercial Code termination statements and any other documents that such Subsidiary Guarantor shall reasonably request to evidence such termination. Any execution and delivery of documents pursuant to this Section 6.13 shall be without recourse to, or representation of warranty by, the Collateral Agent or any other Secured Party.

(b) Release of any Subsidiary Guarantor from its obligations hereunder and of the Security Interest in any Article 9 Collateral shall be governed by Section 9.13 of the Credit Agreement.

SECTION 6.14. Additional Subsidiaries. Pursuant to Section 5.11 of the Credit Agreement, certain Subsidiaries not originally parties hereto may be required from time to time to enter in this Agreement as Subsidiary Guarantors. Upon execution and delivery by the Collateral Agent and a Subsidiary of an instrument in the form of Exhibit I hereto, such Subsidiary shall become a Subsidiary Guarantor hereunder with the same force and effect as if originally named as a Subsidiary Guarantor herein. The execution and delivery of any such instrument shall not require the consent of any other Loan Party hereunder. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Loan Party as a party to this Agreement.

SECTION 6.15. Collateral Agent Appointed Attorney-in-Fact. Each Loan Party hereby appoints the Collateral Agent the attorney-in-fact of such Loan Party for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Collateral Agent shall have the right, but only upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of such Loan Party (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Article 9 Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Article 9 Collateral; (c) to sign the name of any Loan Party on any invoice or bill of lading relating to any of the Article 9 Collateral; (d) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Article 9 Collateral or to enforce any rights in respect of any Article 9 Collateral; (e) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Article 9 Collateral; and (f) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Article 9 Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Article 9 Collateral for all purposes; provided that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Article 9 Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Purchase Money Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Loan Party for any act or failure to act hereunder, except for their own gross negligence, bad faith or willful misconduct.

SECTION 6.16. Specific Performance. The parties agree that irreparable damage would occur and that the Purchase Money Lenders and the other Purchase Money Secured Parties would not have any adequate remedy at law in the event that any provision of Sections 3.03(f), 3.03(g) and 3.03(h) were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Administrative Agent and the Required Lenders shall be entitled to an injunction or injunctions to prevent breaches of such Sections by any Loan Party and to enforce specifically the terms and provisions of this Agreement in any court referred to in Section 6.09(b), this being in addition to any other remedy to which they are entitled at law or in equity. Each Loan Party hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance referred to in the immediately preceding sentence that may be brought by the Administrative Agent or the Required Lenders.

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

SIRIUS XM RADIO INC.,

by /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Executive Vice President, General Counsel and Secretary

LIBERTY MEDIA CORPORATION, as
Collateral Agent,

by /s/ David Flowers
Name: David Flowers
Title: SVP & Treasurer

SUBSIDIARY GUARANTOR
SIGNATURE PAGE TO
THE GUARANTEE AND
COLLATERAL AGREEMENT

SATELLITE CD RADIO, INC.,

by /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Secretary

SUBSIDIARY GUARANTOR
SIGNATURE PAGE TO
THE GUARANTEE AND
COLLATERAL AGREEMENT

SIRIUS ASSET MANAGEMENT COMPANY LLC,

by /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Secretary

Exhibit 10.29

EXECUTION COPY

$150,000,000

CREDIT AGREEMENT

dated as of

February 17, 2009

among

XM SATELLITE RADIO INC.,

XM SATELLITE RADIO HOLDINGS INC.,

The Lenders Party Hereto,

and

LIBERTY MEDIA CORPORATION
as Administrative Agent

TABLE OF CONTENTS

SCHEDULES:

EXHIBITS:

CREDIT AGREEMENT dated as of February 17, 2009 (this "Agreement"), among XM SATELLITE RADIO INC., XM SATELLITE RADIO HOLDINGS INC., the LENDERS party hereto, and LIBERTY MEDIA CORPORATION, as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I.

Definitions

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Acquired Debt" means, with respect to any specified Person (x) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person or (y) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person; provided that, in each case, such Indebtedness or Lien, as applicable, is not incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person or in contemplation of the acquisition of such assets by such specified Person.

"Act" means the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"Additional Term Loan" has the meaning assigned to such term in Section 2.01

"Administrative Agent" means Liberty Media Corporation, in its capacity as administrative agent for the Lenders hereunder, or its successors in such capacity.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" shall have correlative meanings.

"Affiliate Transaction" has the meaning assigned to such term in Section 6.07(a).

"Agreement" has the meaning assigned to such term in the introductory paragraph of this Agreement and includes all Exhibits and Schedules hereto.

"Ancillary XM-4 Satellite Collateral" means any assets, licenses and/or usage rights associated specifically with the XM-4 Satellite; provided, however, to the extent that any such assets, licenses and/or usage rights are also associated with one or more other satellites used or to

be used by a Loan Party (prior to the Holdings Covenant and Collateral Release Date) or by the Borrower or the Subsidiary Loan Parties (after the Holdings Covenant and Collateral Release Date) or other property or assets material to the business of such party, only that portion, if any, of such assets, licenses and/or usage rights that is divisible and separately conveyable shall constitute Ancillary XM-4 Satellite Collateral.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment (or, if the Commitments have terminated or expired, the percentage of the total Loans represented by such Lender's Loan).

"Asset Sale" means (a) the sale, lease (as lessor), license, conveyance or other disposition of any assets; and (b) the issuance of Equity Interests in any of the Borrower's Subsidiaries or the sale of Equity Interests in any of its Subsidiaries (including in connection with the merger or consolidation of any Subsidiary with or into another Person that results in the direct or indirect ownership by the Borrower of less of the Equity Interests of such Subsidiary than prior to such merger or consolidation).

Notwithstanding the foregoing, the following items shall not be deemed to be Asset Sales:

(i) any single transaction or series of related transactions that involves assets having a fair market value or that involve net proceeds of less than $5,000,000;

(ii) a transfer of assets between or among the Borrower and the Borrower's Wholly Owned Subsidiary Guarantors;

(iii) an issuance of Equity Interests by a Wholly Owned Subsidiary Guarantor to the Borrower or to another Wholly Owned Subsidiary Guarantor;

(iv) the sale or lease of equipment, inventory, accounts receivable or other assets in the ordinary course of business;

(v) the sale or other disposition of cash or Cash Equivalents;

(vi) a Restricted Payment or Permitted Investment that is permitted under Section 6.06;

(vii) a single Qualified Sale and Leaseback Transaction; and

(viii) the non-exclusive license of Intellectual Property in the ordinary course of business.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Attributable Debt" in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"Available Commitment" shall mean, with respect to any Lender at any time, an amount equal to the excess, if any, of (a) the amount of the Commitment of such Lender at such time over (b) the aggregate principal amount of all Loans made by such Lender prior to such time.

"Beneficial Interest" has the meaning assigned to such term in the Participation Agreement.

"Beneficial Interest Purchase Date" means any date on which the Borrower and/or Holdings is required to purchase any or all of the Beneficial Interest pursuant to the terms of the XM-4 Sale and Leaseback Offer to Purchase or Refinance and in accordance with the terms of the Participation Agreement and this Agreement; provided, however, that if the Beneficial Interest is purchased for a note or other evidence of Indebtedness permitted to be incurred under the Credit Agreement (including any Permitted Beneficial Interest Indebtedness), the Beneficial Interest Purchase Date shall not occur until the date on which any or all of the principal amount of such Indebtedness shall have been paid.

"Beneficial Owner" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" shall be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "beneficially owns" and "beneficially owned" shall have a corresponding meaning.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Board of Directors" means (a) with respect to a corporation, the board of directors of the corporation; (b) with respect to a partnership, the board of directors of the general partner of the partnership (if a corporation); and (c) with respect to any other Person, the board or committee of such Person serving a similar function.

"Borrower" means XM Satellite Radio Inc., a Delaware corporation.

"Borrower Obligations" means the Credit Agreement Obligations.

"Borrowing Request" means a request by the Borrower for a Loan in accordance with Section 2.03.

"Borrower-SIRIUS Merger" means (a) a merger or consolidation of the Borrower with or into SIRIUS or a merger or consolidation of SIRIUS with or into the Borrower or (b) any assignment, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Borrower to SIRIUS or of SIRIUS to the Borrower

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"Capital Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

"Cash Equivalents" means:

(a) United States dollars;

(b) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than six months from the date of acquisition;

(c) certificates of deposit and Eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any domestic commercial bank having capital and surplus in excess of $500,000,000;

(d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (b) and (c) above entered into with any financial institution meeting the qualifications specified in clause (c) above;

(e) commercial paper having one of the two highest ratings obtainable from Moody's Investors Service, Inc. or Standard & Poor's Rating Services and in each case maturing within six months after the date of acquisition; and

(f) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (e) of this definition.

"Change in Control" means the occurrence of any of the following:

(i) SIRIUS shall cease to beneficially own and control at least 100% on a fully diluted basis of the economic interests and voting power in the Equity Interests of Holdings;

(ii) Holdings shall cease to beneficially own and control at least 100% on a fully diluted basis of the economic interests and voting power in the Equity Interests of the Borrower;

(iii) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Borrower and its Material Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act);

(iv) the adoption of a plan relating to the liquidation or dissolution of the Borrower;

(v) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of the total voting power of the Voting Stock of SIRIUS, Holdings or the Borrower (other than SIRIUS or a Wholly Owned Subsidiary thereof) (for the purposes of this clause (v), such other person shall be deemed to beneficially own any Voting Stock of a Person held by any other Person (the "parent entity"), if such other person is the Beneficial Owner, directly or indirectly, of more than 50% of the voting power of the Voting Stock of such parent entity); or

(vi) any "change of control" or similar event under the Senior Fixed Rate Notes, the XM Escrow Senior Notes, the Existing XM Facilities, any Material Indebtedness (other than the Existing 10% Notes, to the extent they constitute Material Indebtedness), and/or any Material Indebtedness of SIRIUS, including in each case any Permitted Refinancing Indebtedness in respect thereof.

Notwithstanding the foregoing, none of a Parent Company Merger, a Borrower-SIRIUS Merger or a XM-SIRIUS Merger shall constitute a Change in Control.

"Change in Control Offer" has the meaning assigned to such term in Section 2.10(d).

"Closing Date" means the date on or after February 28, 2009 on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means any and all "Collateral" as defined in any applicable Security Document; provided that if at any time none of the obligations in respect of the Existing 10% Notes, the Existing Loan Documents and the Distribution and Credit Agreement (including if any release of such Liens with respect to the obligations in respect of the Distribution and Credit Agreement occurs concurrently with the automatic release referred to below) are secured by the XM-4 Satellite Collateral, then such XM-4 Satellite Collateral shall be automatically released from the Collateral without any further consent of the Administrative Agent and/or the Lenders in connection with the consummation of the XM-4 Sale and Leaseback Transaction.

"Collateral Agency Agreement" means the Collateral Agency Agreement, dated as of June 26, 2008, as amended, restated, supplemented or otherwise modified from time to time, among the "Administrative Agent" (as defined in the Revolving Facility Agreement), the First Lien Collateral Agent, the Revolving Credit Facility Administrative Agent and the other parties from time to time party thereto.

"Collateral and Guarantee Requirement" means the requirement that:

(a) on the Closing Date, the Administrative Agent shall have received from Holdings and each Material Subsidiary a counterpart of the Guarantee and Collateral Agreement duly executed and delivered on behalf of such person;

(b) in the case of any person that becomes a Subsidiary Loan Party after the Closing Date, the Administrative Agent shall have received a supplement to the Guarantee and Collateral Agreement, in the form specified therein, duly executed and delivered by such Subsidiary Loan Party;

(c) (i) all the outstanding Equity Interests of any Person that is or becomes a Subsidiary Loan Party on or after the Closing Date and (ii) all the Equity Interests that are owned by a Loan Party (other than XM Investment LLC and XM 1500 Eckington LLC) shall have been pledged pursuant to the Guarantee and Collateral Agreement (or, in the case of Foreign Subsidiaries, at the request of the Administrative Agent, pursuant to a Foreign Pledge Agreement) (provided that (x) the Equity Interests in any Foreign Subsidiary shall be pledged unless such pledge would result in adverse tax consequences to the Borrower, in which case such pledge shall be limited to 65% of the Voting Stock and 100% of the non-Voting Stock of such Foreign Subsidiary, (y) minority Equity Interests shall be pledged unless such pledge would result in a breach or violation of contracts or agreements to which a Loan Party is party or would trigger rights of first refusal, call rights or other similar provisions thereunder or result in the loss of director appointment rights or other penalty or loss of rights under such contracts or agreements and (z) from and after the Holdings Covenant and Collateral Release Date, Holdings shall be required to pledge only those Equity Interests that constitute Holdings Collateral) and, to the extent required under the Guarantee and Collateral Agreement, the Administrative Agent shall have received all certificates or other instruments (if any) representing such Equity Interests, together with stock powers or other instruments of transfer with respect thereto duly endorsed in blank;

(d) on the Closing Date and at any time thereafter that any other Security Document shall be executed and delivered, except as set forth pursuant to Section 3.15 or as otherwise contemplated by the applicable Security Document, all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Administrative Agent to be filed, registered, recorded, executed or possessed to create the Liens intended to be created by the applicable Security Documents in favor of Administrative Agent, for the benefit of the Secured Parties, and to perfect such Liens to the extent required by, and with the priority required by, the applicable Security Documents and this Agreement, shall have been filed, registered, recorded (or delivered to the Administrative Agent for filing, registration or recording) or executed and delivered; and

(e) except as set forth pursuant to Section 3.03 or as otherwise contemplated by any Security Document, each Loan Party shall have obtained all consents and approvals required to be obtained by it in connection with (i) the execution and delivery of all Security Documents (or supplements thereto) to which it is a party and the granting by it of the Liens thereunder and (ii) the performance of its obligations thereunder.

"Commitment" means, with respect to each Lender at any time, the commitment of such Lender to make Loans hereunder in the amount of such Lender's Commitment as set forth on Schedule 2.01 under the caption "Commitment", or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable, at such time, as such amount may be reduced at or prior to such time pursuant to Section 2.10(e). The aggregate amount of the Lenders' Commitments as of the date hereof is $150,000,000.

"Commitment Fee" has the meaning provided in Section 2.11.

"Consent Period" means the period commencing on the date that is three Business Days following the Closing Date and ending on the Date that is twenty Business Days following the Closing Date.

"Consolidated Net Income" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Material Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that:

(a) the Net Income (but not loss) of any Person that is not a Material Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Wholly Owned Subsidiary Guarantor thereof;

(b) the Net Income of any Material Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Material Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Material Subsidiary or its stockholders;

(c) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded; and

(d) the cumulative effect of a change in accounting principles shall be excluded.

"Consolidated Net Worth" means, with respect to any specified Person as of any date, the sum of:

(a) the consolidated equity of the common stockholders of such Person and its consolidated Material Subsidiaries as of such date; plus

(b) the respective amounts reported on such Person's balance sheet as of such date with respect to any series of preferred stock (other than Disqualified Stock) that by its terms is not entitled to the payment of dividends unless such dividends may be declared and paid only out of net earnings in respect of the year of such declaration and payment, but only to the extent of any cash received by such Person upon issuance of such preferred stock.

"Consolidated Total Debt" means, as at any date of determination, an amount equal to the aggregate amount of all outstanding Indebtedness of Holdings and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Senior Debt" means, as at any date of determination, Consolidated Total Debt, less any Indebtedness subordinated in right of payment and interest to any other Indebtedness of Holdings and its Subsidiaries in accordance with the terms of this Agreement.

"Credit Agreement Obligations" means the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing 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) the Loans and all other obligations and liabilities of the Borrower to the Administrative Agent or to 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, this Agreement, any other Loan Document, or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Disqualified Stock" means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the Maturity Date. Notwithstanding the preceding sentence, any Equity Interest that would constitute Disqualified Stock solely because the holders thereof have the right to require the Borrower to repurchase such Equity Interests upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock if the terms of such Equity Interests provide that the Borrower may not repurchase or redeem any such Equity Interests pursuant to such provisions unless such repurchase or redemption complies with Section 6.06.

"Distribution and Credit Agreement" means the Third Amended and Restated Distribution and Credit Agreement dated on or about February 6, 2008 by and among GM, Holdings and the Borrower, as amended, supplemented or otherwise modified from time to time, which shall not have principal amounts outstanding thereunder that exceed $150,000,000 in the aggregate at any time outstanding, provided that the Distribution and Credit Agreement shall at all times be on terms and conditions not materially less favorable to the Borrower and its Subsidiaries, taken as a whole, than the terms and conditions of the GM Credit Agreement dated as of January 28, 2003 among the Borrower, Holdings, GM and the other parties named therein, as amended, restated, supplemented or otherwise modified from time to time, as in effect on the Revolving Facility Closing Date.

"dollars" or "$" refers to lawful money of the United States of America.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, common law, injunctions, notices or binding agreements issued, promulgated or entered into by or on behalf of any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of, or non-compliance with, any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the failure of the Borrower or any ERISA Affiliate to make any required contribution under any Multiemployer Plan; (g) the incurrence by the Borrower or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; (h) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal

Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (i) the occurrence of an act or omission which could give rise to the imposition of fines, penalties, taxes or related charges under Chapter 43 of the Code or under Section 409, Section 502(c), (i) or (k) or Section 4071 of ERISA in respect of any Plan; (j) the imposition of a Lien pursuant to Section 401(a)(29) or 412(n) of the Code with respect to any Plan; or (k) the occurrence of any event with respect to any Plan similar to the events described in any of the subsections (a) through (j) hereof which would cause liability to arise to the Borrower or any ERISA Affiliate.

"Event of Default" has the meaning assigned to such term in Article VII.

"Excess Proceeds" means any Net Proceeds from any Asset Sale that are not finally applied or invested in accordance with the Borrower's Reinvestment Right.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Entities" means, collectively, (a) any Subsidiary of Holdings (other than the Borrower or a Subsidiary of the Borrower) that has as its principal asset real estate that is leased to Holdings or the Borrower, including XM 1500 Eckington LLC and XM Investment LLC, (b) companies that are not Subsidiaries of Holdings, the Borrower or a Subsidiary of the Borrower, including WorldSpace, Inc. and Canadian Satellite Radio Holdings Inc., (c) WCS Wireless Inc. (as long as it is not a Subsidiary of the Borrower) and (d) any Subsidiary of Holdings (other than the Borrower or a Subsidiary of the Borrower) formed to hold and operate the assets of WCS Wireless Inc.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on (or measured by) its net income, including franchise taxes imposed in lieu of net income taxes, by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.18(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure to comply with Section 2.16(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.16(a).

"Existing 10% Notes" has the meaning assigned to such term in clause (b) of the definition of "January 2003 Financing Transactions".

"Existing 10% Notes Change of Control Offer" means a Change of Control Offer (as defined in the Noteholders Agreement) with respect to the Existing 10% Notes made by the Borrower in connection with the Merger and/or any Merger Related Event pursuant to the terms of Section 8.7 of the Noteholders Agreement.

"Existing 10% Notes Extension" means each extension, in accordance with the terms of the Note Purchase Agreement, of the date on which the Borrower is required to make a Change of Control Offer (as defined in the Noteholders Agreement) with respect to all of the Existing 10% Notes as a result of any Change of Control (under and as defined in the Note Purchase Agreement) that occurs or will occur in connection with the Merger and/or any Merger Related Event.

"Existing 10% Notes Waiver" means a waiver, in accordance with the terms of the Note Purchase Agreement, of any Change of Control (under and as defined in the Note Purchase Agreement) with respect to all of the Existing 10% Notes that occurs or will occur in connection with the Merger and/or any Merger Related Event and the consequences of such Change of Control (including the requirement that the Borrower make a Change of Control Offer (as defined in the Noteholders Agreement)).

"Existing Collateral" means the "Collateral" under and as defined in (a) the Existing General Security Agreement and (b) the Existing FCC License Subsidiary Pledge Agreement.

"Existing Collateral Documents" means, collectively, (a) the Existing Intercreditor Agreements, (b) the Existing General Security Agreement and (c) the Existing FCC License Subsidiary Pledge Agreement.

"Existing Loan Documents" means, collectively, the Revolving Credit Facility Documents and the Term Loan Documents.

"Existing XM Facilities" means, collectively, the Revolving Credit Facility Agreement and the Term Loan Agreement.

"Existing FCC License Subsidiary Pledge Agreement" means the Amended and Restated FCC License Subsidiary Pledge Agreement, dated as of January 28, 2003, among the Borrower, as pledgor, and The Bank of New York, as First Lien Collateral Agent, as may be amended, restated, supplemented or otherwise modified from time to time.

"Existing General Security Agreement" means the Security Agreement, dated as of January 28, 2003, among the Borrower, Holdings and XM Equipment Leasing LLC, as grantors, and The Bank of New York, as First Lien Collateral Agent, as may be amended, restated, supplemented or otherwise modified from time to time.

"Existing Holdings Indebtedness" means the Obligations of Holdings in respect of the Existing 10% Notes.

"Existing Indebtedness" means Indebtedness of the Borrower and its Material Subsidiaries in existence on May 5, 2006 and any Permitted Refinancing Indebtedness in respect thereof to the extent permitted to the terms of this Agreement, including Existing 10% Notes, in each case until such amounts are repaid or, in the case of Indebtedness incurred under a facility that permits repayment and reborrowing, until the commitment(s) for such facility have terminated or are released.

"Existing Intercreditor Agreements" means, collectively, (a) the Intercreditor and Collateral Agency Agreement (FCC License Subsidiary Pledge Agreement), dated as of January 28, 2003, among the Noteholders named in schedule I thereto, The Bank of New York, as Original Trustee, The Bank of New York, as New Trustee, GM, The Bank of New York, as First Lien Collateral Agent and the Additional Creditors from time to time party thereto and (b) the Intercreditor and Collateral Agency Agreement (General Security Agreement), dated as of January 28, 2003, among the Noteholders named in schedule I thereto, The Bank of New York, as New Trustee, GM, The Bank of New York, as First Lien Collateral Agent and the Additional Creditors from time to time party thereto, in each case, as may be amended, restated, supplemented or otherwise modified from time to time.

"Existing Obligations" means, collectively, the Revolving Credit Facility Obligations and the Term Loan Obligations.

"Existing Secured Parties" means the holders of the Existing 10% Notes, the Term Loan Secured Parties, the Revolving Credit Facility Secured Parties and any other Person identified as a secured party under the Existing Collateral Documents other than any Additional Creditors (as defined in the Existing Intercreditor Agreements) that were not parties thereto immediately prior to the date hereof.

"Existing Security Interest" means the security interest of the First Lien Collateral Agent for the benefit of the holders of the Existing 10% Notes, the Term Loan Secured Parties, the Revolving Credit Facility Secured Parties and each Additional Creditor (as defined in the Existing Intercreditor Agreements) in the Existing Collateral pursuant to the terms of the Existing Collateral Documents.

"FCC" means the Federal Communications Commission, and any successor entity performing similar functions.

"FCC License Subsidiary" means XM Radio Inc., a wholly owned subsidiary of the Borrower that holds all of the FCC licenses with respect to the provision of satellite digital radio service in the United States by the Borrower or any of its Subsidiaries.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"First Lien Collateral Agent" means (i) prior to the Release Date, The Bank of New York or such other Person then serving as Collateral Agent under the Existing Collateral Documents and (ii) at any time thereafter JPMorgan Chase Bank, N.A., in its capacity as a collateral agent under the Collateral Agency Agreement or such other person then serving as collateral agent under the Collateral Agency Agreement.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than the United States of America, any State thereof or the District of Columbia.

"Foreign Pledge Agreement" means a pledge agreement with respect to the Equity Interests of a Foreign Subsidiary, in form and substance reasonably satisfactory to the Administrative Agent.

"Foreign Subsidiary" means any Subsidiary that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"GM" means General Motors Corporation or one or more of its wholly-owned subsidiaries.

"GM Liens" means the second priority Liens granted by the Loan Parties on all or any portion of the Collateral in support of the Borrower's and Holdings' Obligations in respect of the Distribution and Credit Agreement, which Liens shall be subordinated to the Liens securing the Borrower Obligations pursuant to the Second Lien Intercreditor Agreement.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition

or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantee and Collateral Agreement" means the Guarantee and Collateral Agreement, dated as of the Closing Date, in substantially the form of Exhibit C, among Holdings, each Subsidiary Loan Party and the Administrative Agent.

"Guarantor Obligations" means with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with the Guarantee and Collateral Agreement (including, without limitation, Section 2 thereof) or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to any Secured Party that are required to be paid by such Guarantor pursuant to the terms of any Loan Document).

"Guarantors" means, collectively, (a) Holdings and (b) each Subsidiary Loan Party.

"Hazardous Materials" means all explosive or radioactive materials, substances or wastes and all hazardous or toxic materials, substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon, infectious or medical wastes and all other materials, substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Obligations" means, with respect to any specified Person, the obligations of such Person under (a) interest rate Swap Agreements; and (b) other agreements or arrangements designed to protect such Person against fluctuations in interest rates or currency values.

"Holdings" means XM Satellite Radio Holdings Inc., a Delaware corporation.

"Holdings Collateral" has the meaning assigned to such term in the Guarantee and Collateral Agreement.

"Holdings Collateral Transfer" has the meaning assigned to such term in Section 9.05.

"Holdings Covenant and Collateral Release Date" has the meaning assigned to such term in Section 9.05.

"Holdings Covenant and Collateral Release Notice" has the meaning assigned to such term in Section 9.05.

"Holdings Satellite Vendor Indebtedness" means Indebtedness of Holdings to a satellite or satellite launch vendor or Affiliate thereof consisting of or otherwise financing the deferral of payments required to be made by Holdings to the vendor in respect of the construction, launch and/or insurance of all or part of the XM-5 Satellite but not beyond the date on which either Holdings or the Borrower shall have legal title to the XM-5 Satellite or the date the XM-5 satellite launches, as applicable.

"Immaterial Subsidiary" means each Subsidiary of the Borrower that is not a Material Subsidiary.

"Indebtedness" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent, (a) in respect of borrowed money; (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof); (c) in respect of banker's acceptances; (d) representing Capital Lease Obligations; (e) consisting of the balance deferred and unpaid of the purchase price of any property; except any such balance that constitutes an accrued expense or trade payable; or (f) representing any Hedging Obligations, if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specific Person prepared in accordance with GAAP. In addition, the term "Indebtedness" shall include (i) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person), (ii) to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person and (iii) all Attributable Debt of such Person.

The amount of any Indebtedness outstanding as of any date shall be:

(1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount;

(2) the face amount thereof, in the case of letters of credit, banker's acceptances and similar obligations;

(3) the net obligations of such Person in respect thereof, in the case of Hedging Obligations;

(4) the present value of the obligation of the lessee for net rental payments, in the case of Attributable Debt, as set forth in the definition thereof; and

(5) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indivisible Ancillary XM-4 Satellite Collateral" means any assets, licenses and/or usage rights associated specifically with the XM-4 Satellite to the extent not constituting (or the portion thereof that is not) Ancillary XM-4 Satellite Collateral because not divisible or separately conveyable.

"Initial Term Loan" has the meaning assigned to such term in Section 2.01.

"Intellectual Property" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, state, multinational or foreign laws or otherwise, including (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all provisionals, reissuances,

continuations, continuations-in-part, divisions, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, brand names, trade names, domain names and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith, (c) all copyrightable works and protectable designs, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, (e) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, drawings, designs, specifications, research records, records of inventions, test information, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (f) any rights in or licenses to or from a third party in any of the foregoing, and (g) any past, present, or future claims or causes of actions arising out of or related to any infringement, misappropriation, dilution or other violation of any of the foregoing, including the right to receive all proceeds and damages therefrom.

"Investment Agreement" means the Investment Agreement dated as of the date hereof between the Borrower and Liberty.

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the form of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers, directors and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Borrower or any Material Subsidiary of the Borrower sells or otherwise disposes of any Equity Interests of any direct or indirect Material Subsidiary of the Borrower such that, after giving effect to any such sale or disposition, such Person is no longer a Material Subsidiary of the Borrower, the Borrower shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Equity Interests of such Subsidiary not sold or disposed of in an amount determined as provided under Section 6.06(c). The acquisition by the Borrower or any Material Subsidiary of the Borrower of a Person that holds an Investment in a third Person shall be deemed to be an Investment by the Borrower or such Material Subsidiary in such third Person in an amount equal to the fair market value of the Investment held by the acquired Person in such third Person determined as provided in Section 6.06(c).

"January 2003 Financing Transactions" means (a) the amendment and restatement of the Distribution Agreement dated as of January 28, 2003 to provide for the payment of up to $35,000,000 in subscriber acquisition payments in the form of Class A Common Stock of Holdings (the "Class A Common Stock"), (b) the issuance of the Borrower's and Holdings' 10% Senior Secured Convertible Discount Notes due 2009 and common stock to certain investors (the "Existing 10% Notes") pursuant to the Note Purchase Agreement, (c) borrowings of up to $150,000,000 at any time outstanding under the Distribution and Credit Agreement to finance certain revenue share payments owed to GM under the Distribution and Credit Agreement or other amounts which may be owing from time to time to GM, (d) the execution, delivery and performance of all agreements, documents and instruments evidencing the transactions described

in clauses (a) through (c) above and all arrangements contemplated thereby, in each case as reflected in such agreements, documents and instruments as in effect on May 5, 2006 with such amendments that do not (x) have a materially adverse effect on the rights of the Administrative Agent or the Lenders or the Loan Parties or (y) increase the principal amount (or accreted value, as applicable) or shorten the fixed maturity of any Indebtedness.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Liberty" means Liberty Media Corporation.

"Liberty Parties" shall have the meaning ascribed to such term in the Investment Agreement.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

"Loan Documents" means this Agreement, the Security Documents, and any promissory note issued under Section 2.09(c).

"Loan Parties" means the Borrower, Holdings and the Subsidiary Loan Parties.

"Loans" has the meaning assigned to such term in Section 2.01.

"Margin Regulations" means Regulations T, U and X of the Board.

"Margin Stock" shall have the meaning assigned to such term in Regulation U.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations or financial condition of the Borrower and the Subsidiaries taken as a whole, (b) the ability of the Loan Parties to perform any of their respective obligations under this Agreement or the other Loan Documents or (c) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder.

"Material Indebtedness" means Indebtedness (other than the Loans), or obligations in respect of one or more Swap Agreements, of any one or more of Holdings, the Borrower and its Subsidiaries in an aggregate principal amount exceeding $25,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of Holdings, the Borrower or any such Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Holdings, the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Material Subsidiary" means each Subsidiary of the Borrower having assets (on a consolidated basis including its Subsidiaries) with a value in excess of 2% of the Total Assets or 2% of total revenues of the Borrower and its Subsidiaries taken as a whole as of any date; provided that (i) in no event may the assets or revenues of all Immaterial Subsidiaries have a value in excess of 10% of the Total Assets or 10% of the total revenues of the Borrower and its Subsidiaries taken as a whole as of any date (and, in such case, Subsidiaries specified by the Borrower (and if the Borrower fails to so specify, specified by the Administrative Agent) shall be deemed to be Material Subsidiaries notwithstanding the foregoing to the extent necessary to satisfy this proviso) and (ii) to the extent permitted by applicable law, rules or regulations, including rules and regulations of the Federal Communications Commission, the FCC License Subsidiary shall at all times be a Material Subsidiary.

"Maturity Date" means March 1, 2011.

"Merger" means the combination of the businesses of Holdings and SIRIUS through a merger of Holdings and a newly formed, wholly owned subsidiary of SIRIUS, on the terms and conditions set forth in the Merger Agreement.

"Merger Agreement" means that certain Agreement and Plan of Merger between Holdings and SIRIUS, dated as of February 19, 2007 and filed by Holdings with the SEC on February 21, 2007 as Exhibit 2.1 to the Form 8-K filed on such date, together with any amendments, supplements or modifications thereto that would not have an adverse effect on the interests of the Lenders.

"Merger Related Event" means any event or condition directly related to, and that occurs or will occur as a result of, the Merger (including, without limitation, changes in the composition of the Board of Directors of the Borrower and/or Holdings) that would constitute a "Change of Control" under and as defined in each of the Senior Notes Indentures, the Note Purchase Agreement and/or the Participation Agreement.

"MLB" means Major League Baseball Clubs.

"MLB Contract" means the Letter Agreement and Binding Term Sheet, dated as of October 15, 2004 (the "MLB Letter Agreement"), between the Borrower and the Office of the Commissioner of Baseball, as agent for MLB, together with all agreements subsequently entered into between the Borrower and MLB, or any of their respective affiliates, regarding the broadcast of Major League Baseball games and related programming on XM Radio Service, the creation of liens on an escrow account to hold funds payable to MLB in an amount not to exceed $120,000,000 or other matters contemplated by the MLB Letter Agreement.

"MLB Intellectual Property" means any intellectual property rights which were to be the subject of a non-exclusive license under the MLB Contract but which the Borrower is deemed to own, by operation of law or otherwise, and as to which MLB would be retaining a security interest (and any products and proceeds thereof) under the MLB Contract.

"MLB Letter of Credit" means each letter of credit that is issued in connection with the MLB Contract for the benefit of MLB and/or the other MLB-related counterparties to the MLB Contract.

"MLB Letter of Credit Cash Collateral" means cash of the Borrower that is deposited with the issuer of an MLB Letter of Credit while such MLB Letter of Credit is outstanding to secure the reimbursement obligations of the Borrower under such MLB Letter of Credit in an aggregate amount for all such MLB Letters of Credit not to exceed $126,000,000 (plus any interest thereon accrued with respect to such amount over a period not to exceed three months) at any time.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Income" means, with respect to any specified Person, the net income (loss) of such Person and its Material Subsidiaries, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

(a) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with: (i) any Asset Sale; or (ii) the disposition of any securities by such Person or any of its Material Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Material Subsidiaries; and

(b) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss.

"Net Proceeds" means the aggregate cash proceeds received by the Borrower or any of its Material Subsidiaries in respect of any Asset Sale or other transaction (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale or other transaction, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result thereof, and taxes paid or payable as a result thereof, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, and amounts required to be applied to the repayment of Indebtedness (other than the Credit Agreement Obligations) secured by a Lien on the asset or assets that were the subject of such Asset Sale or other transaction and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"New Debt Securities" shall have the meaning assigned to such term in Section 9.04(b).

"New Senior Notes" means the Senior Floating Rate Notes and the Senior Fixed Rate Notes.

"New Senior Notes Change of Control Offer" means each Change of Control Offer (as defined in the Senior Notes Indentures) with respect to the Senior Notes made by the Borrower in connection with the Merger and/or any Merger Related Event pursuant to the terms of Section 4.14 of each Senior Notes Indenture.

"New Senior Notes Change of Control Offer Payment Date" means each "Change of Control Offer Payment Date" as defined in Section 4.14 of each Senior Notes Indenture with respect to the Senior Notes and set forth in each New Senior Notes Change of Control Offer.

"New Senior Notes Extension" means each extension, in accordance with the terms of the Senior Notes Indentures, of the date on which the Borrower is required to make a Change of Control Offer (as defined in the Senior Notes Indentures) with respect to all of the New Senior Notes as a result of any Change of Control (under and as defined in the Senior Notes Indentures) that occurs or will occur in connection with the Merger and/or any Merger Related Event.

"New Senior Notes Waiver" means a waiver, in accordance with the terms of the Senior Notes Indentures, of any Change of Control (under and as defined in the Senior Notes Indentures) with respect to all of the New Senior Notes that occurs or will occur in connection with the Merger and/or any Merger Related Event and the consequences of such Change of Control (including the requirement that the Borrower make a Change of Control Offer (as defined in the Senior Notes Indentures)).

"Note Purchase Agreement" means the Note Purchase Agreement dated as of December 21, 2002, among the Borrower, Holdings and the investors party thereto, providing for the sale and issuance of the Existing 10% Notes, as may be amended, restated, supplemented or otherwise modified from time to time.

"Noteholders Agreement" means that certain Third Amended and Restated Shareholders and Noteholders Agreement, dated as of June 16, 2003, by and among Holdings and the other parties named on the signature pages thereof, as such agreement has been or may be amended, modified or supplemented from time to time.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Organizational Documents" means (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by laws, as amended, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (iii) with respect to any general partnership, its partnership agreement, as amended, and (iv) with respect to any limited liability company, its articles of organization, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Loan Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Owner Trustee" has the meaning assigned to such term in the defined term "Participation Agreement."

"Owner Trustee Indenture" means that certain Indenture dated as of February 13, 2007, between the Owner Trustee and The Bank of New York, a New York banking corporation, not in its individual capacity, except as otherwise expressly set forth therein, but solely as Indenture Trustee under the Indenture, as such Indenture may be amended, modified or supplemented from time to time.

"Owner Trustee Notes" means the Notes issued by the Owner Trustee pursuant to the Owner Trustee Indenture.

"Owner Trustee Notes Repurchase Date" means any date on which the Borrower or Holdings is required to repurchase any or all of the outstanding Owner Trustee Notes pursuant to the terms of the XM-4 Sale and Leaseback Offer to Purchase or Refinance and in accordance with the terms of the Participation Agreement and this Agreement.

"Parent Company Merger" means (a) a merger or consolidation of the Borrower with or into Holdings or a merger or consolidation of Holdings with or into the Borrower or (b) any assignment, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Borrower to Holdings or of Holdings to the Borrower.

"Pari Passu Indebtedness" means Indebtedness of the Borrower that is *pari passu* in right of payment to the Loans or, in the case of a Subsidiary Loan Party, that is *pari passu* in right of payment to the Guarantee of the Loans.

"Participant" has the meaning set forth in Section 9.04(c).

"Participation Agreement" means that certain Participation Agreement dated as of February 13, 2007 among Holdings, as Seller, the Borrower, as Lessee, Satellite Leasing (702–4), LLC, a Delaware limited liability company, as Owner Participant, Wells Fargo Bank Northwest, National Association, a national banking association, not in its individual capacity, except as otherwise expressly set forth therein, but solely in its capacity as Owner Trustee (the "Owner Trustee") and as Lessor, The Bank of New York, a New York banking corporation, as Indenture Trustee, and the purchasers identified on the signature pages thereto, as initial purchasers of the Owner Trustee Notes, entered into in connection with that certain XM-4 Sale and Leaseback Transaction, as such agreement may be amended, modified or supplemented from time to time.

"Payment Date" means the last day of each March, June, September and December and, with respect to any loan, the date of any repayment or prepayment made in respect of such Loan.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Perfection Certificate" means a certificate in the form of Exhibit F or any other form approved by the Administrative Agent.

"Permitted Beneficial Interest Indebtedness" means any Indebtedness of the Borrower or any of its Material Subsidiaries the net proceeds of which are used to purchase, refinance or replace the Beneficial Interest; provided that:

(a) the aggregate principal amount (or accreted value, if applicable) of such Permitted Beneficial Interest Indebtedness does not exceed $85.0 million;

(b) such Permitted Beneficial Interest Indebtedness shall have a final maturity date later than the final maturity date of the Loans, and shall not require payment of any or all of the principal amount of such Permitted Beneficial Interest Indebtedness prior to the final maturity date of the Loans; and

(c) such Permitted Beneficial Interest Indebtedness is either unsecured or is secured on terms at least as favorable to the Lenders as those contained in the documentation governing the Beneficial Interest.

"Permitted Business" means (i) with respect to Holdings, any of the lines of business conducted by Holdings and its Material Subsidiaries as of May 5, 2006, the provision of communications or media services using the wireless spectrum licenses of WCS Wireless, any other line of business involving the transmission or delivery of audio, data, video or other content through currently existing or future technology, and any business similar, ancillary or related thereto or that constitutes a reasonable extension or expansion thereof, including in connection with Holdings' or its Material Subsidies' existing and future technology, trademarks and patents and (ii) with respect to the Borrower or any of its Subsidiaries, any of the lines of business conducted by the Borrower and its Material Subsidiaries on May 5, 2006, and any business similar, ancillary or related thereto or that constitutes a reasonable extension or expansion thereof, including in connection with the Borrower's existing and future technology, trademarks and patents.

"Permitted Debt" has the meaning assigned to such term in Section 6.01(b).

"Permitted Holder" means (a) any Liberty Party and (b) any other Person, directly or indirectly, controlled by any of the foregoing.

"Permitted Holdings Debt" means:

(a) Indebtedness incurred by Holdings in connection with the purchase by Holdings of buildings for use in the satellite radio business, which Indebtedness may be secured by Liens on such buildings;

(b) Indebtedness incurred by Holdings in connection with a single Qualified Sale and Leaseback Transaction, which Indebtedness may be secured by the XM-4 Satellite Collateral;

(c) Indebtedness (other than Credit Agreement Obligations and Existing Obligations) secured by Liens on the assets of Holdings (other than any Holdings Collateral) in an aggregate principal amount not to exceed $50,000,000;

(d) Holdings Satellite Vendor Indebtedness or guarantees by Holdings of Satellite Vendor Indebtedness in respect of the XM-5 Satellite; and

(e) Existing Holdings Indebtedness and any other Indebtedness agreed to by the Required Lenders.

"Permitted Investments" means:

(a) any Investment in the Borrower or in a Wholly Owned Subsidiary Guarantor;

(b) any Investment in Cash Equivalents;

(c) any Investment by the Borrower or any Subsidiary of the Borrower in a Person, if as a result of such Investment:

(i) such Person becomes a Wholly Owned Subsidiary Guarantor; or

(ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Borrower or a Wholly Owned Subsidiary Guarantor;

(d) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 6.03;

(e) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of Holdings;

(f) Hedging Obligations;

(g) Investments in existence on May 5, 2006 and modifications thereof;

(h) Investments in securities of trade creditors or customers received in compromise of obligations of such Person incurred in the ordinary course of business, including under any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such Person;

(i) loans and advances to officers, directors and employees of the Borrower or any of its Material Subsidiaries in the ordinary course of business not to exceed $2,000,000 at any time outstanding;

(j) Investments indirectly acquired by the Borrower or any of its Material Subsidiaries through a direct Investment in another Person made in compliance with this Agreement, provided that such Investments existed prior to and were not made in contemplation of such Investment;

(k) from and after any Parent Company Merger, Borrower-SIRIUS Merger or, prior to the Holdings Covenant and Collateral Release Notice, XM-SIRIUS Merger, Investments of Holdings or SIRIUS, as the case may be, that become an Investment of the Borrower as a result thereof; and

(l) other Investments in any Person having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (l) since May 5, 2006 that are at the time outstanding, not to exceed $125,000,000.

"Permitted Liens" means:

(a) Liens in favor of the Borrower;

(b) Liens on property of a Person (including shares of stock or Indebtedness owned by such Person), existing at the time such Person is merged with or into or consolidated with the Borrower or any Material Subsidiary of the Borrower; provided that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Borrower or the Material Subsidiary of the Borrower;

(c) Liens on property existing at the time of acquisition thereof by the Borrower or any Material Subsidiary of the Borrower; provided that such Liens were not incurred in contemplation of such acquisition;

(d) Liens to secure the performance of bids, tenders, leases, statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(e) [intentionally omitted];

(f) (x) Liens existing on May 5, 2006 set forth on Schedule 6.02 and (y) the GM Liens;

(g) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor;

(h) Liens incidental to the conduct of the business of the Borrower or a Material Subsidiary of the Borrower or the ownership of its property and assets not securing Indebtedness, and which do not in the aggregate materially detract from the value of the assets or property of the Borrower and its Material Subsidiaries taken as a whole, or materially impair the use thereof in the operation of its business;

(i) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(j) judgment Liens not giving rise to an Event of Default;

(k) easements, rights-of-way, zoning restrictions and other similar charges or encumbrances in respect of real property not interfering in any material respect with the ordinary conduct of the business of the Borrower or any of its Material Subsidiaries;

(l) any interest or title of a lessor under any Capital Lease Obligation;

(m) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Borrower and its Material Subsidiaries;

(n) Liens arising from filing Uniform Commercial Code financing statements regarding leases;

(o) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customer duties in connection with the importation of goods;

(p) carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's or other similar Liens arising in the ordinary course of business that are not delinquent or remain payable without penalty;

(q) Liens securing Specified Hedging Agreements with Qualified Counterparties that relate to Indebtedness that is otherwise permitted under this Agreement and Liens securing Specified Cash Management Arrangement Agreements with Qualified Counterparties; provided that in no event shall such Liens secure Obligations (as defined in the Second Lien Intercreditor Agreement) outstanding under such Specified Agreements in an amount that exceeds the Cap Amount (as defined in the Second Lien Intercreditor Agreement) minus the sum of (i) the aggregate amount of the loans outstanding under the Term Loan Agreement, any undrawn Commitments under the Revolving Credit Facility Agreement and any other Obligation (as defined in the Second Lien Intercreditor Agreement) hereunder and under the other First Lien Documents (as defined in the Second Lien Intercreditor Agreement) and (ii) the Obligations (as defined in the Second Lien Intercreditor Agreement) which are outstanding from time to time under the Existing 10% Notes;

(r) Liens encumbering property or other assets under construction in the ordinary course of business arising from progress or partial payments by a customer of the Borrower or the Borrower's Subsidiaries relating to such property or other assets;

(s) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Borrower or any of its Material Subsidiaries in the ordinary course of business;

(t) Liens securing Indebtedness in an aggregate amount not to exceed $20,000,000 at any one time outstanding;

(u) [intentionally omitted];

(v) from and after any Parent Company Merger, Borrower-SIRIUS Merger or, prior to the Holdings Covenant and Collateral Release Notice, XM-SIRIUS Merger, Liens of Holdings or SIRIUS, as the case may be, that become a Lien of the Borrower as a result thereof;

(w) Liens relating to Satellite Vendor Indebtedness, Holdings Satellite Vendor Indebtedness or Permitted Refinancing Indebtedness in respect thereof covering only (i) the assets acquired, constructed, or improved with such Indebtedness, (ii) the contract of the Borrower or Holdings with the satellite or satellite launch vendor or Affiliate thereof relating to the manufacture of such assets (in so far as such contract relates to such assets), (iii) any insurance policies covering such asset while under construction, and (iv) any proceeds of any of the foregoing;

(x) Liens securing Indebtedness permitted under Section 6.01(b)(vi); provided that such Liens are no more extensive than the liens securing the Indebtedness so refunded, refinanced or replaced thereby;

(y) Liens on the assets of the Borrower or any Material Subsidiary securing indebtedness incurred in a single Qualified Sale and Leaseback Transaction, which shall be limited to the XM-4 Satellite Collateral;

(z) Liens (i) either (x) on cash in an amount not to exceed $120,000,000 (plus any interest thereon accrued with respect to such amount over a period not to exceed three months) at any time that is deposited into an escrow account to serve as credit enhancement for the Borrower's obligations under the MLB Contract or (y) in respect of the MLB Letter of Credit Cash Collateral and (ii) on the MLB Intellectual Property, in each case, incurred in connection with the MLB Contract while such agreement is in effect;

(aa) Liens in favor of the First Lien Collateral Agent and/or the Administrative Agent for the benefit of the Secured Parties; and

(bb) Liens securing the Existing Obligations and, subject to Section 6.02, any Permitted Refinancing Indebtedness in respect thereof.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Borrower or any of its Material Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Borrower or any of its Material Subsidiaries (other than intercompany Indebtedness or the Existing 10% Notes); provided that:

(a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest thereon and the amount of all expenses, consent fees and premiums incurred in connection therewith);

(b) (i) if such Permitted Refinancing Indebtedness has a Weighted Average Life to Maturity shorter than that of the Loans or a final maturity date earlier than the Maturity Date, such Permitted Refinancing Indebtedness shall have a Weighted Average Life to Maturity no shorter than the remaining Weighted Average Life to Maturity of the debt so extended, refinanced, renewed, replaced, defeased or refunded and a final Stated Maturity no earlier than the final maturity date of the debt so extended, refinanced, renewed, replaced, defeased or refunded or (ii) in all other cases, such Permitted Refinancing Indebtedness shall have a final maturity date later than the final maturity date of, and shall have a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of the Loans;

(c) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Loans, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Loans on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(d) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is unsecured or secured with a Lien that is subordinated to the Liens created under the Loan Documents, such Permitted Refinancing Indebtedness is equally unsecured or subordinated, as applicable, on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(e) to the extent otherwise permitted hereunder, any Liens securing Permitted Refinancing Indebtedness in respect of the Existing XM Facilities shall rank equally and ratably with the Liens securing the Credit Agreement Obligations on terms reasonably satisfactory to the Administrative Agent or, in the Borrower's sole discretion, be subordinated to the Liens securing the Credit Agreement Obligations;

(f) such Indebtedness is incurred either by the Borrower or by the Material Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any "employee benefit plan" as defined in Section 3(3) of ERISA which is or was sponsored, maintained or contributed to by, or required to be contributed by, Borrower, or in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pledged Collateral" shall have the meaning assigned to such term in the Guarantee and Collateral Agreement.

"Potential Default" means the potential Default under clause (f)(ii) of Article VII that would occur as a result of the Borrower being required to (a) make a "Change of Control Offer" under the New Senior Notes and the Existing 10% Notes or (b) make an "Offer to Purchase or Refinance" pursuant to Section 11.07 of the Participation Agreement, in each case as a result of the Merger and/or as a result of any Merger Related Event.

"Pre-Marketing Cash Flow" means, for any period, the Consolidated Net Income of Holdings, plus, without duplication and to the extent reflected as a charge in the statements of such Consolidated Net Income, the sum of (a) income taxes (or provision for income taxes); (b) interest expenses, losses from de-leveraging or other one time transactions, and other expenses considered part of the other expenses category in the consolidated financial statements contained in the reports of Holdings filed with the Securities and Exchange Commission (the "Holdings Statements") and therefore non-operational; (c) losses associated with investments in non-consolidated Persons; (d) depreciation (including amounts related to research and development) and amortization expenses; (e) compensation expenses associated with equity-based compensation for employees and third parties pursuant to SFAS No. 123R, calculated in the same manner and using the same designated line items as in the Holdings Statements; (f) all marketing, advertising, subscriber acquisition and distribution expenses; and (g) expenses related to the sales of merchandise; and minus, without duplication and to the extent included in the statements of such Consolidated Net Income, the sum of (a) interest income, gains from de-leveraging or other one time transactions and other gains considered part of the other income category in the Holdings Statements and therefore non-operational; (b) all revenues associated with investments in non-consolidated Persons; and (c) all gains relating to the sales of merchandise.

"Principals" means American Honda Motor Company, Inc. and GM.

"Principal Related Parties" means (a) any controlling stockholder, 80% (or more) owned Subsidiary, or immediate family member (in the case of an individual) of any Principal; or (b) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist of any one or more Principals and/or such other Persons referred to in the immediately preceding clause (a).

"Proceeds" means, with respect to any issuance or sale of Equity Interests or Indebtedness or contribution to capital, (a) the cash proceeds of such issuance or sale or contribution net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in

connection with such issuance or sale and net of taxes paid or payable as a result thereof or (b) the fair market value of any assets or securities that constitute proceeds of such issuance or sale or contribution, provided that the fair market value of such assets or securities shall be determined by the Board of Directors whose good faith resolution with respect thereto shall be conclusive and shall be delivered to the Administrative Agent, provided further, that the Board of Directors' determination must be based on an opinion or appraisal issued by an accounting, appraisal or investment banking firm of national standing (or, in the case of assets such as satellites or network components generally found only in the satellite industry, an appraiser or other professional with expertise in the valuation of assets of such type) if the fair market value exceeds $20,000,000.

"Qualified Counterparty" shall mean, with respect to any Specified Agreement, any counterparty thereto that, at the time such Specified Agreement was entered into, was a Revolving Credit Facility Lender, the Revolving Credit Facility Administrative Agent or the Revolving Credit Facility Syndication Agent or an Affiliate of a Revolving Credit Facility Lender, the Revolving Credit Facility Administrative Agent or the Revolving Credit Facility Syndication Agent.

"Qualified Sale and Leaseback Transaction" means the XM-4 Sale and Leaseback Transaction as in effect on July 22, 2008; provided that Indebtedness (the proceeds of which financed the purchase of the XM-4 Satellite Collateral) of a lessor in the XM-4 Sale and Leaseback Transaction that is assumed by Holdings, the Borrower or a Material Subsidiary following the termination of the associated lease and reacquisition of the associated assets by Holdings, the Borrower or such Material Subsidiary (as applicable) shall continue to constitute a Qualified Sale and Leaseback Transaction following such assumption and reacquisition as long as the Liens securing such Indebtedness do not spread to cover any other assets other than those that were subjected to such Liens pursuant to the XM-4 Sale and Leaseback Transaction immediately prior to such assumption and reacquisition.

"Register" has the meaning set forth in Section 9.04(b)(iv).

"Registration Rights Agreement" means the registration rights agreement entered into on or prior to May 5, 2006 among the Borrower and the initial purchasers of the New Senior Notes.

"Reinvestment Right" means the right of the Borrower and its Material Subsidiaries to, within 365 days after the receipt of any Net Proceeds from an Asset Sale, (a) apply such Net Proceeds, at the Borrower's or such Material Subsidiary's option to (i) acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Permitted Business, or Voting Stock of a Material Subsidiary engaged in a Permitted Business (other than any such Voting Stock owned or held by a Subsidiary), (ii) to make a capital expenditure, or (iii) to acquire other assets that are used or useful in a Permitted Business that have an expected useful life of one year or longer, or (b) enter into a legally binding agreement to apply such Net Proceeds as described in the preceding clause (a) within six months after such agreement is entered into and apply such Net Proceeds in accordance with the terms of such agreement or the provisions of clause (a) above; provided that if such agreement terminates the Borrower shall have until the earlier of (x) 90 days after the date of such termination and (y) six months after the date of the Asset Sale resulting in such Net Proceeds to effect such an application.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Release Date" means that date on which (a) all of the Existing 10% Notes shall have been paid in full, (b) the Obligations under the Existing 10% Notes are no longer secured by the Existing Security Interest and the Existing Intercreditor Agreements shall have been terminated, (c) all commitments to lend pursuant to the Existing 10% Notes shall have been terminated and (d) the Borrower shall have delivered to the Administrative Agent lien searches showing (i) no Liens securing obligations in excess of $5,000,000 in the aggregate in favor of any "lien creditor" (as defined in the UCC), as certified to the Administrative Agent by a Responsible Officer of the Company, other than those as may be acceptable to the Administrative Agent and (ii) no Liens in favor of any other Person, other than Permitted Liens; provided that, if the Existing XM Facilities are then in full force and effect, both the Release Date and the "Release Date thereunder shall occur on the same date.

"Required Lenders" means, at any time, Lenders holding in the aggregate more than 50% of (i) the Commitments or (ii) if the Commitments have been terminated, the outstanding Loans.

"Responsible Officer" of any Person shall mean any executive officer or financial officer of such Person and any other officer or similar official thereof responsible for the administration of the obligations of such person in respect of this Agreement.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Restricted Payment" has the meaning assigned to such term in Section 6.06(a)(4).

"Revolving Credit Facility Administrative Agent" has the meaning assigned to such term in the definition of Revolving Credit Facility Agreement.

"Revolving Credit Facility Agreement" means that certain Credit Agreement dated as of May 5, 2006, providing for a revolving credit facility, by and between the Borrower, Holdings, the Revolving Credit Facility Lenders, JPMorgan Chase Bank, N.A., as administrative agent (the "Revolving Credit Facility Administrative Agent"), Credit Suisse Securities (USA) LLC, as syndication agent (the "Revolving Credit Facility Syndication Agent"), Citicorp North America, Inc., as documentation agent (the "Revolving Credit Facility Documentation Agent"), and J.P. Morgan Securities Inc. and UBS Securities LLC, as joint bookrunners and joint lead arrangers (the "Revolving Credit Facility Arrangers").

"Revolving Credit Facility Arrangers" has the meaning assigned to such term in the definition of Revolving Credit Facility Agreement.

"Revolving Credit Facility Documents" means, collectively, the Revolving Credit Facility Agreement and each other agreement entered into pursuant to any of the foregoing or contemplated thereby.

"Revolving Credit Facility Documentation Agent" has the meaning assigned to such term in the definition of Revolving Credit Facility Agreement.

"Revolving Credit Facility Lender" means each of the lenders who are party from time to time to the Revolving Credit Facility Agreement.

"Revolving Credit Facility Obligations" means, collectively, all obligations of every nature of Holdings, the Borrower and each Subsidiary of the Borrower that is a guarantor pursuant to the terms of the Revolving Credit Facility Documents, in each case from time to time owed to any agent or lender under the Revolving Credit Facility Documents or any other Revolving Credit Facility Document, whether for principal, interest, fees, expenses, indemnification, reimbursement obligations or otherwise and all guarantees of any of the foregoing pursuant to the Revolving Credit Facility Documents.

"Revolving Credit Facility Secured Parties" means, collectively, the Revolving Credit Facility Administrative Agent, the Revolving Credit Facility Syndication Agent, the Revolving Credit Facility Documentation Agent, the Revolving Credit Facility Arrangers and the Revolving Credit Facility Lenders.

"Revolving Credit Facility Syndication Agent" has the meaning assigned to such term in the definition of Revolving Credit Facility Agreement.

"Satellite Vendor Indebtedness" means Indebtedness of the Borrower to a satellite or satellite launch vendor or Affiliate thereof consisting of or otherwise financing the deferral of payments required to be made by the Borrower to the vendor in respect of the construction, launch and/or insurance of all or part of one or more satellites to be used in the Permitted Business but not beyond the date on which the Borrower shall have legal title to such satellites or the date of such satellite launches, as applicable.

"Second Lien Intercreditor Agreement" means the Second Lien Intercreditor Agreement, dated as of May 5, 2006, as amended as of June 26, 2008, among the Bank of New York, JPMorgan Chase Bank, N.A., the Borrower, Holdings, each Subsidiary Guarantor and GM, in the form of Exhibit G.

"Secured Parties" means the Administrative Agent and each Lender.

"Security Documents" means the Guarantee and Collateral Agreement, the Foreign Pledge Agreements and each of the security agreements and other instruments and documents executed and delivered pursuant to any of the foregoing or pursuant to Section 5.10.

"Senior Fixed Rate Notes" shall mean the $600,000,000 in aggregate principal amount of unsecured senior fixed rate notes due 2014 issued by the Borrower pursuant to the applicable Senior Notes Indenture.

"Senior Floating Rate Notes" means the $200,000,000 in aggregate principal amount of unsecured senior floating rate notes due 2013 issued by the Borrower pursuant to the applicable Senior Notes Indenture.

"Senior Notes Documents" shall mean, collectively, the Senior Notes Indentures and the New Senior Notes and any other agreements entered into in connection therewith.

"Senior Notes Indentures" means (a) the Indenture dated as of May 1, 2006, made by the Borrower, in favor of the trustee thereunder, pursuant to which the Senior Floating Rate Notes were issued and (b) the Indenture dated as of May 1, 2006, made by the Borrower, in favor of the trustee thereunder, pursuant to which the Senior Fixed Rate Notes were issued, in each case as may be amended, restated, supplemented or otherwise modified from time to time.

"Senior Secured Debt" means at any date the difference between (a) Consolidated Total Senior Debt on such date and (b) unsecured Indebtedness included in Consolidated Total Senior Debt on such date.

"Senior Secured Leverage Ratio" means, with respect to Holdings and its Subsidiaries on a consolidated basis on the last day of any fiscal quarter of Holdings for the four quarter period ended as of such day, the ratio of (a) Senior Secured Debt on such date to (b) Pre-Marketing Cash Flow for such period.

"Senior Subordinated Note Documents" means the Borrower's 7% Exchangeable Senior Subordinated Notes due 2014 and any indenture, note purchase agreement or other agreement pursuant to which such Notes are issued.

"SIRIUS" means Sirius Satellite Radio Inc.

"SIRIUS Credit Facility" shall mean that certain Credit Agreement, dated as of June 20, 2007, among SIRIUS, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent.

"SIRIUS Material Indebtedness" means Indebtedness (including "Hedging Obligations", (as defined in the SIRIUS Credit Facility)) of SIRIUS and its Restricted Subsidiaries in an aggregate principal amount of $25,000,000 or more, provided that, without regard to the amounts outstanding thereunder, if any, the obligations of SIRIUS under the Loral Credit Agreement (as defined in the SIRIUS Credit Facility) shall be deemed to constitute SIRIUS Material Indebtedness. For purposes of determining SIRIUS Material Indebtedness, the "principal amount" of the obligations of SIRIUS or any Restricted Subsidiary in respect of any "Hedging Obligations" (as defined in the SIRIUS Credit Facility) at any time shall be the aggregate amount (giving effect to any netting agreements) that SIRIUS or such SIRIUS Restricted Subsidiary would be required to pay if such "Hedging Obligations" (as defined in the SIRIUS Credit Facility) were terminated at such time.

"Specified Agreement" means any Specified Hedging Agreement and any Specified Cash Management Arrangement Agreement.

"Specified Cash Management Arrangement" means any arrangement for cash management, clearing house, wire transfer, depository, treasury or investment services in connection with any transfer or disbursement of funds through an automated clearinghouse or on a same day or immediate or accelerated availability basis (including all monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise of Holdings, the Borrower or any of its Subsidiaries arising out of any cash management, clearing house, wire transfer, depository, treasury or investment services) provided

to Holdings, the Borrower or any of its Subsidiaries by a Qualified Counterparty that has been designated by the Borrower (with the consent of the Administrative Agent, which shall not unreasonably be withheld) as a Specified Cash Management Arrangement. The designation of any such arrangement as a Specified Cash Management Arrangement shall not create in favor of the Qualified Counterparty that is a party thereto any rights in connection with the management, enforcement or release of any Collateral.

"Specified Cash Management Arrangement Agreement" means any agreement or document made, delivered or given in connection with any Specified Cash Management Arrangement.

"Specified Hedging Agreement" means any interest rate Swap Agreement entered into by the Borrower or any Loan Party and any Qualified Counterparty.

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subscriber" means a subscriber in good standing to the XM Radio Service that has paid subscription fees for at least one month of such service and whose subscription payments are not delinquent.

"Subsidiary" means, with respect to any specified Person:

(a) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Equity Interest entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(b) any partnership, trust or limited liability company (a) the sole general partner or the managing general partner, or the sole manager or trustee, of which is such Person or a Subsidiary of such Person or (b) the only general partners or managing members of which are such Person or one or more Subsidiaries of such Person (or a combination thereof).

"Subsidiary Loan Party" shall mean each Subsidiary of the Borrower that is at any time a Material Subsidiary;provided that the FCC License Subsidiary shall only be a Subsidiary Loan Party to the extent it is permitted to Guarantee the Borrower Obligations under applicable law, rules or regulations, including rules and regulations of the Federal Communications Commission.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any

similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

"Syndication Period" means the period commencing on the date that is the later of (a) three Business Days following the Closing Date and (b) the day that a road show with respect to New Debt Securities shall have commenced, and, in each case, ending on the date that is ten Business Days after the commencement of such road show.

"Tax Sharing Agreement" means the Tax Sharing Agreement dated March 15, 2000 among Holdings, the Borrower and XM Radio Inc., as in effect on May 5, 2006.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings (including any interest, penalties and additions thereto) imposed by any Governmental Authority.

"Term Loan Administrative Agent" has the meaning assigned to such term in the definition of Term Loan Agreement.

"Term Loan Agreement" means that certain Credit Agreement dated as of June 26, 2008, providing for a term loan, by and between the Borrower, Holdings, the Term Loan Lenders, UBS AG, Stamford Branch, as administrative agent (the "Term Loan Administrative Agent") and UBS Securities LLC, as sole bookrunner and sole lead arranger (the "Term Loan Arranger").

"Term Loan Arranger" has the meaning assigned to such term in the definition of Term Loan Agreement.

"Term Loan Closing Date" means June 26, 2008.

"Term Loan Commitments" means, collectively, the commitments to extend revolving loans made by the Term Loan Lenders and to issue letters of credit made by the issuing bank pursuant to the Term Loan Agreement.

"Term Loan Documents" means, collectively, the Term Loan Agreement and each other agreement entered into pursuant to any of the foregoing or contemplated thereby.

"Term Loan Lender" means each of the lenders who are party from time to time to the Term Loan Agreement.

"Term Loan Obligations" means, collectively, all obligations of every nature of Holdings, the Borrower and each Subsidiary of the Borrower that is a guarantor pursuant to the terms of the Term Loan Documents, in each case from time to time owed to any agent or lender under the Term Loan Documents or any other Term Loan Document, whether for principal, interest, fees, expenses, indemnification, reimbursement obligations or otherwise and all guarantees of any of the foregoing pursuant to the Term Loan Documents.

"Term Loan Secured Parties" means, collectively, the Term Loan Administrative Agent, the Term Loan Arranger and the Term Loan Lenders.

"Termination Date" means December 31, 2009.

"Total Assets" means the total assets as set forth on the most recent balance sheet of the Borrower prepared in accordance with GAAP.

"Total Incremental Equity" means, at any date of determination, the sum of, without duplication: (a) the aggregate cash proceeds received by the Borrower since May 5, 2006 from the issuance or sale of Equity Interests of the Borrower to Holdings (other than Disqualified Stock but including Equity Interests issued upon the conversion of convertible Indebtedness or from the exercise of options, warrants or rights to purchase Equity Interests of the Borrower other than Disqualified Stock), or of contributions to the equity capital of the Borrower by Holdings or the fair market value of the consideration (if other than cash) from the issuance or sale of Equity Interests (other than Disqualified Stock) of the Borrower to Holdings or of actual or deemed capital contributions to the common equity capital of the Borrower by Holdings from the issuance of Equity Interests of Holdings in exchange for the retirement of Pari Passu Indebtedness of the Borrower since the Closing Date, to any Person other than a Subsidiary; plus (b) an amount equal to the net reduction in Investments in any Person (other than Permitted Investments) resulting from the payment in cash of dividends, repayments of loans or advances or other transfers of assets, in each case to the Borrower or any Material Subsidiary after the Closing Date from such Person; provided, however, that the amount in the foregoing clause (b) shall not exceed the amount of Investments previously made (and treated as a Restricted Payment) by the Borrower or any Material Subsidiary in such Person and that constitutes a Restricted Payment that has been deducted from Total Incremental Equity pursuant to clause (c) below; minus (c) the aggregate amount of all Restricted Payments declared or made on or after May 5, 2006.

"Transactions" means the execution, delivery and performance by the Borrower and Holdings of this Agreement, the borrowing of Loans, the use of the proceeds thereof, the execution, delivery and performance by Holdings and the Subsidiary Loan Parties of the Guarantee and Collateral Agreement, the execution, delivery and performance by the Borrower and Holdings of an amendment to the Revolving Credit Facility Agreement, the execution, delivery and performance by the Borrower and Holdings of an amendment to the Term Loan Agreement, and the grant of security interests by the Loan Parties pursuant to the Security Documents.

"UCC" means the Uniform Commercial Code as in effect in the State of New York or any other applicable jurisdiction.

"Voting Stock" of any Person as of any date means the Equity Interests of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness or Disqualified Stock at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal (or liquidation preference, as applicable), including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount (or liquidation preference) of such Indebtedness (or Disqualified Stock, as applicable).

"Wholly Owned Subsidiary" of any specified Person means a Subsidiary of such Person all of the outstanding Equity Interests or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person and one or more Wholly Owned Subsidiaries of such Person.

"Wholly Owned Subsidiary Guarantor" means a Wholly Owned Subsidiary of the Borrower that Guarantees the Borrower Obligations pursuant to the Loan Documents.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"XM-4 Sale and Leaseback Extension" means either (i) each extension, in accordance with the terms of the Participation Agreement, by the Lessor (as defined in the Participation Agreement), the Owner Participant (as defined in the Participation Agreement), the holders of the Owner Trustee Notes and each other applicable party in respect of the XM-4 Sale and Leaseback Transaction consummated pursuant to the Participation Agreement of the date on which the Borrower is required to make an XM-4 Sale and Leaseback Offer to Purchase or Refinance as a result of any "Change of Control" or "SDARS License Event" (each term under and as defined in the Participation Agreement) that occurs or will occur in connection with the Merger and/or any Merger Related Event or (ii) each declining, in accordance with the terms of the Participation Agreement, of an XM-4 Sale and Leaseback Offer to Purchase or Refinance that occurs or will occur in connection with the Merger and/or any Merger Related Event in exchange for a commitment by the Borrower to make another such offer, for one or both of the Beneficial Interest or the Owner Trustee Notes, at a later date.

"XM-4 Sale and Leaseback Offer to Purchase or Refinance" means the Offer to Purchase or Refinance (as defined in the Participation Agreement) made by the Borrower in connection with the Merger and/or any Merger Related Event pursuant to the terms of Section 11.07 of the Participation Agreement.

"XM-4 Sale and Leaseback Repurchase Date" means the date on which the Borrower and/or Holdings is required to purchase any or all of the Transponders (as defined in the Participation Agreement) pursuant to the terms of the XM-4 Sale and Leaseback Offer to Purchase or Refinance and in accordance with the terms of the Participation Agreement and this Agreement.

"XM-4 Sale and Leaseback Transaction" means a sale and leaseback transaction (whether classified as an operating lease, a capital lease or otherwise, and whether leased by Holdings, the Borrower or a Material Subsidiary) involving the XM-4 Satellite Collateral (including a sale and leaseback of transponders on the XM-4 Satellite, to the extent such transponders constitute XM-4 Satellite Collateral, and grants of security interests in the remaining portions of the XM-4 Satellite Collateral in favor of the buyer or lessor); provided that any Indebtedness (the proceeds of which financed the purchase of the XM-4 Satellite Collateral) of a lessor in an XM-4 Sale and Leaseback Transaction that is assumed by Holdings, the Borrower or a Material Subsidiary following the termination of the associated lease and acquisition or reacquisition of the associated assets by Holdings, the Borrower or such Material Subsidiary (as applicable) shall continue to constitute an XM-4 Sale and Leaseback Transaction following such assumption and acquisition or reacquisition as long as the Liens securing such Indebtedness do not spread to cover any other assets other than those that were subjected to such Liens pursuant to the XM-4 Sale and Leaseback Transaction immediately prior to such assumption and acquisition or reacquisition.

"XM-4 Sale and Leaseback Waiver" means either (i) the waiver, in accordance with the terms of the Participation Agreement, by the Lessor (as defined in the Participation Agreement), the Owner Participant (as defined in the Participation Agreement), the holders of the Owner Trustee Notes and each other applicable party in respect of the XM-4 Sale and Leaseback Transaction consummated pursuant to the Participation Agreement of any "Change of Control" or "SDARS License Event" (each term under and as defined in the Participation Agreement) or (ii) the declining, in accordance with the terms of the Participation Agreement, of an XM-4 Sale and Leaseback Offer to Purchase or Refinance, in each case that occurs or will occur in connection with the Merger and/or any Merger Related Event and the consequences of such "Change of Control" or "SDARS License Event" (including, for purposes of clause (i) above, the requirement that the Borrower make an XM-4 Sale and Leaseback Offer to Purchase or Refinance).

"XM-4 Sale and Leaseback Waiver Date" means the date on which the XM-4 Sale and Leaseback Waiver shall be effective in accordance with its terms.

"XM-4 Satellite" means the satellite known as XM-4 and owned by either Holdings or the Borrower.

"XM-4 Satellite Collateral" means the XM-4 Satellite and the Ancillary XM-4 Satellite Collateral. For the avoidance of doubt, Indivisible Ancillary XM-4 Satellite Collateral shall not constitute XM-4 Satellite Collateral.

"XM-5 Satellite" means the satellite known as XM-5 and currently under construction pursuant to a contract among Holdings and the satellite vendor party thereto.

"XM Escrow Merger" means the merger of XM Escrow LLC, a newly formed, wholly-owned subsidiary of Holdings, with and into the Borrower, with the Borrower as the surviving corporation.

"XM Escrow Senior Notes" means the up to $1.0 billion in aggregate principal amount of senior unsecured notes issued by XM Escrow LLC.

"XM Escrow Senior Notes Indenture" means the indenture made by XM Escrow LLC in favor of the trustee thereunder pursuant to which the XM Escrow Senior Notes will be issued.

"XM Radio Service" means digital radio programming transmitted by satellites and terrestrial repeating stations to vehicle, home and portable radios in the United States.

"XM-SIRIUS Merger" means (a) a merger or consolidation of Holdings with or into SIRIUS or a merger or consolidation of Holdings with or into SIRIUS or (b) any assignment, transfer, conveyance or other disposition of all or substantially all of the properties or assets of Holdings to SIRIUS or of SIRIUS to Holdings.

SECTION 1.02 [Reserved]

SECTION 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II.

The Credits

SECTION 2.01 Loan Commitments. Subject to the terms and conditions hereof, each Lender severally agrees to make, (i) on the Closing Date, a term loan (each, an "Initial Term Loan", and collectively, the "Initial Term Loans") to the Borrower and (ii) once, at any time thereafter on or prior to December 31, 2009, an additional term loan (each, an "Additional Term Loan", and collectively, the "Additional Term Loans", and, together with the Term Loans, the "Loans"), in each case in an amount such that the sum of the Initial Term Loans and Additional Term Loans of each Lender does not exceed such Lender's Commitment.

Any amount borrowed under this Section 2.01 and subsequently repaid or prepaid (pursuant to Section 2.10 or otherwise) may not be reborrowed, except that the Borrower may repay in whole or part the Initial Loans and subsequently reborrow an amount equal to the aggregate principal amount of the Initial Term Loans so repaid, provided that the Borrower only shall be allowed to repay and reborrow the Initial Term Loans once during this Agreement. All amounts owed hereunder with respect to the Loans shall be paid in full no later than the Maturity Date.

SECTION 2.02 [Reserved].

SECTION 2.03 Request for Borrowing. To request a Loan, the Borrower shall notify the Administrative Agent of such request by telephone not later than 10:30 a.m., New York City Time, three Business Days prior to the date on which such Loan is requested to be made. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information:

(i) the aggregate principal amount of the Loans to be made (the aggregate amount of which shall not be less than $[5,000,000], and shall not exceed (i) in the case of Term Loans, the Commitments and (ii) in the case of Additional Term Loans, the Available Commitments);

(ii) the date on which such Loans are to be made available by the Lenders, which date shall be a Business Day; and

(iii) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06.

Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan.

SECTION 2.04 [Reserved].

SECTION 2.05 [Reserved].

SECTION 2.06 Funding of Loans. (a) Each Lender shall make each Loan to be made by it hereunder on the date specified in each Borrowing Request by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with a bank in New York City and designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the date on which a Loan is to be made available to the Borrower that such Lender shall not make available to the Administrative Agent such Lender's share of the Loans, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the Loans available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to the Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan.

SECTION 2.07 [Reserved]

SECTION 2.08 [Reserved]

SECTION 2.09 Repayment of Loans; Evidence of Debt (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Maturity Date.

(b) The Administrative Agent shall maintain a Register in accordance with Section 9.04(b)(iv).

(c) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent (it being understood and agreed that any such note shall have an "OID legend"). Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein.

SECTION 2.10 Prepayment of Loans; Termination of Available Commitments. (a) The Borrower shall have the right at any time and from time to time to prepay any Loan in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Loan or portion thereof to be prepaid; provided that a notice of prepayment of the Loans delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Promptly following receipt of any such notice relating to a prepayment of Loans, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Loan pursuant to Section 2.10(a) shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000. Each prepayment shall be applied ratably to the Lenders in accordance with their respective Loans. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12.

(c) If, at any time, the aggregate amount of Excess Proceeds of the Borrower and its Subsidiaries shall exceed $10,000,000, the Borrower shall apply any such Excess Proceeds not required to be applied to the prepayment of outstanding loans under the Existing XM Facilities (whether as a result of a termination or amendment of such Existing XM Facilities, waiver by such lenders or any other reason) to the prepayment of the Loans.

(d) If, at any time, a Change in Control shall have occurred, the Borrower shall, within one Business Day thereof, make an offer (the "Change in Control Offer") to prepay the Loans of all accepting Lenders on that date that is 10 Business Days after the making of such Change in Control Offer. The Loans of all Lenders that have so accepted such offer shall be prepaid on such tenth Business Day.

SECTION 2.11 Commitment Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Lender (in each case pro rata according to the respective Available Commitments of all such Lenders), a commitment fee (the "Commitment Fee") for each day from the date hereof to the earlier of (i) December 31, 2009, (ii) the date on which the Additional Term Loans, if any, are made available to the Borrower in accordance with Section 2.01, and (iii) the date on which the Available Commitments are terminated in accordance with Section 9.18(b). Each Commitment Fee shall be payable (x) quarterly in arrears on each Payment Date and (y) on the earliest of (i) December 31, 2009, (ii) the date on which the Additional Term Loans, if any, are made available to the Borrower in accordance with Section 2.01 (for the period ended on such date for which no payment has been received pursuant to clause above), and (iii) the date on which the Available Commitments are terminated in accordance with Section 9.18(b), and shall be computed for each day during such period at a rate *per annum* equal to 2.00%.

SECTION 2.12 Interest. (a) The Loans shall bear interest at 15%.

(b) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to 2.00% plus the rate otherwise applicable to such Loan as provided in the preceding paragraph of this Section.

(c) Accrued interest on each Loan shall be payable in arrears on each Payment Date for such Loan and on the Maturity Dateprovided that interest accrued pursuant to paragraph (b) of this Section shall be payable on demand.

(d) All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

SECTION 2.13 [Reserved]

SECTION 2.14 [Reserved]

SECTION 2.15 [Reserved]

SECTION 2.16 Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Taxes; provided that if the Borrower shall be required by applicable law to deduct any Taxes from such payments, then (i) in the case of Indemnified Taxes (including Other Taxes), the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes (including Other Taxes) paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including such Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that the Borrower shall not be obligated to make payment to the Administrative Agent or such Lender pursuant to this Section in respect of penalties or interest attributable to any Indemnified Taxes if (i) written demand therefor has not been made by the Administrative Agent or such Lender within 90 days from the date on which the Administrative Agent or such Lender knew of the imposition of Indemnified Taxes by the relevant Governmental Authority, or (ii) such penalties or interest are attributable to the gross negligence or willful misconduct of the Administrative Agent or such Lender. After the Administrative Agent or such Lender learns of the imposition of Indemnified Taxes, the Administrative Agent or such Lender, as the case may be, will act in good faith to promptly

notify the Borrower of its obligations hereunder. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes (including Other Taxes) by the Borrower to a Governmental Authority and in any event within 30 days of any such payment being made, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Each Foreign Lender shall, to the extent it may lawfully do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States of America is a party;

(ii) duly completed copies of Internal Revenue Service Form W-8ECI; or

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate, in substantially the form of Exhibit I, or any other form approved by the Administrative Agent, to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN.

(f) Each Foreign Lender agrees to promptly notify the Administrative Agent and the Borrower of any change in circumstances which would modify or render invalid any claimed exemption or reduction or any certification previously provided to the Administrative Agent or the Borrower.

(g) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Indemnified Taxes (including Other Taxes) as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.16, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.16 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such

refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person. Notwithstanding anything to the contrary, in no event will any Lender be required to pay any amount to the Borrower, the payment of which would place such Lender in a less favorable net after-tax position than such Lender would have been in if the additional amounts giving rise to such refund of any Indemnified Taxes or Other Taxes had never been paid.

SECTION 2.17 Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.16, or otherwise) prior to 2:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent to an account specified by the Administrative Agent from time to time, except that payments pursuant to Sections 2.16 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in U.S. dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any

payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.06(b), 2.17(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.18 Mitigation Obligations; Replacement of Lenders. (a) If the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.16 in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be

withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III.

Representations and Warranties

The Borrower and Holdings each represents and warrants to the Lenders that:

SECTION 3.01 Organization; Powers. Each of Holdings, the Borrower and its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02 Authorization; Enforceability. The Transactions are within the corporate or other organizational powers of each of Holdings, the Borrower and its Subsidiaries, and have been duly authorized by all necessary corporate or other organizational and, if required, stockholder action. Each of this Agreement and the other Loan Documents has been duly executed and delivered by each of the Loan Parties party thereto and constitutes a legal, valid and binding obligation of each such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03 Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate (i) any applicable law or regulation or any order of any Governmental Authority except where such violation, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect or (ii) the charter, by-laws or other Organizational Documents of Holdings, the Borrower or any of its Subsidiaries, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon Holdings, the Borrower or any of its Subsidiaries or any of their assets, or give rise to a right thereunder to require any payment to be made by Holdings, the Borrower or any of its Subsidiaries except where such violation or default, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, and (d) will not result in the creation or imposition of any Lien on any asset of Holdings, the Borrower or any of its Subsidiaries (other than the Liens granted pursuant to the Loan Documents).

SECTION 3.04 Financial Condition; No Material Adverse Change. (a) The unaudited pro forma consolidated balance sheet of Holdings and its consolidated Subsidiaries as at December 31, 2008 (including the notes thereto) (the "Pro Forma Balance Sheet"), copies of which have heretofore been furnished to the Administrative Agent, has been prepared giving effect (as if such events had occurred on such date) to (i) the Loans to be made on the Closing Date and the use of proceeds thereof and any other Indebtedness to be issued on the Closing Date, and (ii) the payment of fees and expenses in connection with the foregoing. The Pro Forma Balance Sheet has been prepared based on the best information available to Holdings and the Borrower as of the date of delivery thereof, and presents fairly in all material respects on a pro forma basis the estimated financial position of Holdings, the Borrower and its consolidated Subsidiaries as at December 31, 2008, assuming that the events specified in the preceding sentence had actually occurred at such date.

(b) The audited consolidated balance sheets of Holdings and its consolidated Subsidiaries as at December 31, 2005, December 31, 2006 and December 31, 2007, and the related consolidated statements of income and of cash flows for the fiscal years ended on such dates, reported on by and accompanied by an unqualified report from KPMG LLP, present fairly in all material respects the consolidated financial condition of Holdings and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. The unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at September 30, 2008 and the related unaudited consolidated statements of income and cash flows for the quarter ended on such date, present fairly in all material respects the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the quarter then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). None of Holdings, the Borrower or any of its Subsidiaries has any material Guarantees, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from December 31, 2007 to and including the date hereof there has been no disposition by any of Holdings, the Borrower or any of its Subsidiaries of any material part of its business or property.

(c) Since December 31, 2007, there has been no material adverse change in the business, assets, properties, liabilities (actual and contingent), operations or financial condition of Holdings, the Borrower and its Subsidiaries, taken as a whole (other than (i) as shall have been disclosed in Holdings' and the Borrowers' public filings with the Securities and Exchange Commission or (ii) as otherwise disclosed to the Lenders in writing, in each case prior to the Closing Date).

SECTION 3.05 Litigation. (a) As of the Closing Date, all significant claims, actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Holdings or the Borrower, threatened against or affecting Holdings, the Borrower or any of its Subsidiaries are set forth on Schedule 3.05 hereto.

(b) Notwithstanding anything set forth in Section 3.05(a) or Schedule 3.05, there are no material claims, actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Holdings or the Borrower, threatened against or affecting Holdings, the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(c) Since the date of this Agreement, there has been no change in the status of the matters set forth on Schedule 3.05 that, individually or in the aggregate, has resulted in, or could reasonably be expected, individually or in the aggregate, to result in, a Material Adverse Effect.

SECTION 3.06 Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.07 Investment Company Status. Neither Holdings, the Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.08 Taxes. Each of Holdings, the Borrower and its Subsidiaries has (a) timely filed or caused to be filed all Tax returns and reports required to have been filed and all such Tax returns and reports are true and correct in all material respects, and (b) has paid or caused to be paid all material Taxes required to have been paid by it and all material assessments received by it, except Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP. Each of Holdings, the Borrower and its Subsidiaries has set aside on its books adequate reserves in accordance with GAAP for all Taxes not yet due and payable. Each of Holdings, the Borrower and its Subsidiaries is unaware of any proposed or pending tax assessments, deficiencies or audits that could be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect.

SECTION 3.09 ERISA. Borrower and each of its ERISA Affiliates are in material compliance with all applicable provisions and requirements of ERISA and the Code and the regulations and published interpretations thereunder with respect to each Plan, and have performed all their obligations under each Plan. Each Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service indicating that such Plan is so qualified and nothing has occurred subsequent to the issuance of such determination letter which would cause such Plan to lose its qualified status. No liability to the PBGC (other than required premium payments), the Internal Revenue Service, any Plan or any trust established under Title IV of ERISA has been or is expected to be incurred by Borrower or any ERISA Affiliates. No ERISA Event has occurred or is reasonably expected to occur. The present value of all accumulated benefit obligations under each Plan (based on the

assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $25,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $25,000,000 the fair market value of the assets of all such underfunded Plans. As of the most recent valuation date for each Multiemployer Plan for which the actuarial report is available, the potential liability of Borrower and each of its ERISA Affiliates for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, based on information available pursuant to Section 4221(e) of ERISA is $25,000,000. Borrower and each of its ERISA Affiliates have complied with the requirements of Section 515 of ERISA with respect to each Multiemployer Plan and are not in material "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan. No such Multiemployer Plan is in reorganization or insolvent.

SECTION 3.10 Federal Reserve Regulations. (a) None of Holdings, the Borrower or any of the Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose, or (ii) for any purpose that violates the Margin Regulations.

SECTION 3.11 Title to Properties; Possession Under Leases (a) Each of Holdings, the Borrower and its Subsidiaries has good and valid record fee simple title to (in the case of owned real property), or good title to or valid leasehold interests in, or easements or other limited property interests in, or has a license to use, all its real and personal property and assets material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes. All such properties and assets are free and clear of Liens, other than (in the case of any such properties or assets other than Equity Interests) Permitted Liens and (in the case of Equity Interests) Liens referenced in clauses (a), (b), (f) and (g) of the definition of "Permitted Liens".

(b) Each of Holdings, the Borrower and its Subsidiaries has complied with all obligations under all leases to which it is a party, except where the failure to comply could not reasonably be expected to have a Material Adverse Effect, and all such leases are in full force and effect, except leases in respect of which the failure to be in full force and effect could not reasonably be expected to have a Material Adverse Effect. Each of Holdings, the Borrower and each of its Subsidiaries enjoys peaceful and undisturbed possession under all such leases, other than leases in respect of which the failure to enjoy peaceful and undisturbed possession could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Each of Holdings, the Borrower and its Subsidiaries (i) owns or has a license to use, on terms not materially adverse to it, all Intellectual Property and rights with respect thereto necessary for the present conduct of its business, without any conflict (of which the Borrower has been notified in writing) with the rights of others, and free from any burdensome restrictions on the present conduct of its business, except where the failure to own or have a license to use could not reasonably be expected to have a Material Adverse Effect and (ii) has taken commercially reasonable steps, consistent with industry standards, to maintain and protect its Intellectual Property, except where the failure to maintain and protect any such Intellectual Property could not reasonably be expected to have a Material Adverse Effect. Neither Holdings, the Borrower nor any of its Subsidiaries is infringing upon, misappropriating, diluting or otherwise violating the Intellectual Property rights of any other Person, except where any such infringement, misappropriation, dilution, or violation could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and there is no pending or threatened claim or litigation against any of Holdings, the Borrower or its Subsidiaries alleging any such infringement, misappropriation, dilution or other violation. With respect to each item of Intellectual Property, each of Holdings, the Borrower and its Subsidiaries (i) has the right to use and possesses all right, title and interest in and to such Intellectual Property free and clear of any Liens, licenses or other restrictions, other than Permitted Liens, and (ii) has performed all acts (including making all necessary recordations and filings) and has paid all required fees and taxes to maintain such Intellectual Property in full force and effect and to protect and maintain its interest therein, except where the failure to maintain or have the right to use any such Intellectual Property could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.12 Subsidiaries. Schedule 3.12 sets forth as of the Closing Date the name and jurisdiction of incorporation, formation or organization of each Subsidiary of the Borrower and, as to each such Subsidiary, the percentage of each class of Equity Interests owned by the Borrower or by any such Subsidiary.

SECTION 3.13 Disclosure. Each of Holdings and the Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of Holdings or the Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; provided that, with respect to projected financial information, each of Holdings and the Borrower represents only that such information was prepared in good faith based upon assumptions believed by it to be reasonable at the time such projections were prepared.

SECTION 3.14 Environmental Matters. (a) Except as to matters that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect (i) no written notice, request for information, order, complaint or penalty has been received by Holdings, the Borrower or any of its Subsidiaries, and there are no judicial, administrative or other actions, suits or proceedings pending or threatened which allege a violation of any

Environmental Laws or any other Environmental Liability, in each case relating to Holdings, the Borrower or any of its Subsidiaries, (ii) each of Holdings, the Borrower and its Subsidiaries has all environmental permits necessary for its operations to comply with all applicable Environmental Laws and is, and during the term of all applicable statutes of limitation, has been, in compliance with the terms of such permits and with all other applicable Environmental Laws, (iii) no Hazardous Material is located at any property currently or, to the knowledge of Holdings, the Borrower or any of its Subsidiaries, formerly owned, operated or leased by Holdings, the Borrower or any of its Subsidiaries that would reasonably be expected to give rise to any cost, liability or obligation of Holdings, the Borrower or any of its Subsidiaries under any Environmental Laws, and no Hazardous Material has been generated, owned or controlled by Holdings, the Borrower or any of its Subsidiaries and transported to or released at any location in a manner that could reasonably be expected to cause Holdings, the Borrower or any of its Subsidiaries to incur any Environmental Liability, and (iv) there are no acquisition or other agreements pursuant to which Holdings, the Borrower or any of its Subsidiaries has expressly assumed or undertaken responsibility for any Environmental Liability.

(b) Except as set forth on Schedule 3.14 and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither Holdings, the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the matters set forth on Schedule 3.14 that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.15 Security Documents. (a) Upon execution, the Security Documents will be effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid, enforceable and perfected second priority security interest in the Collateral described therein and proceeds thereof to the extent intended to be created thereby.

(b) [Reserved]

(c) The Administrative Agent, for the benefit of the Secured Parties, shall have a fully perfected second priority Lien on, and security interest in, all right, title and interest of the Loan Parties thereunder in the domestic Intellectual Property (to the extent contemplated to be created thereby), in each case prior and superior in right to any other person other than the Existing Secured Parties (it being understood that subsequent recordings in the United States Patent and Trademark Office and the United States Copyright Office may be necessary to perfect a lien on registered trademarks and patents, trademark and patent applications and registered copyrights acquired by the grantors after the Closing Date to the extent perfection is not governed by the UCC) except Liens permitted by Section 6.02 and Liens having priority by operation of law.

(d) Each Foreign Pledge Agreement shall be effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable second priority security interest in the Collateral described therein and proceeds thereof. In the case of the Pledged Collateral described in a Foreign Pledge Agreement, when certificates representing such Pledged Collateral are delivered to the Administrative Agent in accordance with such Foreign Pledge Agreement, the Administrative Agent, for the benefit of the Secured Parties, shall have a fully perfected second priority Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Borrower Obligations and the Guarantees thereof, in each case prior and superior in right to any other person (it being understood and agreed, for the avoidance of doubt, that no such Collateral shall be delivered to the Administrative Agent so long as it is required to be delivered to the First Lien Collateral Agent).

SECTION 3.16 Solvency. (a) Immediately after giving effect to the Transactions on the Closing Date, (i) the fair value of the assets of each Loan Party, at a fair valuation, exceeded the debts and liabilities, direct, subordinated, contingent or otherwise, of such Loan Party; (ii) the present fair saleable value of the property of each Loan Party was greater than the amount that will be required to pay the probable liability of such Loan Party, on its debts and other liabilities, direct, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) each Loan Party will be able to pay its debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) no Loan Party will have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted following the Closing Date.

(b) No Loan Party intends to, and no Loan Party believes that it will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing and amounts of cash to be received by it and the timing and amounts of cash to be payable on or in respect of its Indebtedness.

SECTION 3.17 Senior Subordinated Notes. The Credit Agreement Obligations are "Senior Indebtedness" and "Designated Senior Indebtedness" within the meaning of the Senior Subordinated Note Documents.

ARTICLE IV.

Conditions

SECTION 4.01 Closing Date. The obligations of the Lenders to make Loans on the Closing Date shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement and the other Loan Documents, in each case, signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Closing Date) of (i) Simpson Thacher & Bartlett LLP, counsel for the Borrower, in form and substance reasonably satisfactory to the Administrative Agent, and (ii) other special counsel reasonably satisfactory to the Administrative Agent, in each case, covering such other matters relating to the Borrower, this Agreement or the Transactions as the Required Lenders shall reasonably request. The Borrower hereby requests such counsel to deliver such opinion.

(c) The Administrative Agent shall have received (i) sufficient copies of each Organizational Document executed and delivered by each Loan Party, as applicable, and, to the extent applicable, (A) certified as of the Closing Date by such Loan Party's secretary or assistant secretary as being true and complete copies as in effect on the Closing Date without modification or amendment and (B) certified as of the Closing Date or a recent date prior thereto by the appropriate governmental official; (ii) signature and incumbency certificates of the officers of each Loan Party executing the Loan Documents to which such Loan Party is a party; (iii) resolutions of the board of directors or similar governing body of each Loan Party approving and authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which such Loan Party is a party, certified as of the Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment; (iv) a certificate of the secretary or assistant secretary of each Loan Party as to the absence of any pending proceeding for the dissolution or liquidation of such Loan Party or, to the knowledge of such person, threatening the existence of such Loan Party; (v) a good standing certificate from the applicable Governmental Authority of each Loan Party's jurisdiction of incorporation, organization or formation, dated a recent date prior to the Closing Date; and (vi) a certificate of another officer of each Loan Party as to the incumbency and specimen signature of the secretary or assistant secretary executing any certificate with respect to such Loan Party pursuant to this clause (c).

(d) The Administrative Agent shall have received a certificate, dated the Closing Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(e) The elements of the Collateral and Guarantee Requirement required to be satisfied on the Closing Date shall have been satisfied and the Administrative Agent shall have received a completed Perfection Certificate dated the Closing Date and signed by a Responsible Officer of each Loan Party, together with all attachments contemplated thereby, and the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to the Loan Parties in the jurisdictions contemplated by the Perfection Certificate and copies of the financing statements (or similar documents) disclosed by such search and evidence reasonably satisfactory to the Administrative Agent that the Liens indicated by such financing statements (or similar documents) are permitted by Section 6.02 or have been released.

(f) [Reserved]

(g) [Reserved]

(h) The Lenders shall have received a solvency certificate substantially in the form of Exhibit D and signed by the Chief Financial Officer of Holdings and the Borrower confirming the solvency of Holdings and the Borrower after giving effect to the Transactions.

(i) [Reserved].

(j) All material third party approvals necessary in connection with the Transactions and the continuing operations of the Borrower and its Subsidiaries shall have been obtained and shall be in full force and effect.

(k) The Administrative Agent shall have received all fees payable thereto or to any Lender on or prior to the Closing Date and, to the extent invoiced, all other amounts due and payable pursuant to the Loan Documents on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all reasonable out-of-pocket expenses (including reasonable fees, charges and disbursements of Baker Botts L.L.P. and any local counsel) required to be reimbursed or paid by the Loan Parties hereunder or under any other Loan Document.

(l) [Reserved]

(m) [Reserved]

(n) On the Closing Date, the Borrower shall have delivered to the Administrative Agent complete, correct and executed copies of (x) an amendment to the Term Loan Agreement and (y) an amendment to the Revolving Credit Facility Agreement, in each case, in form and substance reasonably satisfactory to the Administrative Agent.

(o) On the Closing Date, the amendment to the Term Loan Agreement and the amendment to the Revolving Credit Facility Agreement shall have become effective in accordance with their respective terms and conditions.

(p) [Reserved].

(q) The Administrative Agent and the Lenders shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

(r) [Reserved.]

(s) On the Closing Date, the Administrative Agent shall have received reasonably satisfactory evidence that the Existing 10% Notes and the remaining 10% Convertible Senior Notes due 2009 will be repaid or refinanced, in each case, on terms and conditions reasonably satisfactory to the Administrative Agent, on or prior to the maturity thereof.

(t) On the Closing Date, the Borrower shall have issued the "Series B-1 Preferred Stock" and the "Series B-2 Preferred Stock" (in each case as defined in the Investment Agreement) pursuant to the Investment Agreement.

(u) On the Closing Date, the Administrative Agent shall have received the audited consolidated sheets of Holdings and its consolidated subsidiaries as at December 31, 2008, and the related consolidated financial statement shall be accompanied by an opinion of KPMG LLP without a "going concern" or like qualification or exception, provided that this clause (u) shall be deemed satisfied if the lenders under the SIRIUS Credit Facility waive the similar requirement under Section 5.01 of the SIRIUS Credit Facility.

SECTION 4.02 Each Credit Event. The obligation of each Lender to make Loans in connection with each borrowing is subject to the satisfaction of the following conditions:

(a) The representations and warranties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the date of such conversion or continuation, as applicable (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date).

(b) At the time of and immediately after giving effect to such conversion or continuation, as applicable, no Default shall have occurred and be continuing.

(c) No "Event of Default" (as defined in the SIRIUS Credit Facility) shall exist and continue.

ARTICLE V.

Affirmative Covenants

Until the principal of and interest on each Loan and all fees and other amounts payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01 Financial Statements; and Other Information. The Borrower shall furnish to the Administrative Agent (for distribution to the Lenders):

(a) within 90 days after the end of each fiscal year of Holdings, Holdings' audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by KPMG LLP or other independent public accountants of recognized national standing (without a

"going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit for each fiscal year of Holdings ending on or after December 31, 2009) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied (it being understood that the delivery by the Borrower of Annual Reports on Form 10-K of Holdings and its consolidated Subsidiaries shall satisfy the requirements of this Section 5.01(a) to the extent such Annual Reports include the information and otherwise satisfy the requirements specified herein);

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Holdings, Holdings' unaudited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes (it being understood that the delivery by the Borrower of Quarterly Reports on Form 10-Q of Holdings and its consolidated Subsidiaries shall satisfy the requirements of this Section 5.01(b) to the extent such Quarterly Reports include the information and otherwise satisfy the requirements specified herein);

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating the Senior Secured Leverage Ratio and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) concurrently with the delivery of financial statements under clause (a) above, a consolidated budget for the fiscal year following that to which such financial statements relate as presented to the Board of Directors which shall include, with respect to the Borrower and its Subsidiaries, ending total subscribers, gross and net subscriber additions by type, churn by plan, total revenue, subscription revenue, subscription average revenue per unit (ARPU), gross margin, subscription margin, research and

development expenses, programming expenses, advertising and marketing expenses, subscriber acquisition costs, cost per gross and net add, EBITDA (as calculated in the consolidated budget presented to the Board of Directors), deferred subscription revenue balance, Indebtedness, cash and capital expenditures;

(f) promptly after the same are sent, copies of all financial statements and reports that SIRIUS or any of its Subsidiary sends to the holders of any class of its debt securities or public equity securities

(g) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Holdings, the Borrower or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, as the case may be;

(h) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Holdings, the Borrower or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request; and

(i) promptly after the request by the Administrative Agent or any Lender all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act, with respect to any Loan Party.

SECTION 5.02 Notices of Material Events. The Borrower shall furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding $10,000,000;

(d) any notice provided to the First Lien Collateral Agent under (i)(x) clauses (C), (E) and (F) of Section 4.1(b), (y) clause (C) of Section 4.2(b), and (z) clause (B) of Section 4.3(b) of the Existing General Security Agreement, (ii) Section 9(e) of the Existing FCC License Subsidiary Pledge Agreement and (iii) each other notice required to be delivered to the First Lien Collateral Agent pursuant to the terms of the Existing Collateral Documents or the Collateral Agency Agreement;

(e) without duplication, any notice provided to either administrative agent under either Existing XM Facility under Section 5.02 of each such Existing XM Facility; and

(f) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03 Existence; Conduct of Business. The Borrower shall, and shall cause each of its Material Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04 Obligations and Taxes. The Borrower shall, and shall cause each of its Material Subsidiaries to, pay its obligations, including material Tax liabilities, that, if not paid, could reasonably be expected to result in a Lien (other than a Permitted Lien) on the properties (or any part thereof) of the Borrower or any of its Material Subsidiaries, or a Material Adverse Effect, in each case before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Material Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect. The Borrower shall, and shall cause each of its Material Subsidiaries to, timely and correctly file all Tax returns and reports required to be filed by it. The Borrower does not intend to treat the Loans as being a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4. In the event the Borrower determines to take any action inconsistent with such intention, it will promptly notify the Administrative Agent thereof.

SECTION 5.05 Maintenance of Properties; Insurance. The Borrower shall, and shall cause each of its Material Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations; provided that satellite insurance shall not be required. Each such policy of insurance shall (i) name the Administrative Agent, on behalf of the Secured Parties, as an additional insured thereunder as its interests may appear, (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement, satisfactory in form and substance to the Administrative Agent, that names the Administrative Agent, on behalf of the Secured Parties, as the loss payee thereunder and (iii) provide for at least thirty days' prior written notice to the Administrative Agent of any modification or cancellation of such policy. Notwithstanding the foregoing, so long as any Existing Obligations remain outstanding, the Borrower shall use commercially reasonable efforts to cause each such policy of

insurance to (a) name the Administrative Agent, on behalf of the Secured Parties, as an additional insured thereunder, (b) in the case of each casualty insurance policy, contain a loss payable clause or endorsement, reasonably satisfactory in form and substance to the Administrative Agent, that names the Administrative Agent, on behalf of the Secured Parties, as the loss payee thereunder and (c) provide for at least 30 days' prior written notice to the Administrative Agent of such policy, provided that, with respect to clause (b) above, terms satisfactory to the Collateral Agent shall be deemed to be satisfactory to the Administrative Agent to the extent they apply mutatis mutandis to the Administrative Agent. The Borrower shall, and shall cause each of its Material Subsidiaries to, use commercially reasonable efforts, consistent with industry standards, to prosecute, maintain, and enforce all Intellectual Property owned or held by the Borrower or its Material Subsidiaries that is material to the conduct of its business.

SECTION 5.06 Books and Records; Inspection Rights. The Borrower shall, and shall cause each of its Material Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower shall, and shall cause each of its Material Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested. If such visit and inspection occurs at a time when no Default has occurred and is continuing, such visit and inspection by the Administrative Agent or any Lender shall be coordinated through the Administrative Agent and shall be limited to one visit and inspection during any consecutive twelve-month period.

SECTION 5.07 Compliance with Laws. The Borrower shall, and shall cause each of its Material Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08 Use of Proceeds. The proceeds of the Loans will be used to finance the working capital needs and general corporate purposes of the Borrower and its Subsidiaries (including, for the avoidance of doubt, repayment of Existing Indebtedness or existing indebtedness of Holdings).

SECTION 5.09 Compliance with Environmental Laws. The Borrower shall, and shall cause each of its Material Subsidiaries to, comply with all Environmental Laws applicable to its operations and properties; and obtain and renew all authorizations and permits required pursuant to Environmental Law for its operations and properties, in each case in accordance with Environmental Laws, except, in each case with respect to this Section 5.09, to the extent the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.10 Further Assurances. (a) The Borrower shall, and shall cause each of the Subsidiary Loan Parties to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents and recordings of Liens in stock registries), that may be required under any applicable law or the Security Documents, or that the Administrative Agent may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied, all at the expense of the Loan Parties, and provide to the Administrative Agent, from time to time upon reasonable request, evidence reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Security Documents.

(b) If any asset that has an individual fair market value in an amount greater than $5,000,000 million is created, developed or acquired by the Borrower or any other Subsidiary Loan Party after the Closing Date or owned by an entity at the time it becomes a Subsidiary Loan Party (in each case other than assets constituting Collateral under a Security Document that become subject to the Lien of such Security Document upon acquisition thereof or that are not required to become subject to the Liens of the Administrative Agent pursuant to the Security Documents), the Borrower shall, and shall cause the Subsidiary Loan Parties to, cause such asset, on or promptly after the acquisition thereof, to be subjected to a Lien securing the Borrower Obligations and the Guarantor Obligations of such Subsidiary Loan Party, as applicable, and shall take, and shall cause the Subsidiary Loan Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (a) of this Section, all at the expense of the Loan Parties.

(c) If any newly formed or acquired or any existing direct or indirect Subsidiary of the Borrower becomes a Subsidiary Loan Party, within ten Business Days after the date such Subsidiary becomes a Subsidiary Loan Party, the Borrower shall notify the Administrative Agent and the Lenders thereof and, within 20 Business Days after such date or such longer period as the Administrative Agent shall agree, the Borrower shall, and shall cause its Subsidiaries to, cause the Collateral and Guarantee Requirement to be satisfied with respect to such Subsidiary and with respect to any Equity Interest in or Indebtedness of such Subsidiary owned by or on behalf of any Loan Party.

(d) If any newly formed or acquired or any existing Subsidiary of the Borrower becomes a Foreign Subsidiary, within ten Business Days after the date such Subsidiary becomes a Foreign Subsidiary, the Borrower shall notify the Administrative Agent and the Lenders thereof and, within 20 Business Days after such date or such longer period as the Administrative Agent shall agree, the Borrower shall, and shall cause its Subsidiaries to, cause the Collateral and Guarantee Requirement to be satisfied with respect to any Equity Interest in such Subsidiary owned by or on behalf of any Loan Party.

(e) (i) The Borrower shall furnish to the Administrative Agent prompt written notice of any change (A) in any Loan Party's corporate or organization name, (B) in any Loan Party's identity or organizational structure, (C) in any Loan Party's organizational identification number, (D) in any Loan Party's jurisdiction of organization or (E) in any Loan Party's chief executive office or sole place of business, in each case from that set forth on Schedule 3.17; provided that the Borrower shall not effect or permit any such change unless all filings have been made, or will have been made within any statutory period, under the Uniform Commercial Code

or otherwise that are required in order for the Administrative Agent, for the benefit of the Secured Parties, to continue at all times following such change to have a valid, legal and perfected second priority security interest in all the Collateral in accordance with Security Documents and (ii) the Borrower shall, and shall cause its Subsidiaries to, promptly notify the Administrative Agent to the extent it becomes aware (A) of any material portion of the Collateral being damaged or destroyed, (B) of any Lien (other than any Permitted Lien) on any Collateral which would have a material adverse affect on the ability of the Administrative Agent to exercise any of its remedies under the Loan Documents and (C) of the occurrence of any other event which could reasonably be expected to have a Material Adverse Effect on the security interest created by the Security Documents.

(f) The Collateral and Guarantee Requirement and the other provisions of this Section 5.10 need not be satisfied with respect to (i) any Equity Interests acquired after the Closing Date in accordance with this Agreement if, and to the extent that, and for so long as (A) doing so would violate applicable law or a contractual obligation binding on the holder of such Equity Interests and (B) such law or obligation existed at the time of the acquisition thereof and was not created or made binding on such Equity Interests in contemplation of or in connection with the acquisition of such Subsidiary, (ii) any assets acquired after the Closing Date, to the extent that, and for so long as, taking such actions would violate a contractual obligation binding on such assets that existed at the time of the acquisition thereof and was not created or made binding on such assets in contemplation or in connection with the acquisition of such assets or (iii) any asset with respect to which the Administrative Agent reasonably determines that the cost of the satisfaction of the provisions of this Section 5.10 with respect thereto exceeds the value of the security afforded thereby; provided that, upon the reasonable request of the Administrative Agent, the Borrower shall, and shall cause any applicable Subsidiary to, use commercially reasonable efforts to have waived or eliminated any contractual obligation of the types described in clauses (i) and (ii) above.

(g) From time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of more fully perfecting or renewing the rights or ensuring the priority of the Administrative Agent on behalf of the Secured Parties with respect to the Collateral (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the borrower or any Subsidiary which may be deemed to be part of the Collateral) pursuant hereto or thereto. Upon the exercise by the Administrative Agent or any Lender of any power, right, privilege or remedy pursuant to this Agreement or the other Loan Documents which requires any consent, approval, recording qualification or authorization of any Governmental Authority, the Borrower will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Administrative Agent or such Lenders may be required to obtain from the Borrower or any of its Subsidiaries for such governmental consent, approval, recording, qualification or authorization.

SECTION 5.11 Borrowing of Initial Loans. On the day (which day shall be a Business Day) on which the Borrower receives notice from the Administrative Agent that the conditions precedent set forth in Article IV have been satisfied (or waived by the Required Lenders in accordance with Section 9.02(b)), the Borrower shall send the Administrative Agent request for borrowing pursuant to Section 2.03 and borrow forthwith the Initial Term Loans.

ARTICLE VI.

Negative Covenants

Until the principal of and interest on each Loan and all fees and other amounts payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01 Incurrence of Indebtedness and Issuance of Disqualified Stock. (a) Except as provided in clause (b) of this Section 6.01 the Borrower shall not, and shall not permit any of its Material Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and the Borrower shall not issue any Disqualified Stock.

(b) Clause (a) of this Section 6.01 shall not apply to the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(i) the incurrence by the Borrower or any Material Subsidiary of unsecured Indebtedness in an aggregate principal amount (including the aggregate principal amount of all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (i)) which does not exceed, as of the date of such incurrence, at any time outstanding $250,000,000; provided that such Indebtedness shall have (A) a final Stated Maturity of principal at least six months later than the Maturity Date (or, in the case of a letter of credit, an expiry date at least six months later than the Maturity Date) and (B) a Weighted Average Life to Maturity longer than the Weighted Average Life to Maturity of the Loans; provided, further that no draw under a letter of credit by the beneficiary thereof (and resulting reimbursement obligation of the Borrower or any of its Material Subsidiaries in respect thereof) prior to such date shall be considered a violation of the requirement set forth in this clause (i) regarding the final Stated Maturity thereof;

(ii) unsecured subordinated Indebtedness or Disqualified Stock of the Borrower in an aggregate principal amount (or liquidation preference, as applicable) (including the aggregate principal amount (or liquidation preference, as applicable) of all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness or Disqualified Stock, as applicable, incurred pursuant to this subclause (iii)) at any time outstanding not to exceed the product of (a) $100.00 and (b) the number of Subscribers at such time; provided that such subordinated Indebtedness or Disqualified Stock, as applicable, shall have a Weighted Average Life to Maturity longer than the Weighted Average Life to Maturity of the Loans and a final Stated Maturity of principal at least six months later than the Maturity Date;

(iii) the incurrence by the Borrower and its Material Subsidiaries of (x) the Existing Indebtedness, including pursuant to the January 2003 Financing Transactions (other than the borrowings described in clause (c) of the definition thereof) and (y) Indebtedness under the Distribution and Credit Agreement in an aggregate principal amount not to exceed $150,000,000;

(iv) the incurrence by the Borrower and any Subsidiary Loan Party of Indebtedness represented by the Senior Fixed Rate Notes and any Guarantees thereof and any exchange notes and Guarantees thereof to be issued pursuant to the Registration Rights Agreement;

(v) the incurrence by the Borrower and any Subsidiary Loan Party of the Indebtedness pursuant to the Existing XM Facilities;

(vi) the incurrence by the Borrower or any Subsidiary Loan Party, or Material Subsidiary as applicable, of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace, Indebtedness (other than intercompany Indebtedness or the Existing 10% Notes) that was permitted to be incurred under subclauses (i), (ii), (iii), (iv), (v), (xi), (xii), (xiii) or (xvii) of this clause (b);

(vii) the incurrence by the Borrower or any Material Subsidiary of intercompany Indebtedness between or among the Borrower and any Subsidiary;provided, however, that:

(A) if the Borrower or any Material Subsidiary is the obligor on such Indebtedness, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Borrower Obligations and Guarantor Obligations; and

(B) (1) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Borrower or a Subsidiary thereof and (2) any sale or other transfer of any such Indebtedness to a Person that is not either the Borrower or a Subsidiary thereof, shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Borrower or such Material Subsidiary, as the case may be, that was not permitted by this subclause (vii);

(viii) the incurrence by the Borrower or any Material Subsidiary of Hedging Obligations directly related to Indebtedness permitted to be incurred under this Agreement;

(ix) the accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock shall not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this Section 6.01;

(x) the incurrence by the Borrower of unsecured subordinated Indebtedness or Disqualified Stock in an aggregate principal amount not to exceed $250,000,000 at any time outstanding the proceeds of which are used to finance the construction, expansion, development or acquisition of music libraries and other recorded music programming, furniture, fixtures and equipment (including satellites, ground stations and related equipment); provided that such subordinated Indebtedness or Disqualified Stock, as applicable, shall have a Weighted Average Life to Maturity longer than the Weighted Average Life to Maturity of the Loans and a final Stated Maturity of principal at least six months later than the Maturity Date;

(xi) from and after any Parent Company Merger, Borrower-SIRIUS Merger or, prior to the Holdings Covenant and Collateral Release Notice, a XM-SIRIUS Merger Indebtedness of Holdings or SIRIUS, as the case may be, that become Indebtedness of the Borrower as a result thereof;

(xii) a single Qualified Sale and Leaseback Transaction, and any Permitted Beneficial Interest Indebtedness;

(xiii) Satellite Vendor Indebtedness;

(xiv) any Indebtedness incurred hereunder and the Guarantee of such Indebtedness;

(xv) the incurrence by the Borrower of one or more MLB Letters of Credit in an aggregate face amount not to exceed $120,000,000 at any time for all such MLB Letters of Credit if such MLB Letters of Credit are not drawn upon, or, if and to the extent drawn upon, such drawing is not reimbursed within ten Business Days following payment on such MLB Letters of Credit;

(xvi) [Reserved]

(xvii) the incurrence by the Borrower or any Material Subsidiary of unsecured Indebtedness undertaken in connection with the Merger or any Merger Related Event (including without limitation in connection with a change of control offer to security holders of the Borrower, any Material Subsidiary or Holdings, a change of control offer in connection with an XM-4 Sale and Leaseback Transaction or a waiver of any such change of control offer or right to receive the same), other than or in addition to Permitted Refinancing Indebtedness incurred for such purpose, in an aggregate principal amount (including the aggregate principal amount of all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (xvii)) which does not exceed, as of the date of such incurrence, at any time outstanding $100,000,000; provided that such Indebtedness shall have a final Stated Maturity of principal at least six months later than the Maturity Date and a Weighted Average Life to Maturity longer than the Weighted Average Life to Maturity of the Loans; and

(xviii) the incurrence by Holdings and any Subsidiary Loan Party of unsecured Indebtedness represented by unsecured Guarantees of the XM Escrow Senior Notes; provided, however, that such unsecured Guarantees shall be in form and substance reasonably satisfactory to the Administrative Agent.

(c) The Borrower shall not incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Borrower unless such Indebtedness is also contractually subordinated in right of payment to the Credit Agreement Obligations on substantially identical terms; provided, however, that no Indebtedness of the Borrower shall be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Borrower solely by virtue of being unsecured.

For purposes of determining compliance with this Section 6.01, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (i) through (xiv) above, the Borrower may, in its sole discretion, classify (and later reclassify) such item of Indebtedness in any manner that complies with this Section, and such item of Indebtedness will be treated as having been incurred pursuant to only one of such clauses.

SECTION 6.02 Liens. The Borrower shall not, and shall not permit any of its Material Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind upon any of their property or assets, whether now owned or hereafter acquired, other than Permitted Liens.

SECTION 6.03 Merger, Consolidation or Sale of Assets. (a) The Borrower shall not consolidate or merge with or into (whether or not the Borrower is the surviving corporation), or sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Borrower and its Material Subsidiaries taken as a whole, in one or more related transactions to, another Person unless:

(i) the Borrower is the surviving corporation or the Person formed by or surviving any such consolidation or merger (if other than the Borrower) or to which such sale, assignment, transfer, conveyance or other disposition shall have been made is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia;

(ii) the Person formed by or surviving any such consolidation or merger (if other than the Borrower) or the Person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the Borrower Obligations pursuant to agreements in a form reasonably satisfactory to the Administrative Agent;

(iii) immediately after such transaction, no Default or Event of Default exists;

(iv) the Borrower or the Person formed by or surviving any such consolidation or merger (if other than the Borrower), or to which such sale, assignment, transfer, conveyance or other disposition shall have been made will have Consolidated Net Worth immediately after the transaction equal to or greater than the Consolidated Net Worth of the Borrower immediately preceding the transaction; and

(v) in the case of a sale, assignment, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Borrower and its Material Subsidiaries, taken as a whole, in one or more related transactions, the Liens on such properties and assets for the benefit of the Secured Parties to secure the Borrower Obligations and the Guarantor Obligations shall not be released and shall continue in full force and effect after giving effect to such transactions or transactions.

In addition, the Borrower shall not, and shall not permit its Material Subsidiaries to, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. This Section 6.03(a) shall not apply to (w) a consolidation, merger, sale, assignment, transfer, conveyance or other disposition of properties or assets between or among the Borrower and any of its Wholly Owned Subsidiary Guarantors, (x) the Parent Company Merger, (y) the Borrower Sirius Merger so long as the Borrower has complied with the requirements set forth in clauses (i) through (v) above or (z) prior to the Holdings Covenant and Collateral Release Notice, the XM-SIRIUS Merger so long as Holdings has complied with the requirements set forth in clauses (i) through (v) above.

(b) The Borrower shall not, and shall not permit its Material Subsidiaries to, engage in any Asset Sale (other than any Asset Sale otherwise permitted under clause (a) of this Section) except for (1) the disposition of assets having a fair market value not to exceed (x) $50,000,000 in the aggregate for any fiscal year of the Borrower (provided that (i) any such amount, if not so used in the fiscal year for which it is permitted, may be carried over for use in the next succeeding fiscal year and (ii) Asset Sales made pursuant to this clause (1) during any fiscal year shall be deemed made, first, in respect of amounts carried over from the prior fiscal year pursuant to subclause (i) hereof and second, in respect of amounts permitted for such fiscal year as provided above) and (y) $150,000,000 in the aggregate since May 5, 2006; and (2) the sale or other disposition of surplus repeaters; provided that, in each case and notwithstanding the foregoing, (i) any such Asset Sale shall be for consideration at least 75% of which is in the form of cash or Cash Equivalents, (ii) such consideration shall be at least equal to the fair market value of the assets or Equity Interests being issued, sold, transferred, leased or otherwise disposed of, (iii) such fair market value shall be determined in good faith by the board of directors of the Borrower and evidenced by a board resolution evidenced in an officer's certificate delivered to the Administrative Agent, and (iv) the Borrower shall have applied any Excess Proceeds therefrom in accordance with Sections 2.10(c). For purposes of this clause (b), each of the following shall be deemed to be cash: (1) any liabilities (as shown on the Borrower's or any Material Subsidiary's most recent balance sheet or in the notes thereto) of the Borrower or any Material Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Credit Agreement Obligations or any Guarantee thereof) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Borrower or such Material Subsidiary from further liability; (2) any securities, notes or other obligations received by the Borrower or any Material Subsidiary from such transferee that are

converted by the Borrower or such Material Subsidiary into cash (to the extent of the cash received in that conversion) within 30 days of the receipt thereof; and (3) any Equity Interests (to the extent the acquisition thereof constitutes a Permitted Investment under clause (l) of the definition thereof).

SECTION 6.04 Dividend and Other Payment Restrictions Affecting Material Subsidiaries. (a) The Borrower shall not, and shall not permit any of its Material Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Material Subsidiary to:

(i) pay dividends or make any other distributions on its Equity Interests to the Borrower or any of its Material Subsidiaries or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Borrower or any of its Material Subsidiaries;

(ii) make loans or advances to the Borrower or any of its Material Subsidiaries;

(iii) transfer any of its properties or assets to the Borrower or any of its Material Subsidiaries; or

(iv) guarantee any Indebtedness of the Borrower or any of its Material Subsidiaries;

(b) Notwithstanding the foregoing, the restrictions in the preceding clause (a) shall not apply to encumbrances or restrictions existing under or by reason of:

(i) Existing Indebtedness (including the Senior Fixed Rate Notes) and the Existing Obligations as in effect on the Closing Date and, with respect to any such Indebtedness other than the Existing 10% Notes, any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof, provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in such Existing Indebtedness, as in effect on the Closing Date;

(ii) the Loan Documents;

(iii) applicable law;

(iv) any instrument governing Indebtedness or Equity Interests of a Person acquired by the Borrower or any of its Material Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; provided that, in the case of Indebtedness, such Indebtedness was permitted by this Agreement to be incurred;

(v) customary non-assignment provisions in leases or contracts or real property mortgages or related documents entered into in the ordinary course of business and consistent with past practices;

(vi) purchase money obligations, Capital Lease Obligations or mortgage financings that impose restrictions on the property so acquired of the nature described in clause (a)(iii) hereto or Pari Passu Indebtedness incurred pursuant to Section 6.01(b)(i);

(vii) any agreement for the sale or other disposition of a Material Subsidiary that restricts distributions by that Subsidiary pending its sale or other disposition;

(viii) Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(ix) Liens securing Indebtedness that limit the right of the debtor to dispose of the assets subject to such Lien;

(x) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business; and

(xi) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

SECTION 6.05 Sale and Leaseback Transactions. The Borrower shall not, and shall not permit any of its Material Subsidiaries to, enter into any sale and leaseback transaction (other than a sale and leaseback transaction between the Borrower and one or more of its Material Subsidiaries that are not Subsidiary Loan Parties or among Material Subsidiaries that are not Subsidiary Loan Parties) other than a single Qualified Sale and Leaseback Transaction and any Permitted Refinancing Indebtedness in respect thereof.

SECTION 6.06 Restricted Payments. (a) The Borrower shall not, and shall not permit any of its Material Subsidiaries to:

(1) declare or pay any dividend or make any other payment or distribution on account of the Borrower's Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Borrower) or to the direct or indirect holders of the Borrower's Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Borrower and cash in lieu of fractional interests not to exceed 1% of the Equity Interests distributed or paid);

(2) other than pursuant to a Parent Company Merger, the Borrower-SIRIUS Merger or the XM-SIRIUS Merger purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Borrower) any Equity Interests of the Borrower (other than any such Equity Interests owned by the Borrower or any of its Material Subsidiaries) or any Affiliate of the Borrower (other than any of its Material Subsidiaries);

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated in right of payment to the Borrower Obligations or any Guarantees thereof except, in each case, a payment of interest or principal at the Stated Maturity thereof; or

(4) make any Restricted Investment (all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "Restricted Payments"), unless:

(i) at the time of and after giving effect to such Restricted Payment, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(ii) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower and its Material Subsidiaries after May 5, 2006 (excluding Restricted Payments permitted by subclauses (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xii), (xiii) and (xiv) of clause (b) of this Section 6.06), is less than (x) $20,000,000 in any fiscal year of the Borrower (provided that (i) any such amount, if not so used in the fiscal year for which it is permitted, may be carried over for use in the next succeeding fiscal year and (ii) Restricted Payments made pursuant to this clause (ii)(x) during any fiscal year shall be deemed made, first, in respect of amounts permitted for such fiscal year as provided above and,second, in respect of amounts carried over from the prior fiscal year pursuant to subclause (i) hereof) and (y) $60,000,000 since May 5, 2006; provided, however, that Restricted Payments made pursuant to this clause (ii) shall be made solely by the Borrower to Holdings (and shall not be made by Holdings to any other Person) and shall be made solely to the extent that (1) Holdings in turn uses all amounts paid to it pursuant to this clause (ii) solely, and reasonably promptly upon receipt thereof, for the payment of expenses in the ordinary course of its business (which may include payments of amounts due to vendors in respect of its satellites and the payment of interest then due and payable (but not the payment of principal) with respect to its Convertible Senior Notes due 2009) and (2) Holdings is a party to the Guarantee and Collateral Agreement and the other Loan Documents to which it is a party as of the First Amendment Effective Date.

(b) Clause (a) of this Section 6.06 shall not prohibit, so long as no Default has occurred and is continuing or would be caused thereby:

(i) the payment of any dividend or other distribution within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of this Agreement, and such payment will be deemed to have been paid on the date of declaration for purposes of the calculation in clause (a)(4)(ii);

(ii) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of the Borrower or of any of the Borrower's Equity Interests in exchange for, or out of the net cash proceeds of the sale, which sale shall have occurred within 90 days of the date of any such redemption, repurchase, retirement, defeasance or other acquisition, (other than to a Material Subsidiary of the Borrower) of, the Borrower's Equity Interests (other than Disqualified Stock) and cash payments in lieu of fractional interests not to exceed 1% of the Equity Interests so redeemed, repurchased, retired, defeased or otherwise acquired;

(iii) the purchase, redemption, defeasance or other acquisition or retirement for value of subordinated Indebtedness of the Borrower in exchange for, or out of the net cash proceeds of an incurrence, which incurrence shall have occurred within 90 days of the date of any such purchase, redemption, defeasance or other acquisition or retirement for value, (other than to a Material Subsidiary of the Borrower) of, Permitted Refinancing Indebtedness;

(iv) the payment of any dividend by a Material Subsidiary of the Borrower to the holders of its common Equity Interests on a pro rata basis;

(v) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Borrower or any Material Subsidiary of the Borrower held by any member of the Borrower's (or any of its Material Subsidiaries') management pursuant to any management equity subscription agreement or stock option agreement in effect as of May 5, 2006; provided that the aggregate price paid for all such repurchased, vested, redeemed, acquired or retired Equity Interests shall not exceed $1,000,000 in any twelve-month period;

(vi) the purchase of any subordinated Indebtedness at a purchase price not greater than 100% of the principal amount or accreted value thereof, as the case may be, together with accrued interest, if any, following (and in an amount not to exceed the Net Proceeds of (less any amounts applied as required by Sections 2.10(c)) an Asset Sale permitted under Section 6.03;

(vii) making payments to dissenting shareholders pursuant to applicable law in connection with a consolidation or merger of the Borrower made in compliance with the provisions of this Agreement;

(viii) Restricted Investments in an amount equal to 100% of Total Incremental Equity since May 5, 2006 determined as of the date any such Restricted Investment is made, less any amount of such Total Incremental Equity previously applied to make a Restricted Investment pursuant to this subclause (viii);

(ix) the payment of dividends to Holdings the proceeds of which are used to satisfy ordinary course administrative expenses of Holdings, but in no event to exceed $3,000,000 in any given fiscal year of the Borrower;

(x) for so long as SIRIUS files consolidated income tax returns which include Holdings and the Borrower, the payment of any dividend required to permit SIRIUS to pay any taxes that are due and payable by SIRIUS, Holdings and the Borrower as part of a consolidated group; provided that any such payment made from time to time shall not exceed the net amount of the relevant (estimated or final, as the case may be) tax liability that SIRIUS actually owes to the appropriate taxing authority at such time in respect of the tax obligations of the Holdings, the Borrower and their Subsidiaries;

(xi) any payments required by Section 9.7(b) of the Note Purchase Agreement;

(xii) the repurchase, redemption or other acquisition or retirement of Equity Interests (other than Disqualified Stock) deemed to occur upon the exercise, vesting, exchange or conversion of stock options, warrants or other similar rights to the extent such Equity Interests represent a portion of the exercise or exchange price of those stock options, and the repurchase, redemption or other acquisition or retirement of Equity Interests (other than Disqualified Stock) is made in lieu of withholding taxes resulting from the exercise, vesting, exchange or conversion of stock options, warrants or other similar rights and such repurchase, redemption, acquisition or retirement of such Equity Interests does not involve any payment by the Borrower or a Material Subsidiary of any cash or Cash Equivalents in exchange therefor;

(xiii) an XM-4 Sale and Leaseback Transaction that involves transactions between the Borrower and Holdings or one or more of the Subsidiaries of either; and

(xiv) the purchase of any subordinated Indebtedness at a purchase price not greater than 101% of the principal amount or accreted value thereof, as the case may be, together with accrued interest, if any, following a "change of control" under and as defined in the documents pursuant to which such subordinated Indebtedness is issued, as applicable, in accordance with the provisions thereof; provided, however, that prior to such purchase the Borrower shall have made any payments (including the deposit of any cash collateral) required by Section 2.10(d).

(c) The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued to or by the Borrower or such Material Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant shall be determined by the Board of Directors of the Borrower, whose good faith resolution with respect thereto shall be conclusive and shall be delivered to the Administrative Agent, and the fair market value of any assets or securities that are required to be valued by this Section 6.06 that exceeds $5,000,000 shall be determined by a majority of the members of the Board of Directors of the Borrower who are "independent" within the meaning of the rules and regulations promulgated by the NASDAQ National Market, whose good faith resolution with respect thereto shall be conclusive and shall be delivered to the Administrative Agent. Not later than the date of making any Restricted Payment, the Borrower shall deliver to the Administrative Agent an officers' certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "Restricted Payments" covenant were computed, together with a copy of resolutions of the Board of Directors required hereby.

SECTION 6.07 Transactions with Affiliates. (a) The Borrower shall not, and shall not permit any of its Material Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or

enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an "Affiliate Transaction"), unless:

(i) such Affiliate Transaction is on terms that are no less favorable to the Borrower or the relevant Material Subsidiary than those that would have been obtained in a comparable transaction by the Borrower or such Material Subsidiary with an unrelated Person; and

(ii) the Borrower delivers to the Administrative Agent:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $5,000,000, board resolutions set forth in an officers' certificate certifying that such Affiliate Transaction complies with this Section 6.07 and, if an opinion meeting the requirements set forth in subclause (B) below has not been obtained, that such Affiliate Transaction has been approved by a majority of the members of the board of directors who have no direct financial interest in such Affiliate Transaction (other than as a stockholder of Holdings); and

(B) with respect to (x) any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $20,000,000, or (y) an Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $5,000,000 where none of the members of the board of directors qualify as having no direct financial interest in such Affiliate Transaction (other than as a stockholder of Holdings), an opinion as to the fairness to the Borrower or such Material Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

(b) The following items shall not be deemed to be Affiliate Transactions and, therefore, shall not be subject to the provisions of clause (a):

(i) any transaction by the Borrower or any Material Subsidiary with an Affiliate related to the purchase, sale or distribution of XM radios, subscriptions to XM Radio Service or other products or services in the ordinary course of business, including any such transaction with an automotive manufacturer, which has been approved by a majority of the members of the board of directors who are disinterested with respect to such transaction;

(ii) any employment agreement or arrangement or employee benefit plan entered into by the Borrower or any of its Material Subsidiaries in the ordinary course of business of the Borrower or such Material Subsidiary;

(iii) transactions between or among the Borrower and/or its Material Subsidiaries;

(iv) payment of reasonable directors fees and provisions of customary indemnification to directors, officers and employees of the Borrower and its Material Subsidiaries;

(v) sales of Equity Interests (other than Disqualified Stock) to Affiliates of the Borrower;

(vi) Restricted Payments that are permitted under Section 6.06(b) and under subclauses (h), (i) and (m) of the definition of "Permitted Investments";

(vii) transactions pursuant to the Tax Sharing Agreement and any renewals, extensions, implementations or modifications thereof that are not materially adverse to the Lenders;

(viii) contractual arrangements existing on May 5, 2006 and any renewals, extensions, implementations or modifications thereof that are not materially adverse to the Lenders;

(ix) increases, decreases or other modifications to the Indebtedness referred to in the definition of January Financing Transactions which have been approved by a majority of the members of the Board of Directors of the Borrower who are disinterested with respect to such transactions and which are otherwise permitted under this Agreement;

(x) an XM-4 Sale and Leaseback Transaction that involves transactions between the Borrower and Holdings or one or more of the Subsidiaries of either; and

(xi) the Parent Company Merger, the Borrower-SIRIUS Merger or the XM-SIRIUS Merger.

SECTION 6.08 Negative Pledge. The Borrower shall not, and shall not permit any Material Subsidiaries to, directly or indirectly enter into, incur or permit to exist any agreement or other arrangement that prohibits or restricts the ability of the Borrower or any Material Subsidiary to create, incur or permit to exist any Lien upon any of the Collateral to secure the Borrower Obligations or the Guarantor Obligations; provided that (i) the foregoing shall not apply to (i) restrictions imposed by law or by this Agreement, (ii) restrictions existing on the date hereof identified on Schedule 6.08 (but shall apply to any amendment or modification expanding the scope of, any such restriction or condition), (iii) restrictions imposed by any agreement relating to purchase money Indebtedness or Capital Leases permitted by this Agreement if such restrictions apply only to the property or assets securing such Indebtedness and (iv) customary provisions in leases and other contracts restricting the assignment thereof.

SECTION 6.09 Liquidity Test. The Borrower shall not permit its unrestricted cash and Cash Equivalents at any time to be less than $75,000,000 in the aggregate.

SECTION 6.10 Line of Business. The Borrower shall not, and shall not permit any of its Material Subsidiaries to, enter into any business, either directly or through any Subsidiary, except for the Permitted Business.

SECTION 6.11 Amendments to Existing XM Facilities. The Borrower shall not agree to any material amendment, restatement, supplement or other modification or to at any time, Articles III, V, VI or VII of either Existing XM Facility or any other provision thereof containing representations and warranties, covenants or events of default (any such material amendment, restatement, supplement or other modification, a "Specified Change") without, simultaneously with any such Specified Change, agreeing to make corresponding changes to this Agreement. Notwithstanding the foregoing, nothing in this Section 6.11 shall prevent the Borrower from agreeing to any Specified Change if the "Lenders" or "Required Lenders" (in each case as defined in applicable Existing XM Facility) have approved such Specified Change and the Required Lenders have not approved such Specified Change in accordance with Section 9.02(b).

SECTION 6.12 XM-4 Satellite Collateral. The Borrower shall not, and shall not permit any of its Subsidiaries to, enter into any license and/or access agreement with respect to the Indivisible Ancillary XM-4 Satellite Collateral in connection with a sale and leaseback transaction except as otherwise permitted by Section 9.06.

SECTION 6.13 Limitation on Outstandings and Use of Cash. The Borrower shall not permit any of its cash or Cash Equivalents to be used, whether directly or indirectly, for the repurchase, redemption or refinancing of any or all of the Existing 10% Notes, the Senior Fixed Rate Notes, the XM Escrow Senior Notes or the Convertible Senior Notes due 2009 issued by Holdings, other than such cash and Cash Equivalents that are the proceeds of Permitted Refinancing Indebtedness in respect of such Existing 10% Notes, Senior Fixed Rate Notes, the XM Escrow Senior Notes, the Convertible Senior Notes due 2009 issued by Holdings, as applicable; provided, however, that, notwithstanding the foregoing, any Cash or Cash Equivalents of the Borrower may be used in connection with the repurchase, redemption or refinancing of any or all of the Existing 10% Notes, including in connection with an Existing 10% Notes Change of Control Offer, in an aggregate amount (the "Take-Out Amount") not to exceed 101% of the principal amount of such Existing 10% Notes plus accrued and unpaid interest, if any; provided that, the determination of such Take-Out Amount for purposes hereof shall exclude any amount paid in Equity Interests of Holdings (prior to the Merger) or SIRIUS (following the Merger) or proceeds of such Equity Interests.

ARTICLE VII.

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan, whether at the Maturity Date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, or any other Loan Document when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Loan Party in this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document (excluding, in each case, any projections delivered by or on behalf of any Loan Party) or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been materially incorrect when made or deemed made;

(d) the Borrower or Holdings, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the Borrower's existence) or 5.08 or in Article VI or in Section 9.05;

(e) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) any event or condition occurs that results in any SIRIUS Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any SIRIUS Material Indebtedness or any trustee or agent on its or their behalf to cause any SIRIUS Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause shall not apply to any Indebtedness secured by a Lien on any property or assets of SIRIUS or a "Restricted Subsidiary" (as defined in the SIRIUS Credit Facility) that becomes due as a result of the voluntary sale or transfer, or the casualty or condemnation, of the property or assets securing such Indebtedness;

(g) (i) Holdings, the Borrower or any of its Subsidiaries shall (x) fail to make any payment of principal or interest, in each case regardless of amount (subject to any applicable grace period) in respect of any Material Indebtedness when and as the same shall become due and payable or (y) shall fail to observe or perform any covenant, condition or agreement contained in any Material Indebtedness, which failure enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity or (ii) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided, that this clause (f) shall not apply to (1) any Material Indebtedness under a Deferred Purchase Price Agreement if the failure to make a payment thereunder occurred in connection with a good faith contest by the Borrower

with respect to the performance by the satellite manufacturer of its obligations thereunder, (2) the failure of the Borrower to observe or perform any covenant, condition or agreement (other than with respect to the making of payments) in respect of the mortgage existing on the Closing Date on the building where the Borrower is headquartered, or (3) Indebtedness that becomes due as a result of the voluntary sale or transfer of property or assets, the issuance of Equity Interests or the incurrence of Permitted Debt; provided that, for the avoidance of doubt, this clause (3) shall not apply to the sale, assignment, transfer, conveyance or other disposition of all or substantially all of the property or assets or Equity Interests of Holdings or the Borrower or any other parent entity thereof.

(h) (i) Holdings, the Borrower or any of its Subsidiaries shall (x) fail to make any payment of principal or interest, in each case regardless of amount (subject to any applicable grace period) in respect of the Existing Obligations or any Permitted Refinancing Indebtedness in respect thereof when and as the same shall become due and payable or (y) shall fail to observe or perform any covenant, condition or agreement contained in the Existing Loan Documents or any Permitted Refinancing Indebtedness in respect thereof, which failure enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of the Existing Obligations or any Permitted Refinancing Indebtedness in respect thereof or any trustee or agent on its or their behalf to cause the Existing Obligations or any Permitted Refinancing Indebtedness in respect thereof to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity or (ii) any event or condition occurs that results in the Existing Obligations or any Permitted Refinancing Indebtedness in respect thereof becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of the Existing Obligations or any Permitted Refinancing Indebtedness in respect thereof or any trustee or agent on its or their behalf to cause the Existing Obligations or such Permitted Refinancing Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity;

(i) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of Holdings, the Borrower or any Material Subsidiary or any of its debts, or of a substantial part of any of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(j) Holdings, the Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator,

conservator or similar official for Holdings, the Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(k) Holdings, the Borrower or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(l) one or more judgments for the payment of money (including, without limitation, arising from matters set forth in clauses (f) or (g) of this Article (including the express exclusions therefrom)) in an aggregate amount in excess of $25,000,000 (to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has not denied coverage) shall be rendered against Holdings, the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment; or

(m) (i) an ERISA Event shall have occurred that when taken together with all other ERISA Events that have occurred, which individually or in the aggregate results in or could reasonably be expected to result in liability of Borrower or any ERISA Affiliate in excess of $25,000,000; (ii) there exists any fact or circumstance that reasonably could be expected to result in the imposition of a Lien or security interest under Section 412(n) of the Internal Revenue Code or under ERISA; or (iii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Borrower or any ERISA Affiliate;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, declare the unusued Commitment of each Lender and the obligation of each Lender to make Loans hereunder to be terminated, whereupon the same shall forthwith terminate, and declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitment of each Lender and the obligation of each Lender to make Loans hereunder shall automatically be terminated and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII.

The Administrative Agent

SECTION 8.01 Appointment. Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

SECTION 8.02 Administrative Agent in its Individual Capacity. The entity serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such entity and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

SECTION 8.03 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the entity serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct.

SECTION 8.04 Notice of Default. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 8.05 Reliance by the Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.06 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of this Article VIII shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

SECTION 8.07 Successor Administrative Agent. Subject to the appointment and acceptance of a successor Administrative Agent as provided in this Section, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of Borrower so long as no Event of Default shall have occurred and be continuing (such consent not to be unreasonably withheld or delayed) to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

SECTION 8.08 Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

SECTION 8.09 Indemnification. Each Lender agrees to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), in the amount of its pro rata share (based on its Loans hereunder), 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 (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loans, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall 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 final and nonappealable decision of a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

ARTICLE IX.

Miscellaneous

SECTION 9.01 Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower,

XM Satellite Radio Inc.
1500 Eckington Place, N.E.
Washington D.C. 20002
Attention of Chief Financial Officer
(with a copy to the General Counsel
and the Treasurer)
(Telecopy No. (202) 380-4534);

(ii) if to the Administrative Agent, to

Liberty Media Corporation
12300 Liberty Blvd.
Englewood, CO 80112
Attention of: David Flowers
Telecopy No. (720) 875-5915, (with a copy to
Baker Botts LLP
30 Rockefeller Plaza, Floor 45
New York, NY 10112

Attention of: Marc Leaf and Martin Toulouse
Telecopy No. (212) 259-2559 / (212) 259-2587); and

(iii) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02 Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (x) pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders, (y) by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement or required amendment or modification shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of

expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.17(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (vi) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, (vii) permit the incurrence by Holdings, the Borrower or any Material Subsidiary of secured Indebtedness in an aggregate amount which exceeds the aggregate amount of secured Indebtedness permitted to be incurred under Section 6.01(b) as in effect on the Closing Date, without the written consent of the Lenders then holding in the aggregate more than 67% of (1) the Commitments or (2) if the Commitments have been terminated, the outstanding Loans, or (viii) release all or substantially all of the Collateral or release any of Holdings or any Subsidiary Loan Party from its guarantee under the Guarantee and Collateral Agreement, unless, in the case of a Subsidiary Loan Party, all or substantially all of the Equity Interests of such Subsidiary Loan Party are sold or otherwise disposed of in a transaction permitted by this Agreement or such Subsidiary Loan Party shall become an Immaterial Subsidiary in accordance with the provisions of this Agreement, in each case without the prior written consent of each Lender.

SECTION 9.03 Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with Intralinks (and related expenses) and the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all out-of-pocket expenses incurred by the Administrative Agent or, after an Event of Default shall have occurred and be continuing hereunder, any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Borrower shall indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person, an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of claims (other than a claim by the Borrower or any of its Affiliates) relating to (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on, from or to any property currently or formerly owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way, directly or indirectly, to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract,

tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 9.04 Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) neither Holdings nor the Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by Holdings or the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section), Indemnitees and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans, reimbursements and other obligations at the time owing to it), with the prior written consent of the Administrative Agent and the Borrower (such consent not to be unreasonably withheld); provided that no consent of the Borrower shall be required for (A) any assignment after the first anniversary of the Closing Date, (B) an assignment to a Lender, an Affiliate of a Lender, a Liberty Party or an Approved Fund (as defined below), or (C) if an Event of Default has occurred and is continuing.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Loans, the amount of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000 unless the Administrative Agent otherwise consents;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; and

(D) [Reserved]

(E) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Loan Parties and their related parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.16 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to,

each Lender pursuant to the terms hereof from time to time (the "Register"). The Register shall also set forth the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and such Lender's share thereof. The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.06(b), 2.17(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans, reimbursements and other obligations owing to it) solely to the extent (x) (1) required by law or regulation, (2) such Lender's risk managers determine (and advise the Borrower in writing) that doing so is advisable in view of safe and sound risk management practices or (3) failure to do so would reasonably jeopardize such Lender's ability to address regulatory concerns, and (y) such Lender shall have provided the Borrower such notice of the same as is reasonable under the circumstances; provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender shall not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Section 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b)

of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.10 as though it were a Lender, provided such Participant agrees to be subject to Section 2.17(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.16(e) as though it were a Lender.

(e) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05 Agreements of Holdings. (a) Holdings hereby agrees that it will be bound by each of the covenants in Article V and Article VI of this Agreement as if named therein as the Borrower (except that references to its Subsidiaries shall not include any Person that is not the Borrower or a Subsidiary of the Borrower), except as provided in Schedule 9.05(a), until such time as (a) the Release Date shall have occurred and (b) all of the operating assets of Holdings necessary for the conduct of the Borrower's business (other than the XM-4 Satellite Collateral) have been transferred to the Borrower or any Subsidiary Loan Party (the "Holdings Collateral Transfer") and Holdings shall have delivered a notice to the Administrative Agent in the form of Exhibit H hereto (the "Holdings Covenant and Collateral Release Notice") certifying that such Holdings Collateral Transfer has occurred (the "Holdings Covenant and Collateral Release Date"). From and after the Holdings Covenant and Collateral Release Date, (i) Holdings shall not be bound by any of the covenants in Article V or Article VI (other than Sections 5.10, 6.03(a), 6.06 (except as provided in Schedule 9.05(a)), 6.11(a), 6.11(d), 6.13 and 6.14, to which it shall continue to be bound as if named therein as the Borrower) of this Agreement and (ii) the representations and warranties in Sections 3.04(c), 3.05, 3.11, 3.13 and 3.14, as such representations and warranties apply to Holdings, shall be limited as provided Schedule 9.05(b).

(b) Holdings agrees that at all times, whether before, on or after the date of the first extension of credit under this Agreement and whether before, on or after the Holdings Covenant and Collateral Release Date, it shall not incur secured Indebtedness other than Permitted Holdings Debt, its Guarantor Obligations and its Obligations as a guarantor under the Revolving Credit Facility Documents.

(c) For the avoidance of doubt, the parties hereto agree (x) that the Excluded Entities shall not be restricted by the covenants set forth in Articles V and VI hereof, and (y) that liabilities appearing on the consolidated balance sheet of Holdings which are liabilities of one or more Excluded Entities but which are not liabilities of Holdings shall not be considered liabilities of Holdings for purposes of determining compliance by Holdings with any of the covenants set forth in Articles V or VI hereof.

SECTION 9.06 XM-4 Satellite Collateral. In the event that the XM-4 Satellite Collateral shall no longer constitute "Collateral" in accordance with the terms hereof and one or more of the Loan Parties creates a security interest in all or part of the XM-4 Satellite Collateral in favor of secured parties other than the Secured Parties and the Revolving Credit Facility Secured Parties, the Loan Parties shall have the right to enter into license and/or access agreements in form and substance reasonably acceptable to the Administrative Agent (and which agreements shall be deemed acceptable so long as and to the extent that they cover only such matters described in this Section 9.06 in the manner set forth herein) (it being understood that the Administrative Agent shall not be entitled to approve the commercial terms of any such license agreement unless any such term contravenes this Section 9.06) under which the Loan Parties shall grant to the representative of such secured parties one or more licenses (which may be royalty free) or other rights to use, and reasonable access to, Indivisible Ancillary XM-4 Satellite Collateral; provided that the Loan Parties certify to the Administrative Agent that such use of and/or access will not impair in any material respect the use or access to such Indivisible Ancillary XM-4 Satellite Collateral by any of the Loan Parties in the conduct of their business. At the request of the Loan Parties, the Administrative Agent shall consent to such agreements and enter into one or more agreements on terms reasonably acceptable to the Administrative Agent whereby it agrees to be bound by the terms of such license and access agreements in the event of any foreclosure by the Administrative Agent on such Indivisible Ancillary XM-4 Satellite Collateral.

SECTION 9.07 Survival. All covenants, agreements, representations and warranties made by the Borrower and Holdings herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid. The provisions of Sections 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans or the termination of this Agreement or any provision hereof.

SECTION 9.08 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall

become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.09 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.10 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender or Affiliate, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender and each of its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender or Affiliate may have.

SECTION 9.11 Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each of Holdings and the Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) Each of Holdings and the Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.12 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.13 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.14 Confidentiality. (a) Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel (including outside counsel), auditors (including independent auditors), and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority, (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (y) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (vii) with the consent of the Borrower or (viii) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent or any Lender or its Affiliates on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the

confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.14(a) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(c) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

SECTION 9.15 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.16 USA PATRIOT Act. Each Lender and the Administrative Agent hereby notifies the Loan Parties that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of the Loan Parties and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Loan Parties in accordance with the Act.

SECTION 9.17 OID Legend. The Loans have been issued with original issue discount ("OID") for purposes of Section 1271 et seq. of the Code. For information regarding the issue price, the yield to maturity, the amount of OID per $1,000 of principal amount and, if applicable, the comparable yield and projected payment, please contact the Borrower at the address set forth in Section 9.01.

SECTION 9.18 Signing Date. (a) This Agreement shall become effective on the date (the "Signing Date") when it shall have been executed by Holdings, the Borrower, the Lenders and the Administrative Agent and when the Administrative Agent shall have received copies hereof which, when taken together, shall bear the signatures of each of the other parties hereto; provided, however, that no Lender shall be obligated to make Loans until the Closing Date.

(b) The Commitments and all other obligations of the Lenders shall terminate on the earliest of (i) the termination of the Investment Agreement and (ii) December 31, 2009, provided that, at any time after the borrowing of the Initial Loans on the Borrowing, the Borrower shall have the right, upon one Business Day's notice to the Administrative Agent, to reduce in whole or in part the Available Commitments (any such reduction shall be in an amount equal to $1,000,000 or a whole multiple thereof and shall permanently reduce the Available Commitments then in effect).

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

XM SATELLITE RADIO INC.,
as Borrower

By: /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Secretary

XM SATELLITE RADIO HOLDINGS INC.

By: /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Secretary

LIBERTY MEDIA CORPORATION,
as Lender and as Administrative Agent

By: /s/ David Flowers
Name: David Flowers
Title: SVP & Treasurer

Exhibit 10.37

AMENDED AND RESTATED PURCHASE MONEY LOAN GUARANTEE AND COLLATERAL AGREEMENT

dated as of

April 30, 2009,

among

SIRIUS XM RADIO INC.,

ITS SUBSIDIARIES IDENTIFIED HEREIN

and

LIBERTY MEDIA CORPORATION,

as Collateral Agent

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Schedules

Exhibits

AMENDED AND RESTATED PURCHASE MONEY LOAN GUARANTEE AND COLLATERAL AGREEMENT dated as of April 30, 2009 (this "Agreement") among SIRIUS XM RADIO INC., a Delaware corporation (the "Borrower"), the subsidiaries of the Borrower from time to time party hereto and LIBERTY MEDIA CORPORATION ("Liberty"), as Collateral Agent.

PREAMBLE

WHEREAS, pursuant to that certain Term Credit Agreement dated as of February 17, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders from time to time party thereto and Liberty, as Administrative Agent and Collateral Agent, the Lenders have agreed to extend credit to the Borrower, subject to the terms and conditions set forth in the Credit Agreement;

WHEREAS, the parties hereto entered into that certain Purchase Money Loan Guarantee and Collateral Agreement dated as of February 17, 2009 (the Existing Agreement");

WHEREAS, the Borrower desires to draw the initial Purchase Money Loan pursuant to Section 2.01 of the Credit Agreement;

WHEREAS, the Borrower intends that the Purchase Money Loans be secured by the collateral set forth on Schedule II hereto;

WHEREAS, it is a condition precedent to the obligation of the Purchase Money Lenders to make Purchase Money Loans that the Borrower shall have delivered such documents and instruments as may be reasonably requested by the Collateral Agent to be delivered to create and perfect the Liens on the Collateral securing such Purchase Money Loans; and

WHEREAS, the Subsidiary Guarantors are Affiliates of the Borrower, will derive substantial benefits from the extension of Purchase Money Loans to the Borrower pursuant to the Credit Agreement and are willing to execute and deliver this Agreement in order to induce the Purchase Money Lenders to extend such Purchase Money Loans;

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Credit Agreement. (a) Capitalized terms used in this Agreement (including the preamble hereto) and not otherwise defined herein have the meanings specified in the Credit Agreement. All terms used in this Agreement and not defined herein or in the Credit Agreement have the meanings specified in Article 9 of the New York UCC (as defined herein) or, when the
context requires, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

(b) The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. Other Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Article 9 Collateral" has the meaning assigned to such term in Section 3.01.

"Borrower" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Claiming Party" has the meaning assigned to such term in Section 5.02.

"Collateral" means the Article 9 Collateral.

"Contributing Party" has the meaning assigned to such term in Section 5.02.

"Credit Agreement" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Intellectual Property" means all intellectual property of every kind and nature now owned or hereafter acquired by any Loan Party, including inventions, designs, patents, copyrights, licenses, trademarks, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"Liberty" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Loan Parties" means the Borrower and the Subsidiary Guarantors.

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

"Purchase Money Lenders" means the Lenders having Purchase Money Loans or having Purchase Money Loan Commitments.

"Purchase Money Obligations" means (a) the due and punctual payment by the Borrower of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Purchase Money Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (ii) all other monetary

obligations of the Borrower to any of the Purchase Money Lenders under the Credit Agreement or any other Loan Document, including obligations to pay fees, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), and (b) the due and punctual payment or performance of all other obligations of any Loan Party to any Purchase Money Lender under or pursuant to the Credit Agreement or any other Loan Document.

"Purchase Money Secured Parties" means (a) the Purchase Money Lenders, (b) the Administrative Agent, (c) the Collateral Agent, (d) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document in respect of the Purchase Money Loans, (e) each other Person to whom any of the Purchase Money Obligations is owed and (f) the permitted successors and assigns of each of the foregoing.

"Satellite Codes" has the meaning assigned to such term in Section 3.03(f).

"Satellite Vendor" means, with respect to any satellite, the prime contractor and manufacturer of such satellite.

"Security Interest" has the meaning assigned to such term in Section 3.01.

"Subsidiary Guarantors" means (a) the Subsidiaries identified on Schedule I and (b) each other Subsidiary that becomes a party to this Agreement as a Subsidiary Guarantor after the Effective Date.

"Term Loan Obligations" means all Obligations other than the Purchase Money Obligations.

ARTICLE II

Guarantee

SECTION 2.01. Guarantee. (a) Each Subsidiary Guarantor unconditionally guarantees, jointly with the other Subsidiary Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment of the Purchase Money Obligations. Each Subsidiary Guarantor further agrees that the Purchase Money Obligations may be extended, increased or renewed, in whole or in part, or amended or modified without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension, increase or renewal, or amendment or modification, of any Purchase Money Obligation, and agrees to pay any and all expenses (including, without limitation, fees and expenses of counsel) incurred by any Agent or any Purchase Money Lender in enforcing any rights under this guarantee or any other Loan Document. Each Subsidiary Guarantor does hereby (i) waive notice of acceptance of this guarantee; (ii) waive any notices or demands that are not required by this Agreement or the Credit Agreement, as well as any other notices or demands that

may otherwise be imposed by law; (iii) waive any and all rights that such Subsidiary Guarantor may have under any antideficiency statute or similar protections; (iv) agree not to assert any defense, right of set off or other claim which such Subsidiary Guarantor may have against the Borrower; (v) waive presentment, demand for performance, notice of nonperformance or dishonor, protest and notice of protest, promptness, diligence in collection and any and all formalities which otherwise might be legally required to charge such Subsidiary Guarantor with liability; and (vi) waive and agree not to assert or take advantage of assertion or claim that the automatic stay provided by 11 U.S. Code §362 (arising upon the voluntary or involuntary bankruptcy proceeding of the Borrower) or any other stay or delay provided under any debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable to the Borrower, shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of the Collateral Agent to enforce any of its rights which the Collateral Agent may have against such Subsidiary Guarantor pursuant to this Agreement.

(b) Without limiting the generality of the foregoing, each Subsidiary Guarantor's liability shall be extended to all amounts that constitute part of the Purchase Money Obligations and would be owed by any other Loan Party to any Agent or Purchase Money Lender under or in respect of the 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 such other Loan Party.

(c) Each Subsidiary Guarantor, and by its acceptance of this guarantee, each Agent and each Purchase Money Lender, hereby confirms that it is the intention of all such Persons that this guarantee and the Purchase Money Obligations of each Subsidiary Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of Title 11 U.S. Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to this guarantee and the Purchase Money Obligations of each Subsidiary Guarantor hereunder. To effectuate the foregoing intention, the Collateral Agent, on behalf of the Purchase Money Lenders, and the Subsidiary Guarantors hereby irrevocably agree that the Purchase Money Obligations of each Subsidiary Guarantor under this guarantee at any time shall be limited to the maximum amount as will result in the Purchase Money Obligations of such Subsidiary Guarantor under this guarantee not constituting a fraudulent conveyance or transfer.

SECTION 2.02. Guarantee of Payment. Each Subsidiary Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Collateral Agent or any other Secured Party to any security held for the payment of the Purchase Money Obligations or to any balance of any deposit account or credit on the books of the Collateral Agent or any other Secured Party in favor of the Borrower or any other Person.

SECTION 2.03. No Limitations. (a) Except for termination of a Subsidiary Guarantor's obligations hereunder as expressly provided in Section 6.13, the obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise of any of the Purchase Money Obligations, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Purchase Money Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor hereunder shall not be discharged or impaired or otherwise affected by (i) the failure of the Collateral Agent or any other Purchase Money Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise; (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Subsidiary Guarantor under this Agreement; (iii) the release of, or any impairment of or failure to perfect any Lien on or security interest in, any security held by the Collateral Agent or any other Purchase Money Secured Party for the Purchase Money Obligations or any of them; (iv) any default, failure or delay, willful or otherwise, in the performance of the Purchase Money Obligations; or (v) any other act or omission that may or might in any manner or to any extent vary the risk of any Subsidiary Guarantor or otherwise operate as a discharge of any Subsidiary Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all the Purchase Money Obligations). Each Subsidiary Guarantor expressly authorizes the Secured Parties to take and hold security for the payment and performance of the Purchase Money Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and direct the order and manner of any sale thereof in their sole discretion or to release or substitute any one or more other Subsidiary Guarantors or obligors upon or in respect of the Purchase Money Obligations, all without affecting the obligations of any Subsidiary Guarantor hereunder.

(b) To the fullest extent permitted by applicable law, each Subsidiary Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Subsidiary Guarantor or the unenforceability of the Purchase Money Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Subsidiary Guarantor, other than the indefeasible payment in full in cash of all the Purchase Money Obligations. The Collateral Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Purchase Money Obligations, make any other accommodation with the Borrower or any Subsidiary Guarantor or exercise any other right or remedy available to them against the Borrower or any Subsidiary Guarantor, without affecting or impairing in any way the liability of any Subsidiary Guarantor hereunder except to the extent the Purchase Money Obligations have been fully and indefeasibly paid in full in cash. To the fullest extent permitted by applicable law, each Subsidiary Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Subsidiary Guarantor against the Borrower or any other Subsidiary Guarantor, as the case may be, or any security. Each Subsidiary Guarantor acknowledges that it will receive

substantial direct benefits from the financing arrangements contemplated by the Loan Documents and that the waivers set forth in this Section 2.03 are knowingly made in contemplation of such benefits.

SECTION 2.04. Reinstatement. Each Subsidiary Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Purchase Money Obligation is rescinded or must otherwise be restored by the Collateral Agent or any other Purchase Money Secured Party upon the bankruptcy or reorganization of the Borrower, any Subsidiary Guarantor or otherwise.

SECTION 2.05. Agreement to Pay; Subrogation. In furtherance of the foregoing and not in limitation of any other right that the Collateral Agent or any other Purchase Money Secured Party has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Borrower or any Subsidiary Guarantor to pay any Purchase Money Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Subsidiary Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Collateral Agent for distribution to the applicable Purchase Money Secured Parties in cash the amount of such unpaid Purchase Money Obligation. Upon payment by any Subsidiary Guarantor of any sums to the Collateral Agent as provided above, all rights of such Subsidiary Guarantor against the Borrower or any other Subsidiary Guarantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Article VI.

SECTION 2.06. Information. Each Subsidiary Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and each other Subsidiary Guarantor's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Purchase Money Obligations and the nature, scope and extent of the risks that such Subsidiary Guarantor assumes and incurs hereunder, and agrees that none of the Collateral Agent or the other Purchase Money Secured Parties will have any duty to advise such Subsidiary Guarantor of information known to it or any of them regarding such circumstances or risks.

ARTICLE III

Security Interests in Personal Property

SECTION 3.01. Security Interest. (a) As security for the payment in full of the Purchase Money Obligations, each Loan Party hereby pledges to the Collateral Agent, its permitted successors and assigns, for the benefit of the Purchase Money Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the benefit of the Purchase Money Secured Parties, a security interest (the "Security Interest") in all right, title or interest in or to any and all of the assets and properties of such Loan Party described on Schedule II attached hereto and made a part hereof, as such Schedule II may be supplemented or modified from time to time to describe additional assets and properties of such Loan Party granted to secure such Loan Party's Purchase

Money Obligations (collectively, the "Article 9 Collateral"), together with all books and records pertaining to the Article 9 Collateral, and, to the extent not otherwise included, all Proceeds and products of the Article 9 Collateral and all assets and property affixed or appurtenant thereto.

(b) Each Loan Party hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in the proper jurisdictions any initial financing statements (including, if applicable, fixture filings) with respect to the Article 9 Collateral or any part thereof and amendments thereto and continuations thereof that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including (i) statements as to whether such Loan Party is an organization, the type of organization and any organizational identification number issued to such Loan Party and (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Article 9 Collateral relates. Each Loan Party agrees to provide such information to the Collateral Agent promptly upon request.

Each Loan Party also ratifies its authorization for the Collateral Agent to file in any proper jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

(c) The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Purchase Money Secured Party to, or in any way alter or modify, any obligation or liability of any Loan Party with respect to or arising out of the Article 9 Collateral (other than the duties expressly created hereunder).

SECTION 3.02. Representations and Warranties. The Loan Parties jointly and severally represent and warrant to the Collateral Agent and the other Purchase Money Secured Parties that:

(a) Each Loan Party has good and valid rights in and title to the Article 9 Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority to grant to the Collateral Agent, for the benefit of the Purchase Money Secured Parties, the Security Interest in such Article 9 Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval that has been obtained.

(b) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name and place of organization of each Loan Party, is correct and complete as of the Effective Date. The Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations prepared by the Collateral Agent based upon the information provided to the Collateral Agent in the Perfection Certificate for filing in each governmental, municipal or other office specified in Schedule 6 to the Perfection Certificate (or specified by notice from the Borrower to the Collateral Agent after the Effective Date in the case of filings, recordings or registrations required by

Section 5.12 of the Credit Agreement), are all the filings, recordings and registrations that are necessary to publish notice of, perfect and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the benefit of the Purchase Money Secured Parties) in respect of all Article 9 Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements.

(c) The Article 9 Collateral is owned by the Loan Parties free and clear of any Lien, except for Liens created under the Loan Documents and the Permitted Liens. None of the Loan Parties has filed or consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Article 9 Collateral or (ii) any assignment in which any Loan Party assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens created under the Loan Documents and the Permitted Liens.

SECTION 3.03. Covenants. (a) Upon the occurrence and during the continuance of an Event of Default, each Loan Party shall, upon reasonable request of the Collateral Agent, promptly prepare and deliver to the Collateral Agent a duly certified schedule or schedules in form and detail satisfactory to the Collateral Agent showing the identity, amount and location of any and all Article 9 Collateral.

(b) Each Loan Party agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request to better assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements (including, if applicable, fixture filings) or other documents in connection herewith or therewith.

Without limiting the generality of the foregoing, each Loan Party hereby authorizes the Collateral Agent, with prompt notice thereof to the Loan Parties, to supplement this Agreement by supplementing Schedule II or adding additional schedules hereto to specifically identify any asset or item that may constitute Article 9 Collateral financed with the proceeds of any Purchase Money Loans; provided that any Loan Party shall have the right, exercisable within 10 days after it has been notified by the Collateral Agent of the specific identification of such additional Article 9 Collateral, to advise the Collateral Agent in writing of any inaccuracy (i) with respect to such supplement or additional schedule or (ii) of the representations and warranties made by such Loan Party hereunder with respect to such Collateral. Each Loan Party agrees that it will use its reasonable best efforts to take such action as shall be necessary in order that all

representations and warranties hereunder shall be true and correct with respect to such Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Collateral.

(c) At its option, the Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, discharge past due taxes, assessments, charges, fees and Liens at any time levied or placed on the Article 9 Collateral and not permitted pursuant to Section 5.07 or 6.08 of the Credit Agreement, and may pay for the maintenance and preservation of the Article 9 Collateral to the extent any Loan Party fails to do so as required by the Credit Agreement or this Agreement, and each Loan Party jointly and severally agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; provided that nothing in this paragraph shall be interpreted as excusing any Loan Party from the performance of, or imposing any obligation on the Collateral Agent or any Purchase Money Secured Party to cure or perform, any covenants or other promises of any Loan Party with respect to taxes, assessments, charges, fees or Liens and maintenance as set forth herein or in the other Loan Documents.

(d) Each Loan Party shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof.

(e) Each Loan Party irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Loan Party's true and lawful agent (and attorney-in-fact) for the purpose, after the occurrence and during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of such Loan Party on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Loan Party at any time or times shall fail to obtain or maintain any of the policies of insurance required by the Credit Agreement or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Loan Parties hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this paragraph, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Loan Parties to the Collateral Agent and shall be additional Purchase Money Obligations secured hereby.

(f) Each Loan Party will, and will cause each of the Restricted Subsidiaries to, at the Loan Parties' expense, promptly following the request of the Collateral Agent (which may only be made following the occurrence and during the continuance of an Event of Default), (i) deliver to the Collateral Agent, subject to having obtained any consent or approval of, or registration or filing with, any Governmental

Authority for such delivery, all access codes, command codes and command encryption necessary to establish access to and perform tracking, telemetry, control and monitoring of any Satellite constituting Article 9 Collateral, including activation and control of any spacecraft subsystems and payload components and the transponders thereon (such access codes, command codes and command encryption being collectively referred to as the "Satellite Codes"), in each case where such Satellite Codes are in possession, or subject to the control, of the Borrower or any Restricted Subsidiary, (ii) use its reasonable best efforts to obtain any consent or approval of, or registration or filing with, any Governmental Authority referred to in clause (i) above or otherwise required to effect any transfer of operational control over any Satellite and related technical data (including any license approving the export or re-export of such Satellite to any Person as designated by the Collateral Agent) and (iii) deliver to the Collateral Agent written evidence of the issuance of any such consent, approval, registration or filing once such consent, approval, registration or filing has been obtained.

(g) Each Loan Party will, and will cause each of the Restricted Subsidiaries to, at the Loan Parties' expense, promptly following the request of the Collateral Agent (which may only be made following the occurrence and during the continuance of an Event of Default), use its reasonable best efforts to obtain from each provider (other than the Borrower or any Restricted Subsidiary) of tracking, telemetry, control and monitoring services for any Satellite constituting Article 9 Collateral, an agreement of such provider with the Collateral Agent (i) to deliver to the Collateral Agent, promptly following notification by the Collateral Agent that an Event of Default has occurred and is continuing, subject to having obtained any consent or approval of, or registration or filing with, any Governmental Authority for such delivery, all Satellite Codes in possession, or subject to the control, of such provider and, following delivery thereof, not change any such Satellite Codes without promptly furnishing to the Collateral Agent the new Satellite Codes, (ii) to use its reasonable best efforts, upon notification by the Collateral Agent that an Event of Default has occurred and is continuing, to obtain any consent or approval of, or registration or filing with, any Governmental Authority referred to in clause (i) above or otherwise required to effect any transfer of operational control over any Satellite for which such provider is providing any of the abovementioned services and related technical data and (iii) to deliver to the Collateral Agent written evidence of the issuance of any such consent, approval, registration or filing once such consent, approval, registration or filing has been obtained. If, notwithstanding the Loan Parties' and the Restricted Subsidiaries' having used their reasonable best efforts to obtain the agreements referred to in this paragraph, any such agreement shall not have been so obtained, each Loan Party shall, and shall cause the Restricted Subsidiaries to, instruct each such provider of tracking, telemetry, control and monitoring services (and each manufacturer of any Satellite that has not yet been launched) to cooperate in providing the Satellite Codes, consents, approvals, registrations and filings referred to in this paragraph.

(h) In the event that the United States signs and ratifies the Protocol on Space Assets to the Capetown Convention on Mobile Equipment, then each Loan Party shall ensure that any international interests (as defined in such Convention) with respect to space assets (as defined in such Protocol) constituting Article 9 Collateral are properly

registered with the international registry referred to therein and shall otherwise take all actions reasonably requested by the Collateral Agent to ensure that the security interest of the Collateral Agent is fully perfected and protected under such Protocol and such Convention.

(i) No Loan Party shall sell, lease, transfer or otherwise dispose of all or any part of any Article 9 Collateral without the prior written consent of the Collateral Agent, which consent shall not be unreasonably withheld.

ARTICLE IV

Remedies

SECTION 4.01. Remedies Upon Default. Upon the occurrence and during the continuance of an Event of Default, each Loan Party agrees to deliver, on demand, each item of Article 9 Collateral to the Collateral Agent or any Person designated by the Collateral Agent, and it is agreed that the Collateral Agent shall have the right to, with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to enter any premises where the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Loan Party agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Article 9 Collateral at a public or private sale, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. Each such purchaser at any sale of Article 9 Collateral shall hold the property sold absolutely, free from any claim or right on the part of any Loan Party, and each Loan Party hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which such Loan Party now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the applicable Loan Parties 10 days' written notice (which each Loan Party agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Article 9 Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Article 9 Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Article 9 Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Article 9 Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and

such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Article 9 Collateral is made on credit or for future delivery, the Article 9 Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent and the other Purchase Money Secured Parties shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Article 9 Collateral so sold and, in case of any such failure, such Article 9 Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Agreement, any Purchase Money Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Loan Party (all said rights being also hereby waived and released to the extent permitted by law), the Article 9 Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Purchase Money Secured Party from any Loan Party as a credit against the purchase price, and such Purchase Money Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Loan Party therefor. For purposes hereof, a written agreement to purchase the Article 9 Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Loan Party shall be entitled to the return of the Article 9 Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Purchase Money Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Article 9 Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 4.01 shall be deemed to conform to the commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

The Collateral Agent acknowledges that the exercise of its rights and remedies hereunder, including the rights set forth in this Section 4.01, may require prior approval of, or notice to, the FCC pursuant to the Communications Act of 1934, as amended, and the regulations promulgated thereunder.

SECTION 4.02. Application of Proceeds. The Collateral Agent shall apply the proceeds of any collection or sale of Article 9 Collateral as follows:

FIRST, to the payment of all costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, any other Loan Document or any of the Purchase Money Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Loan Document on behalf of any Loan Party and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Purchase Money Obligations (the amounts so applied to be distributed among the Purchase Money Secured Parties pro rata in accordance with the amounts of the Purchase Money Obligations owed to them on the date of any such distribution); and

THIRD, to the Loan Parties, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Article 9 Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Article 9 Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 4.03. Grant of License to Use Intellectual Property. Solely for the purpose of enabling the Collateral Agent to exercise rights and remedies under this Agreement at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Loan Party hereby grants to the Collateral Agent an irrevocable (except upon the indefeasible payment in full in cash of all the Purchase Money Obligations), nonexclusive license (exercisable without payment of royalty or other compensation to the Loan Parties) to use, license or sublicense Intellectual Property of such Loan Party that is necessary for the operation, maintenance or use of the Article 9 Collateral now or hereafter owned by such Loan Party, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Collateral Agent may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default as part of the Collateral Agent's exercise of remedies hereunder.

ARTICLE V

Indemnity, Subrogation and Subordination

SECTION 5.01. Indemnity and Subrogation. In addition to all such rights of indemnity and subrogation as the Subsidiary Guarantors may have under applicable law (but subject to Section 5.03), the Borrower agrees that (a) in the event a payment of an obligation shall be made by any Subsidiary Guarantor under this Agreement, the Borrower shall indemnify such Subsidiary Guarantor for the full amount of such payment and such Subsidiary Guarantor shall be subrogated to the rights of the Person to whom such payment shall have been made to the extent of such payment and (b) in the event any assets of any Subsidiary Guarantor shall be sold pursuant to this Agreement or any other Security Document to satisfy in whole or in part an obligation owed to any Secured Party, the Borrower shall indemnify such Subsidiary Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

SECTION 5.02. Contribution and Subrogation. Each Subsidiary Guarantor (a "Contributing Party") agrees (subject to Section 5.03) that, in the event a payment shall be made by any other Subsidiary Guarantor hereunder in respect of any Obligation or assets of any other Subsidiary Guarantor shall be sold pursuant to any Security Document to satisfy any Purchase Money Obligation (other, in each case, than a Purchase Money Obligation for the incurrence of which such other Subsidiary Guarantor received fair and adequate consideration) and such other Subsidiary Guarantor (the "Claiming Party") shall not have been fully indemnified by the Borrower as provided in Section 5.01, the Contributing Party shall indemnify the Claiming Party in an amount equal to the amount of such payment or the greater of the book value or the fair market value of such assets, as the case may be, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Party on the date hereof and the denominator shall be the aggregate net worth of all the Subsidiary Guarantors on the date hereof (or, in the case of any Subsidiary Guarantor becoming a party hereto pursuant to Section 6.14, the date of the supplement hereto executed and delivered by such Subsidiary Guarantor). Any Contributing Party making any payment to a Claiming Party pursuant to this Section 5.02 shall be subrogated to the rights of such Claiming Party under Section 5.01 to the extent of such payment.

SECTION 5.03. Subordination. (a) Notwithstanding any provision of this Agreement to the contrary, all rights of the Subsidiary Guarantors under Sections 5.01 and 5.02 and all other rights of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Purchase Money Obligations. No failure on the part of any Subsidiary Guarantor to make the payments required by Sections 5.01 and 5.02 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Subsidiary Guarantor with respect to its Purchase Money Obligations hereunder, and each Subsidiary Guarantor shall remain liable for the full amount of the obligations of such Subsidiary Guarantor hereunder.

(b) Each Subsidiary Guarantor hereby agrees that all Indebtedness and other monetary obligations owed to it by Borrower, any other Subsidiary Guarantor or any other Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the Purchase Money Obligations.

ARTICLE VI

Miscellaneous

SECTION 6.01. Notices. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Guarantor shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 6.02. Waivers; Amendment. (a) No failure or delay by the Collateral Agent or any other Secured Party in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent, the Administrative Agent and the other Purchase Money Secured Parties hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 6.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Collateral Agent, any Purchase Money Lender or any other Person may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Loan Party or Loan Parties with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.02 of the Credit Agreement.

SECTION 6.03. Collateral Agent's Fees and Expenses; Indemnification. (a) The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expenses incurred hereunder as provided in Section 9.03 of the Credit Agreement.

(b) Without limitation of its indemnification obligations under the other Loan Documents, each Loan Party jointly and severally agrees to indemnify the Collateral Agent and the other Indemnitees (as defined in Section 9.03(b) of the Credit Agreement) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of counsel, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or (ii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing or to the Article 9 Collateral, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and whether or not such claim, litigation, investigation or proceeding is brought by any Loan Party or any of its Affiliates or a third party; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. To the extent permitted by applicable law, none of the Loan Parties shall assert, and each Loan Party hereby waives, any claim against the Collateral Agent or any other Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection

with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(c) Any such amounts payable as provided hereunder shall be additional Purchase Money Obligations secured hereby and by the other Security Documents securing the Purchase Money Obligations. The provisions of this Section 6.03 shall survive and remain in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Purchase Money Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any other Purchase Money Secured Party. All amounts due under this Section 6.03 shall be payable promptly after written demand therefor.

SECTION 6.04. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Loan Party or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 6.05. Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties herein or in any other Loan Document or in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto or thereto and shall survive the execution and delivery of this Agreement and any other Loan Document and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Collateral Agent or any other Secured Party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid.

SECTION 6.06. Counterparts; Effectiveness; Several Agreement. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. This Agreement shall become effective as to any Loan Party when a counterpart hereof executed on behalf of such Loan Party shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such Loan Party and the Collateral Agent and their respective permitted successors and assigns, and shall inure to the benefit of such Loan Party, the Collateral Agent and the other Purchase Money Secured Parties and their respective successors and assigns, except that no Loan Party shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Article 9 Collateral (and any such assignment or

transfer shall be void) except as expressly contemplated by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Loan Party and may be amended, modified, supplemented, waived or released with respect to any Loan Party without the approval of any other Loan Party and without affecting the obligations of any other Loan Party hereunder.

SECTION 6.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular
jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 6.08. Right of Set-Off. If an Event of Default shall have occurred and be continuing, each Agent, each Purchase Money Lender and each of their Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Agent, Purchase Money Lender or Affiliate to or for the credit or the account of the Subsidiary Guarantors against any overdue obligations of such Subsidiary Guarantor now or hereafter existing under this Agreement or any other Loan Document that are held by such Agent or Purchase Money Lender, irrespective of whether or not such Agent or Purchase Money Lender shall have made any demand under this Agreement or such other Loan Document. The rights of each Purchase Money Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Agent or Purchase Money Lender may have.

SECTION 6.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each of the Loan Parties hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party, or its properties in the courts of any jurisdiction.

(c) Each of the Loan Parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section 6.09. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 6.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 6.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.10.

SECTION 6.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 6.12. Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest, the grant of a security interest in the Article 9 Collateral and all obligations of each Loan Party hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Purchase Money Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Purchase Money Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or

departure from any guarantee, securing or guaranteeing all or any of the Purchase Money Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Loan Party in respect of the Obligations or this Agreement.

SECTION 6.13. Termination or Release. (a) This Agreement, the Guarantees made herein, the Security Interest and all other security interests granted hereby shall terminate when all the Obligations (other than, with respect to the termination of the Security Interest and all other security interests granted hereby only, any Obligations that consists solely of contingent obligations) have been indefeasibly paid in full and the Lenders have no further commitment to lend under the Credit Agreement. In connection with any termination pursuant to this paragraph, the Collateral Agent shall execute and deliver to any Subsidiary Guarantor, at such Subsidiary Guarantor's expense, all Uniform Commercial Code termination statements and any other documents that such Subsidiary Guarantor shall reasonably request to evidence such termination. Any execution and delivery of documents pursuant to this Section 6.13 shall be without recourse to, or representation of warranty by, the Collateral Agent or any other Secured Party.

(b) Release of any Subsidiary Guarantor from its obligations hereunder and of the Security Interest in any Article 9 Collateral shall be governed by Section 9.13 of the Credit Agreement.

SECTION 6.14. Additional Subsidiaries. Pursuant to Section 5.11 of the Credit Agreement, certain Subsidiaries not originally parties hereto may be required from time to time to enter in this Agreement as Subsidiary Guarantors. Upon execution and delivery by the Collateral Agent and a Subsidiary of an instrument in the form of Exhibit I hereto, such Subsidiary shall become a Subsidiary Guarantor hereunder with the same force and effect as if originally named as a Subsidiary Guarantor herein. The execution and delivery of any such instrument shall not require the consent of any other Loan Party hereunder. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Loan Party as a party to this Agreement.

SECTION 6.15. Collateral Agent Appointed Attorney-in-Fact. Each Loan Party hereby appoints the Collateral Agent the attorney-in-fact of such Loan Party for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Collateral Agent shall have the right, but only upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of such Loan Party (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Article 9 Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Article 9 Collateral; (c) to sign the name of any Loan Party on any invoice or bill of lading relating to any of the

Article 9 Collateral; (d) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Article 9 Collateral or to enforce any rights in respect of any Article 9 Collateral; (e) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Article 9 Collateral; and (f) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Article 9 Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Article 9 Collateral for all purposes; provided that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Article 9 Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Purchase Money Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Loan Party for any act or failure to act hereunder, except for their own gross negligence, bad faith or willful misconduct.

SECTION 6.16. Specific Performance. The parties agree that irreparable damage would occur and that the Purchase Money Lenders and the other Purchase Money Secured Parties would not have any adequate remedy at law in the event that any provision of Sections 3.03(f), 3.03(g) and 3.03(h) were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Administrative Agent and the Required Lenders shall be entitled to an injunction or injunctions to prevent breaches of such Sections by any Loan Party and to enforce specifically the terms and provisions of this Agreement in any court referred to in Section 6.09(b), this being in addition to any other remedy to which they are entitled at law or in equity. Each Loan Party hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance referred to in the immediately preceding sentence that may be brought by the Administrative Agent or the Required Lenders.

SECTION 6.17. Amendment and Restatement of Existing Agreement. This Agreement shall amend and restate the Existing Agreement. Each Loan Party who has provided a guarantee or granted to the Collateral Agent a security interest in any of the Article 9 Collateral pursuant to the Existing Agreement and the Collateral Agent intend that this Agreement shall not cause a novation of any of such guarantee or such grants of security interests or the obligations of such Loan Party under the Existing Agreement, nor shall it extinguish, terminate or impair such Loan Party's guarantee, grant of security interests or obligations or the rights or remedies of the Purchase Money Secured Parties under the Existing Agreement or any other Collateral Agreement; provided that all such guarantees, grants of security interests, obligations, rights and remedies shall be on the terms and conditions of, and as set forth in, this Agreement, the Credit Agreement and the other Loan Documents. In addition, this Agreement shall not release, limit or impair in any way the priority of any security interests held by the

Collateral Agent for the benefit of the Purchase Money Secured Parties in any assets of the Loan Parties arising under the Existing Agreement or any other Collateral Agreement.

(Remainder of page intentionally left blank.)

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

SIRIUS XM RADIO INC.,

by /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Executive Vice President, General Counsel and Secretary

LIBERTY MEDIA CORPORATION, as Collateral Agent,

by /s/ David Flowers
Name: David Flowers
Title: SVP and Treasurer

Schedule I
to the Supplement No __ to the
Guarantee and
Collateral Agreement
SUBSIDIARY GUARANTOR
SIGNATURE PAGE TO
THE GUARANTEE AND
COLLATERAL AGREEMENT

SATELLITE CD RADIO, INC.,

by /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Secretary

SIRIUS ASSET MANAGEMENT COMPANY LLC

by /s/ Patrick Donnelly
Name: Patrick Donnelly
Title: Secretary

Exhibit 31.1

SIRIUS XM RADIO INC. AND SUBSIDIARIES

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Mel Karmazin, the Chief Executive Officer of Sirius XM Radio Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sirius XM Radio Inc. for the period ended March 31, 2009;

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

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

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

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

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

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

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

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

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

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

By: /s/ MEL KARMAZIN

Mel Karmazin
Chief Executive Officer
(Principal Executive Officer)

May 8, 2009

Exhibit 31.2

SIRIUS XM RADIO INC. AND SUBSIDIARIES

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, David J. Frear, the Executive Vice President and Chief Financial Officer of Sirius XM Radio Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sirius XM Radio Inc. for the period ended March 31, 2009;

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

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

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

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

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

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

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

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

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

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

By: /s/ DAVID J. FREAR

David J. Frear
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

May 8, 2009

Exhibit 32.1

SIRIUS XM RADIO INC. AND SUBSIDIARIES
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002

In connection with the Quarterly Report of Sirius XM Radio Inc. (the "Company") on Form 10-Q for the period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mel Karmazin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ MEL KARMAZIN
Mel Karmazin
Chief Executive Officer
(Principal Executive Officer)

May 8, 2009

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

SIRIUS XM RADIO INC. AND SUBSIDIARIES
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002

In connection with the Quarterly Report of Sirius XM Radio Inc. (the "Company") on Form 10-Q for the period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David J. Frear, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ DAVID J. FREAR
David J. Frear
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

May 8, 2009

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.