FORM 8-K

Current report filing

Filing Date: **1997-05-30** | Period of Report: **1997-05-16**
SEC Accession No. 0000893838-97-000081

FILER

MAGELLAN INTERNATIONAL INC

CIK:**1037388**| IRS No.: **954607698** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-22531** | Film No.: **97617204**
SIC: **4899** Communications services, nec

Mailing Address
ONE PICKWICK PLAZA
C/O PAN AM SAT
GREENWICH CT 06830

Business Address
7200 HUGHES TERRACE
C/O HUGHES ELECTRONICS CORP
LOS ANGELES CT 90045
2036226664

PANAMSAT CORP

CIK:**931134**| IRS No.: **061407851** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-26712** | Film No.: **97617205**
SIC: **4899** Communications services, nec

Mailing Address
ONE PICKWICK PLAZA
GREENWICH CT 06830

Business Address
ONE PICKWICK PLAZA
GREENWICH CT 06830
2036226664

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

May 30, 1997 (May 16, 1997)

Date of Report (Date of earliest event reported)

PANAMSAT CORPORATION
PANAMSAT INTERNATIONAL SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware	0-22531	95-4607698
Delaware	0-26712	06-1407851
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

One Pickwick Plaza, Greenwich, Connecticut 06830

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (203) 622-6664

INFORMATION TO BE INCLUDED IN THE REPORT

Item 1. Changes in Control of the Registrant.

On May 16, 1997, Hughes Communications, Inc. ("HCI") and PanAmSat International Systems, Inc. (formerly known as PanAmSat Corporation, "Old PanAmSat") combined their satellite operations pursuant to an Agreement and Plan of Reorganization, dated as of September 20, 1996, as amended as of April 4, 1997 (the "Reorganization Agreement"), between HCI and certain of its subsidiaries and Old PanAmSat (the "Merger"). The Merger was consummated through the merger of a wholly owned subsidiary of a newly formed holding company (such holding company, "New PanAmSat"), with and into Old PanAmSat and a contribution of the satellite services business of HCI to New PanAmSat, with the result that Old PanAmSat became a wholly owned subsidiary of New PanAmSat and New PanAmSat became the owner and operator of the HCI satellite services business. Following the Merger, Old PanAmSat was renamed PanAmSat International Systems, Inc. and New PanAmSat was renamed PanAmSat Corporation. Upon consummation of the Merger, each direct or indirect holder of each outstanding share of stock, par value $0.01 per share, of Old PanAmSat received, at such holder's election (the "Elections"), (i) one share of common stock, par value $0.01 per share of New PanAmSat ("New PanAmSat Common Stock"), (ii) $15 in cash plus one-half share of New PanAmSat Common Stock or (iii) $30 in cash, subject to proration. As a result of the Elections and in accordance with the Reorganization Agreement and the Stock Contribution and Exchange Agreement dated as of September 20, 1996 (the "Univisa Contribution Agreement") among Grupo Televisa, S.A. a Mexican corporation ("Televisa"), Satellite Company, LLC, a Nevada limited liability company ("S Company"), New PanAmSat and HCI, Elections to receive $30 in cash were prorated, resulting in each such Election receiving approximately $16.38 in cash and 0.45 shares of New PanAmSat Common Stock in exchange for each share of common stock of Old PanAmSat.

In exchange for the contribution of the existing satellite services business of HCI and certain of its subsidiaries, HCI received 106,622,807 shares of New PanAmSat Common Stock, an amount equal to 71.5% of New PanAmSat's issued and outstanding Common Stock. Prior to the Merger, Old PanAmSat had been controlled by the former holders of Old PanAmSat's Class A Common Stock, subject to certain veto rights of the former holder of Old PanAmSat's Class B Common Stock. For a discussion of arrangements and understandings among members of the former controlling stockholders of Old PanAmSat and the new controlling stockholder of New PanAmSat with respect to the election of directors and other matters, reference is made to the Amended and Restated Stockholder Agreement, dated as of May 16, 1997, by and among Magellan International, Inc., HCI, S Company and the former holders of Class A Common Stock of Old PanAmSat, which is filed herewith and is incorporated herein by reference.

Pursuant to an Assurance Agreement dated September 20, 1996, among Hughes Electronics, a Delaware Corporation ("HE"), Old PanAmSat, New PanAmSat and S Company, HE agreed to lend up to $1.725 billion to New PanAmSat on the

closing date of the Merger. HE borrowed from General Motors the funds necessary to provide the new financing and such funds were loaned to New PanAmSat by an affiliate of HE, Hughes Network Systems Inc., pursuant to a loan agreement (the "Loan Agreement"). The Loan Agreement provides for a three year term loan bearing interest at a rate of 2% above the London Interbank Offering Rate (which interest rate is subject to renegotiation if New PanAmSat attains an investment grade credit rating or Old PanAmSat ceases to be subject to restrictions (a) on making restricted payments and (b) on pledging its assets contained in the indentures governing Old PanAmSat's existing indebtedness and the certificate of designation for Old PanAmSat's Preferred Stock). New PanAmSat is required to pay seven quarterly installments of $50 million each commencing August 1, 1998, with the balance of the loans payable on May 1, 2000. Under the Loan Agreement, New PanAmSat is required to make certain prepayments of principal upon the occurrence of certain events, including (i) the issuance of equity, (ii) the issuance or incurrence of debt evidenced as a new borrowing in excess of $5,000,000, (iii) the sale of assets with a fair market value in excess of $10,000,000 of New PanAmSat or its material subsidiaries, if the proceeds therefrom are not reinvested in New PanAmSat or its material subsidiaries within 180 days and (iv) the receipt of insurance proceeds in excess of $5,000,000, if such proceeds are not reinvested in New PanAmSat or its material subsidiaries. The Loan Agreement contains covenants that prohibit or limit, among other things, pledges of

New PanAmSat's assets and the incurrence of certain indebtedness and requires that New PanAmSat and its subsidiaries maintain a certain consolidated net worth. New PanAmSat's obligations under the Loan Agreement are guaranteed by Hughes Communications Services, Inc., Hughes Communications Japan, Inc., and Hughes Communications Carrier Services, Inc., subsidiaries of New PanAmSat. All obligations of New PanAmSat and its subsidiaries under the Loan Agreement are subject to restrictions imposed on them under the indentures governing Old PanAmSat's existing indebtedness and the certificate of designation for Old PanAmSat's preferred stock; additionally, neither New PanAmSat nor any of its subsidiaries are prohibited under the Loan Agreement from taking any action thereunder which it is permitted to take under such indentures or certificate of designation.

Immediately prior to the Merger, in a separate but related transaction (the "Univisa Contribution") and pursuant to the Univisa Contribution Agreement, New PanAmSat acquired from S Company all of the capital stock of PanAmSat International Holdings, Inc. (formerly known as Univisa, Inc.), a Delaware corporation, which is the indirect holder of all of the outstanding Old PanAmSat Class B Common Stock. As consideration for the Univisa Contribution, S Company received for its shares of Old PanAmSat Class B Common Stock, $611,501,153 in cash and 6,239,594 shares of New PanAmSat Common Stock, following the Share Repurchase and the DTH Sale (as defined below). Concurrently with the Merger and immediately following the Univisa Contribution, 7.5 million shares of New

PanAmSat Common Stock received by S Company in connection with the Univisa Contribution were repurchased by New PanAmSat for $225 million (the "Share Repurchase"). Following the Share Repurchase, DTH, LLC, a Delaware limited liability company and designee of Televisa, purchased for $225 million all of Old PanAmSat's rights to purchase from Televisa equity interests in certain joint ventures to be formed to offer direct-to-home services in Latin America and the Iberian Peninsula, pursuant to the DTH Option Purchase Agreement dated as of September 20, 1996 between Old PanAmSat, Televisa and S Company (the "DTH Sale").

The total amount of funds paid by New PanAmSat as consideration in the Merger and the Univisa Contribution Agreement was approximately $1.725 billion, including (i) approximately $1.5 billion paid to the former holders of Old PanAmSat's Class A Common Stock, Old PanAmSat's Ordinary Common Stock and options to acquire Old PanAmSat's Ordinary Common Stock and the former beneficial holder of Old PanAmSat's Class B Common Stock, and (ii) $225 million, to fund the Share Repurchase.

Item 2. Acquisition or Disposition of Assets.

As disclosed above, New PanAmSat acquired Old PanAmSat as a result of the Merger. See Item 1.

Item 7. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The Financial statements of PanAmSat International Systems, Inc. required by this Item 7(a) are incorporated herein by reference to (i) the audited financial statements of PanAmSat International Systems, Inc. ("PISI") as of December 31, 1994, 1995 and 1996 contained in pages FIN-1 through FIN-19 of PISI's Proxy Statement filed with the Securities and Exchange Commission on April 18, 1997, under the name PanAmSat Corporation; and (ii) the unaudited financial statements of PISI contained in the Quarterly Report filed by PISI electronically on Form 10-Q/A for the quarter ended March 31, 1997, with the Securities and Exchange Commission under the name PanAmSat Corporation on May 9, 1997.

(b) Pro Forma Financial Information.

It is impracticable for PanAmSat Corporation to provide the required pro forma financial information at this time. PanAmSat Corporation will file the required pro forma financial information as an amendment to this Form 8-K as soon as practicable, and no later than 60 days after the due date of this Form 8-K.

(c) Exhibits.

2.1 Agreement and Plan of Reorganization dated as of September 20, 1996, by and among Hughes Communications, Inc., Hughes Communications Galaxy, Inc., Hughes Communications Satellite Services, Inc., Hughes Communications Services, Inc., Hughes Communications Carrier Services, Inc., Hughes Communications Japan, Inc., Magellan International, Inc., and PanAmSat Corporation.*

2.2 Amendment to Agreement and Plan of Reorganization dated as of April 4, 1997, by and among Hughes Communications, Inc., Hughes Communications Galaxy, Inc., Hughes Communications Satellite Services, Inc., Hughes Communications Services, Inc., Hughes Communications Carrier Services, Inc., Hughes Communications Japan, Inc., Magellan International, Inc. and PanAmSat Corporation.*

2.3 Stock Contribution and Exchange Agreement, dated September 20, 1996, among Grupo Televisa, S.A., Satellite Company, LLC, the Magellan International, Inc. and Hughes Communications Inc.*

2.4 Assurance Agreement, dated September 20, 1996, between Hughes Electronics Corporation, PanAmSat Corporation, Satellite Company, LLC and Magellan International, Inc.*

4.1 Amended and Restated Stockholder Agreement, dated as of May 16, 1997, by and among Magellan International, Inc., Hughes Communications, Inc., Satellite Company, LLC and the former holders of Class A Common Stock of PanAmSat International Systems, Inc.**

4.2 Amended and Restated Registration Rights Agreement, dated as of May 16, 1997, by and among Magellan International, Inc., Hughes Communications, Inc., Hughes Communications Galaxy, Inc., Hughes

Communications Satellite Services, Inc., Satellite Company, LLC and the former holders of Class A Common Stock of PanAmSat International Systems, Inc.**

4.3 Loan Agreement, dated May 15 1997, between Hughes Network Systems, Inc. and Magellan International, Inc.**

10 DTH Option Purchase Agreement, dated September 20, 1996, between PanAmSat Corporation, Grupo Televisa, S.A. and Satellite Company, LLC.***

20 Press Release of PanAmSat Corporation dated May 16, 1997.**

23 Consent of Arthur Andersen LLP.**

99(a) Audited Financial Statements of PanAmSat International Systems, Inc. set forth in Magellan International, Inc.'s Form S-4 Registration Statement for the years ended December 31, 1994, 1995 and 1996.*

99(b) Unaudited Financial Statement of PanAmSat International Systems, Inc. set forth in PanAmSat Corporation's Quarterly Report on Form 10-Q/A for the quarter ended March 31, 1997.****

*Filed with the Securities and Exchange Commission as an exhibit to Magellan International, Inc.'s Form S-4 Registration Statement (No. 333-25293) on April 16, 1997 and incorporated herein by reference.

**Filed herewith.

***Filed with the Securities and Exchange Commission as an exhibit to PanAmSat Corporation's Form 10-Q for the quarter ended September 30, 1996 and incorporated herein by reference.

****Filed with the Securities and Exchange Commission as the financial statement for PanAmSat Corporation's Form 10-Q/A for the quarter ended March 31, 1997, and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, each of PanAmSat International Systems, Inc. and PanAmSat Corporation have duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PANAMSAT INTERNATIONAL SYSTEMS, INC.

By: /s/ James W. Cuminale

Name: James W. Cuminale
Title: Senior Vice President and General Counsel

PANAMSAT CORPORATION

By: /s/ James W. Cuminale

Name: James W. Cuminale
Title: Senior Vice President and General Counsel

Date: May 30, 1997

EXHIBIT INDEX

Exhibit No.	
2.1	Agreement and Plan of Reorganization dated as of September 20, 1996, by and among Hughes Communications, Inc., Hughes Communications Galaxy, Inc., Hughes Communications Satellite Services, Inc., Hughes Communications Services, Inc., Hughes Communications Carrier Services, Inc., Hughes Communications Japan, Inc., Magellan International, Inc. and PanAmSat Corporation.*
2.2	Amendment to Agreement and Plan of Reorganization dated as of April 4, 1997, by and among Hughes Communications, Inc., Hughes Communications Galaxy, Inc., Hughes Communications Satellite Services, Inc., Hughes Communications Services, Inc., Hughes Communications Carrier Services, Inc., Hughes Communications Japan, Inc., Magellan International, Inc. and PanAmSat Corporation.*
2.3	Stock Contribution and Exchange Agreement, dated September 20, 1996, among Grupo Televisa, S.A., Satellite Company, LLC, the Magellan International, Inc. and Hughes Communications, Inc.*
2.4	Assurance Agreement, dated September 20, 1996, between Hughes Electronics Corporation, PanAmSat Corporation, Satellite Company, LLC and Magellan International, Inc.*
4.1	Amended and Restated Stockholder Agreement, dated as of May 16, 1997, by and among Magellan International, Inc., Hughes Communications, Inc., Satellite Company, LLC and the former holders of Class A Common Stock of PanAmSat International Systems, Inc.**
4.2	Amended and Restated Registration Rights Agreement, dated as of May 16, 1997, by and among Magellan International, Inc., Hughes Communications, Inc., Hughes Communications Galaxy, Inc., Hughes Communications Satellite Services, Inc., Satellite Company, LLC and the former holders of Class A Common Stock of PanAmSat International Systems, Inc.**
4.3	Loan Agreement, dated May 15 1997, between Hughes Network Systems, Inc. and Magellan International, Inc.**
10	DTH Option Purchase Agreement, dated September 20, 1996,

	between PanAmSat Corporation, Grupo Televisa, S.A. and Satellite Company, LLC.***
20	Press Release of PanAmSat Corporation dated May 16, 1997.**
23	Consent of Arthur Andersen LLP.**
99(a)	Audited Financial Statements of PanAmSat International Systems, Inc. set forth in Magellan International Inc.'s Form S-4 Registration Statement for the years ended December 31, 1994, 1995 and 1996.*
99(b)	Unaudited Financial Statement of PanAmSat International Systems, Inc. set forth in PanAmSat Corporation's Quarterly Report on Form 10-Q/A for the Quarter ended March 31, 1997.***

*Filed with the Securities and Exchange Commission as an exhibit to Magellan International, Inc.'s Form S-4 Registration Statement (No. 333-25293) on April 16, 1997 and incorporated herein by reference.

**Filed herewith.

***Filed with the Securities and Exchange Commission as an exhibit to PanAmSat Corporation's Form 10-Q for the quarter ended September 30, 1996 and incorporated herein by reference.

****Filed with the Securities and Exchange Commission as the financial statement for PanAmSat Corporation's Form 10-Q/A for the quarter ended March 31, 1997, and incorporated herein by reference.

FOR IMMEDIATE RELEASE
FROM PANAMSAT

PANAMSAT COMPLETES MERGER
WITH HUGHES COMMUNICATIONS' GALAXY
New Company is World's Preeminent Commercial Provider of Global Satellite-Based Telecommunications Services

GREENWICH, CONN., May 16, 1997 - PanAmSat Corporation and Hughes Communications, Inc. (HCI) announced today that the merger between PanAmSat and the Galaxy(R) Satellite Services business of HCI has been completed. The newly created

company, called PanAmSat Corporation, began its first day of operation after final execution of the merger earlier today.

On May 19 the new company will list its common stock on the Nasdaq national market, initially under the ticker SPOTD. The ticker will revert to SPOT after 30 days.

"Today marks a new beginning for PanAmSat as the world's premier commercial satellite communications company, offering tremendous growth potential for its customers, shareholders and employees," said Frederick A. Landman, PanAmSat's president and chief executive officer. "In every aspect of our business, we will continue to provide our customers with the very best and most advanced satellite broadcasting, telecommunications and Internet services available anywhere in the world."

Charles H. Noski, chairman of the board of directors of PanAmSat and vice chairman and chief financial officer of Hughes Electronics Corporation, said: "This merger represents the joining of two complementary businesses into a new powerhouse for global satellite services. As the new majority shareholder, Hughes Electronics believes PanAmSat will be an integral part of Hughes' forward-looking strategy in telecommunications."

PanAmSat shareholders formally approved the merger on May 8. In addition, the stock election process achieved the following results:

- For the standard election, PanAmSat shareholders received $15 and one-half share of new company stock for each share of former PanAmSat stock;

- For the stock election, PanAmSat shareholders received one share of new company stock for each share of former PanAmSat stock;

- For the cash election, PanAmSat shareholders received approximately $16.38 and 0.45 shares of new company stock for each share of former PanAmSat stock.

Fractional shares of new company stock resulting from the proration will be paid in cash.

-- MORE --

PanAmSat Corporation is the world's leading commercial provider of satellite-based communications services. The Company operates a global network of 14 state-of-the-art satellites supported by more than 400 professionals on five continents. These resources enable PanAmSat to provide broadcast,

telecommunications and Internet access services to hundreds of customers worldwide.

PanAmSat services include:

- The premier cable and broadcast television satellites in the United States, Latin America, the Indian subcontinent and Asia-Pacific;

- Satellite platforms for direct-to-home television services in Latin America, South Africa, the Middle East and India;

- Live, on-the-scene transmission services for news, sports and special events coverage worldwide;

- Global satellite-based telecommunications and Internet access services.

PanAmSat plans to launch seven additional satellites by late 1998, including the upcoming launch of the PAS-5 Atlantic Ocean Region satellite in July 1997. For more information on the company and its services, visit the PanAmSat web site at http://www.panamsat.com.

####

EXHIBIT 4.1

AMENDED AND RESTATED STOCKHOLDER AGREEMENT

This AMENDED AND RESTATED STOCKHOLDER AGREEMENT (this "Agreement"), dated as of May 16, 1997, is entered into by and among MAGELLAN INTERNATIONAL, INC., a Delaware corporation ("Holding Company" or the "Company"), HUGHES COMMUNICATIONS, INC., a California corporation ("HCI"), the Class A Holders listed on the signature page hereof (the "Class A Holders"), and SATELLITE COMPANY, L.L.C., a Nevada limited liability company ("S Company").

RECITALS

A. Pursuant to that certain Agreement and Plan of Reorganization by and among Panamsat Corporation, HCI and Hughes Communications Galaxy, Inc. and certain other subsidiaries of HCI (as such agreement may be hereafter amended from time to time, the "Reorganization Agreement"), HCI has organized Holding Company to acquire the Galaxy Business (as defined in the Reorganization Agreement) and cause a subsidiary of Holding Company to merge with and into Panamsat Corporation in each case upon the terms and conditions set forth in the Reorganization Agreement.

B. Pursuant to that certain Stock Contribution and Exchange Agreement by and among HCI, Hughes Communications Galaxy, Inc., S Company and Grupo Televisa, S.A. (as such agreement may be hereafter amended from time to time, the "Univisa Contribution Agreement"), HCI and Hughes Communications Galaxy, Inc. have agreed to cause Holding Company to acquire from S Company all of the outstanding shares of capital stock of Univisa, Inc., a Delaware corporation which indirectly owns all of the shares of Class B Common Stock, par value $.01 per share, of Panamsat Corporation.

C. Pursuant to the Reorganization Agreement and the Univisa Contribution Agreement, Panamsat Corporation will become a subsidiary of Holding Company and Holding Company will acquire the Galaxy Business, and HCI, the Class A Holders and S Company will become stockholders of Holding Company.

D. The parties desire to enter into this Agreement to regulate certain aspects of their relationships with regard to each other and Holding Company.

AGREEMENT

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

1. Certain Defined Terms. Capitalized terms used and not defined herein have the respective meanings ascribed to them in the Reorganization Agreement. For purposes of this Agreement:

"Affiliate" means with respect to any person or entity (i) any other person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with that person or entity, (ii) any spouse, immediate family member or other relative who has the same principal residence of any person (in the case of an individual), (iii) any trust in which any person or entity has a beneficial interest and (iv) any corporation or other organization of which any such persons or entities described in clause (i) or (ii) above collectively own more than 50% of the equity of such entity.

"Closed Periods" means the total of (a) the number of days prior to Closing during which PanAmSat Corporation Common Stock could not be sold as a result of notices given by HCI pursuant to the last sentence of Section 3(a) of the Principal Stockholders Agreement, and (b) any Delay Periods, Hold Back Periods or Interruption Periods (each as defined in the Registration Rights Agreement) which occur after the Commencement Date (as defined in Section 2(b)(i)) and result in a delay or suspension of a Demand Registration or a Piggyback Registration (as defined in the Registration Rights Agreement) by the Minority Stockholders or their Permitted Transferees.

"Ending Date" means the date when restrictions on the ability of HCI and its Affiliates to sell or transfer Shares under Section 2(b) end. That date shall be the earliest of (a) a Termination Event or (b) twelve (12) months after the Commencement Date plus Closed Periods, if any.

"Exempt Transfer" means any transfer of Shares by HCI or its Affiliates to any of its or their Affiliates (other than the Company or any of its Subsidiaries).

"Holding Company Common Stock" means the common stock, $.01 par value, of Holding Company.

"HCI Sale" means any sale, exchange or other disposition by HCI or its Affiliates of Shares, other than an Exempt Transfer or a sale of Shares pursuant to a registration statement under the Securities Act, which at the time of

determination represent more than 5% of the outstanding Holding Company Common Stock. "HCI Sale" shall not include, in the case of Holding Company or any of its Subsidiaries, any sale of Holding Company Common Stock. Nothing in this Agreement shall limit any rights the Stockholders may have to participate in any such offering under the Registration Rights Agreements, nor shall the definition "HCI Sale" limit the restrictions contained in Section 2(b) in any way.

"HCI Total Sale" means, as of any date of determination, the sale, exchange or other disposition by HCI and each of its Affiliates other than in an Exempt Transfer of 100% of their Shares.

"Low Ownership Event" means, as of any date of determination, any sale, exchange or other disposition of Shares by the Minority Stockholders which causes the Minority Stockholders to beneficially own, in the aggregate, less than the Requisite Level.

"Minority Stockholders" means, each of the Class A Holders, S Company and their respective Permitted Transferees, which collectively shall be the "Minority Stockholders".

"Permitted Transfers" means a sale, transfer or assignment or other disposition to a Permitted Transferee.

"Permitted Transferees" means, as to HCI, any transferee in an Exempt Transfer or any Permitted Transferee; as to S Company, Grupo Televisa, S.A., any controlled Affiliate of Grupo Televisa, S.A., or any Permitted Transferee; as to the Class A Holders, (A) any other Class A Holder, (B) any person who is the spouse or former spouse of, or any lineal descendent of, or any spouse of such lineal descendant of, or the grandparent, parent, brother or sister of, or spouse of such brother or sister of, a Class A Holder or Permitted Transferee of such person; (C) upon the death of any Class A Holder or any Permitted Transferee of such person, the executors of the estate of such Class A Holder or Permitted Transferee, any of such Class A Holder's or such Permitted Transferee's heirs, testamentary trustees, devisees, or legatees; (D) any trust principally for the benefit of one or more of the foregoing Class A Holders or Permitted Transferees; (E) upon the disability of any Class A Holder or Permitted Transferee, any guardian or conservator of such Class A Holder or Permitted Transferee; or (F) any corporation, partnership or other entity if all of the beneficial ownership is held by Class A Holders or any Permitted Transferees; and as to any Stockholders, any person to whom a transfer may be made pursuant to the provisions of Section 8(e); provided that in each of the foregoing cases such transferee assumes and agrees to perform and becomes a

party to this Agreement.

"Registration Rights Agreement" means the agreement of that name of even date among the parties.

"Requisite Level" means 5% or more of the number of shares of Holding Company Common Stock outstanding immediately after the consummation of the transactions contemplated by the Reorganization Agreement and the Univisa Contribution Agreement and prior to any further issuances for refinancing or other purposes, as such total number is adjusted to reflect stock splits, combinations, stock dividends, recapitalizations, reclassifications, and similar transactions.

"Shares" means the shares of Holding Company Common Stock owned by the Stockholders at the time of determination.

"Stockholders" means, collectively, HCI, and its Affiliates who own Shares, the Class A Holders, S Company, and their respective Permitted Transferees, each of which shall individually be a "Stockholder".

"Termination Event" means a Low Ownership Event or an HCI Total Sale.

2. Certain Restrictions on the Purchase and Sale of Shares.

(a) Take-Along Right. HCI on behalf of itself and its Affiliates hereby agrees:

(i) With respect to any proposed HCI Sale, each Minority Stockholder (each a "Take-Along Stockholder"), shall have the right (the "Take-Along Right") to join in such sale and to sell a number of whole Shares equal to the number derived by multiplying the total number of Shares proposed to be transferred by a fraction, the numerator of which is the total number of Shares owned by such Take-Along Stockholder and the denominator of which is the total number of Shares owned by HCI and its Affiliates and all Take-Along Stockholders proposing to so join.

(ii) Any Shares purchased from Take-Along Stockholders pursuant to this Section 2(a) shall be paid for at the same price per Share and (to the extent applicable) upon the same terms and conditions as such proposed transfer

by HCI and its Affiliates.

(iii) HCI shall (on its own behalf and on behalf of any of its Affiliates effecting an HCI Sale), not less than 30 days prior to such proposed HCI Sale, notify each Take-Along Stockholder in writing of such HCI Sale (the "Sale Notice"). Such notice shall: (A) state the number of Shares proposed to be transferred, (B) identify the proposed purchaser(s), (C) state the proposed amount and form of consideration and terms and conditions of payment, and (D) confirm that each proposed purchaser has been informed of the Take-Along Right provided for in this Section 2(a) and has agreed to purchase Shares in accordance with the terms thereof.

(iv) The Take-Along Right may be exercised by any Take-Along Stockholder by delivery of a written notice to HCI proposing to sell Shares (the "Take-Along Notice") within 30 days following the Sale Notice, which Take-Along Notice shall state the amount of Shares that such Take-Along Stockholder proposes to include in such transfer. If no Take-Along Notice is received during such 30-day period, HCI and its Affiliates shall have the right, for a 30-day period after the expiration of such 30-day period, to transfer the Shares specified in the Sale Notice on terms and conditions no more favorable than those stated in such notice.

(v) In the event that a purchaser refuses to purchase Shares from the Take-Along Stockholders on the same terms and conditions as specified in the Sale Notice, then HCI and its Affiliates shall not sell any Shares to that purchaser in the HCI Sale.

(b) Certain Sale Restrictions.

(i) Neither HCI nor its Affiliates may, directly or indirectly, issue, sell, exchange or otherwise dispose of, or offer or agree, directly or indirectly, to issue, sell, exchange or otherwise dispose (including through purchase by the Company or any of its Affiliates) of Shares or common equity of the Company or any of its Subsidiaries, or any interest therein, or securities convertible into or exercisable or exchangeable for Shares or such common equity interests, or offer or enter into any contract, option or other arrangement or understanding

to effect any such transactions, during the period (A) beginning on the Closing and (B) ending on the Ending Date, provided, however, that restrictions on sales by the Company shall not commence (the "Commencement Date") until the earlier of (x) the first anniversary of the Closing (eighteen months following the Closing in the event the Minority Stockholders or their Affiliates sell more than five million Panamsat Shares (other than to Permitted Transferees) between the date

of the Reorganization Agreement and the Closing) and (y) the date the Company shall notify the Minority Stockholders that it has completed the refinancing of up to $1.725 billion of indebtedness incurred by the Company in connection with the transactions contemplated by the Reorganization Agreement and the Univisa Contribution Agreement (it being agreed that the exemption from the restriction on sales by the Company pursuant to this clause shall only apply to sales, the net proceeds of which are entirely used to refinance such indebtedness); and provided further that the foregoing restrictions shall not apply to reasonable issuances by the Company for employee plans, in acquisitions from non-Affiliates, pursuant to a dividend reinvestment plan, or upon exercise or conversion of previously issued options, warrants or convertible securities.

(ii) Each of the Minority Stockholders agrees severally and not jointly and solely with respect to itself and the Shares owned beneficially or of record by it, not to offer, sell or transfer the Shares, or any interest therein, or securities convertible into Shares, or offer or enter into any contract, option or other arrangement or understanding to effect any sale or transfer of Shares or interests therein or securities convertible into or exercisable or exchangeable for Shares, to any person that is not a Permitted Transferee, after the Closing and prior to the Commencement Date. Notwithstanding the foregoing, Minority Stockholders may offer and sell or transfer Shares, or interests therein, or securities convertible into or exercisable or exchangeable for Shares, to persons other than Permitted Transferees in private transactions with the consent of HCI, which consent will be granted if, in HCI's reasonable judgment, such transfer will not materially and adversely affect Holding Company's financing plans or on the price of or demand for Holding Company Common Stock, and the purchaser provides assurances satisfactory to HCI that it will not prior to the Commencement Date sell any of such Shares at a time or with an effect which may materially and adversely affect such financing plans of Holding Company or the price of or demand for Holding Company Common Stock. Further notwithstanding the foregoing, the Minority Stockholders may pledge their Shares as collateral for a bona fide loan, provided that the lender, on terms reasonably acceptable to HCI and the Company, agrees that upon liquidation of such collateral the lender or any transferee will assume and agree to perform this Agreement or, if requested by HCI or the Company, waive all rights under this Agreement.

(c) Standstill Right. HCI agrees that HCI and its Affiliates shall not acquire or come to hold beneficially or otherwise, whether by purchase, exchange or otherwise, more than 81% of the outstanding common equity interests in Holding Company, except (i) pursuant to a merger which is approved by the holders of a majority of the shares of Holding Company Common Stock not owned by HCI and its Affiliates, (ii) pursuant to a tender offer recommended by a majority of the Disinterested Directors of the Holding Company and second-step merger which offers the same per share consideration to all holders of Holding Company Common Stock and in which more than half the outstanding Holding Company Common Stock not owned by HCI and its Affiliates at the inception of the transaction is either tendered or voted in favor of the transaction, and (iii) except pursuant to such other transaction as shall provide

for parity of treatment of holders of Holding Company Common Stock and is approved by the holders of a majority of the shares of Holding Company Common Stock not owned by HCI and its Affiliates and by a majority of the Disinterested Directors of Holding Company.

3. Governance and Business Operations.

(a) Board of Directors. The Stockholders, on behalf of themselves and their Affiliates and Permitted Transferees, hereby agree to take all necessary action (including, without limitation, voting the Common Stock of the Company beneficially owned by them, calling special meetings of stockholders of the Company and executing and delivering written consents) such that the Board of Directors of the Company shall consist of ten (10) members designated as herein provided. HCI shall designate all members of the Board of Directors not designated by the Minority Stockholders. For so long as Mr. Frederick A. Landman is Chief Executive Office of the Company, he shall be one of HCI's designees. The Minority Stockholders shall be entitled to initially designate two (2) directors of the Company, one (1) of whom may be designated by the Class A Holders and one (1) of whom may be designated by S Company. For so long as the Class A Holders and their Permitted Transferees, as a group (the "A Group"), beneficially own a number of Shares which is greater than the number of shares comprising 4% of the outstanding Common Stock of the Company immediately after the consummation of the transactions contemplated by the Reorganization Agreement and the Univisa Contribution Agreement and prior to any further issuances for refinancing or other purposes (as such Shares may be adjusted to reflect stock splits, combinations, stock dividends, recapitalizations, reclassifications, and similar transactions, the "Director Minimum Shares"), at each subsequent meeting of stockholders of the Company (or action by consent in lieu thereof), the A Group shall be entitled to designate one director, to be selected by a majority vote of the Shares beneficially owned by the A Group. For so long as S Company and its Permitted Transferees, as a group (the "B Group"), beneficially own a number of Shares greater than the Director Minimum Shares, at each subsequent meeting of stockholders of the Company (or action by consent in lieu thereof), the B Group shall be entitled to designate one director, to be selected by a majority vote of the Shares beneficially owned by the B Group. Any vacancy of an available A Group or B Group director position will be filled promptly without holding a meeting of stockholder's of the Company at the request of the A Group or B Group, as applicable, with their designee; provided that the A Group or B Group, as applicable, shall beneficially own a number of shares greater than the Director Minimum Shares at the time of filling such vacancy.

(b) Transactions with Affiliates. HCI and its Affiliates (other than the Company and its Subsidiaries) shall not propose or approve any loan, advance or guarantee to, from, or for the benefit of, or sell, lease, transfer or otherwise dispose of any of their properties or assets to, or for the benefit of, or purchase or lease any property or assets from, or enter into or amend any contract, agreement or understanding with, Holding Company or any Subsidiary of Holding Company, except on terms that are no less favorable to Holding Company or such Subsidiary than those (including, without limitation, prices) ordinarily entered into in comparable transactions by HCI or the relevant Affiliate on an arms' length basis with an unrelated party. All material transactions (and all other transactions which the Chief Executive Officer of the Holding Company may designate) between HCI and its Affiliates on the one hand, and Holding Company or its Subsidiaries on the other, shall be reviewed by a committee comprised of

Disinterested Directors, and approval of such transactions by such committee shall be conclusive evidence of compliance with the provisions of this Section 3(b). Upon such approval, unless required by such directors after due consideration, Holding Company or such Subsidiaries may enter into and perform the approved transactions with HCI and its Affiliates without competitive bidding or other special procedures.

(c) HE Covenant Not to Compete. HCI agrees:

(i) Until the fifth anniversary after the Closing Date, HE and any entity owned 50% or more by HE (excluding Holding Company and its Subsidiaries) (the "Committing Companies") shall not compete with Holding Company or any of its Subsidiaries after the Closing in the "Galaxy Business" (as defined below) in any geographic area except as allowed under subsection (iii) below.

(ii) As used herein, the "Galaxy Business" shall mean: (A) the sale or lease of, or the provision of satellite services via, transponder capacity on satellites operating in geostationary earth orbit in the C-band, Ka-band and Ku-band frequencies for the transmission of video, audio and data signals; and (B) the provision of telemetry, tracking and control services for such satellites and for other satellites operating in geostationary earth orbit in the C-band, Ka-band, Ku-band, L-band and UHF-band frequencies or other frequency bands that may be utilized in the future; but in each case excluding the sale or lease of transponder capacity and telemetry, tracking and control services provided on or for any satellite that has both (x) multiple (six or more) receive and transmit beams and (y) an on-board satellite payload processor which can switch uplink signals in one beam to a downlink signal in one of multiple beams.

(iii) The Committing Companies shall not be restricted from conducting any business that falls within the following categories (the "Exclusivity

Exceptions"):

(A) All aspects of the direct-to-home satellite business, whether done through Galaxy Latin America, DIRECTV International, Inc., DIRECTV USA or any other entity owned 50% or more by HE including, but not limited to, (x) the provision of services directly to consumers via satellite; (y) the sale or lease of transponders or channels therein to third parties engaging in the direct-to-home satellite business in which any of the Committed Companies is involved (whether by ownership of an interest in a satellite or any part of the capacity thereof or in any related or associated business), whether in the FSS or BSS bands; and (z) the provision of programming to cable head ends, which in each of cases (y) and (z) is ancillary to any direct-to-home satellite business in which the Committing Companies have an interest; provided that if there is excess capacity available on a satellite used primarily in the direct-to-home satellite business, the sale or lease of such excess capacity shall not be precluded by the foregoing restriction;

(B) All aspects of value added services, i.e., the sale of business services which include the provision of transponder capacity that is ancillary to the provision of such services by the Committing Companies including, but not limited to, shared hub VSAT business or DIRECPC or distance learning or any similar type of services that may now or in the future be provided or developed by HE or any of its Affiliates (other than Holding Company and its Subsidiaries);

(C) All aspects of the business of providing satellite or transponder capacity or portions thereof of any type or kind to the United States government, or any department or agency thereof;

(D) The provision by the Committing Companies of project financing, or the acceptance by any of them of a minority equity position in any other satellite operating or service company, as part of a satellite sale;

(E) All aspects of the business of manufacturing and selling or leasing satellites in their entirety, other than the sale or lease of individual transponders or portions thereof (except with respect to such sale or lease of transponders as otherwise provided for in this Section (iii)); and

(F) As part of the acquisition of a third party where the competing business is not a substantial part of such acquired business provided that such competing business shall be disposed of in a commercially reasonable manner as soon as commercially reasonable after such acquisition.

(iv) The parties acknowledge that the Galaxy Business does not include, and the Committing Companies are retaining, the following: all aspects of the business of providing mobile satellite services and all aspects of the

satellite-based business commonly referred to by HE as the "Spaceway" business.

(d) Holding Company's Covenant Not to Compete. Holding Company and its controlled Affiliates shall not engage in any aspect of the direct broadcast satellite business other than through the sale or lease of transponders or channels therein or the provision of transponder services and the provision of other value added services ancillary thereto to third parties engaged in the direct broadcast satellite business, provided that Holding Company and its Subsidiaries shall not be precluded from providing project financing to such third parties or the acceptance of a minority equity position in a third party in connection with the sale or lease of transponders or channels therein or the provision of transponder services. For so long as Grupo Televisa, S.A. and its controlled Affiliates own any Holding Company Common Stock, neither Holding Company nor any of its controlled Affiliates will own an equity interest in a direct-to-home enterprise offering predominantly Spanish language programming in the Americas or the Iberian Peninsula.

(e) First Offer Rights. In the event that Holding Company determines to launch a satellite with the following frequencies: Ku BSS frequencies (11.7 - 12.5 Ghz in Region 1, 12.2 - 12.7 Ghz in Region 2 and 11.7 - 12.2 Ghz in Region 3) (the "BSS Band") into any of the following orbital slots as such orbital slots may be modified in the FCC authorization process, the ITU registration process, or in the course of frequency coordination with other systems: East Longitude: 36 degrees, 40 degrees, 48 degrees, 54 degrees, 101 degrees, 124.5 degrees, 132 degrees, 149 degrees, 164 degrees and 173 degrees; and West Longitude: 49 degree and 67 degree (the "BSS Satellites"), the Company shall give HE or its designated Subsidiaries (referred to herein as the "HE Designee") notice of such determination and the HE Designee shall have the opportunity (the "First Opportunity") to enter into a full life service agreement with respect to some or all, but not less than half of the available capacity in the BSS Band on the applicable BSS Satellite, of the BSS transponders (the "BSS Transponders")

on the first BSS Satellite that the Company intends to place into each such slot on terms and conditions to be negotiated in good faith and consistent with normal business practice. The negotiation period with respect to capacity on each such BSS Satellite shall be for three months (the "Negotiation Period"). The Negotiation Period may be initiated by either party on notice to the other at any time within the time period set forth below. Applied separately to each BSS Satellite, the Negotiation Period shall begin on the date on which the Company notifies the HE Designee of a firm commitment to construct a BSS

Satellite; and shall commence not more than thirty months prior to the proposed launch of the BSS Satellite and end not later than fifteen (15) months prior to the date that the BSS Satellite is scheduled to be launched. If negotiations are not initiated by either party by such date or successfully concluded with a binding service agreement within the Negotiation Period, unless HE has given Company a final offer (as defined below), neither party shall have any further obligation pursuant to this Section 3(e), with respect to the BSS Satellite in question. The conclusion or failure to conclude such an agreement as to one orbital slot shall not, however, affect the parties' rights and obligations hereunder as to the remaining BSS Satellites for other orbital slots referenced in this Section, if still extant.

At any time prior to the end of the applicable negotiation period specified above, HE shall have the right to make to the Company HE's "best and final offer" (a "Final Offer") of the price at which it is willing to enter into
----
an end of life service agreement for a stated number of BSS Transponders on the BSS Satellite, which must be on terms and conditions that are otherwise acceptable to the Company.

If HE makes the Final Offer, for as long as it is held open (i.e., that it may be accepted by the Company without HE's subsequent right to withdraw it), the Company will not, without first offering HE the opportunity to do so, enter into a purchase or long term transponder service agreement for the same number or fewer BSS Band transponders than proposed by HE at a lower price per BSS Transponder (which, for the purposes of comparison, will be calculated on a net present value basis as determined by the Company, but notified to HE so that HE may make an adjustment in its offer to reflect this net present value) than the price stated in the Final Offer. The Company may condition its offer to HE on HE's acceptance of such other price, quantity, length of term and other terms and conditions that the Company would offer a third party at the time (the "Revised Offer"). HE shall have ten (10) days to accept the Company's Revised
----
Offer or it shall be deemed to have been rejected. For the avoidance of doubt, the previous sentence shall not apply to the Company's acceptance of the Final Offer, as to which no further acceptance or rejection by HE is required or permitted. The Company shall also notify HE at such time as the Company lowers its price for long term transponder agreements on the applicable BSS satellite for the number of transponders and for the service terms which had been included in the Final Offer, which notice shall be given not fewer than ten (10) business days before the reduced price is offered to any third party, during which period HE will have the right to accept such revised offer. As used in this Section 3(e), "Company" or "Holding Company" includes its Subsidiaries or any of them.

4. Representations and Warranties of Minority Stockholders. Each
----
Minority Stockholder hereby severally and not jointly (and solely with respect to itself and the Shares owned of record or beneficially by such Stockholder) represents and warrants to HCI and the Company as follows:

(a) Ownership of Shares. Such Minority Stockholder is the record and beneficial owner of the Shares set forth on Exhibit A hereto, and such shares constitute all of the Shares owned of record or beneficially by such Minority Stockholder. With respect to the number of shares set forth opposite such Minority Stockholder's name on Exhibit A hereto, and with the exceptions noted thereon, such Minority Stockholder has sole voting power and sole power to issue instructions with respect to the matters set forth in Sections 2 and 3 hereof, sole power of disposition, sole power of conversion, sole power to demand appraisal rights and sole power to agree to all of the matters set forth in this Agreement, in each case with no limitations, qualifications or restrictions on such rights, subject to applicable securities laws and the terms of this Agreement.

(b) Due Authorization. Such Minority Stockholder is, as applicable, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and has all requisite capacity, power and authority to execute and deliver this Agreement and perform its obligations hereunder. The execution and delivery by such Minority Stockholder of this Agreement and the performance by such Minority Stockholder of its obligations hereunder have been duly and validly authorized by such Minority Stockholder and no other proceedings on the part of such Minority Stockholder are necessary to authorize the execution, delivery or performance of this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by such Minority Stockholder and constitutes a valid and binding agreement enforceable against such Stockholder in accordance with its terms except to the extent (i) such enforcement may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors rights and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(c) No Conflicts. Except for filings, authorizations, consents and approvals as contemplated by the Reorganization Agreement or the Univisa Contribution Agreement and necessary for the consummation of the transactions contemplated thereby which have been obtained, (i) no filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority is necessary for the execution of this Agreement by such Minority Stockholder and the consummation by such Minority Stockholder of the transactions contemplated hereby and (ii) none of the execution and delivery of this Agreement by such Minority Stockholder, the consummation by such Minority Stockholder of the transactions contemplated hereby or compliance by such Minority Stockholder with any of the provisions hereof shall (A) conflict with or result in any breach of the organizational documents of such Minority Stockholder, (B) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, material modification or acceleration) under any of the terms, conditions or provisions of any note, loan agreement,

bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which such Minority Stockholder is a party or by which such Minority Stockholder or any of its properties or assets may be bound, or (C) violate any order, writ, injunction, decree, judgment, statute, rule or regulation applicable to such Minority Stockholder or any of its properties or assets.

5. Representations and Warranties of HCI. The Company and HCI jointly and severally represent and warrant to each Minority Stockholder as follows:

(a) Organization. Each such corporation is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all requisite corporate power or other power and authority to execute and deliver this Agreement and perform its obligations hereunder. The execution and delivery by such corporation of this Agreement and the performance by such corporation of its obligations hereunder have been duly and validly authorized by all necessary corporate action of such corporation.

(b) Agreement. This Agreement has been duly and validly executed and delivered by such corporation and constitutes a valid and binding agreement of such corporation enforceable against it in accordance with its terms, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency, or other similar laws, now or hereafter in effect, affecting creditors' rights generally, and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceedings therefor may be brought.

(c) No Conflicts. Except for filings, authorizations, consents, and approvals as contemplated by the Reorganization Agreement or the Univisa Contribution Agreement and necessary for the consummation of the transactions contemplated thereby which have been obtained, (i) no filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority is necessary for the execution of this Agreement by such corporation and the consummation by such corporation of the transactions contemplated hereby, and (ii) none of the execution and delivery of this Agreement by such corporation, the consummation by such corporation of the transaction contemplated hereby or compliance by such corporation with any of the provisions hereof shall (A) conflict with or result in any breach of the charter or bylaws of such corporation, (B) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third-party right of termination, cancellation, material modifications or acceleration) under any of the terms, conditions or provisions

of any note, loan agreement, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which such corporation is a party or by which such corporation of its properties or assets may be bound, or (C) violate any order, writ, injunction, decree, judgment, statute, rule or regulation applicable to such corporation or its properties or assets.

6. Legend.

(a) Each Stockholder severally and not jointly agrees that it will not request Holding Company to register the transfer (by book-entry or otherwise) of any certificate or uncertificated interest representing any of the Shares, unless such transfer is made in compliance with this Agreement.

(b) Each Stockholder severally and not jointly agrees that it shall promptly after the date hereof surrender to Holding Company all certificates representing the Shares held by such Stockholder, and Holding Company shall place the following legend on such

certificates, which legend shall remain on such certificates until the sale of such Shares to a person who is not a Stockholder or the termination of this Agreement, whichever is earlier:

> "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AN AGREEMENT, DATED AS OF MAY 16, 1997 BETWEEN STOCKHOLDERS AND THE COMPANY. THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND VOTING. A COPY OF SUCH AGREEMENT IS AVAILABLE AT THE PRINCIPAL OFFICE OF THE COMPANY."

7. Term of Agreement. This Agreement has been entered into in connection with the transactions contemplated by the Reorganization Agreement described in Recital A and the Univisa Contribution Agreement described in Recital B and shall become effective upon the Closing. This Agreement shall terminate upon the earlier of (i) five years from the Closing Date, or (ii) the occurrence of a Termination Event. Notwithstanding the foregoing, the provisions of Sections 2(c) (Standstill), 3(b) (Transactions with Affiliates), 3(c) and (d) (covenants not to compete), 3(e) (first offer), and 8 (miscellaneous) shall terminate five years after the Closing Date.

8. Miscellaneous.

(a) Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

(b) Notices. All notices, requests, demands and other communications
----
which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic or digital transmission method; the day after it is sent, if sent for next day delivery to a domestic address by recognized overnight delivery service (e.g., Federal Express); and upon receipt, if sent by certified or registered mail, return receipt requested. In each case notice shall be sent to:

i. if to the Company, to:

PanAmSat Corporation
One Pickwick Plaza
Greenwich, Connecticut 06830
Attention: Frederick A. Landman
Telephone: (203) 622-6664
Telecopy: (203) 622-9163

with a copy to:

Chadbourne & Parke LLP
30 Rockefeller Plaza

New York, New York 10112
Attention: Denis J. Friedman, Esq.
Telephone: (212) 408-5200
Telecopy: (212) 541-5369

ii. if to HCI, to:

Hughes Communications, Inc.
P.O. Box 9712
Long Beach, CA 90810-9928
Attention: President
Telephone: (310) 525-5010
Telecopy: (310) 525-5015

with a copy to:

Latham & Watkins
633 West Fifth Street, Suite 4000
Los Angeles, California 90071
Attention: Bruce R. Lederman, Esq.
Telephone: (213) 485-1234
Telecopy: (213) 891-8763

iii. if to the Class A Holders, to:

Patrick J. Costello
c/o PanAmSat Corporation
One Pickwick Plaza
Greenwich, Connecticut 06830
Attention: Frederick A. Landman
Telephone: (203) 622-6664
Telecopy: (203) 622-9163

with a copy to:

Cummings & Lockwood
4 Stamford Plaza, CT 06904
Attn: John Musicaro
Telephone: (203) 351-4370
Telecopy: (203) 351-4499

iv. if to S Company, to:

Satellite Company, LLC
Fonovisa Centroamerica, S.A.
De Popa de Curridabat 25 Mts. Este
Edificio Galerias del Este

Local 8
San Jose, Costa Rica
Attention: Jorge Suarez
Telephone: 011-506-253-0758
Telecopy: 011-506-224-0836

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attention: Joseph A. Stern, Esq.
Telephone: (212) 859-8000
Telecopy: (212) 859-4000

(c) Interpretation. When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the word "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without

limitation". This Agreement shall not be construed for or against either party by reason of the authorship or alleged authorship of any provision hereof or by reason of the status of the respective parties. All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

(d) Entire Agreement; No Third-Party Beneficiaries. This Agreement
---

constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

(e) Assignment. Except to a Permitted Transferee, neither this
---

Agreement nor any of the rights, interests or obligations hereunder shall be assigned (whether by operation of law or otherwise) by any Minority Stockholder without the consent of HCI or by HCI or its Affiliates without the consent of Minority Stockholders holding 66 2/3% of the Shares held by Minority Stockholders, which consent may be granted or withheld in such party's discretion. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. No person who is not a Stockholder or Permitted Transferee who acquires Shares shall have any rights under this Agreement except to the extent that the assignment thereof has been approved as required by Section 8(e), nor any obligations hereunder except to the extent expressly assumed.

(f) Governing Law. This Agreement shall be construed, interpreted and
---

the rights of the parties determined in accordance with the laws of the State of Delaware (without reference to the choice of law provisions), except with respect to matters of law concerning the internal corporate affairs of any corporate entity which is a party to or the subject

of this Agreement, and as to those matters the law of the jurisdiction under which the respective entity derives its powers shall govern.

(g) Severability. Each party agrees that, should any court or other
---

competent authority hold any provision of this Agreement or part hereof to be null, void or unenforceable, or order any party to take any action inconsistent herewith or not to take an action consistent herewith or required hereby, the validity, legality and enforceability of the remaining provisions and obligations contained or set forth herein shall not in any way be affected or impaired thereby. Upon any such holding that any provision of this Agreement is null, void or unenforceable, the parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as

possible in an acceptable manner to the end that the transactions contemplated by this Agreement are consummated to the extent possible. Except as otherwise contemplated by this Agreement, to the extent that a party hereto took an action inconsistent herewith or failed to take action consistent herewith or required hereby pursuant to an order or judgment of a court or other competent authority, such party shall incur no liability or obligation unless such party did not in good faith seek to resist or object to the imposition or entering of such order or judgment.

(h) Injunctive Relief. The parties acknowledge that it will be impossible to measure in money the damages that would be suffered if the parties fail to comply with any of the obligations herein imposed on them and that in the event of any such failure, an aggrieved person or entity will be irreparably damaged and will not have an adequate remedy at law. Any such person or entity shall, therefore, be entitled to injunctive relief, including specific performance, to enforce such obligations, and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties shall raise the defense that there is an adequate remedy at law.

(i) Attorneys' Fees. If any party to this Agreement brings an action to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including without limitation reasonable attorneys' fees, incurred in connection with such action, including any appeal of such action.

(j) Cumulative Remedies. All rights and remedies of either party hereto are cumulative of each other and of every other right or remedy such party may otherwise have at law or in equity, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

(k) Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when executed and delivered by each of the parties.

(l) Amendments, Waivers, Etc. This Agreement may not be amended, changed, supplemented, or otherwise modified or terminated, except upon the execution and delivery of a written agreement executed by the parties hereto; provided that performance hereof by any Minority Stockholder may be waived by HCI and performance hereof by HCI, its Affiliates or the Company may be waived by Minority Stockholders holding 66 2/3 % of the Shares held by Minority Stockholders.

(m) Obligations of Stockholders. The liabilities and obligations of each Stockholder under any provision of this Agreement are several and not joint and apply solely to such Stockholder and to the Shares held of record or beneficially owned by such Stockholder. No Stockholder shall have any liability or obligation under this Agreement for any act, omission or breach by any other Stockholder.

(n) Service of Process. Each of the parties hereto irrevocably consents to the service of any process, pleading, notices or other papers by the mailing of copies thereof by registered, certified or first class mail, postage prepaid, to such party at such party's address set forth herein, or by any other method provided or permitted under Delaware law. Additionally, each party hereby appoints RL&F Service Corp., One Rodney Square, Wilmington, Delaware 19810, as agent for service of process in Delaware.

(o) Consent and Jurisdiction. Each party irrevocably and unconditionally agrees and consents that any suit, action or other legal proceeding arising out of or related to this Agreement shall be brought and heard in New Castle County, State of Delaware, and each party irrevocably consents to personal jurisdiction in any and all tribunals in said County.

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Stockholder Agreement as of the date first above written.

MAGELLAN INTERNATIONAL, INC.

By: /s/ Charles H. Noski
Name: Charles H. Noski
Title: President

HUGHES COMMUNICATIONS, INC.

By: /s/ Jerald F. Farrell
Name: Jerald F. Farrell
Title: President

SATELLITE COMPANY, L.L.C.

By: /s/ Jorge Suarez Barbosa

Name: Jorge Suarez Barbosa
Title: General Manager

S-1

CLASS A STOCKHOLDERS

/s/ Mary Anselmo

Name: MARY ANSELMO, individually and as a trustee of the Article VII Trust created by the RENE ANSELMO REVOCABLE TRUST DATED JUNE 10, 1994 and as a successor trustee under the Voting Trust Agreement dated as of February 28, 1995 and as a co-trustee of RAYCE ANSELMO TRUST DATED DECEMBER 23, 1991

/s/ Frederick A. Landman

Name: FREDERICK A. LANDMAN, individually and as a trustee of the Article VII Trust created by the RENE ANSELMO REVOCABLE TRUST DATED JUNE 10, 1994 and as a successor trustee under the Voting Trust Agreement dated as of February 28, 1995

/s/ Lourdes Saralegui

Name: LOURDES SARALEGUI, individually and as a trustee of the Article VII Trust created by the RENE ANSELMO REVOCABLE TRUST DATED JUNE 10, 1994 and as a successor trustee under the Voting Trust Agreement dated as of February 28, 1995

/s/ Pier Landman

Name: PIER LANDMAN, individually and as the sole trustee of the CHLOE LANDMAN TRUST DATED JUNE 10, 1988 and the sole trustee of the RISSA LANDMAN TRUST DATED JUNE 10, 1988

/s/ Patrick J. Costello

Name: PATRICK J. COSTELLO, as trustee of the FREDERICK A. LANDMAN IRREVOCABLE TRUST DATED DECEMBER 22, 1995 and as a successor trustee of the RAYCE ANSELMO TRUST DATED DECEMBER 23, 1991

/s/ Reverge Anselmo

Name: REVERGE ANSELMO, individually and as a trustee of the Article VII Trust created by the RENE ANSELMO REVOCABLE TRUST DATED JUNE 10, 1994 and as a successor trustee under the Voting Trust Agreement dated as of February 28, 1995

EXHIBIT 4.2

AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

This AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this "Agreement"), dated as of May 16, 1997, is entered into by and among MAGELLAN INTERNATIONAL, INC., a Delaware corporation (the "Company"), and the persons listed on the signature pages hereof (the "Stockholders").

RECITALS

A. The Company and the Stockholders desire to enter into this Agreement for the purpose of granting to the Stockholders certain rights with respect to registering under the Securities Act of 1933, as amended, shares of Common Stock, par value $.01 per share, of the Company.

B. The Common Stock is being acquired by the Stockholders pursuant to the transactions (the "Transactions") contemplated by the Agreement and Plan of Reorganization, dated as of September 20, 1996, among Panamsat Corporation, Hughes Communications, Inc., and the Company, among others (the "Plan of Reorganization"), and the Stock Contribution and Exchange Agreement, dated as of September 20, 1996, among Satellite Company, L.L.C., Hughes Communications, Inc., and the Company, among others (the "Exchange Agreement").

C. The Stockholders are also parties to a Stockholder Agreement of even date (the "Stockholder Agreement").

AGREEMENT

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

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

"Advice" shall have the meaning set forth in Section 5 hereof.

"Affiliate" means, with respect to any specified person, any other
----
person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For the purposes of this definition, "control" when used with respect to any specified 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.

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

"Capital Stock" means, with respect to any person, any and all shares,
----
interests, participations or other equivalents (however designated) of corporate stock issued by such person, including each class of common stock and preferred stock of such person.

"Class A Holder" means a Holder whose Common Stock was received in the
----
Transactions in respect of the Class A Common Stock or common stock of Panamsat Corporation into which such Class A Common Stock has been converted.

"Class B Holder" means a Holder whose Common Stock was received in the
----
Transactions pursuant to the Exchange Agreement.

"Common Stock" means the Common Stock, par value $0.01 per share, of
----
the Company issued to any Holder named on the signature pages hereof in the Transactions or any other shares of capital stock or other securities of the Company into which such shares of Common Stock shall be reclassified or changed, including, by reason of a merger, consolidation, reorganization or recapitalization. If the Common Stock has been so reclassified or changed, or if the Company pays a dividend or makes a distribution on the Common Stock in shares of capital stock or subdivides (or combines) its outstanding shares of Common Stock into a greater (or smaller) number of shares of Common Stock, a share of Common Stock shall be deemed to be such number of shares of stock and amount of other securities to which a holder of a share of Common Stock outstanding immediately prior to such change, reclassification, exchange, dividend, distribution, subdivision or combination would be entitled.

"Company" shall have the meaning set forth in the heading hereof.

"Delay Period" shall have the meaning set forth in Section 2(d)
----
hereof.

"Demand Notice" shall have the meaning set forth in Section 2(a)
----
hereof.

"Demand Registration" shall have the meaning set forth in Section 2(b)
----
hereof.

"Effectiveness Period" shall have the meaning set forth in Section
----
2(d) hereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended,
----
and the rules and regulations of the SEC promulgated thereunder.

"Hold Back Period" shall have the meaning set forth in Section 4
----
hereof.

"Holder" means a person who owns Registrable Shares and is either (i)
------
a Stockholder or (ii) a Permitted Transferee.

"Inclusion Notice" shall have the meaning set forth in Section 2(a).

"Hughes Communications, Inc. Holder" means Hughes Communications, Inc.
----
and any Holder whose Common Stock was issued to Hughes Communications, Inc. in the Transactions.

"Interruption Period" shall have the meaning set forth in Section 5
----
hereof.

"Permitted Assignee" means a Holder who acquires (a) more than $ 15
----
million in value of Common Stock at the date of transfer from a Holder, or (b) Common Stock from a Holder in a transfer in which consent to assignment of this Agreement is granted pursuant to Section 10(e), in either case in a transfer

exempt pursuant to Rule "4(1-1/2)" (or any similar private transfer exemption), provided that in each case the transferee assumes and agrees to perform and becomes a party to this Agreement.

"Permitted Transferees" means, as to any Hughes Communications, Inc. Holder, any controlled Affiliate of GM or any Permitted Transferee; as to S Company, Grupo Televisa, S.A., any controlled Affiliate of Grupo Televisa, S.A., or any Permitted Transferee; and as to the Class A Holders, (A) any other Class A Holder, (B) any person who is the spouse or former spouse of, or any lineal descendent of, or any spouse of such lineal descendant of, or the grandparent, parent, brother or sister of, or spouse of such brother or sister of, a Class A Holder or Permitted Transferee of such person; (C) upon the death of any Class A Holder or any Permitted Transferee of such person, the executors of the estate of such Class A Holder or Permitted Transferee, any of such Class A Holder's or such Permitted Transferee's heirs, testamentary trustees, devisees, or legatees; (D) any trust principally for the benefit of one or more of the foregoing Class A Holders or Permitted Transferees; (E) upon the disability of any Class A Holder or Permitted Transferee, any guardian or conservator of such Class A Holder or Permitted Transferee; or (F) any corporation, partnership or other entity if all of the beneficial ownership is held by Class A Holders or any Permitted Transferees; and as to any Stockholders, any person who is a Permitted Assignee; provided that in each case such transferee assumes and agrees to perform and becomes a party to this Agreement.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Piggyback Registration" shall have the meaning set forth in Section 3 hereof.

"Prospectus" means the prospectus included in any Registration Statement (including a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Shares covered by such Registration Statement and all other amendments and supplements to such prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such prospectus.

"Registrable Shares" means shares of Common Stock unless (i) they have been effectively registered under Section 5 of the Securities Act and disposed of pursuant to an effective Registration Statement, or (ii) all of such Common Stock of a Holder can be freely sold and transferred without restriction under Rule 144 or Rule 145 under the Securities Act or any successor rule such that,

after any such transfer referred to in this clause (ii), such securities may be freely transferred without restriction under the Securities Act. Notwithstanding the foregoing, any shares of Common Stock held by a Stockholder shall be "Registrable Shares"

until such Stockholder ceases to own at least 1% of the then outstanding Common Stock, $ .01 par value, of the Company. Further, no Holder who is not a Stockholder shall be deemed to own Registrable Shares after five years from the date hereof.

"Registration" means registration under the Securities Act of an offering of Registrable Shares pursuant to a Demand Registration or a Piggyback Registration.

"Registration Period" means, as to any Holder, the period beginning on the date hereof and ending on the date when such Holder no longer owns any Registrable Shares.

"Registration Statement" means any registration statement under the Securities Act of the Company that covers any of the Registrable Shares pursuant to the provisions of this Agreement, including the related Prospectus, all amendments and supplements to such registration statement, including pre- and post-effective amendments, all exhibits thereto and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Shelf Registration" shall have the meaning set forth in Section 2(b) hereof.

"Stockholder Agreement" shall have the meaning set forth in Recital C.

"Transactions" shall have the meaning set forth in Recital B.

"Underwritten Registration or Underwritten Offering" means a

registration under the Securities Act in which securities of the Company are sold to an underwriter for reoffering to the public.

2. Demand Registration.

(a) Subject to the last sentence of this Section 2(a), any Holder shall have the right during the Registration Period, by written notice (the "Demand Notice") given to the Company, to request the Company to register under and in accordance with the provisions of the Securities Act all or any portion of the Registrable Shares designated by such Holders; provided, however, that the aggregate value (at the respective dates of such notices) of Registrable Shares requested to be registered pursuant to any Demand Notice and pursuant to any related Inclusion Notices received pursuant to the following sentence shall be at least $ 100 million. Upon receipt of any such Demand Notice, the Company shall promptly notify all other Holders of the receipt of such Demand Notice and allow them the opportunity to include Registrable Shares held by them in the proposed registration by submitting their own written notice to the Company requesting inclusion of a specified number of such Holders' Registrable Securities (the "Inclusion Notice"). In connection with any Demand Registration in which more

than one Holder participates, in the event that such Demand Registration involves an underwritten offering and the managing underwriter or underwriters participating in such offering advise in writing the Holders of Registrable Shares to be included in such offering that the total number of Registrable Shares to be included in such offering exceeds the amount that can be sold in (or during the time of) such offering without delaying or jeopardizing the success of such offering (including the price per share of the Registrable Shares to be sold), then the amount of Registrable Shares to be offered for the account of such Holders shall be reduced pro rata on the basis of the number of Registrable Shares to be registered by each such Holder; provided if the registration of Registrable Shares held by Mary Anselmo is necessary in connection with any payment of estate taxes by her estate, such registration by the estate of Mary Anselmo shall have priority over any registration of Registrable Shares by a Class B Holder or any Holder who acquired such securities directly or indirectly from or through a Class B Holder. The Class A Holders as a group and the Class B Holders as a group shall each be entitled to three Demand Registrations pursuant to this Section 2; Hughes Communications, Inc. shall be entitled to six Demand Registrations pursuant to this Section 2; if any such Demand Registration does not become effective or is not maintained for a period (whether or not continuous) of at least 180 days (or such shorter period as shall terminate when all the Registrable Shares covered by such Demand Registration (other than any shares reserved for issuance upon exercise of the underwriters' overallotment option) have been sold pursuant thereto), the affected Holders will be entitled to an addition Demand Registration pursuant

hereto. It is agreed that the registration of Registrable Shares pursuant to an Inclusion Notice shall not be deemed to be a Demand Registration. Nothing in this Section 2(a) shall limit any rights pursuant to Section 3 hereof. Nothing in this Agreement shall limit the rights and obligations of the parties under the Stockholder Agreement, including pursuant to Sections 2(a) and 2(b) thereof. Notwithstanding anything herein to the contrary, the exercise of each Demand Registration under this Section 2(a) by the Class A Holders shall require the approval of the Class A Holders, and their Permitted Transferees, owning a majority of the Registrable Shares then owned by all Class A Holders and their Permitted Transferees.

(b) The Company, within 45 days of the date on which the Company receives a Demand Notice given by Holders in accordance with Section 2(a) hereof, shall file with the SEC, and the Company shall thereafter use commercially reasonable efforts to cause to be declared effective, a Registration Statement on the appropriate form for the registration and sale, in accordance with the intended method or methods of distribution, of the total number of Registrable Shares specified by the Holders in such Demand Notice, which may include a "shelf" registration (a "Shelf Registration") pursuant to Rule 415 under the Securities Act (a "Demand Registration").

(c) The Company shall use commercially reasonable efforts to cause the Registration Statement to be declared effective and to keep each Registration Statement filed pursuant to this Section 2 continuously effective and usable for the resale of the Registrable Shares covered thereby (i) in the case of a Registration that is not a Shelf Registration, for a period of 90 days from the date on which the SEC declares such Registration Statement effective and (ii) in the case of a Shelf Registration, for a period of 180 days from the date on which the SEC declares such Registration Statement effective, in either case (x) until all the Registrable Shares covered by such Registration Statement (other than any shares reserved for issuance upon

exercise of the underwriters' overallotment option) have been sold pursuant to such Registration Statement, and (y) as such period may be extended pursuant to this Section 2.

(d) The Company shall be entitled to postpone the filing of any Registration Statement otherwise required to be prepared and filed by the Company pursuant to this Section 2, or suspend the use of any effective Registration Statement under this Section 2, for a reasonable period of time, but not in excess of 90 days (a "Delay Period"), if the chief executive officer or chief financial officer of the Company determines that in such executive officer's reasonable judgment and good faith the registration and distribution of the Registrable Shares covered or to be covered by such Registration Statement would materially interfere with any pending material financing,

acquisition or corporate reorganization or other material corporate development involving the Company or any of its subsidiaries or would require premature disclosure thereof and promptly gives the Holders written notice of such determination, containing a general statement of the reasons for such postponement and an approximation of the period of the anticipated delay; provided, however, that (i) the aggregate number of days included in all Delay Periods during any consecutive 12 months shall not exceed the aggregate of (x) 120 days minus (y) the number of days occurring during all Hold Back Periods and Interruption Periods during such consecutive 12 months and (ii) a period of at least 60 days shall elapse between the termination of any Delay Period, Hold Back Period or Interruption Period and the commencement of the immediately succeeding Delay Period. If the Company shall so postpone the filing of a Registration Statement, the Holders of Registrable Shares to be registered shall have the right to withdraw the request for registration by giving written notice from the Holders of a majority of the Registrable Shares that were to be registered to the Company within 45 days after receipt of the notice of postponement or, if earlier, the termination of such Delay Period (and, in the event of such withdrawal, such request shall not be counted for purposes of determining the number of requests for registration to which the Holders of Registrable Shares are entitled pursuant to this Section 2). The time period for which the Company is required to maintain the effectiveness of any Registration Statement shall be extended by the aggregate number of days of all Delay Periods, all Hold Back Periods and all Interruption Periods occurring during such Registration and such period and any extension thereof is hereinafter referred to as the "Effectiveness Period." The Company shall not be entitled to

---

initiate a Delay Period unless it shall (A) to the extent permitted by agreements with other security holders of the Company, concurrently prohibit sales by such other security holders under registration statements covering securities held by such other security holders and (B) in accordance with the Company's policies from time to time in effect, forbid purchases and sales in the open market by senior executives of the Company.

(e) The Company shall not include any securities that are not Registrable Shares in any Registration Statement filed pursuant to this Section 2 without the prior written consent of (i) the Class A Holders of a majority in number of the Registrable Shares held by Class A Holders covered by such Registration Statement, and (ii) the Class B Holder(s) of a majority in number of the Registrable Shares held by such Class B Holders covered by such Registration Statement, and (iii) Hughes Communications, Inc. Holders with respect to Registrable Shares held by such Hughes Communications, Inc. Holders covered by such Registration Statement.

(f) Holders of a majority in number of the Registrable Shares to be included in a Registration Statement pursuant to this Section 2 may, at any time prior to the effective date of the Registration Statement relating to such Registration, revoke such request by providing a written notice to the Company revoking such request. The Holders of Registrable Shares who revoke such request

shall reimburse the Company for all its out-of-pocket expenses incurred in the preparation, filing and processing of the Registration Statement; provided, however, that, if such revocation was pursuant to Section 2(d) (for a postponement) or was based on the Company's failure to comply in any material respect with its obligations hereunder, such reimbursement shall not be required, and such registration shall not count against the maximum number of Demand Registrations to which the applicable Holders are entitled under Section 2(a). In addition, if pursuant to the terms of this Section 2(f), the Holders reimburse the Company for its out of pocket expenses incurred in the preparation, filing and processing of any Registration Statement requested, and subsequently revoked by such Holder(s), such registration shall not count against the maximum number of Demand Registrations to which the applicable Holder(s) are entitled under Section 2(a).

3. Piggyback Registration.

(a) Right to Piggyback. If at any time during the Registration Period the Company proposes to file a registration statement under the Securities Act with respect to a public offering of securities of the same type as the Registrable Shares pursuant to a firm commitment underwritten offering solely for cash for its own account (other than a registration statement (i) on Form S-8 or any successor forms thereto, or (ii) filed solely in connection with a dividend reinvestment plan or employee benefit plan of the Company or its Affiliates) or for the account of any holder of securities of the same type as the Registrable Shares (to the extent that the Company has the right to include Registrable Shares in any registration statement to be filed by the Company on behalf of such holder), then the Company shall give written notice of such proposed filing to the Holders at least 15 days before the anticipated effective date. Such notice shall offer the Holders the opportunity to register such amount of Registrable Shares as they may request (a "Piggyback Registration"). Subject to Section 3(b) hereof, the Company shall include in each such Piggyback Registration all Registrable Shares with respect to which the Company has received written requests for inclusion therein within 10 days after notice has been given to the Holders. Each Holder shall be permitted to withdraw all or any portion of the Registrable Shares of such Holder from a Piggyback Registration at any time prior to the effective date of such Piggyback Registration; provided, however, that if such withdrawal occurs after the filing of the Registration Statement with respect to such Piggyback Registration, the withdrawing Holders shall reimburse the Company for the portion of the registration expenses payable with respect to the Registrable Shares so withdrawn.

(b) Priority on Piggyback Registrations. The Company shall permit the Holders to include all such Registrable Shares on-the-same terms and conditions as any similar securities, if any, of the Company included therein. Notwithstanding the foregoing, if the Company or the managing underwriter or underwriters participating in such offering advise the Holders in writing that

the total amount of securities requested to be included in such Piggyback Registration exceeds the amount which can be sold in (or during the time of) such offering without delaying or jeopardizing the success of the offering (including the price per

share of the securities to be sold), then the amount of securities to be offered for the account of the Holders and other holders of securities who have piggyback registration rights with respect thereto shall be reduced (to zero if necessary) pro rata on the basis of the number of common stock equivalents requested to be registered by each such Holder or holder participating in such offering.

(c) Right to Abandon. Nothing in this Section 3 shall create any liability on the part of the Company to the Holders if the Company in its sole discretion should decide not to file a registration statement proposed to be filed pursuant to Section 3(a) hereof or to withdraw such registration statement subsequent to its filing and prior to the later of its effectiveness or the release of the Registrable Shares for public offering by the managing underwriter, in the case of an underwritten public offering, regardless of any action whatsoever that a Holder may have taken, whether as a result of the issuance by the Company of any notice hereunder or otherwise.

4. Holdback Agreement. If (i) the Company shall file a registration statement with respect to the Common Stock or similar securities or securities convertible into, or exchangeable or exercisable for, such securities and (ii) the Company (in the case of a nonunderwritten public offering by the Company pursuant to such registration statement) advises the Holders in writing that a public sale or distribution of Registrable Shares would materially adversely affect such offering or the managing underwriter or underwriters (in the case of an underwritten public offering by the Company pursuant to such registration statement) advises the Company in writing (in which case the Company shall notify the Holders) that a public sale or distribution of Registrable Shares would have material adverse impact on such offering, then each Holder shall, to the extent not inconsistent with applicable law, refrain from effecting any public sale or distribution of Registrable Shares during the 10 days prior to the effective date of such registration statement and until the earliest of (A) the abandonment of such offering, (B) 90 days from the effective date of such registration statement and (C) if such offering is an underwritten offering, the termination of any "hold back" period obtained by the underwriter or underwriters in such offering from the Company in connection therewith (each such period, a "Hold Back Period").

5. Registration Procedures. In connection with the registration obligations of the Company pursuant to and in accordance with Sections 2 and 3

hereof (and subject to Sections 2 and 3 hereof), the Company shall use commercially reasonable efforts to effect such registration to permit the sale of such Registrable Shares in accordance with the intended method or methods of disposition thereof, and pursuant thereto the Company shall as expeditiously as possible (but subject to Sections 2 and 3 hereof):

(a) At least ten (10) business days before filing a Registration Statement or prospectus or any amendments or supplements thereto, furnish to the Holders who are participating in such Registration Statement and the underwriters, if any, copies of all such documents proposed to be filed, which documents will be subject to the review of such Holders and such underwriters (and their respective counsel), and, in the case of a Demand Registration, the Company will not file any Registration Statement or amendment thereto or any prospectus

or any supplement thereof to which the Registering Holders or the underwriters, if any, shall reasonably object;

(b) prepare and file with the SEC a Registration Statement for the sale of the Registrable Shares on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate in accordance with such Holders' intended method or methods of distribution thereof, subject to Section 2(b) hereof, and, subject to the Company's right to terminate or abandon a registration pursuant to Section 3(c) hereof, use commercially reasonable efforts to cause such Registration Statement to become effective and remain effective as provided herein;

(c) prepare and file with the SEC such amendments (including post-effective amendments) to such Registration Statement, and such supplements to the related Prospectus, as may be required by the rules, regulations or instructions applicable to the Securities Act during the applicable period in accordance with the intended methods of disposition specified by the Holders of the Registrable Shares covered by such Registration Statement, make generally available earnings statements satisfying the provisions of Section 11(a) of the Securities Act (provided that the Company shall be deemed to have complied with this clause if it has complied with Rule 158 under the Securities Act), and cause the related Prospectus as so supplemented to be filed pursuant to Rule 424 under the Securities Act; provided, however, that before filing a Registration Statement or Prospectus, or any amendments or supplements thereto (other than reports required to be filed by it under the Exchange Act), the Company shall furnish to the Holders of Registrable Shares covered by such Registration Statement and their counsel for review and comment, copies of all documents required to be filed;

(d) notify the Holders of any Registrable Shares covered by such Registration Statement promptly and (if requested) confirm such notice in writing, (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to such Registration Statement or

any post-effective amendment, when the same has become effective, (ii) of any request by the SEC for amendments or supplements to such Registration Statement or the related Prospectus or for additional information regarding such Holders, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or the initiation of any proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, and (v) of the happening of any event that requires the making of any changes in such Registration Statement, Prospectus or documents incorporated or deemed to be incorporated therein by reference so that they will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading:

(e) use commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of such Registration Statement, or the lifting of any suspension of the qualification or exemption from qualification of any Registrable Shares for sale in any jurisdiction in the United States;

(f) furnish to the Holder of any Registrable Shares covered by such Registration Statement, each counsel for such Holders and each managing underwriter, if any, without charge, one conformed copy of such Registration Statement, as declared effective by the SEC, and of each post-effective amendment thereto, in each case including financial statements and schedules and all exhibits and reports incorporated or deemed to be incorporated therein by reference; and deliver, without charge, such number of copies of the preliminary prospectus, any amended preliminary prospectus, each final Prospectus and any post-effective amendment or supplement thereto, as such Holder may reasonably request in order to facilitate the disposition of the Registrable Shares of such Holder covered by such Registration Statement in conformity with the requirements of the Securities Act;

(g) prior to any public offering of Registrable Shares covered by such Registration Statement, use commercially reasonable efforts to register or qualify such Registrable Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Holders of such Registrable Shares shall reasonably request in writing; provided, however, that the Company shall in no event be required to qualify generally to do business as a foreign corporation or as a dealer in any jurisdiction where it is not at the time so qualified or to execute or file a general consent to service of process in any such jurisdiction where it has not theretofore done so or to take any action that would subject it to general service of process or taxation in any such jurisdiction where it is not then subject;

(h) upon the occurrence of any event contemplated by paragraph 5(d)(v) above, prepare a supplement or post-effective amendment to such Registration Statement or the related Prospectus or any document incorporated or deemed to be

incorporated therein by reference and file any other required document so that, as thereafter delivered to the purchasers of the Registrable Shares being sold thereunder (including upon the termination of any Delay Period), such Prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(i) use commercially reasonable efforts to cause all Registrable Shares covered by such Registration Statement to be listed on each securities exchange or automated interdealer quotation system, if any, on which similar securities issued by the Company are then listed or quoted;

(j) use commercially reasonable efforts to comply with all applicable rules and regulations of the SEC and any securities exchange or regulatory body;

(k) on or before the effective date of such Registration Statement, provide the transfer agent of the Company for the Registrable Shares with printed certificates for the Registrable Shares covered by such Registration Statement which are in a form eligible for deposit with The Depository Trust Company;

(l) if such offering is an underwritten offering, make available for inspection by any Holder of Registrable Shares included in such Registration Statement, any underwriter participating in any offering pursuant to such Registration Statement, and any

attorney, accountant or other agent retained by any such Holder or underwriter (collectively, the "Inspectors"), such financial and other records and other information, pertinent corporate documents and properties of any of the Company and its subsidiaries and affiliates (collectively, the "Records"), as shall be reasonably necessary to enable them to exercise their due diligence responsibilities; provided, however, that the Records that the Company determines, in good faith, to be confidential and which it notifies the Inspector in writing are confidential shall not be disclosed to any Inspector unless such Inspector signs a confidentiality agreement reasonably satisfactory to the Company, which agreement shall permit the disclosure of such Records in such Registration Statement or the related Prospectus if either (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such Registration Statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction; provided however, that (A) any decision regarding the disclosure of information pursuant to subclause (i) shall be made only after consultation with counsel for the applicable Inspectors and the Company and (B) with respect to any release of Records pursuant to subclause (ii), each Holder of Registrable Shares agrees that it shall, promptly after learning that disclosure of such Records is sought in a court having jurisdiction, give notice to the Company so that the Company, at the Company's expense, may undertake appropriate action to

prevent disclosure of such Records; and

(m) if such offering is an underwritten offering, enter into such agreements (including an underwriting agreement in form, scope and substance as is customary in underwritten offerings) and take all such other appropriate and reasonable actions requested by the Holders of a majority of the Registrable Shares being sold in connection therewith (including those reasonably requested by the managing underwriters) in order to expedite or facilitate the disposition of such Registrable Shares, and in such connection, (i) use commercially reasonable efforts to obtain opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters and counsel to the Holders of the Registrable Shares being sold), addressed to each selling Holder of Registrable Shares covered by such Registration Statement and each of the underwriters as to the matters customarily covered in opinions requested in underwritten offerings and such other matters may be reasonably requested by such counsel and underwriters, (ii) use commercially reasonable efforts to obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement), addressed to each selling Holder of Registrable Shares covered by the Registration Statement (unless such accountants shall be prohibited from so addressing such letters by applicable standards of the accounting profession) and each of the underwriters, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings (iii) if requested and if an underwriting agreement is entered into, provide indemnification provisions and procedures substantially to the effect set forth in Section 8 hereof with respect to all parties to be indemnified pursuant to said Section. The above shall be done at each closing under such underwriting or similar agreement, or as and to the extent required thereunder. In addition, the Company agrees (i) not to effect any public sale or distribution of its Common Stock, par value $.01 per share, or any securities convertible into or exchangeable

or exercisable for such securities, during the 10 days prior to the effective date of any underwritten Demand or Piggyback Registration and until the earliest of (A) the abandonment of such offering, or (B) the termination of any "hold back" period reasonably requested by the underwriters (with exceptions for issuances pursuant to outstanding options, warrants, and convertible or exchangeable securities, pursuant to employee and dividend reinvestment plans, and such other exceptions as are customary or agreed with the managing underwriter).

The Company may require each Holder of Registrable Shares covered by a Registration Statement to furnish such information regarding such Holder and such Holder's intended method of disposition of such Registrable Shares as it

may from time to time reasonably request in writing. If any such information is not furnished within a reasonable period of time after receipt of such request, the Company may exclude such Holder's Registrable Shares from such Registration Statement.

Each Holder of Registrable Shares covered by a Registration Statement agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 5(d)(ii), 5(d)(iii), 5(d)(iv) or 5(d)(v) hereof, that such Holder shall forthwith discontinue disposition of any Registrable Shares covered by such Registration Statement or the related Prospectus until receipt of the copies of the supplemented or amended Prospectus contemplated by Section 5(h) hereof, or until such Holder is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus may be
------
resumed, and has received copies of any amended or supplemented Prospectus or any additional or supplemental filings which are incorporated, or deemed to be incorporated, by reference in such Prospectus (such period during which disposition is discontinued being an "Interruption Period") and, if requested by
----
the Company, the Holder shall deliver to the Company (at the expense of the Company) all copies then in its possession, other than permanent file copies then in such holder's possession, of the Prospectus covering such Registrable Shares at the time of receipt of such request.

Each Holder of Registrable Shares covered by a Registration Statement further agrees not to utilize any material other than the applicable current preliminary prospectus or Prospectus in connection with the offering of such Registrable Shares.

6. Registration Expenses. Whether or not any Registration Statement
----
is filed or becomes effective, the Company shall pay all costs, fees and expenses incident to the Company's performance of or compliance with this Agreement, including (i) all registration and filing fees, including NASD filing fees, (ii) all fees and expenses of compliance with securities or Blue Sky laws, including reasonable fees and disbursements of counsel in connection therewith, (iii) printing expenses (including expenses of printing certificates for Registrable Shares and of printing preliminary and final prospectuses if the printing of prospectuses is requested by the Holders or the managing underwriter, if any), (iv) messenger, telephone and delivery expenses, (v) fees and disbursements of counsel for the Company, (vi) fees and disbursements of all independent certified public accountants of the Company (including expense of any "cold comfort" letters required in connection with this Agreement) and all other persons retained by the Company in connection with this Agreement and the Registration Statement, and (vii) all other costs, fees and expenses incident to the Company's performance or compliance

with this Agreement. Notwithstanding the foregoing, the fees and expenses of any

persons retained by any Holder, including counsel for such Holders, and any discounts, commissions or brokers' fees or fees of similar securities industry professionals and any transfer taxes relating to the disposition of the Registrable Shares by a Holder, will be payable by such Holder and the Company will have no obligation to pay any such amounts.

7. Underwriting Requirements.

(a) Subject to Section 7(b) hereof, any Holder giving a Demand Notice shall have the right, by written notice, to request that any Demand Registration provide for an underwritten offering.

(b) In the case of any underwritten offering pursuant to a Demand Registration, the Holders of a majority of the Registrable Shares covered by the Demand Notice to be disposed of in connection therewith shall select the institution or institutions that shall manage or lead such offering, which institution or institutions shall be reasonably satisfactory to the Company. In the case of any underwritten offering pursuant to a Piggyback Registration, the Company shall select the institution or institutions that shall manage or lead such offering.

8. Indemnification.

(a) Indemnification by the Company. The Company shall, without limitation as to time, indemnify and hold harmless, to the full extent permitted by law, each Holder of Registrable Shares whose Registrable Shares are covered by a Registration Statement or Prospectus, the officers, directors and agents and employees of each of them, each Person who controls each such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents and employees of each such controlling person, to the fullest extent lawful, from and against any and all losses, claims, damages, liabilities, judgment, costs (including, without limitation, costs of preparation and reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or based upon any untrue or alleged untrue statement of a material fact contained in such Registration Statement or Prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or based upon any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are based upon information furnished in writing to the Company by or on behalf of such Holder expressly for use therein or by any underwriter in a Demand Registration; provided, however, that the Company shall not be liable to any such Holder to the extent that any such Losses arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any preliminary prospectus if (i) having previously been furnished by or on behalf of the Company with copies of the Prospectus, such Holder failed to send or deliver a copy of the Prospectus with or prior to the delivery of written

confirmation of the sale of Registrable Shares by such Holder to the person asserting the claim from which such Losses arise and (ii) the Prospectus would have corrected in all material respects such untrue statement or alleged untrue statement or such omission or alleged omission; and provided further, however, that the Company shall not be liable in any such case to the extent that any such Losses arise out of or are based upon an untrue statement

or alleged untrue statement or omission or alleged omission in the Prospectus, if (x) such untrue statement or alleged untrue statement, omission or alleged omission is corrected in all material respects in an amendment or supplement to the Prospectus and (y) having previously been furnished by or on behalf of the Company with copies of the Prospectus as so amended or supplemented, such Holder thereafter fails to deliver such Prospectus as so amended or supplemented, prior to or currently with the sale of Registrable Shares. In connection with any Underwritten Offering, the Company will also indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who controls such Persons (within the meaning of Section 15 of the Securities Act) to the same extent as provided above with respect to Indemnification of Holders of Registrable Shares, or on such other terms as are reasonable and customary and requested by the managing underwriter.

(b) Indemnification by Holder of Registrable Shares. In connection with any Registration Statement in which a Holder is participating, such Holder shall furnish to the Company in writing such information as the Company reasonably requests for use in connection with such Registration Statement or the related Prospectus and agrees to indemnify, to the full extent permitted by law, the Company, its directors, officers, agents or employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act) and the directors, officers, agents or employees of such controlling Persons, from and against all Losses arising out of or based upon any untrue or alleged untrue statement of a material fact contained in such Registration Statement or the related Prospectus or any amendment or supplement thereto, or any preliminary prospectus, or arising out of or based upon any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, to the extent, but only to the extent, that such untrue or alleged untrue statement or omission or alleged omission is based upon any information so furnished in writing by or on behalf of such Holder to the Company expressly for use in such Registration Statement or Prospectus.

(c) If any Person shall be entitled to indemnity hereunder (an "Indemnified Party"), indemnified party shall give prompt notice to the party from which such indemnity is sought (the "Indemnifying Party") of any claim or

of the commencement of any proceeding with respect to indemnitee party seeks indemnification or contribution pursuant hereto; provided, however, that the delay or failure to so notify the indemnifying party shall not relieve the indemnifying party from any obligation or liability except to the extent that the indemnifying party has been prejudiced by such delay or failure. The indemnifying party shall have the right, exercisable by giving written notice to an indemnified party promptly after the receipt of written notice from such indemnified party of such claim or proceeding, to assume, at the indemnifying party's expense, the defense of any such claim or proceeding, with counsel reasonably satisfactory to such indemnified party; provided, however, that (i) an indemnified party shall have the right to employ separate counsel in any such claim or proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless: (1) the indemnifying party agrees to pay such fees and expenses; (2) the indemnifying party fails promptly to assume the defense of such claim or proceeding or fails to employ counsel reasonably satisfactory to such indemnified party; or (3) the named parties to any proceeding (including impleaded parties) include both such indemnified

party and the indemnifying party, and such indemnified party shall have been advised by counsel that there may be one or more legal defenses available to it that are inconsistent with those available to the indemnifying party or that a conflict of interest is likely to exist among such indemnified party and any other indemnified parties (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party); and (ii) subject to clause (3) above, the indemnifying party shall not, in connection with any one such claim or proceeding or separate but substantially similar or related claims or proceedings in the same jurisdiction, arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one firm of attorneys (together with appropriate local counsel) at any time for all of the indemnified parties, or for fees and expenses that are not reasonable. Whether or not such defense is assumed by the indemnifying party, such indemnified party shall not be subject to any liability for any settlement made without its consent. The indemnifying party shall not consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release, in form and substance reasonably satisfactory to the indemnified party, from all liability in respect of such claim or litigation for which such indemnified party would be entitled to indemnification hereunder.

(d) Contribution. If the indemnification provided for in this Section 8 is unavailable to an indemnified party in respect of any Losses (other than in accordance with its terms), then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on

the one hand, and such indemnified party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such indemnifying party, on the one hand, and indemnified party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue statement of a material fact or omission or alleged omission to state a material fact, has been taken by, or relates to information supplied by, such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include any legal or other fees or expenses incurred by such party in connection with any investigation or proceeding. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the this Section 8(d). Notwithstanding the provision of this Section 8(d), an indemnifying party that is a Holder shall not be required to contribute any amount which is in excess of the amount by which the total proceeds received by such Holder from the sale of the Registrable Shares sold by such Holder (net of all underwriting discounts and commissions) exceeds the amount of any damages that such indemnifying party has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

9. Rule 144. If the Company shall have filed a registration statement pursuant to the requirements of Section 12 of the Exchange Act or a registration statement pursuant to the requirements of the Securities Act, the Company covenants that it will timely file the reports required to be filed by it under the Securities Act or the Exchange Act (including but not limited to the reports under Sections 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the SEC under the Securities Act) and the rules and regulations adopted by the SEC thereunder (or if the Company is not required to file such reports, the Company will, upon the request of any Holder of Registrable Shares, make publicly available other information), and will take such further action as any Holder of Registrable Shares may reasonably request, all to the extent required from time to time to enable such Holder of Registrable Shares to sell Registrable Shares within the exemption provided by (i) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any Holder of Registrable Shares, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

10. Miscellaneous.

(a) Termination. This Agreement and the obligations of the Company and the Holders hereunder (other than Section 8 hereof) shall terminate on the first date on which no Registrable Shares remain outstanding.

(b) Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic or digital transmission method; the day after it is sent, if sent for next day delivery to a domestic address by recognized overnight delivery service (e.g., Federal Express); and upon receipt, if sent by certified or registered mail, return receipt requested. In each case notice shall be sent to:

i. if to the Company, to:

PanAmSat Corporation
One Pickwick Plaza
Greenwich, Connecticut 06830
Attention: Frederick A. Landman
Telephone: (203) 622-6664
Telecopy: (203) 622-9163

with a copy to:

Chadbourne & Parke LLP
30 Rockefeller Plaza
New York, New York 10112
Attention: Denis J. Friedman, Esq.
Telephone: (212) 408-5200
Telecopy: (212) 541-5369

ii. if to Hughes Communications, Inc., Hughes Communications Galaxy, Inc. or Hughes Communications Satellite Services, Inc., to:

Hughes Communications, Inc.
P.O. Box 9712
Long Beach, CA 90810-9928
Attention: President
Telephone: (310) 525-5010
Telecopy: (310) 525-5015

with a copy to:

Latham & Watkins

633 West Fifth Street, Suite 4000
Los Angeles, California 90071
Attention: Bruce R. Lederman, Esq.
Telephone: (213) 485-1234
Telecopy: (213) 891-8763

iii. if to any of the Class A Stockholders listed on the signature pages hereto, to:

Patrick J. Costello
c/o PanAmSat Corporation
One Pickwick Plaza
Greenwich, Connecticut 06830
Attention: Frederick A. Landman
Telephone: (203) 622-6664
Telecopy: (203) 622-9163

with a copy to:

Cummings & Lockwood
4 Stamford Plaza, CT 06904
Attn: John Musicaro
Telephone: (203) 351-4370
Telecopy: (203) 351-4499

iv. if to Satellite Company, L.L.C., to:

Satellite Company, L.L.C.
Fonovisa Centroamerica, S.A.
De Popa de Curridabat 25 Mts. Este
Edificio Galerias del Este
Local 8
San Jose, Costa Rica
Attention: Jorge Suarez
Telephone: 011-506-253-0758
Telecopy: 011-506-224-0836

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attention: Joseph A. Stern, Esq.
Telephone: (212) 859-8000
Telecopy: (212) 859-4000

(c) Interpretation. When a reference is made in this Agreement to

Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the word "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". This Agreement shall not be construed for or against either party by reason of the authorship or alleged authorship of any provision hereof or by reason of the status of the respective parties. All terms defined in this Agreement in the singular shall have the same comparable meanings when used in the plural and vice versa, unless otherwise specified.

(d) Entire Agreement; No Third-Party Beneficiaries. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

(e) Assignment. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned (whether by operation of law or otherwise) by any Holder without the consent of the Company, or by the Company without the consent of Holders of at least a majority in number of the Registrable Shares then outstanding provided that any Holder can assign its rights hereunder to a Permitted Transferee or Permitted Assignee of $15 million or more in value of Common Stock without the consent of the Company. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. In no event shall any transferee of Common Stock be entitled, solely as a result of such transfer, to any of the benefits of this Agreement or to enforce the same.

(f) Governing Law. This Agreement shall be construed, interpreted and the rights of the parties determined in accordance with the laws of the State of Delaware (without reference to the choice of law provisions), except with respect to matters of law concerning the internal corporate affairs of any corporate entity which is a party to or the subject of this Agreement, and as to those matters the law of the jurisdiction under which the respective entity derives its powers shall govern.

(g) Severability. Each party agrees that, should any court or other competent authority hold any provision of this Agreement or part hereof to be null, void or unenforceable, or order any party to take any action inconsistent herewith or not to take an action consistent herewith or required hereby, the validity, legality and enforceability of the remaining provisions and

obligations contained or set forth herein shall not in any way be affected or impaired thereby. Upon any such holding that any provision of this Agreement is null, void or unenforceable, the parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated by this Agreement are consummated to the extent possible. Except as otherwise contemplated by this Agreement, to the extent that a party hereto took an action inconsistent herewith or failed to take action consistent herewith or required hereby pursuant to an order or judgment of a court or other competent authority, such party shall incur no liability or obligation unless such party did not in good faith seek to resist or object to the imposition or entering of such order or judgment.

(h) Injunctive Relief. The parties acknowledge that it will be impossible to measure in money the damages that would be suffered if the parties fail to comply with any of the obligations herein imposed on them and that in the event of any such failure, an aggrieved person or entity will be irreparably damaged and will not have an adequate remedy at law. Any such person or entity shall, therefore, be entitled to injunctive relief, including specific performance, to enforce such obligations, and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties shall raise the defense that there is an adequate remedy at law.

(i) Attorneys' Fees. If any party to this Agreement brings an action to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including without limitation reasonable attorneys' fees, incurred in connection with such action, including any appeal of such action.

(j) Cumulative Remedies. All rights and remedies of any party hereto are cumulative of each other and of every other right or remedy such party may otherwise have at law or in equity, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

(k) Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when executed and delivered by each of the parties.

(l) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of Holders of at least a

majority in number of the Registrable Shares then outstanding, or the Holders have obtained the written consent of the Company.

(m) Other Agreements. Without the approval of Holders owning at least two-thirds in interest of each of the Hughes Communications, Inc. Holders, the Class A Holders, and the Class B Holders of the Registrable Shares, the Company shall not enter into any registration rights agreement ranking pari passu or senior to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Registration Rights Agreement as of the date first above written.

MAGELLAN INTERNATIONAL, INC.

By: /s/ Charles H. Noski
Name: Charles H. Noski
Title: President

STOCKHOLDERS

HUGHES COMMUNICATIONS, INC.

HUGHES COMMUNICATIONS GALAXY, INC.

HUGHES COMMUNICATIONS
SATELLITE SERVICES, INC.

By: /s/ Jerald F. Farrell
Name: Jerald F. Farrell
Title: President

SATELLITE COMPANY, L.L.C.

By: /s/ Jorge Suarez Barbosa
Name: Jorge Suarez Barbosa
Title: General Manager

CLASS A STOCKHOLDERS

/s/ Mary Anselmo

Name: MARY ANSELMO, individually and as a trustee of the Article VII Trust created by the RENE ANSELMO REVOCABLE TRUST DATED JUNE 10, 1994 and as a successor trustee under the Voting Trust Agreement dated as of February 28, 1995 and as a co-trustee of RAYCE ANSELMO TRUST DATED DECEMBER 23, 1991

/s/ Frederick A. Landman

Name: FREDERICK A. LANDMAN, individually and as a trustee of the Article VII Trust created by the RENE ANSELMO REVOCABLE TRUST DATED JUNE 10, 1994 and as a successor trustee under the Voting Trust Agreement dated as of February 28, 1995

/s/ Lourdes Saralegui

Name: LOURDES SARALEGUI, individually and as a trustee of the Article VII Trust created by the RENE ANSELMO REVOCABLE TRUST DATED JUNE 10, 1994 and as a successor trustee under the Voting Trust Agreement dated as of February 28, 1995

/s/ Pier Landman

Name: PIER LANDMAN, individually and as the sole trustee of the CHLOE LANDMAN TRUST DATED JUNE 10, 1988 and the sole trustee of the RISSA LANDMAN TRUST DATED JUNE 10, 1988

/s/ Patrick J. Costello

Name: PATRICK J. COSTELLO, as trustee of the FREDERICK A. LANDMAN IRREVOCABLE TRUST DATED DECEMBER 22, 1995 and as a successor trustee of the RAYCE ANSELMO TRUST DATED DECEMBER 23, 1991

/s/ Reverge Anselmo

Name: REVERGE ANSELMO, individually and as a trustee of the Article VII Trust created by the RENE ANSELMO REVOCABLE TRUST DATED JUNE 10, 1994 and as a successor trustee under the Voting Trust Agreement dated as of February 28, 1995

EXHIBIT 4.3

LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement") is entered into as of May 15, 1997 -- between HUGHES NETWORK SYSTEMS, INC., a corporation organized and existing under the laws of Delaware ("Lender"), and MAGELLAN INTERNATIONAL, INC., a Delaware corporation that will be renamed "PANAMSAT CORPORATION" upon consummation of the Reorganization (as defined below)("Borrower").

WHEREAS, Borrower has requested Lender to extend a credit facility in the amount of One Billion Seven Hundred Twenty Five Million Dollars ($1,725,000,000.00), to be used for Borrower's general corporate purposes including, but not limited to, financing Borrower's acquisition of all of the outstanding shares of Class A Common Stock, par value $.01 per share and Common Stock, par value $.01 per share of PanAmSat Corporation ("PanAmSat") and all of the outstanding shares of common stock, $.01 par value per share, of Univisa, Inc. (the indirect holder of all outstanding shares of Class B common stock, $.01 par value per share, of PanAmSat) in each case pursuant to the Reorganization Agreement and the Univisa Contribution Agreement (as such terms are defined below); and

WHEREAS, Lender is willing to extend such credit facility to Borrower, subject to the terms and conditions of this Agreement;

NOW, THEREFORE, for good consideration, the receipt and sufficiency of which is hereby acknowledged, Lender and Borrower agree as follows:

SECTION 1
DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms shall have ----------- the meanings given:

"Base LIBOR Rate" applicable to a particular Interest Period shall mean a rate per annum equal to the rate of interest at which U.S. dollar deposits with comparable maturities are offered in immediately available funds in the London Interbank Market at 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as published by the British Banker's Association (Bloomberg Screen BBAM).

"Borrower" has the meaning set forth in the preamble to this Agreement.

"Business Day" means a day other than a Saturday or Sunday on which banks are open for business in both San Francisco, California and New York, New York.

"Certificate of Designation" means the certificate of designation for the 12 3/4% Mandatorily Exchangeable Senior Redeemable Preferred Stock of PanAmSat.

"Closing Date" means the closing date of the Merger.

"Consolidated Adjusted Net Worth" means, as of the date of determination thereof, the consolidated stockholders equity of Borrower in accordance with GAAP plus the principal balance of the Loan outstanding as of such date.

"Adjusted Consolidated Tangible Net Worth" means, at any date of determination, Consolidated Adjusted Net Worth less the consolidated goodwill
---
of Borrower and its Subsidiaries, determined in accordance with GAAP.

"Debt Rating" means the rating by S&P or Moody's of senior unsecured long-term debt issued by Borrower, as publicly announced and in effect from time to time; provided, however, that if both S&P and Moody's announce a Debt Rating, the lower rating shall be considered the Debt Rating.

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

"ERISA Affiliate" of any Person means any other Person that for purposes of Title IV of ERISA is a member of such Person's controlled group, or under common control with such Person, within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended from time to time.

"Event of Default" means any event specified in Section 8.1.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such other entity as may be in general use by significant segments of the U.S. accounting profession, which are applicable to the circumstances as of the date of determination.

"Guaranty" has the meaning set forth in Section 4.1(d).

"Indentures" means, collectively (a) the Indenture dated as of August 5, 1993 among PanAmSat, PanAmSat Capital Corporation and First Trust National Association relating to the Senior Secured Notes, (b) the Indenture dated as of August 5, 1993 among PanAmSat, PanAmSat Capital Corporation and United States Trust Company of New York relating to the Senior Subordinated Discount Notes and (c) the indenture to be entered into by PanAmSat Corporation in connection with the exchange of its 12 3/4% Mandatorily Exchangeable Senior Redeemable Preferred Stock as contemplated by the Certificate of Designation, as each of the foregoing may be amended, supplemented or otherwise modified from time to time.

"Interest Payment Date" means the last day of any Interest Period. If any Interest Payment Date is not a Business Day, then the relevant Interest Payment Date shall be the next succeeding Business Day.

"Interest Period" means the period of time during which a particular LIBOR Rate will be applicable to the principal balance of the Loan, and shall be a period of one, two, three or six months as selected by Borrower in accordance with Section 2.2, subject to the following:

(a) If the term of an Interest Period is not designated, a period of one month shall be deemed selected; and

(b) The first Interest Period for the Loan shall have a duration of six months commencing on the Closing Date.

"Investment Grade" means a Debt Rating by S&P of BBB- or better or a Debt Rating by Moody's of Baa3 or better.

"Lender" has the meaning set forth in the preamble to this Agreement.

"LIBOR Rate" means for each Interest Period a rate per annum equal to two percent (2.00% or 200 basis points) plus the Base LIBOR Rate applicable to such Interest Period.

"Lien" means any trust deed, mortgage, pledge, hypothecation, assignment, security interest, lien, charge or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the lien of an attachment, judgment or execution, or any conditional sale or other title retention agreement, any capitalized lease, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction, but excluding financing statements filed to give notice of operating leases in the ordinary course of business and excluding financing statements filed against the Borrower without the Borrower's consent or knowledge).

"Loan" means the loan described in Section 2.

"Material Change" means any adverse change in the Borrower's financial condition, operations or prospects which could reasonably be expected to materially impair Borrower's ability to timely and fully perform its obligations under this Agreement.

"Maturity Date" means May 1, 2000.

"Merger" means the series of transactions resulting in Borrower's direct or indirect ownership of all of the outstanding common shares of PanAmSat as contemplated by the Reorganization Agreement.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" of any Person means a multiemployer plan, as defined in Section 4001 (a) (3) of ERISA, which is subject to Title IV of ERISA, and to which such Person or any of its ERISA Affiliates is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Net Cash Proceeds" means, with respect to any sale, lease, transfer or other disposition of any asset or the sale or issuance by any Person of any indebtedness or capital stock or other equity interest, any securities convertible into or exchangeable for any capital stock or other equity interest or any warrants, rights or options to acquire any capital stock or other equity interest, the aggregate amount of cash received from time to time by or on behalf of such Person in connection with such transaction after deducting therefrom (a) brokerage commissions, underwriting fees and discounts, legal fees and expenses, finder's fees, accountants' fees and expenses and other similar fees, expenses and commissions, (b) the amount of taxes payable or estimated in good faith to be payable in connection with or as a result of such transaction and (c) the amount of any indebtedness that, by the terms of such transaction or the terms of such indebtedness, is required to be repaid upon such disposition.

"Note" has the meaning set forth in Section 2.1.

"PanAmSat" has the meaning set forth in the recitals to this Agreement.

"Permitted Liens" means (a) Liens securing the Senior Secured Notes, (b) Liens to secure the performance of statutory obligations, surety or appeal bonds or performance bonds, or landlords', carriers', warehousemen's, mechanics', suppliers', materialmen's or other like Liens, in any case incurred in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate process of law, if a reserve or other appropriate provision, if any, as is required by GAAP shall have been made therefore, (c) Liens against the assets of PanAmSat or the Galaxy Assets (as defined in the Reorganization Agreement) existing on the date of this Agreement,

(d) 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 so long as reserves

or other appropriate provision shall have been made in conformity with GAAP, (d) Liens permitted under the Indentures and the Certificate of Designation, (e) easements, rights-of-way, land marking and zoning restrictions, royalties, leasehold and fee interest covenants and other similar encumbrances incurred or imposed in the ordinary course of business, and (f) extensions, renewals or refinancings of any Liens referred to in clauses (a) through (e) above, provided that any such extension, renewal or refinancing does not extend to any assets or secure any indebtedness not securing or secured by the Liens being extended, renewed or refinanced.

"Person" means any individual, firm, company, corporation, joint venture, joint-stock company, limited liability company, trust, unincorporated organization, governmental or state entity, or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.

"Plan" means any employee benefit pension plan (other than a Multiemployer Plan) which is subject to the provisions of Title IV of ERISA and which is maintained for employees of Borrower or any Subsidiary.

"Principal Repayment Date" means August 1, 1998, and the first day of each November, February, May and August thereafter, until the Maturity Date.

"Reorganization" means the transactions contemplated by the Reorganization Agreement and the Univisa Contribution Agreement.

"Reorganization Agreement" means an Agreement and Plan of Reorganization dated as of September 20, 1996, as amended on April 4, 1997 that relates to the combination of PanAmSat and the existing commercial satellite business of Hughes Communications, Inc. and certain of its subsidiaries.

"Reportable Event" means any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder excluding those events for which the 30-day notice requirement is waived, a withdrawal from a Plan described in Section 4063 of ERISA, or a cessation of operations described in Section 4062(e) of ERISA.

"Restricted Subsidiaries" means each Subsidiary having assets of Five Million Dollars ($5,000,000.00) or more.

"S&P" means Standard & Poor's Ratings Group.

"Senior Secured Notes" means the 9 3/4% Senior Secured Notes Due 2003 issued by PanAmSat and PanAmSat Capital Corporation.

"Senior Subordinated Discounts Notes" means the 11 3/8% Senior Subordinated Discount Notes Due 2003 issued by PanAmSat and PanAmSat Capital Corporation.

"Subsidiaries" (individually a "Subsidiary") means those corporations or entities of which Borrower or any Subsidiary owns more than fifty percent (50%) of the voting securities. If Borrower or any Subsidiary (i) acquires similar ownership of any other corporation or entity, such corporation or entity shall thereupon be deemed a Subsidiary for all purposes hereof, or (ii) subject to the terms hereof, permits its ownership to fall to fifty percent (50%) or below of outstanding voting shares of any Subsidiary, such Subsidiary shall thereupon cease to be a Subsidiary for all purposes hereof.

"Univisa Contribution Agreement" means the Stock Contribution and Exchange Agreement dated as of September 20, 1996 among Grupo Televisa, S.A., a Mexican corporation, Satellite Company, L.L.C., a Nevada limited liability company, Borrower and Hughes Communications, Inc.

"Unmatured Event of Default" means an event which the passage of time or the giving of notice, or both, would become an Event of Default.

"Voting Stock" means capital stock of Borrower having voting power under ordinary circumstances to elect directors of Borrower.

SECTION 2
THE LOAN

2.1 The Loan. Lender agrees to make and Borrower agrees to take on the Closing Date, subject to the terms and conditions of this Agreement, a loan in the principal amount of ONE BILLION SEVEN HUNDRED TWENTY FIVE MILLION DOLLARS ($1,725,000,000) bearing interest at the rate specified in Section 2.2 below. The Loan shall be evidenced by a promissory note (the "Note") duly executed by Borrower in the form attached as Exhibit A, and delivered to Lender.

2.2 Interest. The principal balance of the Loan outstanding from time to time during each Interest Period shall bear interest at an annual rate equal to the LIBOR Rate in effect for each such Interest Period. The length of each Interest Period shall be determined by Borrower by providing to Lender written notice of Borrower's selection thereof not less than three Business Days prior to each Interest Payment Date. Each determination of the LIBOR Rate and the Base LIBOR Rate applicable to a particular Interest Period shall be made by Lender and shall be conclusive and binding upon Borrower absent manifest error. Interest at the applicable LIBOR Rate from time to time shall be calculated for the actual number of days elapsed on the basis of a 360 day year.

2.3 Payments. Each payment of principal, interest and other sums payable under this Agreement shall be made in immediately available funds to Lender at The Bank of America, Concord, California or such other location as Lender may designate in writing. Each payment by Borrower shall be made without set off or counterclaim and not later than 11:00 a.m. California time on the day such payment is due and shall be made by wire transfer in immediately available funds. All sums received after such time shall be deemed received on the next Business Day.

(a) Interest Payments. Payments of interest determined in accordance with Section 2.2 above shall be due on each Interest Payment Date; provided, however that during any six month Interest Period, an additional interest payment shall be due on the last business day of the third month of such Interest Period.

(b) Principal Repayments. Quarterly principal payments of Fifty Million Dollars ($50,000,000.00) each shall be paid on each Principal Repayment Date.

(c) Maturity Date. All unpaid principal, interest and other amounts due hereunder shall be fully and finally due and payable on the Maturity Date.

2.4 Default Rate. Upon the occurrence of an Event of Default and for the period during which any such Event of Default continues uncured, the outstanding principal amount of the Loan shall bear interest at an annual rate equal to the LIBOR Rate plus two percent (2.00% or 200 basis points).

2.5 Facility Fee. On the Closing Date, Borrower shall pay Lender a facility fee equal to one percent (1.00% or 100 basis points) of the principal amount of the Loan.

2.6 Renegotiation of Interest Rate. In the event that (a) Borrower shall attain an Investment Grade Debt Rating; or (b) Borrower's Subsidiary, PanAmSat, ceases to be subject to dividend payment restrictions and restrictions on pledges of assets contained in the Indentures and the Certificate of Designation, Lender and Borrower agree to negotiate in good faith regarding an appropriate revision to the rate of interest charged under this Agreement. Notwithstanding the foregoing, absent a written revision executed by Lender and Borrower, no modification to the interest rate shall occur and no agreement to do so is implied hereby.

2.7 Compliance with Law. All agreements between Lender and Borrower,

whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand or acceleration of the maturity hereof or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to Lender exceed the maximum contractual rate permitted under applicable law; and if from any circumstance Lender hereof shall ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall be applied to the reduction of the principal of the Loan and if said amount exceeds the unpaid balance of principal, such excess shall be refunded to the Borrower. All interest paid or agreed to be paid to Lender

shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full period until payment in full of the principal so that the interest hereon for such full period shall not exceed the maximum amount permitted by applicable law.

SECTION 3
PREPAYMENT

3.1 Voluntary Prepayment. Borrower may prepay the Loan in full or in part but any such partial prepayment shall be in an amount of at least Fifty Million Dollars ($50,000,000.00). Borrower shall provide Lender with a written notice of prepayment at least three Business Days prior to prepayment. Notice of prepayment shall specify the date of the prepayment and the amount of the prepayment. Each such prepayment shall be made on the date specified and shall be accompanied by the payment of accrued interest on the amount prepaid. Subject to compliance with the foregoing procedures, the Loan may be prepaid at any time without penalty of any kind; provided that if the Borrower prepays all or any portion of the principal amount of the Loan other than on an Interest Payment Date, the Borrower shall, within ten (10) days after demand by Lender pay to the Lender any amounts required to compensate the Lender for any additional losses, costs or expenses which it reasonably incurred as a result of such prepayment, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by the Lender to fund the Loan; and, Lender's determination of such losses, costs or expenses shall be binding and conclusive absent manifest error. Prepayments shall be applied to scheduled principal payments in order of maturity.

3.2 Mandatory Prepayment. Except as restricted or as otherwise required by the Indentures or the Certificate of Designation, in addition to the scheduled principal payments provided in Section 2.3 above, the following

amounts shall be paid to Lender and shall be applied to prepay outstanding principal amount of the Loan:

(a) all Net Cash Proceeds of the sale or issuance of equity by the Borrower or any Restricted Subsidiary (excepting any issuance of equity pursuant to a Plan or any other employee benefit plan);

(b) all Net Cash Proceeds of any new borrowings by the Borrower or any Restricted Subsidiary in excess of Five Million Dollars ($5,000,000.00);

(c) all Net Cash Proceeds of the sale or other disposition by Borrower or any Restricted Subsidiary of any assets having an aggregate fair market value in excess of Ten Million Dollars ($10,000,000.00) which proceeds are not reinvested or committed to reinvestment by the Borrower or any Restricted Subsidiary in productive assets used or usable in the business of the Borrower or any Restricted Subsidiary within 180 days after receipt thereof; or

(d) all insurance proceeds including, without limitation, any in-orbit and launch insurance proceeds in excess of Five Million Dollars ($5,000,000.00), which are not reinvested or committed to reinvestment by the Borrower or any Restricted Subsidiary in productive assets used or usable in the business of the Borrower or any Restricted Subsidiary within 180 days after receipt thereof.

Any mandatory prepayment shall be applied to scheduled principal payments in reverse order of maturity. Notwithstanding the foregoing, the provisions of Section 3.2(c) above shall not apply to the sale or other disposition of assets (i) by the Borrower to a Restricted Subsidiary, (ii) by a Restricted Subsidiary to the Borrower or (iii) by a Restricted Subsidiary to another Restricted Subsidiary. In addition to the foregoing, in the event that any sale, spin-off, disposition or other transaction whereby Hughes Electronics Corporation will no longer beneficially own directly or indirectly at least fifty one percent (51%) of the Voting Stock shall have occurred, then the Loan and all accrued interest thereon and all other liabilities and obligations outstanding under this Agreement shall, thereupon, without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived, be forthwith due and payable, if not otherwise then due and payable, together with all reasonable costs and expenses (including breakage and funding costs and other costs in connection with the relending, reborrowing, funding or other employing of funds) incurred by the Lender as a result thereof, anything herein or in any other agreement, contract, indenture, document or instrument contained to the contrary notwithstanding. In the event that any such sale, spin-off, disposition or other transaction occurs whereby Hughes Electronics Corporation no longer beneficially owns directly or indirectly at least fifty-one percent (51%) of the Voting Stock, Borrower shall receive a refund of a portion of the facility fee paid in accordance with Section 2.5 above, in an amount determined on a prorata basis as

of the date of such prepayment by dividing the remaining number of full months in the original loan term by the number of full months in the original loan term, and multiplying the quotient thereof by the amount of said facility fee.

SECTION 4
CONDITIONS PRECEDENT

4.1 Conditions Precedent. The obligation of Lender to make the Loan hereunder is subject to the condition that there shall have been delivered to Lender on or prior to the Closing Date, in form and substance reasonably satisfactory to Lender:

(a) the Note, and such other documents as Lender may reasonably request, duly executed by Borrower.

(b) Certificate of the Secretary or an Assistant Secretary of Borrower dated the date hereof as to (i) the Certificate of Incorporation and the By-laws of Borrower, (ii) the resolution of the Board of Directors of Borrower or its Executive Committee in connection with this Agreement, and (iii) the incumbency and signatures of the person(s) authorized to execute and deliver this Agreement and any other instrument, document or other agreement required hereunder.

(c) Certificate of Good Standing in relation to Borrower issued by the Secretary of the State of Delaware, dated not more than one month prior to the Closing Date.

(d) Lender shall receive from each Restricted Subsidiary, an unconditional guaranty of the Loan in the form attached as Exhibit B (a "Guaranty"); provided, however, that in the event any Restricted Subsidiary is precluded from executing such a Guaranty on the Closing Date by the terms of the Indentures or the Certificate of Designation or any other legally binding agreement, receipt of an executed Guaranty from any such Restricted Subsidiary shall not be required as a condition precedent to making the Loan. At such time as any such restriction is eliminated, the affected Restricted Subsidiary shall promptly execute and deliver a Guaranty to Lender.

SECTION 5
REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants that as of the Effective Date:

5.1 Authority of Borrower. Borrower (a) is a corporation duly organized

and existing under the laws of the State of Delaware, with its principal place of business in Greenwich, Connecticut, (b) has the corporate power to own its property and carry on its business as now being conducted, (c) is duly qualified and authorized to do business, and is in good standing in every state, country or other jurisdiction except where the failure to be so qualified, authorized and in good standing would not have a material adverse effect on Borrower's financial condition, operations or prospects, (d) has full power and authority to borrow the sums provided for in this Agreement, to execute, deliver and perform this Agreement and any instrument or agreement required hereunder, and to perform and observe the terms and provisions hereof and thereof, (e) has taken all corporate action on the part of Borrower, its directors or stockholders, necessary for the authorization, execution, delivery and performance of this Agreement, and any instrument or agreement required hereunder on the date hereof, (f) requires no consent or approval of any trustee or holder of any indebtedness or obligation of Borrower to enter into, deliver or perform its obligations under this Agreement and the Note, and (g) requires no consent, permission, authorization, order or license of any governmental authority in connection with the execution and delivery and performance of this Agreement and any instrument or agreement required hereunder, or any transaction contemplated hereby, except as may have been obtained and certified copies of which have been delivered to Lender.

5.2 Binding Obligations. This Agreement and the Note are the legal, valid and binding obligations of Borrower, enforceable against it in accordance with its terms.

5.3 Incorporation of Restricted Subsidiaries. Each Restricted Subsidiary of Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and, to the best of Borrower's knowledge, is duly licensed or qualified as a foreign corporation in all jurisdictions except where the failure to be so qualified, authorized and in good standing would not have a material adverse effect on Borrower's and its Restricted Subsidiaries' financial condition, operation and prospects taken as a whole.

5.4 No Contravention. There is no charter, by-law, or capital stock provision of Borrower and no provision of any material indenture or agreement, written or oral, to which Borrower is a party or under which Borrower is obligated, nor is there any material statute, rule or regulation, or any judgment, decree or order of any court or agency binding on Borrower which would be contravened by the execution, delivery and performance of this Agreement, or any instrument or agreement required hereunder, or by the performance of any provision, condition, covenant or other term hereof or thereof.

5.5 Notices. No event has occurred which would require Borrower to notify

Lender pursuant to Section 6.2 hereof.

5.6 Financial Statements. All financial statements furnished by Borrower to Lender present fairly the financial position and results of operation and changes in financial position of Borrower and its Restricted Subsidiaries as at the end of, and for the periods to which such statements relate, and such financial statements have been prepared in accordance with GAAP.

5.7 ERISA. Based upon ERISA and the regulations and published interpretations thereunder, the Plans of Borrower and its Restricted Subsidiaries are in material and substantial compliance in all material respects with the applicable provisions of ERISA and Borrower and its Subsidiaries are in compliance with such Plans in all material respects. No Reportable Event which has or could be reasonably be expected to result in termination thereof by the Pension Benefit Guaranty Corporation or for the appointment by the appropriate United States District Court of a trustee to administer such Plan has occurred and is continuing with respect to any Plan.

5.8 [Intentionally Deleted].

5.9 Insurance. Borrower and its Restricted Subsidiaries maintain insurance with responsible insurance companies, in such amounts and against such risks as is customarily carried by owners of similar businesses and property in similar locations, including protection against loss of use and occupancy, to the extent such insurance is reasonably available at commercially reasonable rates, and it will furnish Lender, within five Business Days after receipt of a written request, with full information as to the insurance carrier.

SECTION 6
AFFIRMATIVE COVENANTS OF BORROWER

Borrower covenants and agrees that until the full and final payment of all indebtedness incurred hereunder, unless Lender waives compliance in writing:

6.1 Management of Business. It will manage its business and conduct its affairs such that the representations and warranties contained in Section 5 remain true and correct at all times.

6.2 Notice of Certain Events. It will, and it will cause each of its Restricted Subsidiaries to, give prompt written notice to Lender of:

(a) all Events of Default or Unmatured Events of Default;

(b) any event of default under the Indentures, the Certificate of Designation and any other existing or future agreement, contract, indenture, document or instrument entered into by it that could, if settled unfavorably, result in a Material Change;

(c) all litigation, arbitration or administrative proceedings involving Borrower or any of its Subsidiaries which could in the reasonable opinion of Borrower be expected to result in a Material Change;

(d) any other matter which has resulted in, or might in the reasonable opinion of Borrower result in, a Material Change.

6.3 Records. It will, and it will cause each of its Restricted Subsidiaries to, keep and maintain proper books of record and account, in which full and accurate entries shall be made of all financial transactions and the assets of the Borrower and each Restricted Subsidiary to the extent necessary to permit preparation of the financial statements required to be delivered hereby. Borrower will permit Lender, and its designated officers, employees, agents and representatives, to have access thereto and to make examination thereof during normal business hours and after reasonable notice, to make audits, and to inspect and otherwise check its properties, real, personal and mixed.

6.4 Financial Information. It will furnish to Lender:

(a) Within 30 days after the close of each quarter, except for the last quarter of each fiscal year, its consolidated balance sheet as of the close of such quarter and its consolidated profit and loss statement and cash flow statement for that quarter and for that portion of the fiscal year ending with such quarter, all prepared in accordance with GAAP, and all certified by its Treasurer or an Assistant Treasurer as presenting fairly the financial position and results of operation and changes in financial position of Borrower and its consolidated Subsidiaries as at the end of,

and for the fiscal period to which such statements relate, subject to normal year-end adjustments and the absence of footnotes.

(b) Within 90 days after the close of each fiscal year, a complete copy of its annual financial statements, which statements shall include at least its consolidated balance sheet as of the close of such fiscal year and its consolidated profit and loss statement and cash flow statement for such fiscal year, prepared in accordance with GAAP applied on a basis consistent with that

of the previous year, by such independent certified public accountants of recognized national standing as may be selected by Borrower and which statements shall include the opinion of such accountants, such opinion not to be qualified or limited because of any restricted or limited nature of examination made by such accountants or because of a "going concern" qualification.

(c) Such other information concerning its affairs as Lender may reasonably request.

6.5 Execution of Other Documents. It will promptly, upon demand by Lender, execute all such additional agreements, documents and instruments to evidence Borrower's obligations hereunder as Lender may reasonably deem necessary.

6.6 Compliance with Law. It will, and will cause each of its Subsidiaries to, comply with the requirements of all applicable laws, rules, regulations, and orders of any governmental or regulatory authority, a breach of which would result in a Material Change, except where contested in good faith by appropriate proceedings diligently pursued.

6.7 Subsidiary Guaranties. It will, upon elimination of any restriction excusing the delivery of a Guaranty by a Restricted Subsidiary as a condition precedent to Closing in accordance with Section 4.1(d) above, cause the affected Restricted Subsidiary to promptly execute and delivery to Lender a Guaranty.

6.8 Taxes. Borrower shall file (or caused to be filed) all federal and state tax returns which are required to be filed, and shall pay prior to delinquency all taxes that become due pursuant to said returns or pursuant to any assessment, except as are being contested in good faith by appropriate proceedings and as to which adequate reserves are provided on the books of Borrower in accordance with GAAP.

SECTION 7
NEGATIVE COVENANTS OF BORROWER

Borrower covenants and agrees that until the full and final payment of all indebtedness incurred hereunder, unless Lender waives compliance in writing;

7.1 Liens. Borrower will not, nor will it permit any Restricted Subsidiary

to, issue, incur, guaranty or assume any indebtedness for money borrowed secured by a Lien upon any property or assets of Borrower or any Restricted Subsidiary or upon any shares of stock or indebtedness of any Restricted Subsidiary (whether such property, assets, shares of stock or indebtedness are now owned or hereafter acquired) except for:

(a) Liens on property existing at the time of acquisition of such property by Borrower or a Restricted Subsidiary, or Liens to secure the payment of all or any part of the purchase price of property upon the acquisition of such property by Borrower or a Restricted Subsidiary or to secure any indebtedness incurred or guaranteed prior to, at the time of, or within 180 days after, the later of the date of acquisition of such property and the date such property is placed in service, for the purpose of financing all or any part of the purchase price thereof, or Liens to secure any indebtedness incurred or guaranteed for the purpose of financing the cost to Borrower or a Restricted Subsidiary of improvements to such acquired property;

(b) Liens on property of Borrower or a Restricted Subsidiary in favor of the United States of America or any state thereof, or any department, agency or instrumentality of political subdivision of the United States of America or any state thereof, or in favor of any other country, or any political subdivision thereof, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such Liens;

(c) Permitted Liens

(d) any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part of any Liens referred to in the foregoing subsections (a) through (c), inclusively; provided, however, that the principal amount of indebtedness secured thereby shall not exceed the principal amount of indebtedness so secured at the time of the incurrence or guarantee thereof and that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Lien so extended, renewed or replaced (plus improvements on such property).

7.2 Adjusted Consolidated Tangible Net Worth. Borrower shall not permit its Adjusted Consolidated Tangible Net Worth at any time during any fiscal quarter to be less than One Billion Two Hundred Seventy Five Million Dollars ($1,275,000,000.00) plus seventy five percent (75%) of each of the total for all fiscal years during the terms of the Loan, fiscal year's consolidated net income, commencing with the fiscal year beginning January 1, 1998.

7.3 Restrictions on Liens. Except for, and as permitted or contemplated by, any of the Indentures, the Certificate of Designation or any other agreement to which the Borrower or any of its Restricted Subsidiaries is a party as of the date hereof, including any renewal, extensions or refinancings thereof, Borrower will not, nor will it permit any Restricted Subsidiary to, enter into any agreement of any nature with any Person which agreement contains any provisions which either:

(a) prohibits a Lien upon any property or assets of Borrower or any Restricted Subsidiary or upon any shares of stock or indebtedness of any Restricted Subsidiary (whether such property, assets, shares of stock or indebtedness are now owned or hereafter acquired), provided that this paragraph (a) shall not apply to Permitted Liens; or

(b) prohibits or restricts in any way the ability of Borrower or any Restricted Subsidiary to declare and pay dividends or to otherwise effect transfers of cash or assets to affiliates of such entities.

7.4 Restrictions on Borrowings. Except for, and as permitted or contemplated by, any of the Indentures, the Certificate of Designation or any other agreement to which the Borrower or any of its Restricted Subsidiaries is a party as of the date hereof, including any renewal, extensions or refinancings thereof, absent the prior written consent of Lender, Borrower will not, nor will it permit any Restricted Subsidiary to, enter into any loan, credit agreement, indenture or other form of debt instrument pursuant to which the principal indebtedness would exceed Five Million Dollars (5,000,000.00) or which, if consummated, would result in total outstanding principal indebtedness of Borrower and its Restricted Subsidiaries (exclusive of the Loan) in excess of Ten Million Dollars ($10,000,000.00).

SECTION 7A
NON-CONTRAVENTION OF INDENTURES AND CERTIFICATE OF DESIGNATION

Notwithstanding anything herein to the contrary, the parties hereto agree that (a) neither the Borrower nor any of its subsidiaries shall be obligated to take any action or refrain from taking any action hereunder if the taking of such action or the refraining from taking such action would be contrary to any provision set forth in any of the Indentures or in the Certificate of Designation and (b) neither the Borrower nor any of its Subsidiaries shall be prohibited by the terms hereof from taking any action that it is permitted to take under any of the Indentures or the Certificate of Designation. Any action taken by the Borrower or any of its Subsidiaries which may be restricted hereunder but is otherwise permitted under any of the Indentures or the Certificate of Designation shall not constitute any Unmatured Event of Default or an Event of Default.

SECTION 8
EVENTS OF DEFAULT

8.1 Events of Default. If one or more of the following described Events of Default shall occur:

(a) Borrower shall fail to pay any principal amount due on the Loan when due;

(b) Borrower shall fail to pay any interest on the Loan or other amounts due hereunder (other than principal on the Loan) within two Business Days after such payment is due;

(c) Subject to Section 7A above, Borrower or any its Restricted Subsidiaries shall fail to perform or observe any of the terms, provisions, covenants, conditions, agreements or obligations contained herein or in any other agreement or instrument contemplated hereby and such failure shall continue for more than thirty days after written notice from Lender of the existence and character of such failure to perform or observe;

(d) (i) Borrower, or any of its Restricted Subsidiaries shall become insolvent, or shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally as they become due; or (ii) Borrower or any Restricted Subsidiary shall make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its properties or assets; or (iii) Borrower or any Restricted Subsidiary shall file or have filed against it a petition in bankruptcy or seeking reorganization or to effect a plan or other arrangement with creditors or winding up or dissolution and such filing against it shall not be dismissed within 60 days after the date of such filing; or (iv) Borrower or any Restricted Subsidiary shall apply for or consent to the appointment of or consent that an order be made appointing any receiver or trustee shall be appointed for all or a substantial part of its or their properties, assets or business; or (v) an order for relief shall be entered against Borrower or any Restricted Subsidiary under the United States federal bankruptcy laws as now or hereafter in effect; or (vi) Borrower or any Restricted Subsidiary shall take any action indicating its consent to, approval of or acquiescence in, any of the foregoing; or

(e) Any final judgment, decrees, writs of execution, attachments or garnishments or any Liens, or any other legal processes shall be issued or levied against any of the assets or property of Borrower or any of its Restricted Subsidiaries (and shall not have been vacated, discharged or stayed for 30 consecutive days) in amounts which in the aggregate would result in a Material Change; provided, however, that

such aggregate amount shall include only amounts in excess of (i) insurance coverage therefor and (ii) reserves on the books of Borrower or any of its Restricted Subsidiaries therefore; provided, further, that such aggregate amount shall not include any amounts with respect to matters subject to appeal conducted in good faith and diligently pursued or other further legal process by Borrower or any of its Restricted Subsidiaries or any amounts with respect to any such legal process which Borrower or any of its Restricted Subsidiaries has detached from such property by posting of a bond or equivalent process; or

(f) All, or substantially all, of the assets and property of Borrower or any of its Restricted Subsidiaries shall be condemned, seized or otherwise appropriated; or

(g) Borrower or any of its Restricted Subsidiaries (i) fails to make any payment (or otherwise satisfy) in respect of any indebtedness for money borrowed when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such failure continues after the applicable grace or notice period, if any, specified in the document relating thereto; or (ii) any other event or condition shall exist under the agreements or documents relating to such indebtedness which continues beyond the applicable grace or notice period, if any, and the occurrence thereof permits the acceleration of such indebtedness which failure or event of default has not been waived or cured; provided, however, that no Event of Default shall exist hereunder if the total principal amount of the individual obligation which is in default or which may be accelerated does not exceed Ten Million Dollars ($10,000,000.00);

then in such event, Lender in its sole discretion and without notice to Borrower, shall have the right to declare the entire principal balance of the Loan immediately due and payable, together with all interest and other amounts due under this Agreement; to make immediate demand for such payment; and to exercise all of its rights and seek all remedies available to it pursuant to this Agreement or provided by law.

8.2 Recovery of Amounts Due. If any amount payable hereunder is not paid as and when due, Borrower hereby authorizes Lender the fullest extent permitted by applicable law, without prior notice, by right of set-off or counterclaim, against any moneys or other assets of Borrower in any currency that may at any time be in the possession of Lender or any of its affiliates to the full extent of all amounts payable to Lender hereunder.

8.3 Rights Cumulative. The rights of Lender provided for herein are

cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity.

SECTION 9
MISCELLANEOUS PROVISIONS

9.1 Amendments and Waivers. No amendment or waiver of any provision of this Agreement, and no consent with respect to any departure by Borrower therefrom, shall be effective unless the same shall be in writing and signed by Lender and Borrower and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

9.2 Notices. All notices, payments, requests, reports, information, demands and other communications which any party hereto may desire, or may be required, to give or make to any other party hereto, shall (unless otherwise permitted as a telephonic notice or request hereunder) be given by mailing the same, postage prepaid, or by telecopier transmission, or by hand delivery or courier, to each party at its address set forth in Exhibit C attached hereto and incorporated herein by reference, or to such other address as may, from time to time, be specified in writing by Borrower or Lender. Such communications shall be deemed to have been duly given and received in the case of a telecopy transmission, when the telecopy transmission is sent, in the case of mail when sent by pre-paid certified or registered mail correctly addressed to the addressee, in the case of hand delivery or courier, when received. Each party hereto shall promptly confirm by telecopy transmission any telephone communication made by it to another pursuant to this Agreement but the absence of such confirmation shall not affect the validity of such communication, which shall be effective upon receipt. If there is any conflict between any telephonic communication and a written confirmation, the written communication shall govern, the recipient of such communication shall be held harmless by all parties hereto with respect to any action taken in reliance on the telephonic communication prior to the time such recipient receives and has had reasonable time to review the subsequent written confirmation and initiate such corrective action as the recipient deems reasonable under the circumstances.

9.3 Waiver. Neither the failure of, nor any delay on the part of, any party hereto in exercising any right, power or privilege hereunder, or under any agreement, contract, indenture, document or instrument mentioned herein, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder, or under any agreement, contract, indenture, document or instrument mentioned herein, preclude other or further exercise thereof or the exercise of any other right, power or privilege; nor shall any waiver of any right, power, privilege or default hereunder, or under any agreement, contract, indenture, document or instrument mentioned herein, constitute a waiver of any other right, power, privilege or default or

constitute a waiver of any other default of the same or of any other term or provision. All rights and remedies herein provided are cumulative and not exclusive of any rights or remedies otherwise provided by law.

9.4 California Law. The interpretation, enforcement and effect of this Agreement, the Note and any agreements, contracts, indentures, documents or instruments delivered in accordance herewith, shall be governed and controlled in all respects by and construed according to the substantive laws of the State of California, to the jurisdiction of whose courts the parties hereto hereby agree to submit.

9.5 Headings. The headings set forth herein are solely for the purpose of identification and shall not be construed as a part of the sections or subsections which they head.

9.6 Accounting Terms. All accounting terms not otherwise defined herein have the meaning assigned to them in accordance with GAAP, provided, however, any act or condition in accordance herewith and permitted hereunder when taken, created or occurring, shall not become a violation of any section of this Agreement as a result of a subsequent change in GAAP.

9.7 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and all of said counterparts taken together shall constitute one and the same instrument.

9.8 Singular: Plural. Whenever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

9.9 Illegality. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

9.10 Assignments. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. Lender may assign or transfer all or any part of its rights and obligations hereunder without Borrower's consent. Borrower may not assign or transfer all or any part of its rights and obligations hereunder, except with the prior written consent of Lender.

9.11 Fees and Expenses. Borrower agrees to pay on demand (a) to Lender all reasonable costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by Lender in connection with the preparation and administration of this Agreement and any documents including any amendments, waivers, or other modifications and (b) all reasonable costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by Lender in connection with the enforcement of this Agreement and any instrument or agreement required hereunder and in connection with any refinancing or restructuring of the Loan in the nature of a "work-out".

9.12 Indemnity. Borrower agrees to indemnify Lender and its directors, officers, agents and employees from and hold each of them harmless against any and all losses, liabilities, claims, damages or expenses reasonably incurred by any of them arising out of or by reason of any investigation by governmental or judicial authorities or being made a party to any litigation or other similar proceeding related to any use made or proposed to be made by Borrower of the proceeds of the Loan including, without limitation, the reasonable fees and disbursements of counsel (including allocated costs for in-house legal services) incurred in connection with any such investigation, litigation or other proceeding. The obligations of Borrower under this Section shall survive the termination of this Agreement.

Executed as of the date first hereinabove written.

HUGHES NETWORK SYSTEMS, INC.	MAGELLAN INTERNATIONAL, INC. (to be renamed "PANAMSAT CORPORATION")
By: _____	By: _____
Printed Name: _____	Printed Name: Charles H. Noski

Title: _____ Title: President

EXHIBIT "A"

PROMISSORY NOTE

$1,725,000,000.00 May ___, 1997

FOR VALUE RECEIVED, MAGELLAN INTERNATIONAL, INC., a Delaware corporation ("Maker") promises to pay to the order of HUGHES NETWORK SYSTEMS, INC., a Delaware corporation ("Lender") at such place as the holder hereof may from time to time designate in writing, the principal sum of One Billion Seven Hundred Twenty-five Million Dollars ($1,725,000,000.00), together with interest as hereinafter provided, in lawful money of the United States, which shall be legal tender in payment of all debts and dues, public and private, at the time of payment, in the manner hereinafter provided.

The principal outstanding under this Note form time to time shall bear interest at the rate specified in that certain Loan Agreement ("Loan Agreement") of even date herewith between Lender and Maker. In the event of any conflict between this Note and the terms of said Loan Agreement, the terms of the Loan Agreement shall control.

Interest shall accrue on the outstanding principal balance from the date hereof up to but excluding the date of repayment of this Note.

Principal and interest due and owing hereunder shall be paid in accordance with the terms of the Loan Agreement and all payments on this Note shall be applied first to the payment of accrued interest, and then to the payment of principal.

On the happening and during the continuance of an Event of Default (as defined in the Loan Agreement), the holder may, at its option, declare immediately due and payable the entire principal balance of this Note, together with all unpaid interest accrued thereon, plus any other sums payable at the time of such declaration pursuant to this Note or the Loan Agreement.

The failure to exercise the foregoing option upon the happening of one or more Events of Default shall not constitute a waiver of the right to exercise the same or any other option at any subsequent time in respect of payment

hereunder which is less than payment in full of all amounts due and payable at the time of such payments, and shall not constitute a waiver of the right to exercise the foregoing option at that time or at any subsequent time or nullify any prior consent of the holder hereof, except as and to the extent otherwise provided by law. Upon the occurrence and during the continuance of an Event of a Default, the holder hereof may exercise any and all rights and remedies available under contract or applicable law.

All agreements between the undersigned and the holder hereof, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no event, whether by reason of demand or acceleration of the maturity hereof or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to the holder hereof exceed the maximum

contractual rate permitted under applicable law; and if from any circumstance the holder hereof shall ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall be applied to the reduction of the principal hereof and if said amount exceeds the unpaid balance of principal hereof, such excess shall be refunded to the undersigned. All interest paid or agreed to be paid to the holder hereof shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full period until payment in full of the principal so that the interest hereon for such full period shall not exceed the maximum amount permitted by applicable law. This paragraph shall control all agreements between the undersigned and the holder hereof.

The undersigned waives diligence, presentment, protest and demand and also notice of protest, demand, dishonor, acceleration, intent to accelerate, and nonpayment of this Note, all without in any way affecting the liability of the undersigned and any endorsers or guarantors hereof. No extension of time for the payment of this Note, or any installment hereof, made by agreement by the holder hereof with any person now or hereafter liable for the payment of this Note, shall affect the original liability under this Note of the undersigned, even if the undersigned is not a party to such agreement.

If this Note is not paid when due, whether at maturity or by acceleration, or if it is collected through a bankruptcy, probate, or other court, whether before or after maturity, Maker agrees to pay all costs of collection, including, but not limited to, reasonable attorney's fees, incurred by the holder hereof.

This Note shall be governed by and construed in accordance with the laws of the State of New York.

MAGELLAN INTERNATIONAL, INC.

By: _____

Printed Name: _____

Title: _____

EXHIBIT "B"

GUARANTY

THE UNDERSIGNED, FOR VALUE RECEIVED, unconditionally and absolutely guarantees to HUGHES NETWORK SYSTEMS, INC. (hereinafter called "Lender"), and to the Lender's successors and assigns, as a primary obligation, the prompt and complete payment and performance when due, whether by stated maturity, demand, acceleration or otherwise, of all obligations to the Lender of MAGELLAN INTERNATIONAL, INC., a Delaware corporation, and also of any debtor-in-possession or trustee in bankruptcy which succeeds to the interests of said party or persons (jointly and severally hereinafter called "Borrower"), pursuant to a promissory note or notes made or to be made pursuant to that certain Loan Agreement (hereafter called "Loan Agreement") between Lender and Borrower, said note or notes being in the total principal amount of up to One Billion Seven Hundred Twenty Five Million Dollars ($1,725,000,000.00), all of which is hereinafter collectively called the "Indebtedness."

The undersigned waives notice of acceptance of this Guaranty and presentment, demand, protest, notice of protest, dishonor, notice of dishonor, notice of default and diligence in collecting any Indebtedness, and agrees that the Lender may modify the terms of borrowing, compromise, extend, increase, accelerate, renew or forbear to enforce payment of any part or all of any Indebtedness, or permit the Borrower to incur additional Indebtedness, all without notice to the undersigned and without affecting in any manner the unconditional obligation of the undersigned under this Guaranty. The undersigned further waives any and all other notices to which the undersigned might otherwise be entitled. The undersigned acknowledges and agrees that the liabilities created by this Guaranty are direct and are not conditioned upon pursuit by the Lender of any remedy the Lender may have against the Borrower or any other person or any security. No invalidity, irregularity or

unenforceability of any part or all of the Indebtedness or any documents evidencing the same, by reason of any bankruptcy, insolvency or other law or order of any kind or for any other reason, and no defense or setoff available at any time to the Borrower, shall impair, affect or be a defense or setoff to the obligations of the undersigned under this Guaranty.

The undersigned agrees that no security now or hereafter held by the Lender for the payment of any Indebtedness, whether from the Borrower, any guarantor, or otherwise, and whether in the nature of a security interest, pledge, lien, assignment, setoff, suretyship, guaranty, indemnity, insurance or otherwise, shall affect in any manner the unconditional obligation of the undersigned under this Guaranty, and the Lender, in its sole discretion, without notice to the undersigned, may release, exchange, enforce and otherwise deal with any such security without affecting in any manner the unconditional obligation of the undersigned under this Guaranty. The undersigned acknowledges and agrees that the Lender has no obligation to acquire or perfect any lien on or security interest in any asset or assets, whether realty or personalty, to secure payment of the Indebtedness, and the undersigned is not relying upon assets in which the Lender has or may have a lien or security interest for payment of the Indebtedness.

Until the Indebtedness is irrevocably paid in full, the undersigned hereby waives any and all rights to be subrogated to the position of the Lender or to have the benefit of any lien, security interest or other guaranty now or hereafter held by the Lender for the Indebtedness or to enforce any remedy which the Lender now has or hereafter may have against the Borrower or any other person. Until the Indebtedness is irrevocably paid in full, the undersigned shall have no right of reimbursement, indemnity, contribution or other right of recourse to or with respect to the Borrower. The Lender shall have no duty to enforce or protect any rights which the undersigned may have against the Borrower, and the undersigned assumes full responsibility for enforcing and protecting any such rights.

If after receipt of any payment of all or any part of the Indebtedness, the Lender is for any reason compelled to surrender such payment to any person or entity because such payment is determined to be void or voidable as a preference, impermissible setoff, or diversion of trust funds or for any other reason, then to the extent of that payment, the Indebtedness shall be revived and the obligations under this Guaranty shall be continued in effect without reduction or discharge for that payment, and this Guaranty shall continue in full force notwithstanding any contrary action which may have been taken by the Lender in reliance upon such payment, and any such contrary action so taken shall be without prejudice to the Lender's rights under this Guaranty and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

The undersigned waives any right to require the Lender to: (a) proceed against any person, including the Borrower; (b) proceed against or exhaust any security held from the Borrower or any other person; (c) pursue any other remedy

in the Lender's power; or (d) make any presentments or demands for performance, or give any notices of nonperformance, protests, notices of protest or notices of dishonor in connection with any obligations or evidences of Indebtedness held by the Lender as security, in connection with any other obligations or evidences of Indebtedness which constitutes in whole or in part the Indebtedness guaranteed hereunder, or in connection with the creation of new or additional Indebtedness.

The undersigned authorizes the Lender, either before or after termination hereof, without notice to or demand on the undersigned and without affecting the undersigned's liability hereunder, from time to time to: (a) apply any security and direct the order or manner of sale thereof, as the Lender in its discretion may determine; (b) release or substitute any one or more of the endorsers or any other guarantors of the Indebtedness; and (c) apply payments received by the Lender from the Borrower to any Indebtedness of the Borrower to the Lender, in such order as the Lender shall determine in its sole discretion, whether or not any such Indebtedness is covered by this Guaranty, and the undersigned hereby waives any provision of law regarding application of payments which specifies otherwise. The Lender may, without notice, assign this Guaranty in whole or in part.

The undersigned waives any defense based upon or arising by reason of (a) any disability or other defense of the Borrower or any other person; (b) the cessation or limitation from any cause whatsoever, other than final and irrevocable payment in full, of the

Indebtedness; (c) any lack of authority of any officer, director, partner, agent or any other person acting or purporting to act on behalf of the Borrower which is a corporation, partnership or other type of entity, or any defect in the formation of the Borrower; (d) the application by the Borrower of the proceeds of any Indebtedness for purposes other than the purposes represented by the Borrower to the Lender or intended or understood by the Lender or the undersigned; (e) any act or omission by the Lender which directly or indirectly results in or aids in the discharge of the Borrower or any Indebtedness by operation of law or otherwise; or (f) any modification of the Indebtedness, in any form whatsoever, including any modification made after effective termination, and including without limitation the renewal, extension, acceleration or other change in time for payment of the Indebtedness, or other change in the terms of the Indebtedness or any part thereof, including increase or decrease of the rate of interest thereon.

The total obligation under this Guaranty shall be One Billion Seven Hundred Twenty Five Million Dollars ($1,725,000,000.00) plus all interest thereon and all costs and expenses of any kind, including but not limited to reasonable attorney fees, incurred by the Lender at any time for any reason in enforcing any of the duties and obligations of the undersigned under this Guaranty or otherwise incurred by the Lender in any way connected with this Guaranty, the

Indebtedness. All such costs and expenses shall be payable immediately by the undersigned when incurred by the Lender, without demand, and until paid shall bear interest at the hightest per annum rate applicable to any of the Indebtedness, but not in excess of the maximum rate permitted by law. Any reference in this Guaranty to attorney fees shall be deemed a reference to fees, charges, costs and expenses of both in-house and outside counsel, whether or not a suit or action is instituted, and to court costs if a suite or action is instituted, and whether such attorney fees or court costs are incurred at the trial court level, on appeal, in a bankruptcy or probate proceeding or otherwise.

The undersigned unconditionally and irrevocably waives each and every defense and setoff of any nature which, under principles of guaranty or otherwise, would operate to impair or diminish in any way the obligation of the undersigned under this Guaranty, and acknowledges that as of the date hereof no such defense or setoff exits.

The undersigned warrants and agrees that each of the waivers set forth above are made with the undersigned's full knowledge of its significance and consequences, and that under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any of said waivers are determined to be contrary to any applicable law or public policy, such waivers shall be effective only to the extent permitted by law.

This Guaranty constitutes the entire agreement of the undersigned and the Lender with respect to the subject matter hereof. No waiver, consent, modification or change of the terms of this Guaranty shall bind the undersigned or the Lender unless in writing and signed by the waiving party or an authorized officer of the waiving party, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. This Guaranty shall inure to the benefit of the Lender and its successors and

assigns. This Guaranty shall be binding on the undersigned and the undersigned's heirs, legal representatives, successors and assigns including, without limiting the generality of the foregoing, any debtor-in-possession or trustee in bankruptcy for the undersigned. The undersigned has entered into this Guaranty in good faith for the purpose of inducing the Lender to extend credit or make other financial accommodations to the Borrower, and the undersigned acknowledges that the terms hereof are reasonable. If any provision of this Guaranty is unenforceable in whole or in part for any reason, the remaining provisions shall continue to be effective. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

As used herein, the singular shall be deemed to include plural, and vice versa, as the context requires.

IN WITNESS WHEREOF the undersigned has signed this Guaranty on _____.

HUGHES COMMUNICATIONS SERVICES, INC.

By: _____
Printed Name: _____
Title: _____

Exhibit 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Current Report on Form 8-K of our report dated January 27, 1997 accompanying the consolidated financial statements of PanAmSat Corporation and subsidiaries and predecessor entity as of December 31, 1996 and 1995, and for the years ended December 31, 1996, 1995 and 1994, included in or made a part of the Registration Statement on Form S-4 (File No.333-25293) of PanAmSat Corporation.

ARTHUR ANDERSEN LLP

Stamford, Connecticut
May 30, 1997