

12. Pursuant to the Bidding Procedures, the Debtor's request that an auction for the Debtor's assets occur by February 13, 2007, approximately three (3) months following the Petition Date. Thereafter, the sale transaction must be closed by April 15, 2007, unless the FCC has yet to give its regulatory approval to the assignment of the FCC licenses to PRW, then the closing deadline may be delayed until May 31, 2007.

13. As set forth in the Lamoso Declaration and the Henkin Declaration, the Debtor believes that an immediate going concern sale of substantially all of its assets is essential to maximize asset value and creditor recoveries. The Debtor further believes that the proposed timeline affords the Debtor a sufficient opportunity to pursue a sale process that will maximize creditor recoveries.

Terms of the APA

14. The Debtor entered into the APA, subject to court approval and the selection of higher or better offers.

15. The APA has the following key provisions:³

16.

Acquired Assets:	<ul style="list-style-type: none"> • Assumed Contracts • Accounts, certain accounts receivable, prepaids, deposits, rights of payment • Tangible property, including PCS cell sites, furniture, fixtures, inventory, supplies, computers, equipment • Intellectual property rights • Books, records, files, lists • Personnel records for transferred employees • FCC permits and ETC Designation • Other permits • Business-related causes of action against third parties • Real property and real property interests • Guaranties, warranties, and indemnities • Bank accounts, lockboxes, post office boxes
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³ The following is a summary of key terms to the APA. To the extent the terms of the APA and the summary disagree, the terms of the APA shall control.

	<ul style="list-style-type: none"> • Any other assets used or useful in the Business
Excluded Assets:	<ul style="list-style-type: none"> • Certain listed assets and contracts • Available Cash • Receivables over 60 days past due • Universal Services Fee Receivables for 1/1/06-6/3/06 • Stock of NewComm • Corporate and tax books and records • Rights of NewComm under the Agreement • Tax refunds • Atento claims • Avoidance Actions • Claims not related to Acquired Assets or Assumed Liabilities, including claims relating to Excluded Assets or Excluded Liabilities
Assumed Liabilities:	<ul style="list-style-type: none"> • Post-Closing Liabilities under Assumed Contracts • Liabilities under the Consent Decree including non-monetary obligations that are to be performed by a transferee of the FCC Authorizations after the Closing Date • Current Liabilities designated by the Purchaser
Excluded Liabilities:	<ul style="list-style-type: none"> • All Liabilities, except Assumed Liabilities, accrued prior to or after commencement • Liabilities under Assumed Contracts accrued prior to Closing, except Assumed Liabilities • Liabilities under any Contract that is not assumed • Cure obligations under any Assumed Contract • Liabilities for Taxes arising on or prior to the Closing • Any payment obligation imposed by the FCC Consent Decree
Designation Rights:	<ul style="list-style-type: none"> • Purchaser has the right to designate any Subject Contract as an Assumed Contract at any time between the date of the Agreement and the date that is 60 days after the Closing.
Excluded Asset Amendments:	<ul style="list-style-type: none"> • Purchaser has the right to designate any Acquired Asset as an Excluded Asset at any time between the date of the Agreement and the date that is 60 days after the Closing. If the Purchaser so designates an asset as an Excluded Asset at any time between the date of the Agreement and the date that is 5 Business Days prior to the date of the scheduled Auction, the Purchase Price shall be adjusted to reflect the exclusion of such asset(s).

Purchase Price:	<ul style="list-style-type: none"> • Base Purchase Price - \$110,000,000 (will be decreased by the difference between \$22,000,000 and the final DIP Capital Expenditures Budget, which is currently \$15,224,304) • DIP Loan Proceeds - to the extent there are any outstanding as of the Closing that are not subject to reserve or any other condition, the amount thereof will be credited toward Purchaser's payment of the Purchase Price. • Plus Any Additional Purchase Price Amount
Purchase Price Adjustments:	<ul style="list-style-type: none"> • Working Capital Adjustment - The Purchase Price will be adjusted by the amount by which the working capital (or net asset value) as of the Closing is greater than or less than zero. • Excluded Asset Adjustment - If the Purchaser designates an asset as an Excluded Asset, as described above, at any time between the date of the Agreement and the date that is 5 Business Days prior to the date of the scheduled Auction, the Purchase Price shall be lowered to reflect the exclusion of such asset(s). This adjustment shall not exceed \$250,000. • See also "Escrow" and "Additional Purchase Price Amount" below.
Escrow:	<ul style="list-style-type: none"> • The parties will escrow at Closing: <ul style="list-style-type: none"> • that portion of the working capital adjustment that is disputed; and • An aggregate amount by which Specified Liabilities (described below) that have been allowed exceeds available cash <p>for a period of up to 225 days (or such longer period as may be required for an accounting firm to resolve any dispute as to the adjustments to the Purchase Price).</p>
Additional Purchase Price Amount:	<ul style="list-style-type: none"> • At the Closing and at the end of each 30-day period from the Closing through the earlier of (i) 150 days following the Closing, (ii) entry of an order of the Bankruptcy Court allowing or estimating the Specified Liabilities (described below), and (iii) the date that NewComm notifies the Purchaser of the closing or dismissal of the Bankruptcy Case, Purchaser shall pay to NewComm any additional amounts required to pay the following Specified Liabilities, in each case, to the extent (a) they have been allowed by the Bankruptcy Court and (b) the Available Cash of NewComm at the

	<p>time is insufficient to pay them:</p> <ul style="list-style-type: none"> • Secured claims (including the Pre-Petition Obligations and Obligations under the DIP Loan Agreement); • Liabilities to the FCC under the Consent Decree (not to exceed \$7,465,608.69, plus <i>per diem</i> interest, plus \$200,000 for regulatory violation penalties); • Cure amounts on Assumed Contracts (including the Nortel Agreement) not to exceed \$806,796; and • Other administrative claims accrued in accordance with the Budget and the DIP Loan Agreement and allowed priority claims (not to exceed in the aggregate \$11,470,000 less that amount paid prior to the Closing), but specifically excluding any claim related to an Excluded Asset, Excluded Liability or contrary to the uses of Cash Collateral and of DIP Loan Proceeds permitted by the Carve Out under the DIP Loan Agreement.
Closing Date:	<ul style="list-style-type: none"> • April 15, 2007. If seller receives Available Cash on or before nine full months following Closing, Seller will reimburse Purchaser with such available cash for any Additional Purchase Price Amount or Post Closing Additional Purchase Price Amount payments.
Conditions to Closing:	<p>The material conditions to the Purchaser's obligation to close the transaction include:</p> <ul style="list-style-type: none"> • Receipt of all consents from Governmental Authorities (<i>e.g.</i>, FCC, TRB) • Receipt of all third party consents (<i>e.g.</i>, landlords), to the extent the requirement to obtain them is not superseded by Section 365 of the Bankruptcy Code • Satisfaction of all FCC Debt • Receipt of Consent Decree approved by the FCC • Cure of all breaches under Assumed Contracts • Bidding Procedures Order is final and in effect • Sale Approval Order is final • Satisfactory environmental reports • Agreement for use of Movistar brand by Purchaser or substantial completion of the build out of the network with no less than 205 upgraded cell sites; provided, that, if the Closing occurs on or after April 25, 2007, no less than 215 cell sites shall have been upgraded • No Material Adverse Effect <p>The material conditions to NewComm's obligation to close the transaction include:</p>

	<ul style="list-style-type: none"> • Bidding Procedures Order is in effect • Sale Approval Order has been entered • Receipt of FCC Consents • Receipt of payment from the Purchaser 																		
Taxes:	<ul style="list-style-type: none"> • NewComm is responsible for payment of any taxes as a result of the sale, if any 																		
Pre-Closing Obligations:	<p>The material pre-Closing obligations of NewComm include:</p> <ul style="list-style-type: none"> • NewComm to perform Phase I and TSR environmental assessments on cell sites; • NewComm to conduct business in the ordinary course; • As of the last day of each month, NewComm shall have at least the number of subscribers, by prepaid and postpaid subscribers, equal to the percentage set forth below for such month and for such type of subscriber, of the number of subscribers of such type, set forth in the DIP Budget for such month. <table border="1" data-bbox="683 888 1430 1163"> <thead> <tr> <th>Month</th> <th>Non-Prepaid</th> <th>Prepaid</th> </tr> </thead> <tbody> <tr> <td>December</td> <td>95%</td> <td>90%</td> </tr> <tr> <td>January</td> <td>95%</td> <td>90%</td> </tr> <tr> <td>February</td> <td>92.5%</td> <td>85%</td> </tr> <tr> <td>March</td> <td>90%</td> <td>80%</td> </tr> <tr> <td>April and each month thereafter</td> <td>90%</td> <td>80%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • NewComm is required to receive at least 90% of the revenues set forth in the DIP Budget, measured at the end of every month, both for the month then-ended and on a cumulative basis since the Closing Date; and • NewComm to prosecute the Bankruptcy Case. <p>The material pre-Closing obligation of the Purchaser is:</p> <ul style="list-style-type: none"> • The Purchaser will deliver to NewComm, at least 2 Business Days prior to the Auction, binding letters of commitment, in form and substance previously delivered to NewComm, sufficient to permit the Purchaser to make any required payments of an equity commitment from its parent company of such amount as will enable the Purchaser to pay liquidated damages in the event of a default by the Purchaser (See “Purchaser Default” below). 	Month	Non-Prepaid	Prepaid	December	95%	90%	January	95%	90%	February	92.5%	85%	March	90%	80%	April and each month thereafter	90%	80%
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Consulting Agreement:	<ul style="list-style-type: none"> • In the event the parties are unable to close the transaction by the date that is 180 days after the date of the Agreement, because NewComm has not received the FCC Consents, the parties will enter into a Consulting Agreement that will provide for consultation by the Purchaser with respect to the operation of the Business pending receipt of the FCC Consents.
Indemnification:	<ul style="list-style-type: none"> • NewComm is required to indemnify the Purchaser for: <ul style="list-style-type: none"> • Breach of the Agreement; • Failure to comply with Law with respect to any Acquired Asset; • Breach of any Assumed Contract; and • Excluded Liabilities.
Limitation of Liability:	<ul style="list-style-type: none"> • No liability for any claims until losses exceed \$200,000 in the aggregate, at which time NewComm will be liable for the entire amount of all claims (including the first \$200,000).
Termination:	<p>The Agreement may be terminated as follows:</p> <ul style="list-style-type: none"> • Mutual consent of both parties; • If the Closing does not occur within 180 days after execution of the Agreement; provided that, if there has been no Closing as a result of the failure to obtain the FCC Consents, the termination date will be extended for an additional 60 days; • If a Governmental Authority issues a Final Order prohibiting the Proposed Transactions; • If the Bankruptcy Case is not commenced within 5 Business Days of the date of the Agreement; • If the Bidding Procedures Order has not been entered within 30 days of the Petition Date; • If the Sale Approval Order has not been entered within 100 days of the Petition Date; • 15 days after entry of the Sale Approval Order, if the order has not become a Final Order within 10 days of the date entered; • Upon the occurrence of an Event of Default under the DIP Loan Agreement; • On the date of the closing of the DIP loan facility, if Purchaser is unsatisfied with its due diligence investigation of NewComm and the Business; • If an order is entered approving a transaction with a third party and timely pays the Break-Up Fee and Expense Reimbursement; • If a Material Adverse Effect occurs between date of the Agreement and Closing and is not waived by Purchaser;

	<ul style="list-style-type: none"> • If Seller materially breaches the Agreement and such breach is not cured within 10 Business Days; • If the ETC Designation or any FCC Authorizations or other regulatory approvals are revoked, cancelled, suspended or terminated; • If NewComm fails to pay off the FCC Debt in full on or before the due date specified in the Consent Decree; provided that FCC Debt Collateral Sub-account has been made available to NewComm for payment therefor under the DIP loan facility; • If any representation or warranty of NewComm was untrue in any material respect as of the date of the Agreement or at any time prior to or on the Closing or if NewComm materially breaches its pre-Closing obligations, and has not cured such breach within 10 Business Days; and • By NewComm if it objects to the amount of the adjustment to the Purchase Price for Assets designated by the Purchaser as Excluded Assets after the date of this Agreement, and NewComm and Purchaser cannot resolve such disagreement.
<p>Break-up Fee:</p>	<p>Purchaser shall be entitled to a break-up fee of \$3,300,000 in the event:</p> <ul style="list-style-type: none"> • NewComm accepts a Prevailing Bid from a third party and the Bankruptcy Court enters and order approving a transaction with the third party; • NewComm announces a plan of reorganization under the Bankruptcy Code (other than pursuant to the Agreement or another agreement with the Purchaser); • The Agreement is terminated as a result of: <ul style="list-style-type: none"> • The Bankruptcy Court entering an order approving a transaction with a third party; • A Material Adverse Effect (directly as a result of an act or omission of NewComm); • A material breach of the Agreement by Seller that is not cured within 10 Business Days; or • The ETC Designation or any FCC Authorizations or other regulatory approvals being revoked, cancelled, suspended or terminated (as a result of an act or omission of NewComm).
<p>Expenses:</p>	<ul style="list-style-type: none"> • Each party bears its own expenses; provided, that, Purchaser shall be entitled to be reimbursed for all of its reasonable and documented expenses (not to exceed \$1,000,000): <ul style="list-style-type: none"> • Purchaser is entitled to the Break-up Fee.
<p>Purchaser Default:</p>	<ul style="list-style-type: none"> • If the Closing does not occur and the Agreement is terminated solely as a result of the failure of the

	Purchaser's representations and warranties to be true in all material respects at the time of the Agreement or at the time of the Closing, or the Purchaser fails to perform all of its obligations in all material respects on or before the Closing, but Seller has satisfied all of its obligations and the conditions to Purchaser's obligation to close the transaction have been satisfied, then Purchaser will pay NewComm \$3,000,000.
Governing Law:	<ul style="list-style-type: none"> • New York

The Proposed Bidding and Auction Procedures

17. Certain of the key terms of the Bidding Procedures are highlighted as

follows:

- **Participation Requirements:** To ensure that only bidders with a serious interest in purchasing the Assets participate in the Bidding Process, the Bidding Procedures provide for certain minimal requirements for a potential bidder to become a "Qualified Bidder". These requirements include, among other things, delivery to the debtor of (i) an executed confidentiality agreement; and (ii) financial assurances as to such bidder's ability to close a transaction
- **Due Diligence:** The Bidding Procedures permit all Qualified Bidders an opportunity to participate in the diligence process. The Debtor requests that due diligence be completed no later than January 31, 2007, or such other time as established by the Court.
- **Competing Proposal Deadline:** The Debtor is requesting a deadline for submission of Competing Proposals of 5:00 p.m. (prevailing Puerto Rico Time) on January 31, 2007, a day that is approximately sixty (60) days following the Petition Date. Not later than the earlier of: (i) 48 hours following the Bid Deadline; and (ii) 72 hours prior to the Auction, the Debtor shall share the Competing Proposals with all Qualified Bidders that properly submitted a Competing Proposal and counsel for the Proposed Purchaser.
- **Form of Competing Proposals.** The Bidding Procedures require that Competing Proposals, among other things: (i) are accompanied by a clean executed version of a sale agreement together with a blackline showing differences between the APA and the proposed agreement; (ii) propose acquisition of substantially all of the Debtor's assets; (iii) identify the portion of