

	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

the Debtor's assets to be paid in cash and the portion to be paid in other consideration; (iv) contain evidence of financial ability to consummate the transaction; (v) be accompanied by a cash deposit equal to three percent (3%) of the proposed consideration to be paid under such Competing Proposal and a written undertaking to provide an additional cash deposit (the "Additional Deposit") equal to seven percent (7%) of the proposed consideration to be paid under such Competing Proposal upon Bankruptcy Court approval of such bidder's Competing Proposal if such Competing Proposal is determined to be the Prevailing Bid; and (vi) result in the of value to the Debtor's estate that, in the Debtor's reasonable judgment after consultation with its financial and legal advisors, and with the Committee, is more than the (A) Base Purchase Price plus or minus estimated adjustment plus Additional Purchase Price Amount; plus (B) the amount of the Break-Up Fee (\$3,300,000); plus (C) the maximum Expense Reimbursement Amount of \$1,000,000; plus (D) \$1,000,000.

- Time and Location of Auction. The Debtor requests that the Auction take place on February 13, 2007 commencing at 10:00 a.m. at the offices of Sonnenschein Nath & Rosenthal LLP, 1221 Avenue of the Americas, 25th Floor, New York, New York 10020 or such other time or place as the Debtor shall notify the Qualified Bidders.
- Conduct of Auction. At least two business days prior to the commencement of the Auction, the Debtor shall advise the Qualified Bidders participating in the Auction which Competing Proposal has been determined to be the highest or otherwise best competing Proposal. Minimum overbid increments at the Auction shall be in the amount of \$250,000. The Proposed Purchaser is entitled to credit bid its Break-Up Fee of \$3,300,000 and \$1,000,000 Expense Reimbursement (for a total aggregate amount of \$4,300,000) in each round of bidding in connection with its participation in the Auction.
- Selection of Prevailing Bid and Bidder. The selection of the Prevailing Bid shall be based on, among other things: the amount and form of consideration, the liabilities to be assumed, the ability of the Qualified Bidder to close the transaction on or before the Closing Date as set forth in the APA, and other contractual terms.
- Back-Up Bidder. In addition to identifying the Prevailing Bidder, the Debtor shall identify the next highest or otherwise best Competing Proposal and the Qualified Bidder who submitted that competing proposal.

Notice Procedures