

EXHIBIT C-2

Authorization Rules (Spanish)

Real Decreto 8/1997, de 10 de enero, de aplicación del régimen de autorización administrativa previa a Telefónica de España, Sociedad Anónima, y a otra sociedad de su grupo.

Sumario:

- **Artículo 1.** Ámbito subjetivo de aplicación.
- **Artículo 2.** Acuerdos y actos sujetos al régimen de autorización administrativa.
- **Artículo 3.** Concepto de adquisición.
- **Artículo 4.** Procedimiento de autorización.
- **Artículo 5.** Plazo de vigencia del régimen de autorización.
- **Artículo 6.** Compatibilidad del régimen de autorización.
- **DISPOSICIÓN FINAL ÚNICA.** Entrada en vigor.

*Telefónica de España, Sociedad Anónima, se encuentra comprendida en el ámbito de aplicación de la Ley 5/1995, de 23 de marzo, de Régimen Jurídico de Enajenación de Participaciones Públicas en Determinadas Empresas, por ser la participación pública superior al 25 % de su capital en el momento de entrada en vigor de la citada Ley, estar controlada por el Estado de acuerdo con los criterios que establece el artículo 4 de la Ley 24/1988, de 28 de julio, del Mercado de Valores, y desarrollar en el caso de **Telefónica de España, Sociedad Anónima, y su grupo** de sociedades, actividades comprendidas en las circunstancias descritas en el apartado 1 del artículo 1 de la mencionada Ley. Particularmente **Telefónica de España, Sociedad Anónima, es** concesionaria de servicios de comunicación esenciales de titularidad estatal y reservados al sector público, cuyas tarifas y régimen de prestación están reguladas por el Gobierno.*

De acuerdo con el artículo 2.2 de la Ley 5/1995 citada, será aplicable el régimen de autorización administrativa previa que dicha Ley regula cuando la participación pública quede reducida a un porcentaje inferior al 5 % del capital social, como consecuencia de cualquier acto o negocio jurídico, o cuando se produzca la enajenación de un porcentaje igual o superior al 10 % del capital social, si la participación del Estado queda situada por debajo del 50 %. Por otro lado, el artículo 4 de dicha Ley exige que el Real Decreto que establezca el régimen de autorización administrativa previa esté en vigor con

anterioridad a la **materialización** de los supuestos enunciados en el artículo 2 de la misma Ley.

Tal es el propósito del presente Real Decreto: establecer, de conformidad con la Ley 5/1995, de 23 de marzo, la exigencia de autorización administrativa previa para la **adopción**, por las entidades incluidas en su ámbito de aplicación, de determinados acuerdos especialmente relevantes una vez que la participación pública de las entidades incluidas en el anexo I de este Real Decreto quede por debajo del 15 % del capital, o **desaparezca totalmente**. La administración de la **participación** del Estado en Telefónica de España compete al Ministerio de Economía y Hacienda que la desarrolla a través de la Dirección General del Patrimonio del Estado. Sin embargo en la medida que las competencias en materia de telecomunicaciones están residenciadas en el Ministerio de Fomento, que, por otro lado, **asume** actualmente funciones de autorización de determinadas decisiones de Telefónica de España, parece lógico que, sin perjuicio de seguir el procedimiento previsto en el artículo 3 del Real Decreto 1525/1995, de 15 de septiembre, por el que se desarrolla la mencionada Ley, se otorguen por la presente norma las responsabilidades de autorización al Ministerio de Fomento, aunque **en** emisión de informe por el Ministerio de Economía y Hacienda, dado que **no** cabe olvidar la importancia en términos estrictamente económicos de esta sociedad para la economía nacional.

El establecimiento del régimen de autorización administrativa responde a la necesidad de asegurar la continuidad de la actividad del grupo Telefónica, en atención al carácter estratégico de sus actuaciones y los desafíos que afronta en la configuración del futuro mercado de las telecomunicaciones, siendo un instrumento necesario de garantía del interés general.

Este régimen de autorización **no** va a suponer **menor** alguna de la legítima autonomía empresarial en la gestión de las sociedades a que se refiere el presente Real Decreto. Se trata de un régimen de autorización administrativa que responde a la idea de la menor intervención pública compatible con el aseguramiento de ese interés general. Todo ello sin perjuicio de la incontestable garantía jurisdiccional de que disponen las entidades mercantiles para la defensa de sus derechos.

En su virtud, a propuesta de los Ministros de Economía y Hacienda y de Fomento, con la aprobación del Ministro de Administraciones Públicas, de acuerdo con el Consejo de Estado y previa deliberación del Consejo de Ministros en su reunión del día 10 de enero de 1997, dispongo:

Artículo 1. Ámbito subjetivo de aplicación.

Quedan sometidas al régimen de autorización administrativa previa, establecido en la Ley 5/1995, de 23 de marzo, de Régimen Jurídico de Enajenación de Participaciones Públicas de Determinadas Empresas, las sociedades que se relacionan en el anexo I del presente Real Decreto.

Artículo 2. Acuerdos y actos sujetos al régimen de autorización administrativa.

1. Los acuerdos sociales sujetos al régimen de autorización administrativa previa son los siguientes:

- a. Disolución voluntaria, escisión o fusión.
- b. Sustitución de objeto social.
- c. Enajenación o gravamen, en cualquier forma y por cualquier título, de los activos, partes o cuotas indivisas de los mismos incluidos en el anexo II de este Real Decreto, de que sean titulares cualquiera de las entidades incluidas en el anexo I.
- d. Enajenación o gravamen, en cualquier forma y por cualquier título, de acciones o títulos representativos del capital de que sea titular *Telefónica de España, Sociedad Anónima*, en la entidad incluida en el anexo I de este Real Decreto.

A efectos de lo previsto en el párrafo anterior, se equiparan a las acciones cualesquiera otros valores que puedan dar derecho, directa o indirectamente, a la suscripción o adquisición de las mismas.

2. Queda igualmente sometida al régimen de autorización administrativa previa, en los términos y con las consecuencias previstas en la Ley 5/1995, de 23 de marzo, y en el Real Decreto 1525/1995, de 15 de septiembre, la adquisición, directa o indirecta, incluso a través de terceros fiduciarios o interpuestos, de acciones de *Telefónica de España, Sociedad Anónima*, o de la entidad incluida en el anexo I de este Real Decreto u otros valores que puedan dar derecho, directa o indirectamente, a la suscripción o adquisición de aquéllas, cuando

tenga por consecuencia la disposición sobre, al menos, el 10% del capital social correspondiente.

Artículo 3. Concepto de adquisición.

A los efectos del apartado 2 del artículo anterior, se entenderá por adquisición tanto la que tenga lugar por compraventa como la que se efectúe por cualquier otro título, con independencia del modo de instrumentarla.

Para determinar el porcentaje de disposición sobre el capital social correspondiente, se computarán todas las acciones que se posean con derecho a voto, aunque sea a título de usufructuario o acreedor pignoraticio.

Artículo 4. Procedimiento de autorización.

1. La autorización a que se refiere el artículo 2.1 anterior se solicitará mediante el acuerdo adoptado por el órgano social competente, que se acreditará por certificación. Dicho acuerdo deberá contener los extremos a que se refiere el artículo 70 de la Ley 3011992, de 26 de noviembre, de Régimen Jurídico de las Administraciones Públicas y del Procedimiento Administrativo Común.

2. En el supuesto previsto en el artículo 2.2 del presente Real Decreto, la autorización será solicitada por las personas físicas y jurídicas que pretendan realizar los actos referidos en el citado artículo.

3. La solicitud se dirigirá a la Secretaría General de Comunicaciones, que será el órgano competente para resolver sobre la misma, previo informe del Ministerio de Economía y Hacienda. El órgano instructor será la Dirección General de Telecomunicaciones. La resolución pondrá fin a la vía administrativa.

4. El procedimiento podrá finalizar mediante la suscripción de un convenio entre la Administración y el interesado o interesados sobre las características del acuerdo o acto sujeto a autorización.

A tal efecto, los interesados o el órgano administrativo competente para la instrucción del procedimiento podrán, en cualquier momento anterior a la propuesta de resolución, formular la correspondiente propuesta de convenio. Si la propuesta obtuviera la conformidad del órgano instructor y de los interesados, se remitirá, con todo lo actuado, al órgano competente para resolver, quien lo hará con libertad de criterio y, en su caso, elevará la propuesta de convenio al órgano competente para su formalización.

Formalizado a un convenio, este producirá iguales efectos que la resolución del procedimiento.

5. La autorización prevista en este Real Decreto se tramitará de acuerdo con lo establecido en el artículo 5 de la Ley 5/1995, de 23 de marzo, de Régimen Jurídico de Enajenación de Participaciones Públicas en Determinadas Empresas, en el presente Real Decreto y en lo no contemplado en dichas normas, por la Ley 30/1992, de 26 de noviembre, de Régimen Jurídico de las Administraciones Públicas y del Procedimiento Administrativo Común, y por el Real Decreto 1778/1994, de 5 de agosto, por el que se adecuan a esta última las normas reguladoras de los procedimientos de otorgamiento, modificación y extinción de autorizaciones.

Artículo 5. Plazo de vigencia del régimen de autorización.

El régimen de autorización administrativa previa, que se establece en este Real Decreto, será eficaz desde la fecha en que la participación pública en las entidades incluidas en el anexo I del mismo quede reducida a un porcentaje inferior al 15 % de su capital social.

El régimen de autorización administrativa tendrá una vigencia de diez años, a contar desde la fecha en que adquiere eficacia, según lo previsto en el párrafo anterior.

Artículo E. Compatibilidad del régimen de autorización.

El régimen de autorización administrativa previa que se establece en este Real Decreto no afectará al régimen específico de autorización regulado en las cláusulas séptima, duodécima, decimotercera y decimocuarta del Contrato del Estado con *Telefónica de España, Sociedad Anónima*, aprobado por Acuerdo de Consejo de Ministros de 29 de noviembre de 1991, sin perjuicio de lo dispuesto en la disposición transitoria quinta de la Ley 31/1987, de 18 de diciembre, de Ordenación de las Telecomunicaciones, incluida en dicha Ley por el apartado 9 del artículo 2 del Real Decreto-ley 61/1996, de 7 de junio, de liberalización de las telecomunicaciones.

DISPOSICIÓN FINAL ÚNICA. Entrada en vigor,

El presente Real Decreto entrará en vigor el día siguiente al de su publicación en el *Boletín Oficial del Estado*.

Dado en Madrid a 10 de enero de 1997.

- Juan Carlos R -

El Vicepresidente Primero del Gobierno y Ministro de la Presidencia,
Francisco Álvarez-Cascos Fernández. .

ANEXO I.

Sociedades incluidas en el ámbito de aplicación del Real Decreto:

- a. *Telefónica de España, Sociedad Anónima.*
- b. *Telefónica Servicios Móviles, Sociedad Anónima.*

ANEXO II.

Activos a que se refiere el artículo 2.1.c:

1. Conjunto ordenado de equipos y portadores de comunicación y la infraestructura asociada, siempre que aquéllos estén en territorio español y formen parte de cualquiera de las siguientes categorías:
 - a. Cable coaxial.
 - b. Cable de fibra óptica.
 - c. Cable interurbano de pares.
 - d. Redes de abonado.
 - e. Conexiones entre nodos secundarios de Madrid y Barcelona.
2. Centrales de tránsito y edificios que las albergan.
3. Centrales internacionales y edificios que las albergan.
4. Cables submarinos.
5. Participaciones en sociedades o consorcios dedicados a la explotación de satélites o cables submarinos.
6. Estaciones terrenas de satélites.
7. Estaciones costeras de amarre de cables submarinos.



MINISTERIO
DE CIENCIA
Y TECNOLOGÍA

DIRECCIÓN GENERAL DE TELECOMUNICACIONES
Y TECNOLOGÍAS DE LA INFORMACIÓN

EL

Telefónica Móviles España, SAU. que es Telefónica Móviles, S.A.U, quede
induida an su ámbito de aplicación

En su virtud, a propuesta de los Ministerios de Ciencia y Tecnología y Hacienda,
de acuerdo con el Consejo de Estado y previa deliberación del Consejo de
Ministros en su reunión del día de de 2001

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DIRECCIÓN GENERAL DE TELECOMUNICACIONES
Y TECNOLOGÍAS DE LA INFORMACIÓN

DISPONGO

Artículo único. Modificación del Real Decreto 8/1997, de 10 de enero.

1. Se modifica el apartado 1.d) del artículo 2 y se añade un nuevo apartado 1.e) al mismo artículo, del Real Decreto 8/1997, de 10 de enero, con la siguiente redacción:

"d) Enajenación o gravamen, en cualquier forma y por cualquier título, de acciones o títulos representativos del capital de que sea titular Telefónica, S.A. en la entidad incluida en el Anexo I, cuando la participación de aquélla en ésta quede reducida por debajo del cincuenta por cien de su capital social.

e) Enajenación o gravamen, en cualquier forma y por cualquier título, de acciones o títulos representativos del capital de que sea titular Telefónica Móviles, S.A. en Telefónica Móviles España, S.A. cuando la participación de aquélla en ésta quede reducida por debajo del cincuenta por cien de su capital social"

2. El apartado 3 del artículo 4 del Real Decreto 8/1997, de 10 de enero, queda redactado de la siguiente manera:

"La solicitud se dirigirá a la Secretaría de Estado de Telecomunicaciones y para la Sociedad de la Información, que será el órgano competente para resolver sobre la misma, previo informe del Ministerio de Hacienda. El órgano instructor será la Dirección General de Telecomunicaciones y Tecnologías de la Información. La resolución pondrá fin a la vía administrativa."



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3. Se añade un nuevo apartado c) al Anexo 1 del Real Decreto 8/1997, de 10 de enero, con la siguiente redacción:

"c) Telefónica Móviles, SA."

Disposición final primera. **Modificaciones del Anexo I del Real Decreto 8/1997, de 10 de enero.**

Se faculta al Ministro de Ciencia y Tecnología para modificar la relación de empresas que figuran en el Anexo I del Real Decreto 8/1997, de 10 de enero.

Disposición final segunda. **Entrada en vigor**

Este Real Decreto entrará en vigor el día siguiente al de su publicación en el "Boletín Oficial del Estado".

EXHIBIT D

Stock Purchase Agreement

STOCK PURCHASE AGREEMENT

Between

TELEFONICA LARGA DISTANCIA DE PUERTO RICO, INC.,

And

CLEARCOMM, L.P.,

DATED AS OF MARCH 12, 2002



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DISCLOSURE SCHEDULE

The Disclosure Schedule shall include the following Sections (to be provided by the Seller):

- 2.02(b) Investment **Banks**
- 3.01 Organizational documents
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- 3.04 Financial Information
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- 3.15 Powers of Attorney

Exhibits:

- Exhibit A - Sale Agreement
- Exhibit B - Shareholders' Agreement
- Exhibit C - Management Committee Members
- Exhibit D - Second Amendment to Management Agreement

STOCK PURCHASE AGREEMENT, dated as of March 12, 2002 (the "Effective Date"), among TELEFÓNICA LARGA DISTANCIA DE PUERTO RICO, INC., a corporation organized and validly existing under the laws of the Commonwealth of Puerto Rico (the "Purchaser") and CLEARCOMM, L.P., a Delaware limited partnership (the "Seller").

WHEREAS, NewComm Wireless Services, Inc. (the "Company") operates a 1900 MHz band wireless telecommunications network in the Commonwealth of Puerto Rico;

WHEREAS, upon conversion of the Convertible Securities immediately prior to Closing, the Purchaser will own 49.9% of the outstanding equity interests of the Company, and the Seller and each other owner of equity interests of the Company will own collectively 50.1% of the equity interests in the Company, all as set forth in Section 3.02;

WHEREAS, subject to the terms and conditions of this Agreement, at the Closing the Seller desires to sell, convey, transfer, assign and deliver to the Purchaser, and the Purchaser desires to purchase from the Seller such number of Shares of the Company such that upon conversion of the Convertible Securities and the acquisition of the Shares to be purchased hereunder, the Purchaser shall own 50.1% of the issued and outstanding equity interests of the Company on a fully-diluted basis.

NOW, THEREFORE, in consideration of the premises and the mutual agreements, covenants, representations and warranties hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Purchaser, the Company and the Seller, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Action" means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person. For purposes of this Agreement, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by representation on the board of directors, management committee or similar governing body, by contract or otherwise.

"Agreement" or **"this Agreement"** means this Stock Purchase Agreement, dated as of the Effective Date, among the **Seller**, the Company and the Purchaser (including the Exhibits hereto and the Disclosure Schedule) and all amendments hereto made in accordance with the provisions of Section 10.08.

“**Alcatel**” means Compagnie Financiere Alcatel, a company **organized** under the laws of the Republic of France.

“**Alternative Transaction**” has the meaning specified in Section **6.06**

“**Business Day**” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in any of the City of New York, New York, United States of America or San Juan, Puerto Rico.

“**Closing**” has the meaning specified in Section 2.03.

“**Closing Date**” has the meaning specified in Section 2.03

“**Code**” means the United States Internal Revenue Code of **1986**, as amended together with the rules and regulations promulgated thereunder.

“**Common Stock Purchase Warrant**” means the Class C Common Stock Purchase Warrant No. CB-001 of the Company issued on November **1,2000**.

“**Comoany**” has the meaning specified in the preamble

“**Company’s Accountants**” means Arthur Andersen & Co. or any other internationally recognized auditing firm which the Company appoints as its independent accountants.

“**Contract**” means any agreement, contract, commitment, instrument or other binding arrangement or understanding, whether written or **oral**.

“**Convertible Securities**” shall mean the Secured Convertible Promissory Note and the Non-Dilution Notes.

“**Corporate Records**” means: (i) the original corporate books of the Company duly signed by corporate officers and directors, (ii) **minutes** of shareholders’ meetings of the Company duly signed by corporate officers and directors with all the corresponding documents; (iii) authorizations, licenses, notices, submissions and correspondence of the Company to and from regulatory authorities, including, without limitation, tax, telecommunications, foreign investment and anti-trust authorities; (iv) documents evidencing the release of any **and** all Encumbrances on the Shares; (v) duly endorsed certificates representing the Shares; and (vi) original copies of any and all material legal documentation affecting the rights and obligations of the Company.

“**Disclosure Schedule**” means the disclosure exhibit attached hereto, dated as of the date hereof, and forming a part of this Agreement.

“**Dispute**” has the meaning specified in Section 10.10(a).

“**Dollars**” or “**\$**” means the legal currency of the United States of America

“**Effective Date**” has the meaning specified in the preamble.

“Encumbrance” means any security interest, pledge, **mortgage**, lien (including, without limitation, environmental and tax liens), **charge**, encumbrance, adverse claim, preferential arrangement or restriction of any **kind**, including, without limitation, any **restriction on the use**, voting, transfer, receipt of income or other exercise of any attributes of ownership, but occluding restrictions on transfer under applicable federal, state or foreign securities laws.

“Equity Valuation” shall mean the valuation of the Company conducted by the Nominee in accordance with Sections 2.02(b) and (c).

“Exchange Act” shall mean the United **States** Securities Exchange Act of **1934**, as amended, together with the rules and regulations promulgated thereunder.

“FCC” shall mean the Federal Communications Commission.

“FTC” shall mean the Federal Trade Commission.

“Financial Statements” has the meaning set forth in Section **3.04**.

“Fleet Syndicate” shall mean, collectively, Fleet Development Ventures, LLC, Opportunity Capital Partners IV, L.P. and Power Equities, Inc.

“Governmental Authority” means with respect to any party, any foreign or United States, federal, commonwealth, state or local government, governmental, regulatory, or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body, having jurisdiction over such party or its assets.

“Governmental Order” means any order, notice, writ, judgment, injunction, decree, stipulation, determination, award approval, consent, authorization or agreement entered by or with any Governmental Authority.

“HSR Act” shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“Indebtedness” means, with respect to the Company (a) all indebtedness of the Company and its Subsidiaries for borrowed money (excluding the current portion of any long-term debt and capital leases, short-term borrowings or debt), (b) all vendor financing of the Company and its Subsidiaries or other indebtedness for the deferred purchase price of property or services (including (i) indebtedness owed to Lucent Technologies, Inc., (ii) indebtedness owed to Alcatel, but excluding trade payables and liabilities incurred in the ordinary course of business and payable in accordance with customary practice), (c) **except** as excluded in (a) ~~above~~, all obligations of the Company and its Subsidiaries evidenced by notes, bonds, debentures or other similar instruments (including, but not limited to, indebtedness of the Company to the FCC), (d) **all** indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by the Company and its Subsidiaries (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of the Company and its Subsidiaries as lessee under leases that have been, in accordance with **U.S.** GAAP, recorded as

capital leases, and (f) any other Indebtedness which would be classified as “Indebtedness” under U.S. GAAP, all of the foregoing calculated in accordance with U.S. GAAP.

“Indemnified Person” has the meaning specified in Section 8.05.

“Indemnifying Person” has the meaning specified in Section 8.05

“Intellectual Property Rights” means (a) all software (including software under development), hardware, object code, source code, trade secrets or similar confidential information, technology, know-how, customer lists, marketing and customer information, and materials which are the subject matter of copyright (e.g., manuals, documentation, etc.); (b) systems functionality and all written information, diagrams, flow charts, systems requirements documents, methods of procedure, fast market application plans, operations support plans and related information used in the design, implementation and provisioning of technology, including all enhancements, upgrades or additions to such materials or any software or hardware; (c) all intangible intellectual property rights, including any and all applications for patents or issued patents; and (d) all licenses, agreements and other arrangements with third parties pertaining to such matters.

“Internationally Recognized Investment Banks” has the meaning specified in Section 2.02(b).

“Investment” or “Investments” has the meaning specified in Section 6.04

“Joint Venture Agreement” means the joint venture agreement, dated as of February 4, 1999 by and between the Purchase and the Seller, as amended by the First Amendment to the Joint Venture Agreement dated as of February 23, 1999, the Second Amendment to the Joint Venture Agreement dated as of August 21, 1999, the Third Amendment to the Joint Venture Agreement dated as of January 31, 2000, the Fourth Amendment to the Joint Venture Agreement dated as of November 2, 2000, the Fifth Amendment to the Joint Venture Agreement dated as of November 22, 2000, the Sixth Amendment to the Joint Venture Agreement dated as of June 26, 2001 and as it may be subsequently amended.

“Knowledge of the Seller” means if the members of the Company’s board of directors appointed or nominated by the Seller have actual knowledge of any matter or if such members would have obtained actual knowledge of such matter after due inquiry if such director possesses such information as would cause a reasonably prudent person to make due inquiry in respect of such matter and such reasonably prudent person would, after such due inquiry, gain such actual knowledge about such matter; provided, however, that with respect to Sections 3.03, 3.05, 3.06, 3.08, 3.10, 3.11 and 3.13, the Seller shall be deemed to have “Knowledge” of a matter only if such matter was actually discussed at a meeting of the Company’s board of directors.

“Law” or “Laws” means any statute, law, ordinance, regulation, rule, code, order, other requirement or rule of law of any country, state, commonwealth, province, locality, region or area therein, or any other jurisdiction.

“Liabilities” means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including,

without limitation, those arising under any Law, Action or Governmental Order and those arising under any Contract.

“Listed Licenses” has the meaning specified in Section 3.07

“Loan Documents” shall mean the Bridge Loan Facility Agreement, dated as of November 22, 2000 among the Company, the Purchaser, the Seller and the lenders thereto, as amended by Amendment No. 1 to Bridge Loan Agreement, dated as of March 15, 2001; as amended by Amendment No. 2 to Bridge Loan Agreement, dated as of March 22, 2001, as amended by Amendment No. 3 to Bridge Loan Agreement, dated as of March 29, 2001, as amended by Amendment No. 4 to Bridge Loan Agreement, dated as of May 29, 2001, as amended by Amendment No. 5 to Bridge Loan Agreement, dated as of June 19, 2001, as amended by Amendment No. 6 to Bridge Loan Agreement, dated as of June 22, 2001, as amended by Amendment No. 7 to Bridge Loan Agreement, dated as of August 10, 2001, as amended by Amendment No. 8 to Bridge Loan Agreement, dated as of October 17, 2001, as amended by Amendment No. 9 to Bridge Loan Agreement, dated as of March 14, 2002 and any future amendments thereto and all material agreements executed in connection therewith.

“Loss” or “Losses” means any and all Liabilities, losses, damages, claims, costs and expenses, interest, awards, judgments and penalties actually suffered or incurred by any Indemnified Person.

“Management Aereement” means the management agreement, dated as of March 3, 1999 by and between the Purchaser and the Company. as amended by the first amendment thereto, dated June 26, 2001, as amended by the second amendment thereto, dated the date hereof.

“Material Adverse Effect” means, with respect to a Person, any circumstance, change in, or effect on, the Person or any Subsidiary thereof that is or could reasonably be expected to be materially adverse to the business, results of operations or the financial condition of such Person.

“Nominee” has the meaning specified in Section 2.02(b)

“Non-Dilution Notes” means the convertible notes issued or to be issued to the Purchaser by the Company in exchange for additional loans by the Purchaser.

“Person” means any individual, partnership, firm, corporation, limited liability company, joint venture, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Exchange Act.

“Pre-Closing Date” has the meaning set forth in Section 2.03(a)

“Proiect Financine Facility” means long-term financing on terms which are consistent with the then market for financings of materially equivalent amounts for entities with similar financial condition and prospects to the Company which financing is necessary and in an amount sufficient to (i) repay the obligations of the Company to each of the FCC, Lucent Technologies, Inc., Alcatel and under the Loan Documents, (i) repay the obligations of the Company under the Management Agreement and (iii) provide working capital for the Company.

“Puerto Rico” means the Commonwealth of Puerto Rico

“Purchase Price” **has** the meaning specified in Section 2.02

“Purchaser” has the meaning specified in the preamble to this Agreement

“Purchaser’s Indemnified Persons” has the meaning specified in Section **8.03**

“Reoesentatives” means, with respect to any party, such party’s officers, employees, directors, agents or advisors.

“Returns” means all tax returns, reports and forms relating to the Company that are due on or before or relate to any taxable period ending on or before the Closing Date.

“Sale Aereement” means the Sale Agreement, dated as of the Effective Date, by and among the Seller, the Purchaser, Syncom, the Fleet Syndicate and the Company, in the form attached hereto as Exhibit A.

“Sale of the Comoanu” means (i) a Transfer of all of the outstanding equity interests of the Company; (ii) a Transfer of substantially all of the assets of the Company or (iii) the merger, consolidation or other business combination of the Company with or into another Person, in each case under circumstances in which the holders of outstanding capital stock of the Company, immediately prior to such transaction, own less than 50% in voting power of the outstanding capital stock of the surviving or resulting corporation or acquirer, as the case may be, immediately following such transaction.

“Secured Convertible Promissory Note” means the secured convertible promissory note dated **as** of June 22, 2001 in the principal amount of \$19,960,000 by and between the Company, as debtor and the Purchaser, **as** creditor, as such note may be substituted, amended and restated from time to time to preserve the economic interests of TLD in the Company **as** contemplated thereby.

“Securities Act” means the United States Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

“Seller” has the meaning specified in the preamble to this Agreement

“Seller Shares” shall mean those Shares owned by the Seller and to be sold to the Purchaser as specified in Section 2.01.

“Seller’s Indemnified Persons” has the meaning set forth in Section **8.04**.

“Shareholders Agreement” means the shareholders agreement, dated as of the Closing Date, by and among the Seller, the Purchaser, Syncom, the Fleet Syndicate and any other shareholder of the Company at the time of its execution, substantially in the form attached hereto as Exhibit B.

“Shares” means the Class A Common Stock, par value \$.01 per share, the Class B Common Stock, par value \$.01 per share, the Class C Common Stock, par value \$.01 per share and the Class D Common Stock, par value \$.01 per share, of the Company.

“Sorint Litigation” means NewComm Wireless Service, Inc. v. Sprintcom, Inc., Civil No. 01-2270 (CAG) United States District Court for the District of Puerto Rico.

“Subsidiary” or “Subsidiaries” means, with respect to a Person, any and all corporations, partnerships, joint ventures, associations and other entities controlled by such Person directly or indirectly through one or more intermediaries.

“Syncom” means Syndicated Communications Venture Partners IV, L.P.

“Technology Transfer Agreement” means the technology transfer agreement, dated as of March 3, 1999 by and between the Company and TISA

“TISA” means Telefonica International, S.A., a Spanish corporation.

“Trademarks” means all trademarks, service marks, trade names or trade dress and all pending or issued registrations thereof

“Transfer” means to sell, assign, transfer, give, encumber, pledge, hypothecate or in any other way dispose of

“Transaction Documents” means this Agreement, the Shareholders Agreement, the Sale Agreement and any other agreement required to be executed by the parties to complete the transactions contemplated herein.

“U.S. GAAP” means United States generally accepted accounting principles and practices as in effect from time to time and applied consistently throughout the periods involved.

Section 1.02 Construction. **As** used in **this** Agreement, (i) each term defined in this Agreement has the meaning assigned to it, (ii) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with U.S. GAAP, (iii) as the context may require, words in the singular include the plural and words in the plural include the singular, (iv) as the context may require, words in the masculine or neuter gender include the masculine, feminine and neuter genders, (v) all references to Exhibits or Schedules refer to Exhibits or Schedules delivered herewith or attached hereto (each of which is deemed to be a part of **this** Agreement), (vi) all references to Sections or Articles refer to Sections or Articles of this Agreement, (vii) all references to “\$” or “dollars” refer to United States dollars, (viii) any amount to be paid in “\$” or “dollars” shall be paid in U.S. dollars, and (ix) the terms “**herein**,” “**hereunder**,” “**hereby**,” “**hereto**” and terms of similar import refer to this Agreement in its entirety, and not to any particular Article, Section, paragraph or subparagraph. No provision of this Agreement will be construed in favor of, or against, any of the parties hereto by reason of the extent to which such party or its counsel participated in its drafting or by reason of the extent to which this Agreement or any provision hereof is inconsistent with any prior draft hereof or thereof