

HEMISPHERE MEDIA GROUP, INC.

Form 424B3

July 31, 2013

FILED PURSUANT TO RULE 424(B)(3)

File No. 333-186210

HEMISPHERE MEDIA GROUP, INC.

SUPPLEMENT NO. 3 TO

PROSPECTUS DATED MARCH 25, 2013

THE DATE OF THIS SUPPLEMENT IS JULY 31, 2013

This prospectus supplement (this Supplement No. 3) is part of the prospectus of Hemisphere Media Group, Inc. (the Company), dated March 25, 2013 (File No. 333-186210) (the Prospectus) as supplemented by Supplement No. 1, dated May 15, 2013 (Supplement No. 1) and Supplement No. 2, dated May 15, 2013 (Supplement No. 2). This Supplement No. 3 supplements, modifies or supersedes certain information contained in the Prospectus, Supplement No. 1 and Supplement No. 2. Any statement in the Prospectus, Supplement No. 1 or Supplement No. 2 that is modified or superseded is not deemed to constitute a part of the Prospectus, Supplement No. 1 or Supplement No. 2, except as modified or superseded by this Supplement No. 3. Except to the extent that the information in this Supplement No. 3 modifies or supersedes the information contained in the Prospectus, as previously supplemented, this Supplement No. 3 should be read, and will be delivered, with the Prospectus, Supplement No. 1 and Supplement No. 2.

The purpose of this Supplement No. 3 is to update and supplement the information in the Prospectus, as previously supplemented, with the information contained in the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on July 31, 2013, and which is attached hereto.

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**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**

Date of Report (Date of earliest event reported): **July 30, 2013**

**HEMISPHERE MEDIA GROUP, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of  
Incorporation)

**001-35886**  
(Commission File Number)

**80-0885255**  
(I.R.S. Employer  
Identification Number)

**2000 Ponce de Leon Boulevard**

**Suite 500**

**Coral Gables, FL 33134**

(Address of principal executive offices) (Zip Code)

**(305) 421-6364**

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(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement**

On July 30, 2013 (the Closing Date), certain of Hemisphere Media Group, Inc.'s (the Company) direct and indirect wholly-owned subsidiaries entered into a Credit Agreement dated as of July 30, 2013, among Hemisphere Media Holdings, LLC (Holdings) and InterMedia Español, Inc. and together with Holdings, (the Borrowers), the guarantors party thereto, the several lenders from time to time party thereto, Deutsche Bank Securities Inc. as joint lead arranger and lead bookrunner, GE Capital Markets, Inc., as joint lead arranger, Deutsche Bank AG New York Branch as the administrative agent and collateral agent and General Electric Capital Corporation as syndication agent (the Credit Agreement).

The Credit Agreement includes among other terms, a seven-year term which shall mature on July 30, 2020 and is in the aggregate principal amount of \$175 million (the Term Loan Facility). The Term Loan Facility provides for an uncommitted incremental loan option (the Incremental Facility) allowing for increases for borrowings under the Term Loan Facility with the same terms, and borrowing of new tranches of term loans, up to an aggregate principal amount equal to (i) \$20.0 million plus (ii) an additional amount (the Incremental Facility Increase) provided, if after giving effect to such Incremental Facility Increase (as well as any other additional term loans), on a pro forma basis, the First Lien Net Leverage Ratio (as defined in the Credit Agreement) for the most recent four consecutive fiscal quarters does not exceed 4.00:1.00. The First Lien Net Leverage Ratio caps the cash netted against debt up to a maximum amount of \$10.0 million.

The Term Loan Facility will bear interest at the Borrowers' option of either (i) LIBOR plus a margin of 5.00% (subject to a LIBOR floor of 1.25%) or (ii) or an Alternate Base Rate (ABR) plus a margin of 4.00% (subject to an ABR floor of 2.25%) and was issued with 1.0% of original issue discount. The Term Loan Facility will require the Borrowers to make amortization payments (in quarterly installments) equal to 1.00% per annum with respect to the Term Loan Facility with any remaining amount due at final maturity. Voluntary prepayments will be permitted, in whole or in part, subject to certain minimum prepayment requirements; provided that any prepayments made, prior to the date that is twelve months from the Closing Date of the Term Loan Facility, for the purpose of repricing or effectively repricing the Term Loan Facility shall include a 1.00% prepayment premium.

The obligations under the Term Loan Facility will be guaranteed by HMTV, LLC, a direct wholly-owned subsidiary of the Company (and the newly formed parent of Holdings) and all of Holdings' existing and future direct and indirect domestic subsidiaries (subject to certain exceptions in the case of immaterial subsidiaries). The Term Loan Facility is secured by a first-priority perfected security interest in substantially all of the assets of HMTV, Holdings and Holdings' restricted subsidiaries.

The Term Loan Facility does not have any financial covenants other than (i) a Total Net Leverage Ratio of 6.00:1.00, determined on a pro forma basis after giving aggregate effect to any Incremental Facility, new term loans or new incremental notes that would apply and (ii) a First Lien Net Leverage Ratio (as defined in the Credit Agreement) of 4.00:1.00, determined on a pro forma basis after giving aggregate effect to any Incremental Facility, new term loans or new incremental notes first.

The lenders have the ability, subject to certain rights of the Borrowers to cure periods, to accelerate loan payment dates and charge default interest rates for certain breaches by the Borrowers of its covenants and other obligations under the Term Loan Facility

The proceeds of the Term Loan Facility will be used to (i) repay outstanding indebtedness and accrued interest of approximately \$54.3 million in connection with that certain Loan Agreement, dated as of March 31, 2011, by and among InterMedia Español, Inc. and Televisión of Puerto Rico, LLC, as borrowers, the financial institutions party thereto (the WAPA Term Loan), (ii) repay outstanding indebtedness and accrued interest of approximately \$30.7 million in connection with that certain Amended and Restated Credit Agreement, dated as of June 17, 2011, by and among Cine Latino, Inc., as borrower, the other persons party thereto that are designated as credit parties (the Cinelatino Term Loan) and

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(iii) for general corporate purposes (including to fund potential acquisitions). Additionally, the proceeds will be used to pay certain fees, commissions and expenses incurred in connection with the Term Loan Facility.

The foregoing descriptions are not complete and are qualified in their entirety by reference to the full text of the Credit Agreement and Guaranty Agreement (as defined below), copies of which are attached hereto as Exhibit 10.1 and 10.2 respectively, and incorporated herein by reference.

**Item 1.02. Termination of a Material Definitive Agreement**

On the Closing Date, in connection with the execution of the Term Loan Facility, (i) the Cinelatino Term Loan and the ancillary agreements executed in connection therewith and (ii) the WAPA Term Loan and the ancillary agreements executed in connection therewith were all terminated and the principal amount and accrued interest of the outstanding loans under the Cinelatino Term Loan and WAPA Term Loan were repaid with the proceeds, in part, of the Term Loan Facility.

The disclosure set forth under Item 1.01 relating to the Term Loan Facility is incorporated by reference into this Item 1.02.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

The disclosure set forth under Item 1.01 relating to the Term Loan Facility is incorporated by reference into this Item 2.03.

**Item 8.01. Other Events**

On July 30, 2013, the Company issued a press release announcing the closing of the Term Loan Facility. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
10.1	Credit Agreement, dated as of July 30, 2013, by and among Hemisphere Media Holdings, LLC, a Delaware limited liability company, InterMedia Español, Inc., a Delaware corporation, the lenders party thereto from time to time, Deutsche Bank Securities Inc. as joint lead arranger and lead bookrunner, GE Capital Markets, Inc., as joint lead arranger, Deutsche Bank AG New York Branch, as administrative agent and collateral agent, General Electric Capital Corporation, as syndication agent, and the other parties named therein.
10.2	Guaranty Agreement, dated as of July 30, 2013, by and among HMTV, LLC, a Delaware limited liability company, Hemisphere Media Holdings, LLC, a Delaware limited liability company, InterMedia Español, Inc., a Delaware corporation, the subsidiary guarantors from time to time party thereto and Deutsche Bank AG New York Branch as administrative agent.
99.1	Press Release issued by the Company on July 30, 2013

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HEMISPHERE MEDIA GROUP, INC.

Date: July 31, 2013

By:

/s/ Alex J. Tolston  
Name: Alex J. Tolston  
General Counsel and Corporate Secretary

**EXHIBIT INDEX**

<b>Exhibit</b>	
<b>No.</b>	<b>Description of Exhibit</b>
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10.2	Guaranty Agreement, dated as of July 30, 2013, by and among HMTV, LLC, a Delaware limited liability company, Hemisphere Media Holdings, LLC, a Delaware limited liability company, InterMedia Español, Inc., a Delaware corporation, the subsidiary guarantors from time to time party thereto and Deutsche Bank AG New York Branch as administrative agent.
99.1	Press Release issued by the Company on July 30, 2013



EXECUTION VERSION



CREDIT AGREEMENT

dated as of

July 30, 2013

among

HEMISPHERE MEDIA HOLDINGS, LLC and

INTERMEDIA ESPAÑOL, INC.

as Borrowers,

HMTV, LLC,

as Holdings,

THE LENDERS PARTY HERETO

and

DEUTSCHE BANK AG NEW YORK BRANCH,

as Administrative Agent

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DEUTSCHE BANK SECURITIES INC. and  
GE CAPITAL MARKETS, INC.,

as Joint Lead Arrangers,

DEUTSCHE BANK SECURITIES INC.,

as Lead Bookrunner

and

GENERAL ELECTRIC CAPITAL CORPORATION,

as Syndication Agent

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CREDIT AGREEMENT dated as of July 30, 2013, among HEMISPHERE MEDIA HOLDINGS, LLC, a Delaware limited liability company (the Lead Borrower ), INTERMEDIA ESPAÑOL, INC., a Delaware corporation (WAPA PR ) and, together with the Lead Borrower, the Borrowers ), HMTV, LLC, a Delaware limited liability company (Holdings ), the Lenders (such term and each other capitalized term used but not defined in this introductory statement having the meaning given to it in Article I), DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent and collateral agent for the Lenders (in such capacity, including any successor thereto, the Administrative Agent and the Collateral Agent respectively), DEUTSCHE BANK SECURITIES INC. (DBSI ) and GE CAPITAL MARKETS, INC. as joint lead arrangers (Joint Lead Arrangers ), DBSI as lead bookrunner (Lead Bookrunner ) and GENERAL ELECTRIC CAPITAL CORPORATION as syndication agent (in such capacity, the Syndication Agent ).

## PRELIMINARY STATEMENTS

The Borrowers have requested that, upon the satisfaction in full of the conditions precedent set forth in Article IV below, the Lenders make available Initial Term Loans on the Closing Date denominated in Dollars to the Borrowers (as allocated among them in the Borrowing Request) in an aggregate principal amount of \$175,000,000 pursuant to this Agreement.

The proceeds of the Initial Term Loans will be used to (i) repay the Existing Indebtedness, (ii) pay all fees and expenses incurred in connection with the Transaction and (iii) provide for working capital needs and general corporate purposes (including Permitted Acquisitions) of the Borrowers and their Subsidiaries.

The Lenders are willing to provide the Initial Term Loans on the terms and subject to the conditions set forth herein. In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

## ARTICLE I

### Definitions

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

ABR , when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

Acquired Entity shall have the meaning assigned to such term in Section 6.04(f).



Acquisition Representations shall mean (a) the representations made by the seller with respect to the Acquired Entity in connection with any Permitted Acquisition as are material to the interests of the Lenders, but only to the extent that Borrowers or any of their Subsidiaries has the right (determined without regard to any notice requirement thereof) to

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terminate their obligations in connection with such Permitted Acquisition or decline to consummate such Permitted Acquisition (in each case pursuant to the terms thereof) as a result of a breach of one or more of such representations in the acquisition agreement in connection with such Permitted Acquisition and (b) the representations and warranties made solely by the Borrowers and the Restricted Subsidiaries (x) in Section 3.22 (solely with respect to the Borrowers and their Restricted Subsidiaries on a consolidated basis) and (y) Sections 3.01(a) and (d), 3.02(a) and (b)(i)(A) (limited to the constitutive documents of Holdings and the Borrowers), 3.03, 3.11, 3.12, 3.19 (limited to creation, validity and perfection), 3.24 and 3.25 (solely with respect to the Borrowers and Holdings as applicable), in each case, after giving effect to such Permitted Acquisition.

Adjusted LIBO Rate shall mean, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum equal to the product of (i) the LIBO Rate in effect for such Interest Period and (ii) Statutory Reserves.

Administrative Agent shall have the meaning assigned to such term in the introductory statement hereto.

Administrative Questionnaire shall mean an Administrative Questionnaire in the form of Exhibit A, or such other form as may be supplied from time to time by the Administrative Agent.

Affiliate shall mean, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

Affiliate Subordination Agreement shall mean an Affiliate Subordination Agreement in the form of Exhibit F pursuant to which intercompany obligations and advances owed by any Loan Party are subordinated to the Obligations.

Affiliated Lender shall mean the Permitted Investors and their respective Affiliates (other than Holdings, the Borrowers and any of their respective Subsidiaries).

Agents shall mean the Collateral Agent, the Administrative Agent and the Syndication Agent.

Agreement shall mean this Credit Agreement dated as of July 30, 2013.

Agreement Currency shall have the meaning assigned to such term in Section 9.19.

Alternate Base Rate shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%, (c) the Adjusted LIBO Rate applicable for an Interest Period of one month beginning on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1% and (d) in respect of Initial Term Loans

only, 2.25%; provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate

determined on such day at approximately 11:00 a.m. (London time) by reference to the British Bankers' Association Interest Settlement Rates (or any other person which takes over the administration of that rate) for deposits in Dollars (as set forth by any service selected by the Administrative Agent that has been nominated by the British Bankers' Association (or any other person which takes over the administration of that rate) as an authorized vendor for the purpose of displaying such rates). If the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms of the definition thereof, the Alternate Base Rate shall be determined without regard to clause (b) of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective as of the opening of business on the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, as the case may be.

Applicable Excess Cash Flow Percentage shall mean 50%; provided that, so long as no Default or Event of Default exists on the respective Excess Cash Flow Payment Date, (i) if the First Lien Net Leverage Ratio as of the last day of the respective Excess Cash Flow Payment Period is less than or equal to 3.50:1.00 but greater than 2.75:1.00, then the Applicable Excess Cash Flow Percentage instead shall be 25% and (ii) if the First Lien Net Leverage Ratio as of the last day of the respective Excess Cash Flow Payment Period is less than or equal to 2.75:1.00, then the Applicable Excess Cash Flow Percentage instead shall be 0%.

Applicable Law shall mean all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of courts or Governmental Authorities and all orders and decrees of all courts and arbitrators.

Applicable Margin shall mean, for any day (a) with respect to any Eurodollar Loan, 5.00% per annum and (b) with respect to any ABR Loan, 4.00% per annum.

Asset Sale shall mean the sale, transfer or other disposition (by way of merger or otherwise) by the Lead Borrower or any of its Restricted Subsidiaries to any Person other than the Lead Borrower or any Subsidiary Guarantor of (a) any Equity Interests of any of the Restricted Subsidiaries (other than directors' qualifying shares) or (b) any other assets of the Lead Borrower or any of its Restricted Subsidiaries.

Assignment and Acceptance shall mean an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in the form of Exhibit B or such other form as shall be approved by the Administrative Agent.

Available Amount Basket shall mean, at any date (the Reference Date), the sum of:

(a) \$5,000,000;

(b) Cumulative Retained Excess Cash Flow Amount; plus



(c) the amount of any capital contributions or Net Cash Proceeds from Permitted Equity Issuances (or issuances of debt securities that have been converted into or exchanged for Qualified Capital Stock) received or made by the Lead Borrower (or any direct or indirect parent thereof and contributed by such parent to the Lead Borrower) during the period from and including the Business Day immediately following the Closing Date through and including the Reference Date; plus

(d) to the extent not (A) included in clause (b) above or (B) already reflected as a return of capital with respect to such Investment for purposes of determining the amount of such Investment, the aggregate amount of all cash dividends and other cash distributions received by the Lead Borrower or any of its Restricted Subsidiaries from any Minority Investments or Unrestricted Subsidiaries during the period from and including the Business Day immediately following the Closing Date through and including the Reference Date; plus

(e) to the extent not (A) included in clause (b) above or (B) already reflected as a return of capital with respect to such Investment for purposes of determining the amount of such Investment, the aggregate amount of all cash repayments of principal received by the Lead Borrower or any of its Restricted Subsidiaries from any Minority Investments or Unrestricted Subsidiaries during the period from and including the Business Day immediately following the Closing Date through and including the Reference Date in respect of loans or advances made by the Lead Borrower or any of its Restricted Subsidiaries to such Minority Investments or Unrestricted Subsidiaries; plus

(f) to the extent not (A) included in clause (b) above, (B) already reflected as a return of capital with respect to such Investment for purposes of determining the amount of such Investment or (C) required to be applied to prepay Term Loans in accordance with Section 2.13(a), the aggregate amount of all Net Cash Proceeds received by the Lead Borrower or any of its Restricted Subsidiaries in connection with the sale, transfer or other disposition of its ownership interest in any Minority Investment or Unrestricted Subsidiary during the period from and including the Business Day immediately following the Closing Date through and including the Reference Date; plus

(g) any Declined Amounts; minus

(h) the aggregate amount of Restricted Payments thereof made after the Closing Date and on or prior to such date pursuant to Section 6.06(a)(vii); minus

(i) the aggregate amount of payments thereof made after the Closing Date and on or prior to such date pursuant to Section 6.09(b)(i)(1); minus

(j) any Cumulative Retained Excess Cash Flow Amount used to make Investments pursuant to Section 6.04(n)(y) after the Closing Date and on or prior to such date.

Board shall mean the Board of Governors of the Federal Reserve System of the United States of America.



Borrower Materials shall have the meaning assigned to such term in Section 9.01.

Borrowers shall have the meaning assigned to such term in the introductory statement hereto.

Borrowing shall mean Loans of the same Class and Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

Borrowing Request shall mean a request by the Lead Borrower (on behalf of itself or WAPA PR) in accordance with the terms of Section 2.03 and substantially in the form of Exhibit C, or such other form as shall be approved by the Administrative Agent.

Breakage Event shall have the meaning assigned to such term in Section 2.16.

Business Day shall mean (i) any day other than a Saturday, Sunday or day on which banks in New York City are authorized or required by law to close and (ii) if such day relates to any interest rate settings as to a Eurodollar Loan denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such Eurodollar Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such Eurodollar Loan, shall mean any such day described in clause (i) above that is also a London Banking Day.

Capital Expenditures shall mean, for any period, the additions to property, plant and equipment and other capital expenditures of the Lead Borrower and its Restricted Subsidiaries that are (or should be) set forth in a consolidated statement of cash flows of the Lead Borrower for such period prepared in accordance with GAAP but excluding in each case any such expenditure made to restore, replace or rebuild property to the condition of such property immediately prior to any damage, loss, destruction or condemnation of such property, to the extent such expenditure is made with insurance proceeds, condemnation awards or damage recovery proceeds relating to any such damage, loss, destruction or condemnation.

Capital Lease Obligations of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

Cash Equivalents shall mean:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of issuance thereof;





- (b) investments in commercial paper maturing within 270 days from the date of issuance thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;
- (c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000 and that issues (or the parent of which issues) commercial paper rated at least Prime 1 (or the then equivalent grade) by Moody's or A 1 (or the then equivalent grade) by S&P;
- (d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above;
- (e) investments in money market funds within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above; and
- (f) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

Cash Management Bank shall mean any Person that is a Lender or an Affiliate of a Lender at the time it initially provides any Cash Management Services, whether or not such Person subsequently ceases to be a Lender or an Affiliate of a Lender.

Cash Management Obligations shall mean obligations owed by the Lead Borrower or any of its Restricted Subsidiaries to any Cash Management Bank in respect of or in connection with any Cash Management Services and designated by the Cash Management Bank and the Lead Borrower in writing to the Administrative Agent as Cash Management Obligations.

Cash Management Services shall mean any agreement or arrangement to provide cash management services, including treasury, depository, overdraft, credit card processing, credit or debit card, purchase card, electronic funds transfer and other cash management arrangements.

Casualty Event shall mean any event that gives rise to the receipt by the Lead Borrower or any of its Restricted Subsidiaries of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair such equipment, fixed assets or real property.

CFC shall mean a controlled foreign corporation within the meaning of section 957(a) of the Code.



CFC Holding Company shall mean with respect to the Term Loans any Subsidiary of the Lead Borrower that owns one or more CFCs, either directly or indirectly through other entities that are disregarded entities or partnerships for U.S. federal income tax purposes, and substantially all the assets of such entities (excluding equity interests in each other) consist of equity interests of such CFCs.

Change in Control shall be deemed to have occurred if (a) any person or group (within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934 as in effect on the Closing Date), other than the Permitted Investors, shall own, directly or indirectly, beneficially or of record, shares representing the greater of (i) more than 35% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Parent and (ii) more than the percentage of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Parent directly or indirectly owned by the Permitted Investors, (b) a majority of the seats (other than vacant seats) on the board of directors of the Parent shall at any time be occupied by persons who were neither (i) nominated by the board of directors of the Parent (or any committee thereof with the authority to nominate directors) or the Permitted Investors nor (ii) appointed by directors so nominated, (c) any change in control (or similar event, however denominated) with respect to the Parent, Holdings or the Lead Borrower shall occur under and as defined in any indenture or agreement in respect of Material Indebtedness (including any Permitted First Priority Refinancing Debt, any Permitted Second Priority Refinancing Debt, any Permitted Unsecured Refinancing Debt, any New Incremental Notes and any Permitted Ratio Debt), (d) Parent shall cease to directly own, beneficially and of record, 100% of the issued and outstanding Equity Interests of Holdings, (e) Holdings shall cease to directly own, beneficially and of record, 100% of the issued and outstanding Equity Interests of the Lead Borrower or (f) the Lead Borrower shall cease to directly or indirectly own, beneficially and of record, 100% of the issued and outstanding Equity Interests of WAPA PR.

Change in Law shall mean (a) the adoption of any law, rule or regulation after the Closing Date, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the Closing Date or (c) compliance by any Lender (or, for purposes of Section 2.14, by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Closing Date. For purposes of this definition and Section 2.14, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case, pursuant to Basel III, shall in each case described in clauses (i) and (ii) above, be deemed to be a Change in Law, regardless of the date enacted, adopted or issued, provided that increased costs as a result of any Change in Law pursuant to clause (i) or (ii) above, shall only be reimbursable by the Loan Parties to the extent the applicable Lender is requiring reimbursement therefor from similarly situated borrowers under comparable syndicated credit facilities.

Charges shall have the meaning assigned to such term in Section 9.09.

Class shall mean (a) when used with respect to Lenders, refers to whether such Lenders are Term Loan Lenders or Extending Term Loan Lenders, (b) when used with respect to Commitments, refers to whether such Commitments are Initial Term Loan Commitments or Other Term Loan Commitments and (c) when used with respect to Loans, refers to whether such Loans are Term Loans, Other Term Loans or Extended Term Loans, in each case, under this Agreement, of which such Loan or Commitment shall be a part.

Closing Date shall mean the date of the making of the Initial Term Loans under this Agreement.

Code shall mean the Internal Revenue Code of 1986, as amended from time to time.

Collateral shall mean all the Collateral as defined in any Security Document and shall also include the Mortgaged Properties.

Collateral and Guarantee Requirement shall mean, at any time, the requirement that:

(a) the Collateral Agent shall have received each Collateral Document required to be delivered on the Closing Date pursuant to Section 4.02 or pursuant to Section 5.10 or Section 5.13 or Section 5.16 at such time, duly executed by each Loan Party thereto;

(b) all Obligations shall have been unconditionally guaranteed by Holdings, each Restricted Subsidiary of a Borrower that is a wholly owned Material Domestic Subsidiary and not an Excluded Subsidiary including those that are listed on Schedule 1.01(b) hereto (each, a Guarantor), and any Subsidiary of a Borrower that Guarantees any Indebtedness incurred by such Borrower pursuant to any Credit Agreement Refinancing Indebtedness (or any Permitted Refinancing thereof) shall be a Guarantor hereunder;

(c) the Obligations and the Guaranty shall have been secured by a first-priority security interest (subject to nonconsensual Liens permitted by Section 6.02) in (i) all the Equity Interests of the Lead Borrower, (ii) all Equity Interests of each direct, wholly owned Domestic Subsidiary (other than a Domestic Subsidiary described in the following clause (iii)(A)) that is directly owned by a Borrower or any Subsidiary Guarantor and (iii) 65% of the issued and outstanding Equity Interests of (A) each wholly owned Domestic Subsidiary that is directly owned by a Borrower or by any Subsidiary Guarantor and that is a disregarded entity for United States federal income tax purposes and substantially all of the assets of such Domestic Subsidiary consist of Equity Interests in one or more Foreign Subsidiaries and (B) each wholly owned Foreign Subsidiary that is directly owned by a Borrower or by any Subsidiary Guarantor;

(d) except to the extent otherwise provided hereunder, including subject to Liens permitted by Section 6.02, or under any Security Document, the Obligations and the Guaranty shall have been secured by a perfected first-priority security interest (to the extent such security interest may be perfected by delivering certificated securities, filing financing statements under the Uniform Commercial Code or making any necessary filings with the United States Patent and Trademark Office or United States Copyright Office or the execution and delivery of

control agreements) in substantially all tangible and intangible personal property of each Borrower and each Guarantor including accounts (other than Excluded Accounts), inventory, equipment, investment property, contract rights, applications and registrations of intellectual property filed in the United States, other general intangibles, and proceeds of the foregoing), in each case, with the priority required by the Security Documents, in each case subject to exceptions and limitations otherwise set forth in this Agreement and the Security Documents; and

(e) the Collateral Agent shall have received (i) counterparts of a Mortgage with respect to each Material Owned Real Property (other than any Excluded Property), if any, required to be delivered pursuant to Section 5.10 and 5.13(b) (the Mortgaged Properties ) duly executed and delivered by the record owner of such property; provided, that, with respect to the PR Mortgage, which the Loan Parties represent has been duly filed and recorded in the corresponding Section of the Puerto Rico Registry of Property, (except for the Deed of Amendment, which has been filed and is pending recordation in the corresponding Section of the

Puerto Rico Registry of Property) the Collateral Agent shall have received the PR Mortgage Note, without any endorsement to any party, counterparts of the PR Mortgage Note Pledge and Security Agreement, and the corresponding financing statement, (ii) a policy or policies of title insurance issued by a nationally recognized title insurance company insuring the Lien of each such Mortgage as a valid Lien on the property described therein, free of any other Liens except as expressly permitted by Section 6.02, together with such endorsements, coinsurance and reinsurance as the Collateral Agent may reasonably request, and (iii) such surveys, abstracts, appraisals (if required under FIRREA), flood certifications under Regulation H of the Board (together with evidence of federal flood insurance for any such property located in a flood hazard area) and such customary legal opinions and other documents as the Collateral Agent may reasonably request with respect to any such Mortgaged Property.

The foregoing definition shall not require the creation, perfection or maintenance of pledges of or security interests in, or the obtaining of title insurance, surveys, abstracts or appraisals with respect to, Excluded Property and any other particular assets if and for so long as, in the reasonable judgment of the Collateral Agent and the Borrower, the cost of creating, perfecting or maintaining such pledges or security interests in such assets or obtaining title insurance, surveys abstracts or appraisals in respect of such assets shall be excessive in view of the fair market value (as determined by the Borrowers in its reasonable judgment) of such assets or the practical benefit to the Lenders afforded thereby.

The Collateral Agent may grant extensions of time for the perfection of security interests in or the obtaining of title insurance and surveys with respect to particular assets (including extensions beyond the Closing Date for the perfection of security interests in the assets of the Loan Parties on such date) where it reasonably determines, in consultation with the Borrower, that perfection cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the Security Documents.

Collateral Agent shall mean Deutsche Bank AG New York Branch or any successor thereto in such capacity.

Collateral Coverage Requirement shall mean, as of any date, the requirement that (x) the Consolidated Total Assets of (or attributable to) the Loan Parties constitutes at least 75.0% of the Consolidated Total Assets of the Lead Borrower and its Restricted Subsidiaries as of such date and (y) the Consolidated EBITDA of the Loan Parties constitutes at least 75.0% of the Consolidated EBITDA of the Lead Borrower and its Restricted Subsidiaries for the Test Period most recently ended prior to such date for which the financial statements and certificates required by Section 5.04(a) or 5.04(b), as the case may be, have been delivered.

Commitment shall mean the Initial Term Loan Commitment, any Other Term Loan Commitment, any Incremental Term Loan Commitment and any New Term Loan Commitment.

Commodity Exchange Act shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

Communications shall have the meaning assigned to such term in Section 9.01.

Communications Act shall mean the Communications Act of 1934, as amended.

Company shall mean any corporation, limited liability company, partnership or other business entity (or the adjectival form thereof), where appropriate.

Company Competitor shall mean any person that competes in any material respect with the business of the Borrowers and their Subsidiaries from time to time, in each case as specifically identified by the Lead Borrower to the Administrative Agent from time to time in writing.

Confidential Information Memorandum shall mean the Confidential Information Memorandum of the Lead Borrower dated July, 2013.

Consolidated Cash Taxes shall mean, as of any date for the applicable period ending on such date with respect to the Lead Borrower and its Restricted Subsidiaries on a consolidated basis, the aggregate of all taxes based on income, profits or capital of the Lead Borrower and its Restricted Subsidiaries (including (i) federal, state, franchise, excise and similar taxes and foreign withholding taxes, (ii) penalties and interest related to such taxes or arising from any tax examinations and (iii) taxes in respect of repatriated funds), paid in cash during such period to the extent they exceed the amount of taxes deducted in determining Consolidated Net Income for such period.

Consolidated Current Assets shall mean, with respect to the Lead Borrower and its Restricted Subsidiaries on a consolidated basis at any date of determination, all assets (other than cash and Cash Equivalents) that would, in accordance with GAAP, be classified on a consolidated balance sheet of the Lead Borrower and its Restricted Subsidiaries as current assets at such date of determination, other than amounts related to current or deferred Taxes based on income or profits.





Consolidated Current Liabilities shall mean, with respect to the Lead Borrower and its Restricted Subsidiaries on a consolidated basis, all liabilities in accordance with GAAP that would be classified as current liabilities on the consolidated balance sheet of such Person, but excluding (a) the current portion of Indebtedness to the extent reflected as a liability on the consolidated balance sheet of such Person, (b) the current portion of interest, (c) accruals for current or deferred taxes based on income or profits, (d) accruals of any costs or expenses related to restructuring reserves, (e) deferred revenue, (f) escrow account balances and (g) any letter of credit obligations or swing line loans or revolving loans under any revolving credit facility.

Consolidated EBITDA shall mean, for any period, Consolidated Net Income for such period (without giving effect to (x) any extraordinary gains (or losses) and any related provisions for taxes on such extraordinary gains (or losses), and (y) any gains or losses from sales of assets other than inventory sold in the ordinary course of business), adjusted by:

(A) adding thereto (in each case to the extent deducted in determining Consolidated Net Income for such period (other than with respect to clauses (viii) and (xii) below)), without duplication, the amount of:

(i) total interest expense (inclusive of amortization of deferred financing fees and other original issue discount and banking fees, charges and commissions (e.g., letter of credit fees and commitment fees, non-cash interest payments, the interest component of Capital Lease Obligations, net payments, if any, pursuant to interest rate protection agreements with respect to Indebtedness, the interest component of any pension or other post-employment benefit expense, in each case to the extent included as interest expense under GAAP)) of the Lead Borrower and its Restricted Subsidiaries determined on a consolidated basis for such period;

(ii) provision for taxes based on income, profits or capital and foreign withholding taxes and franchise, state single business unitary and similar taxes for the Lead Borrower and its Restricted Subsidiaries determined on a consolidated basis for such period;

(iii) all depreciation and amortization expense of the Lead Borrower and its Restricted Subsidiaries determined on a consolidated basis for such period, including but not limited to amortization or impairment of intangibles (including, but not limited to goodwill), non-cash write offs of debt discounts and debt issuances, non-cash costs and commissions, non-cash discounts and other non-cash fees and charges with respect to Indebtedness and Hedging Agreements;

(iv) other unusual or non-recurring cash charges, or expenses of the Lead Borrower and its Restricted Subsidiaries during such period;

(v) the amount of all other non-cash charges, losses or expenses (including non-cash employee and officer equity compensation expense (including stock options), or asset write-offs, write-ups or write-downs) of the Lead Borrower and its Restricted Subsidiaries determined on a consolidated basis for such period (but excluding any additions to bad debt reserves or bad debt expense and any non-cash charge to the extent it represents amortization of a prepaid cash item that was paid in a prior period unless such prepaid cash item was deducted in such prior period);

(vi) cash restructuring charges or reserves, including any restructuring costs and integration costs incurred in connection with, Permitted Acquisitions or Specified Dispositions or other Specified Transactions occurring after the last day of the period covered by the Historical Financial Statements, costs related to the closure and/or consolidation of facilities, retention charges, contract termination costs, recruiting, relocation, severance and signing bonuses and expenses, transaction fees and expenses in each case to the extent established or incurred after March 31, 2013; provided that the aggregate amount of any such charges or reserves under this clause (vi), when aggregated with any add-backs or adjustments pursuant to clause (vii) below, shall not exceed in any period 20.0% of Consolidated EBITDA for such period (calculated before giving effect to any such add-backs and adjustments);

(vii) the amount of cost savings, operating expense reductions, other operating improvements and synergies projected by the Lead Borrower in good faith to be realized in connection with any Specified Transaction or the implementation of an operational initiative (including the termination, abandonment or discontinuance of operations and product lines) after the Closing Date (calculated on a Pro Forma Basis as though such cost savings, operating expense reductions, other operating improvements and synergies had been realized on the first day of such period and as if such cost savings, operating expense reductions, other operating improvements and synergies were realized during the entirety of such period), net of the amount of actual benefits realized during such period from such actions; provided that (A) a duly completed certificate signed by a Responsible Officer of the Lead Borrower shall be delivered to the Administrative Agent together with the Officer's Certificate required to be delivered pursuant to Section 5.04(c), certifying that (x) such cost savings, operating expense reductions, other operating improvements and synergies are reasonably identifiable, reasonably anticipated to be realizable and factually supportable in the good faith judgment of the Lead Borrower, and (y) such actions are to be taken within 12 months after the consummation of the Specified Transaction or the implementation of an operational initiative, which is expected to result in such cost savings, expense reductions, other operating improvements or synergies, (B) projected amounts (and not yet realized) may no longer be added in calculating Consolidated EBITDA pursuant to this clause (vii) to the extent occurring more than four (4) Fiscal Quarters after the s