
**PROVIDED PURSUANT TO SECTION 4.03(a)(iii) OF THE
INDENTURE DATED AS OF MAY 9, 2011 AMONG UNIVISION COMMUNICATIONS
INC., THE GUARANTORS PARTY THERETO AND WILMINGTON TRUST FSB**

**PROVIDED PURSUANT TO SECTION 4.03(a)(iii) OF THE
INDENTURE DATED AS OF NOVEMBER 23, 2010 AMONG UNIVISION
COMMUNICATIONS INC., THE GUARANTORS PARTY THERETO AND
WILMINGTON TRUST FSB**

**PROVIDED PURSUANT TO SECTION 4.03(a)(iii) OF THE
INDENTURE DATED AS OF OCTOBER 26, 2010 AMONG UNIVISION
COMMUNICATIONS INC., THE GUARANTORS PARTY THERETO AND
WILMINGTON TRUST FSB**

Date of Event: May 9, 2011

UNIVISION COMMUNICATIONS INC.

(Exact name of Company's specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-4398884
(IRS Employer
Identification No.)

605 Third Avenue, New York, New York
(Address of principal executive offices)

10158
(Zip Code)

(212) 455-5200
(Company's telephone number, including area code)

Indenture and Issuance and Sale of 6⁷/₈% Senior Notes due 2019

Overview. On May 9, 2011 (the “Issue Date”), Univision Communications Inc. (the “Company”) issued \$600 million aggregate principal amount of its 6⁷/₈% Senior Secured Notes due 2019 (the “Notes”) under an Indenture, dated as of May 9, 2011 (the “Indenture”), among the Company, the guarantors party thereto and Wilmington Trust FSB, as trustee (the “Trustee”). The Notes were sold pursuant to a purchase agreement dated April 25, 2011 among the Company, the guarantors named therein and Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. Incorporated and Wells Fargo Securities, LLC, as representatives of the several purchasers, at a price equal to 100% of their par value. The proceeds from the sale of the Notes have been and will be used to pay the consideration for the Company’s offer to purchase any and all of its outstanding 12% Senior Secured Notes due 2014 (the “2014 Notes”) and the related consent solicitation (the “2014 Notes tender offer and consent solicitation”) plus any fees and expenses relating thereto, and to redeem or repurchase any 2014 Notes remaining outstanding following the consummation of the 2014 Notes tender offer and consent solicitation.

The Notes will mature on May 15, 2019. The Company will pay interest on the Notes on May 15 and November 15 of each year, commencing on November 15, 2011. Interest on the Notes will accrue at a rate of 6⁷/₈% per annum and be payable in cash.

Guarantees and Collateral. All of the Company’s direct and indirect wholly owned domestic subsidiaries that guarantee the obligations under the Company’s senior secured credit facilities will, initially, jointly and severally and unconditionally guarantee the Notes on a senior secured basis. The Notes and the related guarantees will be secured by a first priority lien, subject to permitted liens and certain exceptions, on substantially all of the Company’s and the guarantors’ property and assets that secured the Company’s and such guarantors’ obligations under its senior secured credit facilities.

Ranking. The Notes are the Company’s senior secured obligations and rank equal in right of payment with all of the Company’s existing and future senior debt and other obligations, except that the Notes are effectively senior to its existing and future unsecured senior obligations to the extent of the value of the assets securing the Notes. The guarantees are each guarantor’s senior secured obligations and will rank equal in right of payment with all of such guarantor’s existing and future senior debt, except that such guarantor’s guarantees are effectively senior to the such guarantor’s existing and future unsecured senior obligations to the extent of the value of the assets securing such guarantees. The Notes and the related guarantees are effectively subordinated to any obligations that are secured by any of the Company’s or the guarantors’ assets that are not part of the collateral for the Notes and the related guarantees, as applicable, to the extent of the value of the assets securing such obligations. In addition, the Notes and the related guarantees are effectively subordinated to any obligations of the Company’s subsidiaries that are not guarantors of the Notes.

Security Documents. The Trustee and Deutsche Bank AG, New York Branch, as the collateral agent (the “Collateral Agent”), have entered into the Representative Supplement No. 2, dated as of the Issue Date, to the Intercreditor Agreement, dated as of July 9, 2009, among the Company, Univision of Puerto Rico Inc., the other grantors party thereto and the Collateral Agent as to the relative priorities of their respective security interest in the assets securing the Notes and the borrowings under the senior secured credit facilities and other first priority lien secured debt and certain other matters relating to the administration of security interests. As a result, the holders of the Notes will have the benefit of the Collateral Agreement, dated as of July 9, 2009, among the Company, the subsidiaries of the Company party thereto and the Collateral Agent, the First-Lien Trademark Security Agreement, dated as of July 9, 2009, among the Company, the additional grantors party thereto and the Collateral Agent, and the First-Lien Copyright Security Agreement, dated as of July 9, 2009, among the Company, the additional grantors party thereto and the Collateral Agent.

Offer to Purchase; Open Market Purchases. The Company is not required to make any sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase the Notes as described under “Change of Control” and “Asset Sale Proceeds” below. The Company may at any time and from time to time purchase Notes in the open market or otherwise.

Optional Redemption. The Company may redeem some or all of the Notes at any time prior to May 15, 2015, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus an applicable premium as of the date of redemption, and, without duplication, accrued and unpaid interest to the redemption date, subject to the rights of holders on the relevant record date to receive interest due on the relevant interest payment date. The applicable premium means, with respect to any Note on any redemption date, the greater of: (a) 1.0% of the principal amount of such Note on such redemption date; and (b) the excess, if any, of (i) the present value at such redemption date of (A) the redemption price of such Note at May, 2015 (such redemption price being set forth in the table below), plus (B) all required interest payments due on such Note through May 15, 2015 (excluding accrued but unpaid interest to the redemption date) computed using a discount rate equal to a treasury rate as of such redemption date plus 50 basis points; over (ii) the principal amount of such Note on such redemption date.

On and after May 15, 2015 the Notes may be redeemed, at the Company’s option, in whole or in part, at any time and from time to time at the applicable redemption prices (expressed as percentages of principal amount of the Notes to be redeemed) plus accrued and unpaid interest thereon to the applicable redemption date, subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date, if redeemed during the twelve-month period beginning on May 15 of each of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2015	103.438%
2016	101.719%
2017 and thereafter	100.000%

In addition, until May 15, 2014, the Company may, at its option, redeem up to 35% of the then outstanding aggregate principal amount of the Notes at a redemption price equal to 106.875% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon to the applicable redemption date, subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date, with the net cash proceeds of one or more equity offerings to the extent such net cash proceeds are contributed to the Company; provided that at least 50% of the sum of the aggregate principal amount of the Notes originally issued under the Indenture and any additional Notes issued under the Indenture after the Issue Date remains outstanding immediately after the occurrence of such redemption; provided further that each such redemption occurs within 180 days of the date of closing of each such equity offering.

The Company may provide in such notice that payment of the redemption price and performance of its obligations with respect thereto may be performed by another person.

Change of Control. If the Company experiences a Change of Control (as defined in the Indenture), unless the Company has previously or concurrently sent a redemption notice with respect to all the outstanding Notes, it will be required to make an offer to repurchase the Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase, subject to the right of holders of the Notes of record on a relevant record date to receive interest due on the relevant interest payment date.

Asset Sale Proceeds. If the Company or its subsidiaries engage in certain Asset Sales (as defined in the Indenture), the Company generally must either invest the net cash proceeds from such sales in its business within a specific period of time, prepay certain of its or the guarantors’ secured debt or senior debt of non-guarantors or make an offer to purchase a principal amount of the Notes and certain other debt equal to the

excess net cash proceeds. The purchase price of the Notes will be 100% of their principal amount plus accrued and unpaid interest, if any, to the date of purchase.

Covenants. The Indenture contains covenants limiting the Company's ability and the ability of its restricted subsidiaries to, among other things:

- incur additional debt or issue certain preferred stock or disqualified stock;
- pay dividends or make distributions on the Company's capital stock or redeem, repurchase or retire the Company's capital stock or subordinated debt;
- make certain investments;
- create liens on the Company's or its subsidiary guarantors' assets to secure debt;
- create restrictions on the payment of dividends or other amounts to the Company from its restricted subsidiaries that are not guarantors of the Notes;
- enter into transactions with affiliates;
- merge or consolidate with another person or sell or otherwise dispose of all or substantially all of the Company's assets;
- sell assets, including capital stock of the Company's subsidiaries; and
- designate the Company's subsidiaries as unrestricted subsidiaries.

No Registration Rights. Holders of the Notes do not have the benefit of any exchange or registration rights.

Events of Default. The Indenture also provides for customary events of default, including, without limitation, payment defaults, covenant defaults, cross acceleration defaults to certain other indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, judgment defaults in excess of specified amounts, the failure of any guarantee by a significant party to be in full force and effect and if security interest on the collateral ceases to be in full force and effect, except as otherwise permitted under the Indenture, the security documents and the intercreditor agreement, or is declared invalid or unenforceable. If any such event of default occurs and is continuing under the Indenture (other than bankruptcy events which shall result in automatic acceleration of the Notes), the Trustee or the holders of at least 25% in principal amount of the then total outstanding Notes may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes issued under the Indenture to be due and payable immediately.

2014 Notes Third Supplemental Indenture

On April 25, 2011, the Company commenced the 2014 Notes tender offer and consent solicitation pursuant to an Offer to Purchase and Consent Solicitation Statement, dated April 25, 2011, in which it offered to purchase any and all outstanding 2014 Notes and sought consents to amendments (the "Amendments") to certain provisions of the Indenture, dated as of July 9, 2009 (the "2014 Notes Indenture"), among the Company, the guarantors party thereto and Wilmington Trust FSB, as trustee (the "2014 Notes Trustee"), governing the Company's 2014 Notes. As of the early tender time of 5:00 P.M., New York City time, on May 6, 2011, holders of \$524,455,000 aggregate principal amount of the 2014 Notes, representing 96.23% of the aggregate principal amount of 2014 Notes outstanding, validly tendered their 2014 Notes and validly delivered their consents for the Amendments. The Company settled such tendered 2014 Notes on May 9, 2011.

Pursuant to the terms of the 2014 Notes tender offer and consent solicitation, the Company entered into a Third Supplemental Indenture to amend the Indenture (the "Supplemental Indenture"), dated as of May 9, 2011, among the Company, the guarantors party thereto and the 2014 Notes Trustee. The Supplemental

Indenture removed substantially all of the restrictive covenants and certain events of default contained in the 2014 Notes Indenture, amended certain defeasance requirements contained in the 2014 Notes Indenture and released all of the collateral securing the 2014 Notes.