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Certain Covenants and Events of Default

The indenture governing our 6.75% Notes contains a number of covenants that, among other things, restricts, subject to certain exceptions, our ability to:

- incur additional debt or issue certain preferred shares;
- pay dividends on or make other distributions in respect of our capital stock or make other restricted payments;
- make certain investments;
- sell certain assets;
- create liens on certain assets to secure debt;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into certain transactions with affiliates; and
- designate our subsidiaries as unrestricted subsidiaries.

In addition, the indenture governing our 6.75% Notes imposes certain requirements as to future subsidiary guarantors. The indenture governing our 6.75% Notes also contains certain customary events of default.

8.25% Senior Secured Second Lien Notes due 2021 and 8.75% Senior Secured Second Lien Notes due 2022

Overview

On December 17, 2010, we completed our previously announced private exchange offers, in which we offered to exchange our 9.875% Notes and 10.55% PIK Notes for new securities, payable (i) 50% in 8.25% Notes or, at the election of each holder and subject to certain conditions, in 8.75% Notes and (ii) 50% in 12.625% Notes. As a result, we issued \$2.0 billion aggregate principal amount of 8.25% Notes, which mature on January 15, 2021 and \$1.0 billion aggregate principal amount of 8.75% Notes, which mature on January 15, 2022.

Interest Rates

Interest on the 8.25% Notes is payable in cash and accrues at the rate of 8.25% per annum. Interest on the 8.75% Notes is payable in cash and accrues at the rate of 8.75% per annum.

Interest on our existing senior secured second lien notes is payable semi-annual in arrears on January 15 and July 15, commencing on July 15, 2011.

Ranking and Security

Our existing senior secured second lien notes are senior secured second lien obligations and (i) rank senior in right of payment to any existing and future subordinated indebtedness, including our existing senior subordinated notes, (ii) rank equally in right of payment with all of our existing and future senior indebtedness, (iii) are effectively senior in right of payment to indebtedness under our existing senior unsecured notes to the extent of the value of the collateral, (iv) are effectively junior in right of payment with indebtedness under our senior secured credit facilities and other first lien obligations, including our 8.875% notes, to the extent of the value of the collateral and (v) are effectively subordinated to all existing and future indebtedness and other liabilities of our non-guarantor subsidiaries (other than indebtedness and liabilities owed to us or one of our guarantor subsidiaries).