

Table of Contents

Interest Rate

Interest on the 12.625% Notes is payable in cash and accrues at the rate of 12.625% per annum. Interest on the 12.625% Notes is payable semi-annually in arrears on January 15 and July 15, commencing on July 15, 2011.

Ranking and Security

The 12.625% Notes are senior unsecured 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 junior in right of payment to all existing and future secured indebtedness, including our senior secured credit facilities, our existing senior secured notes to the extent of the value of the collateral and (iv) 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).

Prepayments and Redemptions

We are required to make an offer to repurchase the 12.625% Notes with net proceeds from specified asset sales, subject to the right to repurchase other senior secured debt and certain other types of indebtedness or reinvest such proceeds in our business. In addition, we will be required to offer to repurchase the 12.625% Notes upon the occurrence of a change of control.

We may redeem the 12.625% Notes, in whole or in part, at any time prior to January 15, 2016, at a price equal to 100% of the principal amount of the 12.625% Notes redeemed plus accrued and unpaid interest to the redemption date and a "make-whole premium." In addition, on or prior to January 15, 2014, we were entitled to redeem up to 35% of the aggregate principal amount of the 12.625% Notes with the net cash proceeds from certain equity offerings at an established redemption price. On or after January 15, 2016, we may redeem the 12.625% Notes, in whole or in part, at the redemption prices set forth below plus accrued and unpaid interest thereon to the applicable redemption date, if redeemed during the 12-month period beginning on January 15 of each of the years indicated below:

Year	Percentage
2016	112.625%
2017	109.469%
2018	106.313%
2019	103.156%
2020 and thereafter	100.000%

We intend to use the net proceeds of this offering to redeem approximately \$2.0 billion aggregate principal amount of the 12.625% Notes, and to pay the applicable premiums and related fees and expenses. See "Use of Proceeds."

Guarantees

All obligations under the 12.625% Notes are guaranteed on a senior unsecured basis by each of our domestic subsidiaries that guarantees obligations under our senior secured credit facilities.

Certain Covenants and Events of Default

The indenture governing the 12.625% 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;