Cooper-Standard Automotive OH, LLC
Form POS AM
May 10, 2007

As filed with the Securities and Exchange Commission on May 9, 2007

Registration No. 333-124582

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Post-Effective
Amendment No. 3
to

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

COOPER-STANDARD AUTOMOTIVE INC.

(Exact name of registrant as specified in its charter)

SEE TABLE OF ADDITIONAL REGISTRANTS

Ohio	3714	34-0549970
(State of Incorporation)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

39550 Orchard Hill Place Drive
Novi, Michigan 48375
(248) 596-5900

(Address, including zip code, and telephone number, including area code, of registrants' principal executive offices)

Timothy W. Hefferon, Esq.
General Counsel
c/o Cooper-Standard Automotive Inc.
39550 Orchard Hill Place Drive
Novi, Michigan 48375
(248) 596-5900

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:
Thomas E. Hartman, Esq.
Foley & Lardner LLP
500 Woodward Avenue, Suite 2700
Detroit, Michigan 48226

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with section 8(a) of the securities act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANT GUARANTORS

Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Address, Including Zip Code and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices
Cooper-Standard Holdings Inc.	Delaware	20-1945088	39550 Orchard Hill Place Drive Novi, Michigan 48375 (248) 596-5900
Cooper-Standard Automotive Fluid Systems Mexico Holding LLC	Delaware	51-0380442	39550 Orchard Hill Place Drive Novi, Michigan 48375 (248) 596-5900

Cooper-Standard Automotive OH, LLC	Ohio	34-1972845	39550 Orchard Hill Place Drive Novi, Michigan 48375 (248) 596-5900
Cooper-Standard Automotive NC L.L.C.	North Carolina	34-1972839	39550 Orchard Hill Place Drive Novi, Michigan 48375 (248) 596-5900
CSA Services Inc.	Ohio	34-1969510	39550 Orchard Hill Place Drive Novi, Michigan 48375 (248) 596-5900
NISCO Holding Company	Delaware	34-1611697	39550 Orchard Hill Place Drive Novi, Michigan 48375 (248) 596-5900
North American Rubber, Incorporated	Texas	35-1609926	39550 Orchard Hill Place Drive Novi, Michigan 48375 (248) 596-5900
StanTech, Inc.	Delaware	31-1384014	39550 Orchard Hill Place Drive Novi, Michigan 48375 (248) 596-5900
Sterling Investments Company	Delaware	34-1821393	39550 Orchard Hill Place Drive Novi, Michigan 48375 (248) 596-5900
Westborn Service Center, Inc.	Michigan	38-1897448	39550 Orchard Hill Place Drive Novi, Michigan 48375 (248) 596-5900

EXPLANATORY NOTE

Due to printer error, Post-Effective Amendment No. 2 to Form S-1 (‘‘Amendment No. 2’’) was filed on April 30, 2007 without signature pages. This Post-Effective Amendment No. 3 to Form S-1 is intended to correct that error and replace Amendment No. 2 in its entirety.

The information in this prospectus is not complete and may be changed. We may not sell the securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer

to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated May 9, 2007

PROSPECTUS

COOPER-STANDARD AUTOMOTIVE INC.

$200,000,000 7% Senior Notes due 2012
$350,000,000 8 3/8% Senior Subordinated Notes due 2014

The 7% senior notes due 2012 were issued in exchange for the 7% senior notes due 2012 originally issued on December 23, 2004. The 8 3/8% senior subordinated notes due 2014 were issued in exchange for the 8 3/8% senior subordinated notes due 2014 originally issued on December 23, 2004.

The senior notes will mature on December 15, 2012 and the senior subordinated notes will mature on December 15, 2014.

Cooper-Standard Automotive Inc. may redeem some or all of the senior notes at any time prior to December 15, 2008 and some or all of the senior subordinated notes at any time prior to December 15, 2009, in each case, at a price equal to 100% of the principal amount of the notes, plus a ‘‘make-whole’’ premium. Thereafter, Cooper-Standard Automotive Inc. may redeem some or all of the senior notes and some or all of the senior subordinated notes, in each case, at the redemption prices described in this prospectus. In addition, on or prior to December 15, 2007, Cooper-Standard Automotive Inc. may redeem up to 35% of each of the senior notes and the senior subordinated notes with the proceeds from certain equity offerings.

The senior notes are Cooper-Standard Automotive Inc.’s unsecured obligations and rank equally with all of Cooper-Standard Automotive Inc.’s existing and future senior obligations and senior to Cooper-Standard Automotive Inc.’s subordinated indebtedness. The senior subordinated notes are Cooper-Standard Automotive Inc.’s unsecured senior subordinated obligations and are subordinated to all of its existing and future senior indebtedness including the senior notes. The notes are effectively subordinated to Cooper-Standard Automotive Inc.’s existing and future secured indebtedness to the extent of the assets securing that indebtedness. The notes are guaranteed by Cooper-Standard Holdings Inc. and Cooper-Standard Automotive Inc.’s direct and indirect domestic subsidiaries that guarantee its obligations under the senior credit facilities. These guarantees are unsecured and, with respect to the senior notes, rank equally with all existing and future senior obligations of the guarantors and, with respect to the senior subordinated notes, are subordinated to all existing and future senior obligations of the guarantors. The guarantees are effectively subordinated to existing and future secured indebtedness of the guarantors to the extent of the assets securing that indebtedness.

See ‘‘Risk Factors’’ beginning on page 7 for a discussion of certain risks that you should consider in connection with an investment in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes to be distributed in the exchange offers or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

This prospectus has been prepared for and will be used by Goldman, Sachs & Co. in connection with offers and sales of the notes in market-making transactions. These transactions may occur in the open market or may be privately negotiated at prices related to prevailing market prices at the time of sales or at negotiated prices. Goldman, Sachs & Co. may act as principal or agent in these transactions. We will not receive any proceeds of such sales.

Goldman, Sachs & Co.

The date of this prospectus is [ ], 2007

You should rely only on the information contained in this prospectus or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. The prospectus may be used only for the purposes for which it has been published and no person has been authorized to give any information not contained herein. If you receive any other information, you should not rely on it. We are not, and the initial purchasers of the outstanding notes are not, making an offer of these securities in any state where the offer is not permitted.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that may be important to you in making your investment decision. You should read this entire prospectus and the information incorporated by reference in this prospectus, including the financial data and related notes and section entitled ‘‘Risk Factors,’’ before making an investment decision. As used in this prospectus, the terms ‘‘we,’’ ‘‘us’’ and ‘‘Cooper-Standard’’ all refer to Cooper-Standard Automotive Inc., its subsidiaries on a consolidated basis and

Cooper-Standard Holdings Inc., its parent, unless the context requires otherwise.

We are a leading global manufacturer of body sealing, fluid handling, and noise, vibration, and harshness control (''NVH'') components, systems, subsystems, and modules, primarily for use in passenger vehicles and light trucks for global original equipment manufacturers (''OEMs'') and replacement markets. We conduct substantially all of our activities through our subsidiaries.

We believe that we are the largest global producer of body sealing systems, the largest North American producer in the NVH control business, and the second largest global producer of the types of fluid handling products that we manufacture. Approximately 80% of our sales in 2006 were to OEMs including Ford, General Motors, DaimlerChrysler, Audi, BMW, Fiat, Honda, Jaguar, Mercedes Benz, Porsche, PSA Peugeot Citroën, Renault/Nissan, Toyota, Volkswagen, and Volvo. The remaining 20% of our 2006 sales were primarily to Tier I and Tier II suppliers. In 2006, our products were found in all of the 20 top-selling models in North America and in 16 of the 20 top-selling models in Europe.

We operate in 53 manufacturing locations and nine design, engineering, and administrative locations in 15 countries around the world. Our net sales have grown from $1.6 billion for the year ended December 31, 2002, to $2.2 billion for the year ended December 31, 2006.

You should carefully consider all the information in this prospectus prior to exchanging your outstanding notes. In particular, we urge you to consider carefully the factors set forth under the heading ''Risk Factors.''

Cooper-Standard Automotive Inc. is an Ohio corporation. Our principal executive offices are located at 39550 Orchard Hill Place Drive, Novi, Michigan 48375. Our telephone number is (248) 596-5900. We also maintain a website at www.cooperstandard.com, which is not a part of this prospectus.

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The Notes

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The ''Description of the Notes'' section of this prospectus contains a more detailed description of the terms and conditions of the notes.

Issuer	Cooper-Standard Automotive Inc.
Securities Offered	$200,000,000 aggregate principal amount of 7% Senior Notes due 2012. $350,000,000 aggregate principal amount of 8 3/8% Senior Subordinated Notes due 2014.
Maturity	The Senior Notes will mature on December 15, 2012. The Senior Subordinated Notes will mature on December 15, 2014.
Interest Rate	The Senior Notes bear interest at a rate of 7% per annum (calculated using a 360-day year).

	The Senior Subordinated Notes bear interest at a rate of 8 3/8% per annum (calculated using a 360-day year).
Interest Payment Dates	We pay interest on the notes on June 15 and December 15 each year through maturity.
Ranking	The Senior Notes are our general unsecured obligations and: • rank equally in right of payment to all of our existing and future senior unsecured indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the Senior Notes; • rank senior in right of payment to any of our existing and future indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the Senior Notes, including the Senior Subordinated Notes; and • are effectively subordinated to all of our existing and future secured indebtedness and other secured obligations, including the senior credit facilities, to the extent of the value of the assets securing such indebtedness and other obligations, and are structurally subordinated to all obligations of any subsidiary if that subsidiary is not also a guarantor of the Senior Notes.

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	Similarly, the Senior Note guarantees are senior unsecured obligations of the guarantors and: • rank equally in right of payment to all of the applicable guarantor's existing and future senior unsecured indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the Senior Notes; • rank senior in right of payment to all of the applicable guarantor's existing and future indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the Senior Notes, including the applicable guarantor's guarantee of the Senior Subordinated Notes; and • are effectively subordinated in right of payment to all of the applicable guarantor's existing and future secured indebtedness, including the applicable guarantor's guarantee under the senior credit facilities, to the extent of the value of the assets securing such indebtedness, and are structurally subordinated to all obligations of any subsidiary of a guarantor if that subsidiary is not also a guarantor of the Senior Notes.

The Senior Subordinated Notes are our unsecured senior subordinated obligations and:

- rank equally in right of payment to all of our existing and future unsecured senior subordinated indebtedness and other obligations;
- rank senior in right of payment to any of our existing and future indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the Senior Subordinated Notes; and
- are subordinated in right of payment to all of our existing and future senior indebtedness and other senior obligations, including the senior credit facilities and the Senior Notes, are effectively subordinated to all of our existing and future secured indebtedness and other secured obligations, including the senior credit facilities, to the extent of the value of the assets securing such indebtedness and other obligations, and are structurally subordinated to all obligations of any subsidiary if that subsidiary is not a guarantor of the Senior Subordinated Notes.

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Similarly, the Senior Subordinated Note guarantees are senior subordinated unsecured obligations of the guarantors and:

- rank equally in right of payment to all of the applicable guarantor's existing and future unsecured senior subordinated indebtedness and other obligations;
- rank senior in right of payment to any of the applicable guarantor's existing and future indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the Senior Subordinated Notes; and
- are subordinated in right of payment to all of the applicable guarantor's existing and future senior indebtedness and other senior obligations, including the applicable guarantor's guarantee under the senior credit facilities and the Senior Notes, are effectively subordinated to all of the applicable guarantor's existing and future secured indebtedness, including the applicable guarantor's guarantee under the senior credit facilities, to the extent of the value of the assets securing such indebtedness, and are structurally subordinated to all obligations of any subsidiary of a guarantor if that subsidiary is not a guarantor of the

	Senior Subordinated Notes.
	As of December 31, 2006, (i) the Senior Notes and related guarantees ranked effectively junior to approximately $525 million of senior secured indebtedness, (ii) the Senior Notes and related guarantees ranked senior to approximately $330.5 million of subordinated indebtedness, (iii) the Senior Subordinated Notes and related guarantees ranked junior to approximately $725 million of senior indebtedness, (iv) we had an additional $125 million of unutilized capacity under our senior credit facilities (excluding an estimated $15 million of open letters of credit and (v) our non-guarantor subsidiaries had approximately $8 million of indebtedness, excluding intercompany obligations, plus other liabilities, including trade payables, that would have been structurally senior to the notes.
Guarantees	Our parent, Cooper-Standard Holdings Inc., and each of our domestic subsidiaries that guarantees our senior credit facilities unconditionally guarantee the Senior Notes on a senior unsecured basis and the Senior Subordinated Notes on a senior subordinated basis.
	Our non-guarantor subsidiaries accounted for $1,189.4 million, or 55.0%, of our net sales (excluding non-guarantor subsidiaries' intercompany sales of

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	$20.3 million) for the year ended December 31, 2006, and $920.0 million, or 48.1%, of our assets and $342.2 million, or 21.5%, of our liabilities as of December 31, 2006, excluding all intercompany assets and liabilities.
Optional Redemption	Prior to December 15, 2008, we may redeem some or all of the Senior Notes for cash at a redemption price equal to 100% of their principal amount plus an applicable make-whole premium (as described in ''Description of the Notes—Optional Redemption'') plus accrued and unpaid interest to the redemption date. Beginning on December 15, 2008 we may redeem some or all of the Senior Notes at the redemption prices listed under ''Description of the Notes—Optional Redemption'' plus accrued interest on the Senior Notes to the date of redemption.
	Prior to December 15, 2009, we may redeem some or all of the Senior Subordinated Notes for cash at a redemption price equal to 100% of their principal amount plus an applicable make-whole premium (as described in

	‘‘Description of the Notes—Optional Redemption’’) plus accrued and unpaid interest to the redemption date. Beginning on December 15, 2009 we may redeem some or all of the Senior Subordinated Notes at the redemption prices listed under ‘‘Description of the Notes—Optional Redemption’’ plus accrued interest on the Senior Subordinated Notes to the date of redemption. In addition, on or before December 15, 2007, we may on one or more occasions, at our option, use the net proceeds from one or more equity offerings to redeem up to 35% of the Senior Notes and up to 35% of the Senior Subordinated Notes, in each case, at the redemption price listed under ‘‘Description of the Notes—Optional Redemption.’’
Change of Control Offer	If we experience a change of control, as described under ‘‘Description of the Notes—Change of Control,’’ we must, subject to the terms of the senior credit facilities, offer to repurchase all of the Senior Notes and the Senior Subordinated Notes (unless otherwise redeemed) at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the repurchase date.
Certain Indenture Provisions	The indentures governing the notes contain covenants limiting our (and most or all of our subsidiaries’) ability to: • incur additional debt; • pay dividends or distributions on our capital stock or repurchase our capital stock; • issue stock of subsidiaries;

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	• make certain investments; • create liens on our assets to secure debt (which, in the case of the Senior Subordinated Notes, will be limited in applicability to liens securing pari passu or subordinated indebtedness); • enter into transactions with affiliates; • merge or consolidate; and • transfer and sell assets. These covenants are subject to a number of important limitations and exceptions. For more details see ‘‘Description of the Notes—Certain Covenants.’’
No Public Market	The notes are freely transferable but there is no established market for the notes. Accordingly, we cannot assure you whether a market for the exchange notes will develop or as to the liquidity of any market. No one is obligated, to make a market in the notes, and any such

market-making may be discontinued at any time without notice.

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Risk Factors

You should carefully consider the ‘‘Risk Factors’’ included under Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, filed with the SEC on April 2, 2007, which is incorporated by reference in this prospectus. The risks and uncertainties we describe are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of these risks were to occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, the trading price of the exchange notes could decline or we may not be able to make payments of interest and principal on the exchange notes, and you may lose some or all of your investment.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and information incorporated by reference in this prospectus includes ‘‘forward-looking statements’’ within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, business trends and other information that is not historical information and, in particular, appear under ‘‘Summary,’’ ‘‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’’ and ‘‘Business.’’ When used in this prospectus or incorporated by reference in this prospectus, the words ‘‘estimates,’’ ‘‘expects,’’ ‘‘anticipates,’’ ‘‘projects,’’ ‘‘plans,’’ ‘‘inte ‘‘believes,’’ ‘‘forecasts,’’ or future or conditional verbs, such as ‘‘will,’’ ‘‘should,’’ ‘‘could’’ or ‘‘may,’’ and variations of such similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, management’s examination of historical operating trends and data are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them. However, we cannot assure you that these expectations, beliefs and projections will be achieved.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in this prospectus or incorporated by reference in this prospectus. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this prospectus are set forth in this prospectus or incorporated by reference in this prospectus, including under ‘‘Risk Factors.’’

As stated elsewhere in this prospectus and in information incorporated by reference in this prospectus, such risks, uncertainties and other important factors include, among others: our substantial leverage; limitations on flexibility in

operating our business contained in our debt agreements; our dependence on the automotive industry; availability and cost of raw materials; our dependence on certain major customers; competition in our industry; our conducting operations outside the United States; the uncertainty of our ability to achieve expected Lean savings; our exposure to product liability and warranty claims; labor conditions; our vulnerability to rising interest rates; our ability to meet our customers' needs for new and improved products in a timely manner; our ability to attract and retain key personnel; the possibility that our owners' interests will conflict with yours; our new status as a stand-alone company; our legal rights to our intellectual property portfolio; our underfunded pension plans; environmental and other regulation; and the possibility that our acquisition strategy will not be successful. There may be other factors that may cause our actual results to differ materially from the forward-looking statements.

All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this prospectus and are expressly qualified in their entirety by the cautionary statements included in this prospectus. We undertake no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

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RATIO OF EARNINGS TO FIXED CHARGES

	Predecessor			Successor			
	Year Ended December 31,		January 1 to December 23,	December 24 to December 31,	Combined	December 31,	December 31,
	2002	2003	2004	2004	2004	2005	2006
Ratio of Earnings to Fixed Charges	9.7x	8.7x	13.9x	—	8.4x	1.1x	—

For purposes of calculating the ratio of earnings to fixed charges, earnings represents earnings from continuing operations before income taxes, less income from equity method investments, plus minority interest expense and fixed charges. Fixed charges include interest expense and the portion of operating rental expense which management believes is representative of the interest component of rent expense (assumed to be 33%). Our fixed charges exceeded our earnings by $15.0 million during the period ended December 31, 2006. Our fixed charges exceeded our earnings by $6.3 million during the period from December 24, 2004 to December 31, 2004.

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USE OF PROCEEDS

This prospectus is delivered in connection with the sale of notes by Goldman, Sachs & Co. in market-making transactions. We will not receive any of the proceeds from such transactions.

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DESCRIPTION OF OTHER INDEBTEDNESS

Senior Credit Facilities

The senior credit facilities are provided by a syndicate of banks and other financial institutions led by Deutsche Bank Trust Company Americas, as administrative agent, Deutsche Bank Securities Inc., as joint lead arranger and joint bookrunner, Lehman Commercial Paper Inc., as syndication agent, Lehman Brothers Inc., as joint lead arranger and joint bookrunner, and Goldman Sachs Credit Partners L.P., UBS Securities LLC, and The Bank of Nova Scotia, each as a co-documentation agent.

The senior credit facilities provide senior secured financing consisting of:

- Term Loan A facility to our Canadian subsidiary, Cooper-Standard Automotive Canada Limited (the ‘‘Canadian Borrower’’) in Canadian dollars with a maturity in 2010 and a loan balance of approximately U.S. $42.2 million as of December 31, 2006;
- Term Loan B facility to the Canadian Borrower in U.S. dollars with a maturity in 2011 and a loan balance of $82.7 million as of December 31, 2006;
- Term Loan C facility to us in U.S. dollars with a maturity in 2011 and a loan balance of $176.3 million as of December 31, 2006;
- Term Loan D facility to us structured in two tranches with a maturity in 2011, with $190 million borrowed in U.S. dollars and €20.7 million borrowed in Euros; and
- $125 million of revolving credit facilities with a maturity in 2010, $25 million of which is available to the Canadian Borrower in U.S. or Canadian dollars;

In addition, upon the occurrence of certain events, we or the Canadian Borrower may request additional term loan facilities and/or an increase to the existing term loan facilities in an amount not to exceed $150 million in the aggregate, subject to receipt of commitments by existing term loan lenders or other financing institutions and certain other conditions.

The Term Loan A, Term Loan B and Term Loan C facilities were entered into on December 23, 2004 in connection with the Acquisition. Cooper-Standard Automotive Inc. is the borrower under the Term Loan C facility and the U.S. dollar denominated revolving credit facility. The Canadian Borrower is borrower under the Term Loan A facility, the Term Loan B facility, and the multicurrency revolving credit facility. The Term Loan A facility and a portion of the multicurrency revolving facility are obligations of the Canadian Borrower in Canadian dollars. The multicurrency revolving credit facility includes $5 million available for letters of credit and the U.S. dollar denominated revolving credit facility includes $40 million available for letters of credit. The U.S. dollar denominated revolving credit facility also provides for $20 million available for borrowings on same-day notice, referred to as the swingline loans. Undrawn amounts under the multicurrency revolving credit facility and the U.S. dollar denominated revolving credit facility are available on a revolving credit basis for general corporate purposes of the applicable borrower and its subsidiaries.

On February 6, 2006, in conjunction with the closing of the FHS acquisition, we entered into an amendment to the senior credit facilities which established a Term Loan D facility, with a notional amount of $215 million. The Term Loan D facility was structured in two tranches, with $190 million borrowed in US dollars and €20.7 million borrowed in Euros.

Interest Rate and Fees

Borrowings under the senior credit facilities denominated in U.S. dollars bear interest at a rate equal to an applicable margin plus, at our or the Canadian Borrower's option, as applicable, either (a) a base rate determined by reference to the higher of (1) the prime rate of Deutsche Bank Trust Company Americas (or another bank of recognized standing reasonably selected by the administrative agent) and (2) the federal funds rate plus 0.5% or (b) LIBOR rate determined by reference to the costs of funds for deposits in U.S. dollars for the interest period relevant to such borrowing adjusted for certain additional costs. Borrowings under the senior credit facilities denominated in Canadian

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dollars bear interest at a rate equal to an applicable margin plus, at the Canadian Borrower's option, either (a) an adjusted Canadian prime rate determined by reference to the higher of (1) the prime rate of Deutsche Bank AG, Canada Branch for commercial loans made in Canada in Canadian dollars and (2) the average rate per annum for Canadian dollar bankers' acceptances having a term of 30 days that appears on Reuters Screen CDOR Page plus 0.75% or (b) bankers' acceptances rate determined by reference to the average discount rate on bankers' acceptances as quoted on Reuters Screen CDOR Page or as quoted by certain Canadian reference lenders.

In addition to paying interest on outstanding principal under the senior credit facilities, we are required to pay a commitment fee to the lenders under the revolving credit facilities in respect of the unutilized commitments thereunder at a rate equal to 0.50% per annum. We also pay customary letter of credit fees.

Prepayments

The senior credit facilities require us to prepay outstanding term loans, subject to certain exceptions, with:

- 50% (which percentage will be reduced to 25% if our leverage ratio is less than 3.25 to 1.00 and to 0% if our leverage ratio is less than 2.50 to 1.00) of our excess cash flow for each fiscal year beginning with the fiscal year ending December 31, 2005;
- 100% of the net cash proceeds of asset sales and casualty and condemnation events, in each case if we do not reinvest those proceeds in assets to be used in our business within 360 days following the date of receipt of the net cash proceeds subject to certain limitations; and
- 100% of the net proceeds of any incurrence of debt other than debt permitted under the senior credit facilities, subject to certain exceptions.

We may voluntarily repay outstanding loans under the senior credit facilities, other than advances maintained as bankers' acceptances, at any time without premium or penalty, other than customary ''breakage'' costs with respect to certain eurocurrency or LIBOR loans.

Amortization

The Term Loan A facility amortizes in equal quarterly installments of C$1.538 million for the fiscal quarters in 2005 and 2006, C$2.308 million for the fiscal quarters in 2007 and 2008 and C$3.846 million for the fiscal quarters in 2009 and 2010.

The Term Loan B facility amortizes each year in an amount equal to 1% per annum in equal quarterly installments for the first six years and nine months, with the remaining amount payable on December 23, 2011.

The Term Loan C facility amortizes each year in an amount equal to 1% per annum in equal quarterly installments for the first six years and nine months, with the remaining amount payable on December 23, 2011.

Both tranches of the Term Loan D facility amortize each year in an amount equal to 1% per annum in equal quarterly installments for the first four years and eleven months, with the remaining amount payable on December 23, 2011.

Principal amounts outstanding under the revolving credit facilities will be due and payable in full at maturity, six years from the date of the closing of the senior credit facilities.

Guarantee and security

All obligations under the senior credit facilities are unconditionally guaranteed by Cooper-Standard Holdings Inc. and, subject to certain exceptions, each of our existing and future direct and indirect wholly-owned domestic subsidiaries, referred to collectively as U.S. Guarantors. In addition, all obligations of the Canadian Borrower under the senior credit facilities are unconditionally guaranteed by each existing and future direct and indirect wholly-owned Canadian subsidiary of Cooper-Standard Holdings Inc., referred to collectively, as Canadian Guarantors.

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All obligations under the senior credit facilities, and the guarantees of those obligations, are secured by substantially all the assets of Cooper-Standard Holdings Inc., us and each U.S. Guarantor, including, but not limited to, the following, and subject to certain exceptions:

- a pledge of 100% of our capital stock, 100% of the equity interests of each U.S. Guarantor and 65% (or 100% in the case of equity interests securing obligations of the Canadian Borrower under the senior credit facilities) of the equity interests of each of our foreign subsidiaries that are directly owned by us or any one or more of the U.S. Guarantors; and
- a security interest in substantially all tangible and intangible assets of Cooper-Standard Holdings Inc., us and each U.S. Guarantor.

In addition, the obligations of the Canadian Borrower under the senior credit facilities and Canadian guarantees of such obligations are, subject to certain exceptions, secured by the following:

- a pledge of the equity interests of each direct and indirect subsidiary of the Canadian Borrower and each Canadian Guarantor; and
- a security interest in substantially all tangible and intangible assets of the Canadian Borrower and each Canadian Guarantor.

Certain covenants and events of default

The senior credit facilities contain a number of covenants that, among other things, limit or restrict, subject to certain exceptions, our ability, and the ability of our subsidiaries, to:

- sell or otherwise dispose of assets;
- incur additional indebtedness or guarantee obligations or issue preferred stock;
- prepay or repay other indebtedness (including the Notes);
- pay dividends and distributions, repurchase our capital stock, or make other restricted payments;
- create liens;
- make investments, loans, or advances;
- make certain acquisitions;
- engage in mergers, amalgamations, or consolidations;
- enter into sale and leaseback transactions;
- engage in certain transactions with affiliates;
- amend certain material agreements governing our indebtedness, including the Notes and related documents;
- change the business conducted by us and our subsidiaries; and
- enter into agreements that restrict dividends from subsidiaries.

In addition, the senior credit facilities require us to maintain the following financial covenants:

- a maximum total leverage ratio;
- a minimum interest coverage ratio; and
- a maximum capital expenditures limitation.

The senior credit facilities also contain certain customary affirmative covenants and events of default, which include non-payment of principal, interest or fees, failure to comply with covenants, inaccuracy of representations or warranties in any material respect, cross default to certain other indebtedness, loss of lien perfection or priority, material judgments, and changes of ownership or control.

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DESCRIPTION OF THE NOTES

General

The outstanding 7% Senior Notes due 2012 (the ‘‘Senior Notes’’) were issued by Cooper-Standard Automotive Inc. (the ‘‘Company’’) under an Indenture, dated December 23, 2004 (the ‘‘Senior Indenture’’), among itself, the Guarantors and Wilmington Trust Company, as Trustee (the ‘‘Senior Note Trustee’’). The 8 3/8% Senior Subordinated Notes (the ‘‘Senior Subordinated Notes’’) were also issued by the Company under an Indenture, dated December 23, 2004 (the ‘‘Subordinated Indenture’’ and, together with the Senior Indenture, the ‘‘Indentures’’), among itself, the Guarantors and Wilmington Trust Company, as Trustee (the ‘‘Subordinated Note Trustee’’ and, together with the Senior Note Trustee, the ‘‘Trustees’’). The terms of a series of Notes include those stated in the applicable Indenture and those made part of the applicable Indenture by reference to the Trust Indenture Act.

Certain terms used in this description are defined under the subheading ‘‘—Certain Definitions.’’ In this description, the word ‘‘Company’’ refers only to Cooper-Standard Automotive Inc. and not to any of its subsidiaries. Any reference to a

‘‘Noteholder’’ in this description refers to the holders of the Senior Notes and/or the Senior Subordinated Notes, as applicable.

The following description is only a summary of the material provisions of the Indentures and the Notes. You are urged to read the applicable Indentures and Notes because they, not this description, define your rights as Noteholders. You may request copies of the Indentures and/or the Notes at the Company’s address set forth under the heading ‘‘Available Information.’’

Brief Description of the Notes

The Senior Notes

The Senior Notes are:

- unsecured senior obligations of the Company;
- effectively subordinated to all secured Indebtedness of the Company to the extent of the value of the assets securing such secured Indebtedness and to all Indebtedness and other liabilities (including trade payables) of the Company’s Subsidiaries (other than the Subsidiary Guarantors);
- pari passu in right of payment with all existing and future senior Indebtedness of the Company;
- senior in right of payment to all existing and future Subordinated Obligations of the Company; and
- guaranteed on a senior basis by the Guarantors.

The Senior Subordinated Notes

The Senior Subordinated Notes are:

- unsecured Senior Subordinated Indebtedness of the Company;
- subordinated in right of payment to all existing and future Senior Indebtedness of the Company, including the Senior Notes and Obligations under the Credit Agreement;
- senior in right of payment to any future Subordinated Obligations of the Company;
- pari passu in right of payment with any future Senior Subordinated Indebtedness of the Company; and
- guaranteed on a senior subordinated basis by the Guarantors.

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Principal, Maturity and Interest

The Senior Notes

On December 23, 2004, the Company issued $200.0 million of Senior Notes. Subject to the Company’s compliance with the covenant described under the subheading ‘‘—Certain Covenants— Limitation on Indebtedness,’’ the Company may issue more Senior Notes from time to time under the Senior Indenture (the ‘‘Additional Senior Notes’’). The Senior Notes and the Additional Senior Notes, if any, will be treated as a single class for all purposes of the Senior Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Senior Indenture and this ‘‘Description of the Notes,’’ references to the Senior Notes include any

Additional Senior Notes actually issued. The Senior Notes will mature on December 15, 2012.

Interest on the Senior Notes accrues at the rate of 7% per annum and is payable semiannually in arrears on June 15 and December 15, commencing on June 15, 2005. The Company makes each interest payment to the holders of record of the Senior Notes on the immediately preceding June 1 and December 1.

The Senior Subordinated Notes

On December 23, 2004, the Company issued $350.0 million of Senior Subordinated Notes. Subject to the Company's compliance with the covenant described under the subheading ''—Certain Covenants—Limitation on Indebtedness,'' the Company may issue more Senior Subordinated Notes from time to time under the Subordinated Indenture (the ''Additional Subordinated Notes'' and together with the Additional Senior Notes, the ''Additional Notes''). The Senior Subordinated Notes and the Additional Subordinated Notes, if any, will be treated as a single class for all purposes of the Subordinated Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Subordinated Indenture and this ''Description of the Notes,'' references to the Senior Subordinated Notes include any Additional Subordinated Notes actually issued. The Senior Subordinated Notes will mature on December 15, 2014.

Interest on the Senior Subordinated Notes accrues at the rate of 8 3/8% per annum and is payable semiannually in arrears on June 15 and December 15, commencing on June 15, 2005. The Company makes each interest payment to the holders of record of the Senior Subordinated Notes on the immediately preceding June 1 and December 1.

Other Terms

The Company issued the Notes in denominations of $1,000 and any integral multiple of $1,000.

Interest on the Notes accrues from the date of original issuance. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

Optional Redemption

On and after December 15, 2008, the Company will be entitled at its option to redeem all or a portion of the Senior Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed in percentages of principal amount on the redemption date), plus accrued interest to the redemption date (subject to the right of holders of record of Senior Notes on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on December 15 of the years set forth below:

Period	Redemption Price
2008	103.500%
2009	101.750%
2010 and thereafter	100.000%

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On and after December 15, 2009, the Company will be entitled at its option to redeem all or a portion of the Senior Subordinated Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed in percentages of principal amount on the redemption date), plus accrued interest to the redemption date (subject to the right of holder of record of the Senior Subordinated Notes on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on December 15 of the years set forth below:

Period	Redemption Price
2009	104.188%
2010	102.792%
2011	101.396%
2012 and thereafter	100.000%

Prior to December 15, 2008, in the case of the Senior Notes, and December 15, 2009, in the case of the Senior Subordinated Notes, the Company may at its option redeem all or any portion of the Notes of the applicable series at a redemption price equal to 100% of the principal amount of such Notes plus the Applicable Premium as of, and any accrued and unpaid interest to, the redemption date (subject to the right of the applicable Noteholders on the relevant record date to receive interest due on the relevant interest payment date). Notice of such redemption must be mailed by first-class mail to each applicable Noteholder's registered address, not less than 30 nor more than 60 days prior to the redemption date.

''Applicable Premium'' means with respect to a Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Note and (ii) the excess of (A) the present value at such redemption date of (1) the redemption price of such Note on December 15, 2008, in the case of a Senior Note, and December 15, 2009, in the case of a Senior Subordinated Note (such redemption price being described in the first or second paragraph, respectively, in this ''—Optional Redemption'' section exclusive of any accrued interest) plus (2) all required remaining scheduled interest payments due on such Note through such date (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate, over (B) the principal amount of such note on such redemption date.

''Adjusted Treasury Rate'' means, with respect to any redemption date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated ''H.15(519)'' or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption ''Treasury Constant Maturities,'' for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after December 15, 2008, in the case of the Senior Notes, and December 15, 2009, in the case of the Senior Subordinated Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date, plus in the case of clauses (i) and (ii) of this definition, 0.50%.

''Comparable Treasury Issue'' means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Senior Notes from the redemption date to December 15, 2008, in the case of Senior Notes and comparable to the remaining term of the Senior Subordinated Notes from the redemption

date to December 15, 2009, in the case of Senior Subordinated Notes, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to December 15, 2008 or December 15, 2009, as applicable.

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‘‘Comparable Treasury Price’’ means, with respect to any redemption date, if clause (ii) of the Adjusted Treasury Rate is applicable, the average of three, or such lesser number as is obtained by the applicable Trustee, Reference Treasury Dealer Quotations for such redemption date.

‘‘Quotation Agent’’ means the Reference Treasury Dealer selected by the applicable Trustee after consultation with the Company.

‘‘Reference Treasury Dealer’’ means Deutsche Bank and its successors and assigns and two other nationally recognized investment banking firms selected by the Company that are primary U.S. government securities dealers.

‘‘Reference Treasury Dealer Quotations’’ means with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the applicable Trustee, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day immediately preceding such redemption date.

Prior to December 15, 2007, the Company may at its option on one or more occasions to redeem (i) Senior Notes (which includes Additional Senior Notes, if any) in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Senior Notes (which includes Additional Senior Notes, if any) originally issued at a redemption price (expressed as a percentage of principal amount) of 107%, plus accrued and unpaid interest to the redemption date, and (ii) Senior Subordinated Notes (which include Additional Subordinated Notes, if any) in an aggregate amount not to exceed 35% of the aggregate principal amount of the Senior Subordinated Notes (which includes Additional Subordinated Notes, if any) originally issued at a redemption price (expressed as a percentage of principal amount) of 108.375%, plus accrued and unpaid interest to the redemption date, in each case, with the net cash proceeds from one or more Equity Offerings (provided that, if the Equity Offering is an offering by Parent, a portion of the net cash proceeds thereof equal to the amount required to redeem any such Notes is contributed to the equity capital of the Company or used to acquire Capital Stock of the Company (other than Disqualified Stock) from the Company); provided, however, that:

(1) at least 65% of such aggregate principal amount of Notes of the applicable series (which includes Additional Notes of the applicable series, if any) remains outstanding immediately after the occurrence of each such redemption (other than Notes of the applicable series held, directly or indirectly, by the Company or its Affiliates); and
(2) each such redemption occurs within 90 days after the date of the related Equity Offering.

Selection and Notice of Redemption

If the Company is redeeming less than all the Notes of any series at any time, the applicable Trustee will select Notes of such series on a pro rata basis to the extent practicable.

The Company will redeem Notes of $1,000 or less in whole and not in part. The Company will cause notices of redemption to be mailed by first-class mail at least 30 but not more than 60 days before the redemption date to each applicable Noteholder to be redeemed at its registered address.

If any note is to be redeemed in part only, the notice of redemption that relates to that note will state the portion of the principal amount thereof to be redeemed. The Company will issue a new note of the same series in a principal amount equal to the unredeemed portion of the original note in the name of the Noteholder upon cancellation of the original note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

Guaranties

The Guarantors jointly and severally guarantee the Company's obligations under the Senior Indenture and the Senior Notes on a senior basis and the Company's obligations under the Subordinated Indenture and the Senior Subordinated Notes on a senior subordinated basis. The

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obligations of each Guarantor under its Guaranties are limited as necessary to prevent those Guaranties from constituting a fraudulent conveyance under applicable law.

Each Guarantor that makes a payment under a Guaranty will be entitled, upon payment in full of all guarantied obligations under the applicable Indenture, to a contribution from each other Guarantor guaranteeing the related Notes in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP.

Since Parent is a holding company with no significant operations, Parent Guaranties provide little, if any, additional credit support for the Notes and investors should not rely on the Parent Guaranties in evaluating the investment in the Notes.

If a Guaranty were rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the applicable Guarantor, and, depending on the amount of such indebtedness, a Guarantor's liability on its Guaranty could be reduced to zero.

Pursuant to each Indenture, (A) a Guarantor may consolidate with, merge with or into, or transfer all or substantially all its assets to any other Person to the extent described below under ''—Certain Covenants—Merger and Consolidation'' and (B) the Capital Stock of a Subsidiary Guarantor may be sold or otherwise disposed of to another Person to the extent described below under ''—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock;'' provided, however, that, in the case of a consolidation, merger or transfer of all or substantially all the assets of such Guarantor, if such other Person is not the Company or a Guarantor, such Guarantor's obligations under the applicable Guaranty must be expressly assumed by such other Person, except that such assumption will not be required in the case of:

(1) the sale or other disposition (including by way of consolidation or merger) of a Subsidiary Guarantor, including the sale or disposition of Capital Stock of a Subsidiary Guarantor, following which such Subsidiary Guarantor is no longer a Subsidiary; or

(2) the sale or disposition of all or substantially all the assets of a Subsidiary Guarantor;

in each case other than to the Company or an Affiliate of the Company and as permitted by the applicable Indenture. Upon any sale or disposition described in clause (1) or (2) above, the obligor on the related Subsidiary Guaranty will be released from its obligations thereunder.

The Subsidiary Guaranty of a Subsidiary Guarantor also will be released under an Indenture:

(1) upon the designation of such Subsidiary Guarantor as an Unrestricted Subsidiary thereunder;
(2) at such time as such Subsidiary Guarantor does not have any Indebtedness outstanding that would have required such Subsidiary Guarantor to enter into a Guaranty Agreement pursuant to the covenant described under ‘‘—Certain Covenants—Future Guarantors;’’ or
(3) if the Company exercises its legal defeasance option or its covenant defeasance option as described under ‘‘—Defeasance’’ or if its obligations under the applicable Indenture are discharged in accordance with the terms of such Indenture.

If at any time following the Issue Date, Parent is no longer Guaranteeing any Indebtedness of the Company (other than the applicable series of Notes) or any of the Restricted Subsidiaries, the applicable Parent Guaranty will be released upon presentation to the applicable Trustee of an Officers’ Certificate to the effect that no such Guarantees exist or are contemplated at such time. If Parent thereafter shall enter into any Guarantee of any Indebtedness of the Company or any of its Restricted Subsidiaries, Parent shall execute and deliver to the applicable Trustee, at the same time such other Guarantee is provided, a Guaranty Agreement pursuant to which Parent will Guarantee payment of the applicable series of Notes on the same terms and conditions as those set forth in the applicable Indenture. In addition, if the Company exercises its legal defeasance option or its covenant defeasance option as described under ‘‘—Defeasance’’ under an Indenture or if its obligations thereunder are discharged in accordance with the terms thereof, the applicable Parent Guarantee will be released.

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Ranking

Senior Notes

The indebtedness evidenced by the Senior Notes (a) is unsecured senior Indebtedness of the Company, (b) ranks pari passu in right of payment with all existing and future senior Indebtedness of the Company, and (c) is senior in right of payment to all existing and future Subordinated Obligations (as used in respect of the Senior Notes) of the Company. The Senior Notes are also effectively subordinated to all secured Indebtedness and other liabilities (including trade payables) of the Company to the extent of the value of the assets securing such Indebtedness, and to all Indebtedness of its Subsidiaries (other than the Subsidiary Guarantors).

Each Guaranty in respect of Senior Notes is unsecured senior Indebtedness of the applicable Guarantor, ranks pari passu in right of payment with all existing and future senior Indebtedness of such Guarantor and is senior in right of payment to all existing and future Subordinated Obligations (as used in respect of the Senior Notes) of such Guarantor. Such Guaranty is also effectively subordinated to all secured Indebtedness of such Guarantor to the extent of the value of the assets securing such Indebtedness, and to all Indebtedness and other liabilities (including trade payables) of the Subsidiaries of each Subsidiary (other than the Subsidiary Guarantors).

Senior Subordinated Notes

The Indebtedness evidenced by the Senior Subordinated Notes is unsecured Senior Subordinated Indebtedness of the Company, is subordinated in right of payment, as set forth in the Subordinated Indenture, to the prior payment in full in cash or Temporary Cash Investments when due of all existing and future Senior Indebtedness of the Company, including the Company's Obligations under the Senior Notes and the Credit Agreement, ranks pari passu in right of payment with all existing and future Senior Subordinated Indebtedness of the Company, and is senior in right of payment to all existing and future Subordinated Obligations (as used in respect of the Senior Subordinated Notes) of the Company. The Senior Subordinated Notes are also effectively subordinated to any secured Indebtedness of the Company to the extent of the value of the assets securing such Indebtedness, and to all Indebtedness and other liabilities (including trade payables) of the Company's Subsidiaries (other than the Subsidiary Guarantors).

Each Guaranty in respect of Senior Subordinated Notes (a) is unsecured Senior Subordinated Indebtedness of the applicable Guarantor, (b) is subordinated in right of payment, as set forth in the Subordinated Indenture, to the payment when due of all existing and future Senior Indebtedness of such Person, including such Guarantor's obligations under its Guaranty of the Senior Notes and such Guarantor's guarantee Obligations in respect of the Credit Agreement, (c) ranks pari passu in right of payment with all existing and future Senior Subordinated Indebtedness of such Guarantor and (d) is senior in right of payment to all existing and future Subordinated Obligations of such Guarantor. Each Guaranty is also effectively subordinated to any secured Indebtedness of such Guarantor to the extent of the value of the assets securing such Indebtedness, and to all Indebtedness and other liabilities (including trade payables) of the Subsidiaries of each Subsidiary (other than the Subsidiary Guarantors).

However, the Subordinated Indenture provides that payment from the money or the proceeds of U.S. Government Obligations held in any defeasance trust described under ''—Defeasance'' below is not subordinated to any Senior Indebtedness or subject to the restrictions described herein, so long as the deposit of money or U.S. Government Obligations into such trust was made in accordance with the provisions of the Subordinated Indenture described under ''—Defeasance'' below, and did not violate the subordination provisions of the Subordinated Indenture at the time such deposit was made.

Each Series of Notes

A substantial part of the operations of the Company are conducted through its Subsidiaries. Claims of creditors of such Subsidiaries, including trade creditors, and claims of preferred shareholders

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(if any) of such Subsidiaries have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of the Company, including holders of the applicable Notes, unless such Subsidiary is a Subsidiary Guarantor with respect to the applicable Notes. Currently, only the Company's U.S. Subsidiaries are Subsidiary Guarantors. The Notes of each series, therefore, are effectively subordinated to creditors (including trade creditors) and preferred shareholders (if any) of Subsidiaries of the Company (other than the Subsidiary Guarantors with respect to the applicable series of Notes). Certain of the operations of a Subsidiary Guarantor may be conducted through Subsidiaries thereof that are not also Subsidiary Guarantors. Claims of creditors of such Subsidiaries, including trade creditors, and claims of preferred shareholders (if any) of such Subsidiaries have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of such Subsidiary Guarantor, including claims under its Subsidiary Guaranties of each series of Notes. Such Subsidiary Guaranty, therefore, is effectively subordinated to

creditors (including trade creditors) and preferred shareholders (if any) of such Subsidiaries. Although each Indenture limits the incurrence of Indebtedness (including preferred stock) by certain of the Company's Subsidiaries, such limitation is subject to a number of significant qualifications.

As of December 31, 2006, (i) the Senior Notes were (a) effectively subordinated to $525 million of secured Indebtedness and (b) senior in right of payment to approximately $330.5 million of subordinated Indebtedness and (ii) the Senior Subordinated Notes were subordinated to approximately $725 million of Senior Indebtedness. In addition, as of December 31, 2006, the Company had an additional $125 million of unused capacity under its Credit Agreement, all of which would have been effectively senior to the Senior Notes and senior to the Senior Subordinated Notes. As of December 31, 2006, on an actual basis, the Company's Subsidiaries that are not Subsidiary Guarantors had approximately $8 million of indebtedness, excluding intercompany obligations, plus other liabilities, including trade payables, that would have been structurally senior to the notes.

Payment of Senior Subordinated Notes

The payment of Obligations on, or relating to, the Senior Subordinated Notes is subordinated to the prior payment in full in cash or Temporary Cash Investments of all Senior Indebtedness of the Company, including any Senior Indebtedness Incurred after the Issue Date.

The Company is not permitted to pay Obligations on, or relating to, the Senior Subordinated Notes or make any deposit pursuant to the provisions described under ''—Defeasance'' below with respect to the Senior Subordinated Notes and may not purchase, redeem or otherwise retire or acquire for cash or property any Senior Subordinated Notes (collectively, ''pay the Senior Subordinated Notes'') if: any Obligation on any Designated Senior Indebtedness of the Company is not paid in full in cash when due (a ''Payment Default'') unless the Payment Default has been cured or waived. Regardless of the foregoing, the Company is permitted to make the applicable payment in respect of the Senior Subordinated Notes if the Company and the Subordinated Note Trustee receive written notice approving such payment from the Representatives of all Designated Senior Indebtedness with respect to which the Payment Default has occurred and is continuing.

During the continuance of any default (other than a Payment Default) with respect to any Designated Senior Indebtedness of the Company pursuant to which the maturity thereof may be accelerated without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Company is not permitted to pay the Senior Subordinated Notes for a period (a ''Payment Blockage Period'') commencing upon the receipt by the Subordinated Note Trustee (with a copy to the Company) of written notice (a ''Blockage Notice'') of such default from the Representative of such Designated Senior Indebtedness specifying an election to effect a Payment Blockage Period and ending 179 days thereafter. The Payment Blockage Period will end earlier if such Payment Blockage Period is terminated:

(1) by written notice to the Subordinated Note Trustee and the Company from the Person or Persons who gave such Blockage Notice; or
(2) because the default giving rise to such Blockage Notice is cured, waived or otherwise no longer continuing.

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Notwithstanding the provisions described in the preceding paragraph (but subject to the subordination provisions in

the immediately succeeding paragraph), unless the holders of any Designated Senior Indebtedness or the Representative of any Designated Senior Indebtedness have accelerated the maturity of such Designated Senior Indebtedness or a Payment Default has occurred and is continuing, the Company is permitted to resume paying the Senior Subordinated Notes after the end of such Payment Blockage Period. The Senior Subordinated Notes shall not be subject to more than one Payment Blockage Period in any consecutive 360-day period irrespective of the number of non-Payment Defaults with respect to Designated Senior Indebtedness of the Company during such period. For purposes of this paragraph, no non-Payment Default that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to any Designated Senior Indebtedness and that was the basis for the initiation of such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness unless such default shall have been cured or waived for a period of not less than 90 consecutive days (it being acknowledged that any subsequent action, or any breach of any financial covenants for a period commencing after the date of delivery of such initial Blockage Notice that in either case would give rise to a default pursuant to any provisions under which a default previously existed or was continuing shall constitute a new default for this purpose).

Upon any payment or distribution of the assets of the Company upon a total or partial liquidation or dissolution, reorganization, bankruptcy or insolvency of or similar proceeding relating to the Company or its property:

(1) the holders of Senior Indebtedness of the Company will be entitled to receive payment in full in cash of such Senior Indebtedness before the holders of the Senior Subordinated Notes are entitled to receive any payment or distribution of any kind or character with respect to any Obligations on, or relating to, the Senior Subordinated Notes;
(2) until the Senior Indebtedness of the Company is paid in full in cash, any payment or distribution to which holders of the Senior Subordinated Notes would be entitled but for the subordination provisions of the Subordinated Indenture will be made to holders of such Senior Indebtedness as their interests may appear, except that holders of Senior Subordinated Notes may receive Permitted Junior Securities; and
(3) if a payment or distribution is made to holders of the Senior Subordinated Notes that, due to the subordination provisions, should not have been made to them, such Noteholders are required to hold it in trust for the holders of Senior Indebtedness of the Company and pay it over to them as their interests may appear.

The subordination and payment blockage provisions described above will not prevent a Default from occurring under the Subordinated Indenture upon the failure of the Company to pay interest or principal with respect to the Senior Subordinated Notes when due by their terms. If payment of the Senior Subordinated Notes is accelerated because of an Event of Default, the Company or the Subordinated Note Trustee must promptly notify the holders of Designated Senior Indebtedness of the Company or the Representative of such Designated Senior Indebtedness of the acceleration; provided that any failure to give such notice shall have no effect whatsoever on the subordination provisions described herein.

A Guarantor’s obligations under its Guaranty related to the Senior Subordinated Notes, are senior subordinated obligations. As such, the rights of holders of Senior Subordinated Notes to receive payment by a Guarantor pursuant to its Guaranty related to the Senior Subordinated Notes are subordinated in right of payment to the rights of holders of Senior Indebtedness of such Guarantor. The terms of the subordination and payment blockage provisions described above with respect to the Company’s Obligations under the Senior Subordinated Notes apply equally to a Guarantor and the Obligations of such Guarantor under its Guaranty related to the Senior Subordinated Notes.

By reason of the subordination provisions contained in the Subordinated Indenture, in the event of a liquidation or insolvency proceeding, creditors of the Company or a Guarantor who are holders

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of Senior Indebtedness of the Company, or a Guarantor, as the case may be, may recover more, ratably, than the holders of Senior Subordinated Notes.

The terms of the subordination provisions described above do not apply to payments from money or the proceeds of U.S. Government Obligations held in trust by the Subordinated Note Trustee for the payment of principal of and interest on the Senior Subordinated Notes pursuant to the provisions described under ''—Defeasance,'' so long as the deposit of money or U.S. Government Obligations into such trust was made in accordance with the provisions of the Senior Subordinated Indenture described under ''—Defeasance'' below, and did not violate the subordination provisions of the Senior Subordinated Indenture at the time such deposit was made.

Change of Control

Under each Indenture, upon the occurrence of any of the following events (each a ''Change of Control''), unless the Company has exercised its right to redeem all of the outstanding Notes of the applicable series as described under ''—Optional Redemption,'' each holder of Notes of the applicable series shall have the right to require that the Company repurchase such Noteholder's Notes of such series at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of the applicable Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date):

(1) any ''person'' (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the ''beneficial owner'' (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (1) such person shall be deemed to have ''beneficial ownership'' of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of a majority of the total voting power of the Voting Stock of the Company or of Parent;
(2) the adoption of a plan relating to the liquidation or dissolution of the Company; or
(3) the merger or consolidation of Parent or the Company with or into another Person or the merger of another Person with or into Parent or the Company, or the sale of all or substantially all the assets of Parent or the Company (determined on a consolidated basis) to another Person other than (A) a transaction in which the survivor or transferee is a Person that is controlled by the Permitted Holders or (B) a transaction following which (i) in the case of a merger or consolidation transaction, holders of securities that represented 100% of the Voting Stock of Parent or the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction immediately after such transaction and in substantially the same proportion as before the transaction and (ii) in the case of a sale of assets transaction, each transferee becomes an obligor in respect of the Notes and a Subsidiary of the transferor of such assets.

Within 30 days following any Change of Control, the Company will mail a notice to each applicable Noteholder with a copy to each applicable Trustee (the ''Change of Control Offer'') stating:

(1)

that a Change of Control has occurred and that such Noteholder has the right to require the Company to purchase such Noteholder's Notes that will remain outstanding after giving effect to any redemption of Notes that the Company has elected to make as described under ''—Optional Redemption'' at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of applicable Noteholders of record on the relevant record date to receive interest on the relevant interest payment date);

(2) the circumstances and relevant facts regarding such Change of Control (including information with respect to pro forma historical income, cash flow and capitalization, in each case after giving effect to such Change of Control);

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(3) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions, as determined by the Company, consistent with the covenant described hereunder, that a Noteholder must follow in order to have its Notes of the applicable series purchased.

The Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indentures applicable to a Change of Control Offer made by the Company and purchases all Notes of the applicable series validly tendered and not withdrawn under such Change of Control Offer.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with any repurchase of Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the covenant described hereunder by virtue of its compliance with such securities laws or regulations.

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of Parent or the Company and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations among Parent, the Company and the Initial Purchasers. Neither Parent nor the Company have any present intention to engage in a transaction involving a Change of Control, although it is possible that Parent and the Company could decide to do so in the future. Subject to the limitations discussed below, Parent or the Company could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under either Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect the Company's capital structure or credit ratings. Restrictions on the Company's ability to Incur additional Indebtedness are contained in the covenants described under ''—Certain Covenants— Limitation on Indebtedness.'' Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the applicable series of Notes then outstanding. Except for the limitations contained in such covenants, however, neither Indenture contains any covenants or provisions that may afford the holders of Notes issued thereunder protection in the event of a highly leveraged transaction.

The Credit Agreement prohibits the Company from purchasing any Notes and also provides that the occurrence of certain change of control events with respect to Parent or the Company would constitute a default thereunder.

The Senior Indenture provides that in the event a Change of Control occurs at a time when the Company is prohibited from purchasing Senior Notes, the Company may seek the consent of its lenders to purchase the Senior Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent is not obtained or borrowings repaid, the Company will remain prohibited from purchasing the Senior Notes. In such case, the Company's failure to offer to purchase the Senior Notes after any applicable notice and lapse of time would constitute a Default under the Senior Indenture, which would, in turn, constitute a default under the Credit Agreement.

The Subordinated Indenture provides that in the event a Change of Control occurs at a time when the Company is prohibited by the terms of any Senior Indebtedness from purchasing Senior Subordinated Notes, then prior to the mailing of the notice to holders of Senior Subordinated Notes but in any event within 30 days following any Change of Control, the Company undertakes to (1) repay in full all Obligations, and terminate all commitments, under the Credit Facilities and all other Senior Indebtedness, the terms of which require repayment and/or termination of commitments upon a Change of Control or offer to repay in full all Obligations, and terminate all commitments, under the Credit Facilities and all other such Senior Indebtedness and to repay the Obligations owed

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to (and terminate all commitments of) each lender which has accepted such offer or (2) obtain the requisite consents under the agreements governing such Senior Indebtedness to permit the repurchase of the Senior Subordinated Notes. If such a consent is not obtained or borrowings repaid, the Company will remain prohibited from purchasing the Senior Subordinated Notes. In such case, the Company's failure to comply with the foregoing undertakings, after appropriate notice and lapse of time would result in a Default under the Subordinated Indenture, which would, in turn, constitute a default under the Credit Agreement. In such circumstances, the subordination provisions in the Subordinated Indenture would likely restrict payment to the holders of Senior Subordinated Notes.

Future indebtedness that the Company may incur may contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require the repurchase of such indebtedness upon a Change of Control. Moreover, the exercise by Noteholders of their right to require the Company to repurchase its Notes of either series could cause a default under such indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Company. Finally, the Company's ability to pay cash to the Noteholders following the occurrence of a Change of Control may be limited by the Company's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The definition of ''Change of Control'' includes a disposition of all or substantially all of the assets of the Company to any Person. Although there is a limited body of case law interpreting the phrase ''substantially all,'' there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of ''all or substantially all'' of the assets of the Company. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Noteholder may require the Company to make an offer to repurchase the Notes as described above.

The provisions under each Indenture relative to the Company's obligation to make an offer to repurchase the applicable Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes of the applicable series.

Certain Covenants

Each of the Indentures contains covenants including, among others, the following:

Limitation on Indebtedness

(a) The Company will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that the Company and its Subsidiary Guarantors will be entitled to Incur Indebtedness if, on the date of such Incurrence and after giving effect thereto on a pro forma basis, the Consolidated Coverage Ratio exceeds 2.0 to 1.

(b) Notwithstanding the foregoing paragraph (a), the Company and the Restricted Subsidiaries will be entitled to Incur any or all of the following Indebtedness:

(1) Indebtedness Incurred by the Company and any Restricted Subsidiaries pursuant to Credit Facilities; provided, however, that immediately after giving effect to any such Incurrence, the aggregate principal amount of all Indebtedness Incurred under this clause (1) and then outstanding does not exceed the greater of (x) $575.0 million less the sum of (i) all principal payments with respect to such Indebtedness pursuant to paragraph (a)(3)(A) of the covenant described under ‘‘—Limitation on Sales of Assets and Subsidiary Stock’’ and (ii) the aggregate principal amount of Indebtedness under Permitted Securitizations and (y) the sum of (i) 85% of (A) the consolidated book value of the accounts receivable of the Company and the Restricted Subsidiaries less (B) the aggregate principal amount of Indebtedness under Permitted Securitizations with respect to any SPE Subsidiary that is a consolidated entity in accordance with GAAP and (ii) 60% of the consolidated book value of the inventories of the Company and the Restricted Subsidiaries;

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(2) Indebtedness owed to and held by the Company or a Restricted Subsidiary; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon, (B) if the Company is the obligor on such Indebtedness and a Subsidiary Guarantor is not the obligee thereon, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the applicable Notes, and (C) if a Subsidiary Guarantor is the obligor on such Indebtedness and a Subsidiary Guarantor is not the obligee thereon, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations of such Subsidiary Guarantor with respect to its Subsidiary Guaranty related to such series of Notes;

(3) the Senior Notes, the Senior Subordinated Notes and the Exchange Notes (other than any Additional Notes);

(4) Indebtedness outstanding on the Issue Date (other than Indebtedness described in clause (1), (2) or (3) of this covenant);

(5) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Subsidiary was acquired by the Company (other than Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such

Subsidiary became a Subsidiary or was acquired by the Company); provided, however, that on the date of such acquisition and after giving pro forma effect thereto, either (a) the Consolidated Coverage Ratio would not be less than immediately prior to such transactions or (b) the Company would have been entitled to Incur at least $1.00 of additional Indebtedness pursuant to paragraph (a) of this covenant;

(6) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to paragraph (a) under ‘‘—Limitation on Indebtedness’’ or pursuant to clause (3), (4) or (5) or this clause (6); provided, however, that to the extent such Refinancing Indebtedness directly or indirectly Refinances Indebtedness of a Subsidiary Incurred pursuant to clause (5), such Refinancing Indebtedness shall be Incurred only by such Subsidiary;

(7) Hedging Obligations that are incurred in the ordinary course of business (and not for speculative purposes) (1) consists of Interest Rate Agreements (2) for the purpose of fixing or hedging currency exchange rate risk with respect to any currency exchanges or (3) for the purpose of fixing or hedging commodity price risk with respect to any commodity purchases;

(8) the Incurrence of Indebtedness in respect of workers' compensation claims, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance or self-insurance obligations, reclamation, statutory obligations, bankers' acceptances, performance, surety or similar bonds and letters of credit or completion or performance guarantees or other similar obligations, in each case in the ordinary course of business;

(9) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of its Incurrence;

(10) Indebtedness consisting of the Subsidiary Guaranty of a Subsidiary Guarantor and any Guarantee by a Subsidiary Guarantor of Indebtedness Incurred in accordance with the provisions of the applicable Indenture;

(11) Indebtedness (including Capital Lease Obligations) Incurred by the Company or any of its Restricted Subsidiaries to finance the purchase, lease or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock

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of any Person owning such assets (but no other material assets)) and Refinancing Indebtedness in respect thereof in an aggregate principal amount which, when added together with the amount of all other Indebtedness then outstanding and Incurred pursuant to this clause (11), does not exceed 5% of Consolidated Net Tangible Assets;

(12) Indebtedness Incurred by Foreign Subsidiaries in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, not to exceed $50.0 million;

(13) Permitted Securitizations; and

(14) Indebtedness of the Company or of any of the Subsidiary Guarantors in an aggregate principal amount which, when taken together with all other Indebtedness of the Company and its Subsidiary Guarantors outstanding on the date of such Incurrence (other than Indebtedness permitted by clauses (1) through (13) above or paragraph (a)) does not exceed $40.0 million.

(c) Notwithstanding the foregoing, neither the Company nor any Subsidiary Guarantor will Incur any Indebtedness pursuant to the foregoing paragraph (b) if the proceeds thereof are used, directly or indirectly, to Refinance (1) any Subordinated Obligations of the Company or any Subsidiary Guarantor unless such Indebtedness shall be

subordinated to the applicable series of Notes or the applicable Subsidiary Guaranty to at least the same extent as such Subordinated Obligations or (2) under the Subordinated Indenture only, any Senior Subordinated Indebtedness (other than the Senior Subordinated Notes) unless such Indebtedness shall be Senior Subordinated Indebtedness or shall be subordinated to both series of Notes, as applicable.

(d) For purposes of determining compliance with this covenant:

(1) any Indebtedness outstanding under the Credit Agreement on the date of the Indentures after the application of the net proceeds from the sale of the Notes will be treated as Incurred on the Issue Date under clause (1) of paragraph (b) above;
(2) in the event that an item of Indebtedness (or any portion thereof) meets the criteria of more than one of the types of Indebtedness described in clauses (a) and (b) above, the Company, in its sole discretion, will classify such item of Indebtedness (or any portion thereof) at the time of Incurrence and will only be required to include the amount and type of such Indebtedness in one of the above clauses;
(3) the Company will be entitled at the time of Incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described above, and with respect to any Indebtedness Incurred pursuant to any specific clause under paragraph (b) above, the Company may after such Indebtedness is Incurred reclassify all or a portion of such Indebtedness under a different clause of paragraph (b); and
(4) Indebtedness Incurred under clauses (11), (12) or (14) of paragraph (b) of this covenant shall be reclassified automatically as having been incurred pursuant to paragraph (a) of this covenant if at any date after such Indebtedness is Incurred; such Indebtedness could have been Incurred under paragraph (a) of this covenant, but only to the extent such Indebtedness could have been so Incurred;

(e) For purposes of determining compliance with any U.S. dollar denominated restriction on the Incurrence of Indebtedness where the Indebtedness Incurred is denominated in a different currency, the amount of such Indebtedness will be the U.S. Dollar Equivalent determined on the date of the Incurrence of such Indebtedness; provided, however, that if any such Indebtedness denominated in a different currency is subject to a Currency Agreement with respect to U.S. dollars covering all principal, premium, if any, and interest payable on such Indebtedness, the amount of such Indebtedness expressed in U.S. dollars will be as provided in such Currency Agreement. If Refinancing Indebtedness is Incurred to refinance Indebtedness that is denominated in a non-U.S. currency, and such refinancing would cause the applicable U.S. dollar-dominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-dominated restriction shall be deemed not to have been exceeded so long as the

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principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; except to the extent that such U.S. Dollar Equivalent was determined based on a Currency Agreement, in which case the Refinancing Indebtedness will be determined in accordance with the preceding sentence. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company and the Subsidiary Guarantors may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies.

Limitation on Layering (Subordinated Indenture Only)

The Subordinated Indenture provides that, notwithstanding anything to the contrary, the Company will not Incur any Indebtedness that is expressly subordinated in right of payment to any Senior Indebtedness of the Company, unless such Indebtedness so Incurred ranks pari passu in right of payment with, or is subordinated in right of payment to, the Senior Subordinated Notes. The Company will not permit any Subsidiary Guarantor to Incur any Indebtedness (other than intercompany indebtedness) that is expressly subordinated in right of payment to any Senior Indebtedness of such Subsidiary Guarantor, unless such Indebtedness so Incurred ranks pari passu in right of payment with such Subsidiary Guarantor's Subsidiary Guaranty of the Senior Subordinated Notes, or is subordinated in right of payment to such Subsidiary Guaranty. Indebtedness that is unsecured or secured by a junior Lien is not deemed to be subordinate or junior to secured Indebtedness merely because it is unsecured or secured by a junior Lien, and Indebtedness that is not guaranteed by a particular Person is not deemed to be subordinate or junior to Indebtedness that is so guaranteed merely because it is not so guaranteed.

Limitation on Liens (Senior Indenture Only)

The Senior Indenture provides that the Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create or permit to exist any Lien (other than Permitted Liens) on any of its property or assets (including Capital Stock of any other Person), whether owned on the date of the Senior Indenture or thereafter acquired, securing any Indebtedness (the ''Initial Lien''), unless contemporaneously therewith effective provision is made to secure the Senior Notes or, in respect of Liens on any Restricted Subsidiary's property or assets, any Subsidiary Guaranty of the Senior Notes of such Restricted Subsidiary, equally and ratably with (or on a senior basis to, in the case of Subordinated Obligations) such obligation for so long as such obligation is so secured by such Initial Lien. Any such Lien thereby created in favor of the Notes or any such Subsidiary Guaranty will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it related or (ii) any sale, exchange or transfer (other than a transfer constituting a transfer of all or substantially all of the assets of the Company that is governed by the provisions of the covenant described under ''—Merger and Consolidation'' below) to any Person not an Affiliate of the Company of the property or assets secured by such Initial Lien, or of all of the Capital Stock held by the Company or any Restricted Subsidiary in, or all or substantially all the assets of, any Restricted Subsidiary creating such Initial Lien.

Limitation on Liens (Subordinated Indenture Only)

The Subordinated Indenture provides that the Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create or permit to exist any Lien (other than Permitted Liens) on any of its property or assets (including Capital Stock of any other Person), whether owned on the date of the Subordinated Indenture or thereafter acquired, securing any Indebtedness of the Company or any Subsidiary Guarantor that by its terms is expressly subordinated in right of payment to or ranks pari passu in right of payment with the Senior Subordinated Notes or such Subsidiary Guarantor's Subsidiary Guaranty thereof (the ''Initial Lien''), unless contemporaneously therewith effective provision is made to secure the Indebtedness due under the Senior Subordinated Notes or, in respect of Liens or any Restricted Subsidiary's property or assets, any Subsidiary Guaranty of such Restricted Subsidiary, equally and ratably with (or on a senior basis to, in the case of Subordinated Obligations) such obligation for so long as such obligation is so

secured by such Initial Lien. Any such Lien thereby created in favor of the Senior Subordinated Notes or any such Subsidiary Guaranty will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates or (ii) any sale, exchange or transfer (other than a transfer constituting a transfer of all or substantially all of the assets of the Company that is governed by the provisions of the covenant described under ‘‘—Merger and Consolidation’’ below) to any Person not an Affiliate of the Company of the property or assets secured by such Initial Lien, or of all of the Capital Stock held by the Company or any Restricted Subsidiary in, or all or substantially all the assets of, any Restricted Subsidiary creating such Initial Lien.

Limitation on Restricted Payments

(a) The Company will not, and will not permit any Restricted Subsidiary, directly or indirectly, to make a Restricted Payment if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(1) a Default shall have occurred and be continuing (or would result therefrom);
(2) the Company is not entitled to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under ‘‘—Limitation on Indebtedness;’’ or
(3) the aggregate amount of such Restricted Payment and all other Restricted Payments since the Issue Date (except as specifically excluded in paragraph (b) of this covenant) would exceed the sum of (without duplication):
    (A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from January 1, 2005 to the end of the most recent fiscal quarter ended for which internal financial statements are available prior to the date of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit); plus
    (B) the sum of (x) 100% of the aggregate Net Cash Proceeds received by the Company from the issuance or sale of its Capital Stock (other than Disqualified Stock or Excluded Contributions) subsequent to the Issue Date (other than an issuance or sale to a Subsidiary of the Company and other than an issuance or sale to an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees), (y) 100% of the Fair Market Value of property constituting Additional Assets or Temporary Cash Investments received (including by way of merger) by the Company or a Restricted Subsidiary subsequent to the Issue Date in exchange for, or as a capital contribution in respect of, Capital Stock (other than Disqualified Stock) of the Company (other than any such property received from a Subsidiary of the Company); provided that if the Fair Market Value of any Additional Assets exceeds $25.0 million such Fair Market Value shall be confirmed by an Independent Qualified Party and (z) 100% of any cash capital contribution received by the Company from its shareholders subsequent to the Issue Date; plus
    (C) the amount by which Indebtedness of the Company is reduced on the Company’s consolidated balance sheet upon the conversion or exchange subsequent to the Issue Date of any Indebtedness of the Company or any Restricted Subsidiary convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the fair value of any other property, distributed by the Company upon such conversion or exchange); provided, however, that the foregoing amount shall not exceed the Net Cash Proceeds received by the Company or any Restricted Subsidiary from the sale of such Indebtedness (excluding Net Cash Proceeds from sales to a Subsidiary of the Company or to an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees); plus

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(D) an amount equal to the sum of (i) 100% of the cash and Fair Market Value of property other than cash received by the Company or any Restricted Subsidiary from repurchases, repayments or redemptions of Investments (other than Permitted Investments) made by the Company or any Restricted Subsidiary in any Person, and (ii) to the extent such Person is an Unrestricted Subsidiary, the Fair Market Value of the Company's and its Restricted Subsidiaries' Investment in such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; or is merged into or consolidated or amalgamated with or into, or transfers or conveys its assets to, the Company or a Restricted Subsidiary of the Company;

(b) The preceding provisions will not prohibit:

(1) any Restricted Payment made out of the Net Cash Proceeds of the substantially concurrent sale of, or made by exchange for, Capital Stock of the Company (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Company or an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) or a substantially concurrent cash capital contribution received by the Company from its shareholders; provided, however, that (A) such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale or such cash capital contribution (to the extent so used for such Restricted Payment) shall be excluded from the calculation of amounts under clause (3)(B) of paragraph (a) above;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Company or a Restricted Subsidiary made by exchange for, or out of the proceeds of the substantially concurrent Incurrence of, Indebtedness of such Person which is permitted to be Incurred pursuant to the covenant described under ''—Limitation on Indebtedness'' and, solely in the Subordinated Indenture, the covenant described under ''—Limitation on Layering (Subordinated Indenture Only);'' provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(3) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with this covenant; provided, however, that such dividend shall be included in the calculation of the amount of Restricted Payments;

(4) (x) the purchase, redemption or other acquisition of shares of Capital Stock of the Company or any of its Subsidiaries from employees, former employees, directors, former directors, consultants or former consultants of the Company or any of its Subsidiaries (or permitted transferees of such employees, former employees, directors, former directors, consultants or former consultants), pursuant to the terms of (i) agreements (including employment agreements) or (ii) plans (or amendments thereto) approved by the Board of Directors of the Company, in each case, under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock and (y) dividends to Parent to be used by Parent to execute the transactions described in clause (x); provided, however, that the aggregate amount of such Restricted Payments (excluding amounts representing cancellation of Indebtedness) shall not exceed the sum of (A) $3.0 million in any fiscal year, provided that any amount not so used in any fiscal year may be used in the next fiscal year and that the aggregate amount used pursuant to this clause (A) shall not exceed $15.0 million, (B) the Net Cash Proceeds from the sale of Capital Stock to members of management, consultants, former

consultants or directors of the Company and its Subsidiaries that occurs after the Issue Date (to the extent the Net Cash Proceeds from the sale of such Capital Stock have not otherwise been applied to the payment of Restricted Payments by virtue of clause (3)(B) of paragraph (a) above) and (C) the cash proceeds of any ‘‘key man’’ life insurance policies that are used to make such repurchases; provided further, however, that (x) such repurchases and other acquisitions shall be excluded in the

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calculation of the amount of Restricted Payments and (y) the Net Cash Proceeds from such sale and pursuant to this clause (4) shall be excluded from the calculation of amounts under clause (3)(B) of paragraph (a) above; provided further, however, that notwithstanding anything to the contrary, the amount of such Restricted Payments made to James McElya may be up to $5.0 million both in any single fiscal year and in the aggregate;

(5) the declaration and payments of dividends on Disqualified Stock and Preferred Stock of Restricted Subsidiaries that are not Subsidiary Guarantors issued pursuant to the covenant described under ‘‘—Limitation on Indebtedness;’’ provided, however, that at the time of payment of such dividend, no Default shall have occurred and be continuing (or result therefrom); provided further, however, that such dividends shall be excluded in the calculation of the amount of Restricted Payments to the extent they are deducted in calculating Consolidated Net Income;

(6) repurchases of Capital Stock deemed to occur upon exercise of stock options if such Capital Stock represents a portion of the exercise price of such options; provided, however, that such Restricted Payments shall be excluded in the calculation of the amount of Restricted Payments;

(7) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company; provided, however, that any such cash payment shall not be for the purpose of evading the limitation of the covenant described under this subheading; provided further, however, that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(8) in the event of a Change of Control, and if no Default shall have occurred and be continuing, the payment, purchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations (with respect to each series of Notes) of the Company or any Subsidiary Guarantor, in each case, at a purchase price not greater than 101% of the principal amount of such Subordinated Obligations, plus any accrued and unpaid interest thereon; provided, however, that prior to such payment, purchase, redemption, defeasance or other acquisition or retirement, the Company (or a third party to the extent permitted by the applicable Indenture) has made a Change of Control Offer with respect to the applicable Notes as a result of such Change of Control and has repurchased all such Notes validly tendered and not withdrawn in connection with such Change of Control Offer; provided further, however, each Indenture shall provide that such payments, purchases, redemptions, defeasances or other acquisitions or retirements shall be included in the calculation of the amount of Restricted Payments;

(9) payments of intercompany Indebtedness, the Incurrence of which was permitted under clause (2) of paragraph (b) of the covenant described under ‘‘—Limitation on Indebtedness;’’ provided, however, that such payments shall be excluded in the calculation of the amount of Restricted

Payments;

(10) dividends or distributions to Parent (x) to be used by Parent solely to pay its fees required to maintain its corporate existence and to pay for general corporate and overhead expenses (including salaries and other compensation of employees) incurred by Parent in the ordinary course of its business; and (y) in amounts equal to amounts required by Parent to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Company or any of its Subsidiary Guarantors and that has been guaranteed by, or is otherwise considered Indebtedness of, the Company incurred in accordance with the covenant described under ‘‘—Limitation on Indebtedness;’’ provided that such dividends shall be excluded in the calculation of the amount of Restricted Payments to the extent deducted in calculating Consolidated Net Income;

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(11) dividends, distributions or advances to Parent to be used by Parent to pay Federal, state and local taxes payable by Parent and directly attributable to (or arising as a result of) the operations of the Company and the Restricted Subsidiaries; provided, however, that such dividends pursuant to this clause (11) are used by Parent for such purposes within 10 days of the receipt of such dividends; provided further, however, that such dividends shall be included in the calculation of the amount of Restricted Payments to the extent not deducted in calculating Consolidated Net Income;

(12) without duplication as to amounts distributable with respect to taxes under clause (11) above, in the event Parent or the Company becomes a pass-through or disregarded entity for U.S. federal income tax purposes, Tax Distributions to members of Parent or the Company, as applicable, in an amount, with respect to any period after the last day of the fiscal quarter preceding the issuance of the Notes in 2004, not to exceed the Tax Amount for such period;

(13) cash dividends or other distributions on the Company’s Capital Stock used to, or the making of loans to Parent to, fund the payment of fees and expenses owed by the Company or its Restricted Subsidiaries to Affiliates, to the extent the payment of such fees and expenses are permitted by the covenant described under ‘‘—Limitation on Affiliate Transactions;’’ provided, however, that such amounts shall be excluded in the calculation of the amount of Restricted Payments to the extent deducted in calculating Consolidated Net Income;

(14) the payment of dividends or distributions on the Company’s common equity of up to 6.0% per calendar year of the net proceeds received by the Company from any public Equity Offering or contributed to equity capital of the Company by Parent from any public Equity Offering; provided, however, that such dividends or distributions shall be included in the calculation of Restricted Payments; provided, further, however, that at the time of payment of such dividends or distribution, no Default shall have occurred and be continuing (or result therefrom);

(15) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Company or a Restricted Subsidiary by, any Unrestricted Subsidiaries; provided, however, that such amounts shall be excluded in the calculation of the amount of Restricted Payments;

(16) Investments that are made with Excluded Contributions; provided, however, that such amounts shall be excluded in the calculation of the amount of Restricted Payments; and

(17) so long as no Default has occurred and is continuing, other Restricted Payments in an aggregate amount, taken together with all other Restricted Payments made pursuant to this

clause (17) since the Issue Date not to exceed $20 million; provided, however, that such payments shall be included in the calculation of the amount of Restricted Payments.

The amount of all Restricted Payments (other than those made in cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment covenant.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary that is not a Subsidiary Guarantor to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary (directly or indirectly) to (a) pay dividends or make any other distributions on its Capital Stock to the Company or a Restricted Subsidiary or pay any Indebtedness owed to the Company (it being understood that the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock), (b) make any loans or advances to the Company (it being understood that the subordination of loans or advances made to the Company or any Restricted Subsidiary to

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other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances) or (c) transfer any of its property or assets to the Company, except:

(1) with respect to clauses (a), (b) and (c):
  (A) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date;
  (B) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by the Company) and outstanding on such date;
  (C) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (A) or (B) of clause (1) of this covenant or this clause (C) or contained in any amendment to an agreement referred to in clause (A) or (B) of clause (1) of this covenant or this clause (C); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such refinancing agreement or amendment are no less favorable on the whole to the Noteholders than encumbrances and restrictions with respect to such Restricted Subsidiary contained in such predecessor agreements;
  (D) any encumbrance or restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;
  (E)

with respect to any Foreign Subsidiary, any encumbrance or restriction contained in the terms of any Indebtedness permitted to be Incurred under the applicable Indenture, or any agreement pursuant to which such Indebtedness was issued;

(F) restrictions or conditions governing any Indebtedness incurred in connection with Permitted Securitizations that were permitted under clause (13) of paragraph (b) of the covenant described under ‘‘—Limitation on Indebtedness’’ if such restrictions or conditions apply only to the Receivables and the Related Assets that are the subject of the Permitted Securitization, and restrictions or conditions imposed on any SPE Subsidiary in connection with any Permitted Securitization;

(G) provisions limiting the disposition or distribution of assets or property or transfer of Capital Stock in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements, limited liability company organizational documents, and other similar agreements entered into in the ordinary course of business, consistent with past practice or with the approval of the Company’s Board of Directors, which limitation is applicable only to the assets, property or Capital Stock that are the subject of such agreements;

(H) restrictions on cash, Temporary Cash Investment or other deposits or net worth imposed by customers or lessors under contracts or leases entered into in the ordinary course of business;

(I) customary provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business;

(J) any restriction arising under applicable law, regulation or order; and

(K) any encumbrance or restriction existing under or by reason of the Credit Facilities;

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(2) with respect to clause (c) only:

(A) any encumbrance or restriction consisting of customary nonassignment provisions in leases governing leasehold interests to the extent such provisions restrict the transfer of the lease or the property leased thereunder;

(B) any encumbrance or restriction contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements or mortgages;

(C) non-assignment provisions or subletting restrictions in contracts, leases and licenses entered into in the ordinary course of business; and

(D) encumbrances on property that exist at the time the property was acquired by the Company or a Restricted Subsidiary, provided such encumbrances were not put in place in anticipation of such acquisition; and

(3) any encumbrances or restrictions of the type referred to in clause (a), (b) and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in paragraphs (1) and (2) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings (other than with respect to the Credit Facilities) are, in the good faith judgment of the Company, no more restrictive on the whole with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement

or refinancing.

Limitation on Sales of Assets and Subsidiary Stock

(a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Disposition (in one or more related transactions), unless:

(1) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Disposition at least equal to the Fair Market Value (including as to the value of all non-cash consideration) of the shares and assets subject to such Asset Disposition;
(2) at least 75% of the consideration thereof received by the Company or such Restricted Subsidiary is in the form of cash or cash equivalents; and
(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company (or such Restricted Subsidiary, as the case may be):
  (A) to the extent the Company elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem or purchase Indebtedness under the Credit Facilities in the case of the Senior Indenture, or Senior Indebtedness in the case of the Subordinated Indenture, in each case of the Company or Indebtedness (other than any Disqualified Stock) of a Restricted Subsidiary (in each case other than Indebtedness owed to the Company or an Affiliate of the Company) within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash;
  (B) to the extent the Company elects, to acquire Additional Assets within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; and
  (C) to the extent the Company elects to make an offer to the applicable Noteholders (and (x) under the Senior Indenture, to holders of pari passu Indebtedness of the Company, or (y) under the Subordinated Indenture, to holders of other Senior Subordinated Indebtedness of the Company designated by the Company) to purchase Notes of the applicable series (and (x) under the Senior Indenture, to holders of other Senior

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Indebtedness of the Company designated by the Company, or (y) under the Subordinated Indenture, to holders of other Senior Subordinated Indebtedness of the Company designated by the Company) within one year from the later of the date of such Asset Disposition or receipt of such Net Available Cash pursuant to and subject to the conditions contained in the applicable Indenture;

provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A) or (C) above, the Company or such Restricted Subsidiary shall permanently retire such Indebtedness and shall cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the first paragraph of this covenant within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash, shall be used for the purpose contemplated in clause (a)(3)(C) of such paragraph. Notwithstanding the foregoing provisions of this covenant, the Company and the Restricted Subsidiaries will not be required to apply any Net Available Cash in accordance with this covenant except to the extent that the aggregate Net Available Cash from all Asset Dispositions which is not otherwise applied in accordance with this covenant exceeds $20.0 million. Pending application of Net Available Cash pursuant to this covenant, such Net Available Cash may be invested in Temporary Cash Investments

or applied to temporarily reduce revolving credit indebtedness.

For the purposes of this covenant, the following are deemed to be cash or cash equivalents:

(1) Temporary Cash Investments;
(2) the assumption or discharge of Indebtedness of the Company (other than obligations in respect of Disqualified Stock of the Company) or any Restricted Subsidiary (other than obligations in respect of Disqualified Stock or Preferred Stock of a Subsidiary Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness other than, in each case, Indebtedness constituting Subordinated Obligations, in connection with such Asset Disposition;
(3) securities received by the Company or any Restricted Subsidiary from the transferee that are promptly converted by the Company or such Restricted Subsidiary into cash, to the extent of cash received in that conversion within 90 days of the receipt of such securities; and
(4) any Additional Assets (so long as such Additional Assets are acquired for Fair Market Value in connection with the transaction giving rise to such Asset Disposition; provided, however, that the determination of Fair Market Value must be based on an opinion or appraisal issued by an Independent Qualified Party if such Fair Market Value exceeds $25.0 million), which Additional Assets shall be deemed to have been acquired pursuant to clause (3) (B) of the first paragraph of this covenant in connection with such Asset Disposition.

(b) Under the Senior Indenture, in the event of an Asset Disposition that requires the purchase of Senior Notes (and other Senior Indebtedness of the Company) pursuant to clause (a)(3)(C) above, the Company will purchase Senior Notes tendered pursuant to an offer by the Company for the Senior Notes (and such other Senior Indebtedness) at a purchase price of 100% of their principal amount (or, in the event such other Senior Indebtedness of the Company was issued with significant original issue discount, 100% of the accreted value thereof) without premium, plus accrued but unpaid interest (or, in respect of such other Senior Indebtedness of the Company, such lesser price, if any, as may be provided for by the terms of such Senior Indebtedness) in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Senior Indenture. If the aggregate purchase price of the securities tendered exceeds the Net Available Cash allotted to their purchase, the Company will select the securities to be purchased on a pro rata basis but in round denominations, which in the case of the Notes will be denominations of $1,000 principal amount or multiples thereof. The Company shall not be required to make such an offer to purchase Senior Notes (and other Senior Indebtedness of the Company) pursuant to this covenant if the Net Available Cash

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available therefor is less than $20.0 million (which lesser amount shall be carried forward for purposes of determining whether such an offer is required with respect to the Net Available Cash from any subsequent Asset Disposition). Upon completion of such an offer to purchase, Net Available Cash will be deemed to be reduced by the aggregate amount of such offer.

Under the Subordinated Indenture, in the event of an Asset Disposition that requires the purchase of Senior Subordinated Notes (and other Senior Subordinated Indebtedness of the Company) pursuant to clause (a)(3)(C) above, the Company will purchase Senior Subordinated Notes tendered pursuant to an offer by the Company for the Notes (and such other Senior Subordinated Indebtedness) at a purchase price of 100% of their principal amount (or, in the event such other Senior Subordinated Indebtedness of the Company was issued with significant original issue

discount, 100% of the accreted value thereof) without premium, plus accrued but unpaid interest (or, in respect of such other Senior Subordinated Indebtedness of the Company, such lesser price, if any, as may be provided for by the terms of such Senior Subordinated Indebtedness) in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Subordinated Indenture. If the aggregate purchase price of the securities tendered exceeds the Net Available Cash allotted to their purchase, the Company will select the securities to be purchased on a pro rata basis but in round denominations, which in the case of the Senior Subordinated Notes will be denominations of $1,000 principal amount or multiples thereof. The Company shall not be required to make such an offer to purchase Senior Subordinated Notes (and other Senior Subordinated Indebtedness of the Company) pursuant to this covenant if the Net Available Cash available therefor is less than $20.0 million (which lesser amount shall be carried forward for purposes of determining whether such an offer is required with respect to the Net Available Cash from any subsequent Asset Disposition). Upon completion of such an offer to purchase, Net Available Cash will be deemed to be reduced by the aggregate amount of such offer.

(c) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of its compliance with such securities laws or regulations.

Limitation on Affiliate Transactions

(a) The Company will not, and will not permit any Restricted Subsidiary to, enter into or permit to exist any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Company (an ‘‘Affiliate Transaction’’) involving aggregate consideration in excess of $1.0 million, either directly or indirectly, unless:

(1) the terms of the Affiliate Transaction are no less favorable to the Company or such Restricted Subsidiary, taken as a whole, than those that could be obtained at the time of the Affiliate Transaction in arm’s-length dealings with a Person who is not an Affiliate;
(2) if such Affiliate Transaction involves an amount in excess of $10.0 million, the terms of the Affiliate Transaction are set forth in writing and a majority of the non-employee directors of the Company disinterested with respect to such Affiliate Transaction have determined in good faith that the criteria set forth in clause (1) are satisfied and have approved the relevant Affiliate Transaction as evidenced by a resolution of the Board of Directors of the Company; and
(3) if such Affiliate Transaction involves an amount in excess of $25.0 million, the Board of Directors of the Company shall also have received a written opinion from an Independent Qualified Party to the effect that such Affiliate Transaction is fair, from a financial standpoint, to the Company and its Restricted Subsidiaries or is not less favorable to the Company and its Restricted Subsidiaries than could reasonably be expected to be obtained at the time in an arm’s-length transaction with a Person who was not an Affiliate.

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(b) The provisions of the preceding paragraph (a) will not prohibit:

(1) any Permitted Investment or Restricted Payment permitted to be made pursuant to the covenant described under ‘‘—Limitation on Restricted Payments;’’

(2) any payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, employee benefit plans, stock options and stock ownership plans in the ordinary course of business or consistent with past practice;

(3) loans or advances to employees in the ordinary course of business in accordance with the past practices of the Company or its Restricted Subsidiaries, but in any event not to exceed $5.0 million in the aggregate outstanding at any one time;

(4) the payment of reasonable fees to, and indemnity provided on behalf of, directors, officers, employees and consultants of the Company and its Restricted Subsidiaries who are not employees of the Company or its Restricted Subsidiaries in the ordinary course of business;

(5) any transaction with the Company, a Restricted Subsidiary or joint venture or similar entity which would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary owns an equity interest in or otherwise controls such Restricted Subsidiary, joint venture or similar entity;

(6) payment to Cypress Group L.L.C. and GS Capital Partners 2000, L.P. and any of their respective Affiliates of (x) monitoring or management, consulting, advisory or similar fees in an aggregate amount not to exceed $4.0 million in any fiscal year (plus reasonable out-of-pocket expenses incurred in connection therewith) and (y) fees in respect of financial advisory, financing, underwriting or placement services or in respect of other investment banking activities with respect to any completed transaction, including any acquisitions or divestitures, which payments do not exceed 1.5% of the value of such completed transaction (including, without limitation, fees paid in connection with the 2004 Transactions) and have been approved as evidenced by a resolution of the Board of Directors of the Company;

(7) the issuance or sale of any Capital Stock (other than Disqualified Stock) of the Company and the granting and performance of registration rights;

(8) pledges of Capital Stock of Unrestricted Subsidiaries for the benefit of lenders of Unrestricted Subsidiaries; and

(9) any agreement as in effect on the Issue Date and described in the offering memorandum, dated December 16, 2004 relating to the notes, or any renewals or extensions of any such agreement (so long as such renewals or extensions, taken as a whole, are not less favorable to the Company or the Restricted Subsidiaries) and the transactions evidenced thereby.

Limitation on Line of Business

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Related Business.

Merger and Consolidation

(a) The Company will not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of related transactions, directly or indirectly, all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the ‘‘Successor Company’’) shall be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Company) shall expressly assume, by an indenture supplemental thereto, executed and delivered to the applicable Trustee, in form satisfactory to the applicable Trustee, all the obligations of the Company under the applicable Notes and the applicable Indenture;

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(2) immediately after giving pro forma effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Subsidiary as a result of such transaction as having been Incurred by such Successor Company or such Subsidiary at the time of such transaction), no Default shall have occurred and be continuing;

(3) immediately after giving pro forma effect to such transaction, either (a) the Successor Company would be able to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under ‘‘—Limitation on Indebtedness’’ or (b) the Consolidated Coverage Ratio for the Successor Company would not be less than immediately prior to such transaction; and

(4) the Company shall have delivered to the applicable Trustee an Officers’ Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the applicable Indenture.

provided, however, that clauses (2) and (3) will not be applicable to (A) a Restricted Subsidiary consolidating with, merging into or transferring all or part of its properties and assets to the Company (so long as no Capital Stock of the Company or the Successor Company (if not the Company) is distributed to any Person) or (B) the Company merging with an Affiliate of the Company solely for the purpose and with the sole effect of reincorporating the Company in another jurisdiction.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

The Successor Company will be the successor to the Company and shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the applicable Indenture, and the predecessor Company, except in the case of a lease, shall be released from the obligation to pay the principal of and interest on the applicable Notes.

(b) The Company will not permit any Subsidiary Guarantor to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person unless:

(1) except in the case of a Subsidiary Guarantor (x) that has been disposed of in its entirety to another Person (other than to the Company or an Affiliate of the Company), whether through a merger, consolidation or sale of Capital Stock or assets or (y) that, as a result of the disposition of all or a portion of its Capital Stock, ceases to be a Subsidiary, the resulting, surviving or transferee Person (if not such Subsidiary) shall be a Person organized and existing under the laws of the jurisdiction under which such Subsidiary was organized or under the laws of the United States of America, or any State thereof or the District of Columbia, and such Person shall expressly assume, by a Guaranty Agreement, in a form satisfactory to the applicable Trustee, all the obligations of such Subsidiary, if any, under its applicable Subsidiary Guaranty and the applicable Indenture;

(2) immediately after giving effect to such transaction or transactions on a pro forma basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction), no Default shall have occurred and be continuing; and

(3)

the Company delivers to the applicable Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such Guaranty Agreement, if any, complies with the applicable Indenture.

(c) Pursuant to each Indenture, so long as the applicable Parent Guaranty is in effect, Parent will covenant not to merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person unless:

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(1) the resulting, surviving or transferee Person (if not Parent) shall be a Person organized and existing under the laws of the jurisdiction under which Parent was organized or under the laws of the United States of America, or any State thereof or the District of Columbia, and such Person shall expressly assume all the obligations of Parent, if any, under the applicable Parent Guaranty; and

(2) the Company delivers to the applicable Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such Guaranty Agreement, if any, complies with the applicable Indenture.

Future Guarantors

The Company will cause each domestic Restricted Subsidiary that Guarantees the Credit Facilities, to at the same time, execute and deliver to the applicable Trustee a Guaranty Agreement pursuant to which such Restricted Subsidiary will Guarantee payment of the applicable series of Notes on the same terms and conditions as those set forth in the applicable Indenture.

SEC Reports

Whether or not the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company will file with the SEC (subject to the next sentence) and provide the Trustees and Noteholders with such annual and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections, such reports to be so filed and provided at the times specified for the filings of such reports under such Sections and containing, in all material respects, all the information, audit reports and exhibits required for such reports. If at any time, the Company is not subject to the periodic reporting requirements of the Exchange Act for any reason, the Company will nevertheless continue filing the reports specified in the preceding sentence with the SEC within the time periods required unless the SEC will not accept such a filing. The Company agrees that it will not take any action for the purpose of causing the SEC not to accept any such filings. If, notwithstanding the foregoing, the SEC will not accept such filings for any reason, the Company will post the reports specified in the preceding sentence on its website within the time periods that would apply if the Company were required to file those reports with the SEC. Notwithstanding the foregoing, the Company may satisfy such requirements by filing with the SEC the registration statement of which this prospectus is a part or a shelf registration statement covering resales of the outstanding notes, to the extent that any such registration statement contains substantially the same information as would be required to be filed by the Company if it were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, and by providing the Trustees and Noteholders with such registration statement (and any amendments thereto) promptly following the filing thereof.

In addition, in the event that:

(a) the rules and regulations of the SEC permit a parent entity to report at such parent entity's level on a consolidated basis and

(b) such parent entity is not engaged in any business in any material respect other than incidental to its ownership of the capital stock of the Company,

such consolidated reporting by such parent entity in a manner consistent with that described in this covenant for the Company will satisfy this covenant.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in ''Management's Discussion and Analysis of Financial Condition and Results of Operations,'' of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

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In addition, the Company will furnish to the Noteholders and to prospective investors, upon the requests of such Noteholders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act.

Defaults

The following events are defined in each Indenture as an Event of Default with respect to the applicable series of Notes:

(1) a default in the payment of interest on the Notes of such series when due, continued for 30 days;
(2) a default in the payment of principal of any Note of such series when due at its Stated Maturity, upon optional redemption, upon required purchase, upon declaration of acceleration or otherwise;
(3) the failure by the Company or Parent to comply with its obligations under ''—Certain Covenants — Merger and Consolidation'' above;
(4) the failure by the Company to comply for 30 days after notice with any of its obligations in the covenants described above under ''Change of Control'' (other than a failure to purchase Notes validly tendered) or under ''—Certain Covenants'' under ''—Limitation on Indebtedness,'' ''—Limitation on Restricted Payments,'' ''—Limitation on Restrictions on Distributions from Restricted Subsidiaries,'' ''—Limitation on Sales of Assets and Subsidiary Stock'' (other than a failure to purchase Notes validly tendered), ''—Limitation on Affiliate Transactions,'' ''—Limitation on Line of Business,'' ''—Future Guarantors,'' or ''—SEC Reports;''
(5) the failure by the Company or any Significant Subsidiary to comply for 60 days after notice with its other agreements contained in the applicable Indenture;
(6) Indebtedness of the Company, any Significant Subsidiary (other than Indebtedness owing to the Company or any Restricted Subsidiary) is not paid within any applicable grace period after

its final stated maturity or is accelerated, or in the case of a Permitted Securitization, terminated (except voluntary termination), by the holders thereof because of a default and the total amount of such Indebtedness unpaid or accelerated, or terminated in the case of a Permitted Securitization, exceeds $17.5 million (the ‘‘cross acceleration provision’’);

(7) certain events of bankruptcy, insolvency or reorganization of Parent (so long as the Parent Guaranty is in effect), the Company or any Significant Subsidiary (the ‘‘bankruptcy provisions’’);

(8) any judgment or decree for the payment of money in excess of $17.5 million (net of any amounts that are covered by insurance or bonded, treating any deductibles, self-insurance or retention as not so covered) is entered against the Company or any Significant Subsidiary, remains outstanding for a period of 60 consecutive days following such judgment and is not discharged, waived or stayed (the ‘‘judgment default provision’’); or

(9) the Parent Guaranty or any Subsidiary Guaranty of any Significant Subsidiary with respect to the applicable Notes ceases to be in full force and effect (other than in accordance with the terms of such Parent Guaranty or Subsidiary Guaranty) or Parent or a Subsidiary Guarantor denies or disaffirms its obligations under the Parent Guaranty or its Subsidiary Guaranty.

However, with respect to either Indenture, as the case may be, a Default under clauses (4) and (5) will not constitute an Event of Default thereunder until the applicable Trustee or the holders of 25% in principal amount of the outstanding Notes of the applicable series notify the Company of the Default and the Company does not cure such Default within the time specified after receipt of such notice.

If an Event of Default occurs and is continuing, the applicable Trustee or the holders of at least 25% in principal amount of the outstanding Notes of the applicable series may declare the principal of

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and accrued but unpaid interest on all the applicable Notes to be due and payable by notice in writing to the Company and (if applicable) the Trustee specifying the respective Event of Default and that it is a ‘‘notice of acceleration’’ (the ‘‘Acceleration Notice’’). Upon proper delivery of such Acceleration Notice, such principal and interest shall be due and payable immediately; provided, however, that so long as any Designated Senior Indebtedness remains outstanding, no such acceleration shall be effective until the earlier of (1) five Business Days after the receipt by the Company and the Representative of the Designated Senior Indebtedness of such Acceleration Notice and (2) the day on which any Designated Senior Indebtedness is accelerated. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs and is continuing, the principal of and interest on all the Notes will ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustees or any Noteholders. Under certain circumstances, the holders of a majority in principal amount of the outstanding Notes of a series may rescind any such acceleration with respect to the Notes of such series and its consequences.

Subject to the provisions of the applicable Indenture relating to the duties of the applicable Trustee, in case an Event of Default occurs and is continuing, the applicable Trustee will be under no obligation to exercise any of the rights or powers under the applicable Indenture at the request or direction of any of the holders of the applicable Notes unless such holders have offered to the applicable Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder of Notes of a series may pursue any remedy with respect to the applicable Indenture or such Notes unless:

(1) such Noteholder has previously given the applicable Trustee notice that an Event of Default is continuing;
(2) holders of at least 25% in principal amount of the outstanding applicable Notes have requested the applicable Trustee to pursue the remedy;
(3) such Noteholders have offered the applicable Trustee reasonable security or indemnity against any loss, liability or expense;
(4) the applicable Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and
(5) holders of a majority in principal amount of the outstanding applicable Notes have not given the applicable Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes of the applicable series are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the applicable Trustee or of exercising any trust or power conferred on the applicable Trustee. The applicable Trustee, however, may refuse to follow any direction that conflicts with law or the applicable Indenture or that the applicable Trustee determines is unduly prejudicial to the rights of any other Noteholder or that would involve the applicable Trustee in personal liability.

If a Default occurs, is continuing and is known to the applicable Trustee, the applicable Trustee must mail to each applicable Noteholder notice of the Default within 90 days after it occurs. Except in the case of a Default in the payment of principal of or interest on any related Note, the applicable Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is not opposed to the interest of the applicable Noteholders. In addition, the Company is required to deliver to the applicable Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company is required to deliver to the applicable Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action the Company is taking or propose to take in respect thereof.

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Amendments and Waivers

Subject to certain exceptions, each Indenture may be amended with the consent of the holders of a majority in principal amount of the Notes issued thereunder and then outstanding (including consents obtained in connection with a tender offer or exchange for such Notes) and any past default or compliance with any provisions may also be waived with the consent of the holders of a majority in principal amount of the Notes issued thereunder and then outstanding (including consents obtained in connection with a tender offer or exchange for such Notes). However, without the consent of each holder of an outstanding applicable Note affected thereby, an amendment or waiver may not (with respect to any applicable Notes held by a non-consenting applicable Noteholder), among other things:

(1) reduce the amount of such Notes whose holders must consent to an amendment;
(2) reduce the rate of or extend the time for payment of interest on any such Note;
(3) reduce the principal of or change the Stated Maturity of any such Note;
(4) reduce the amount payable upon the redemption of any such Note or change the time at which any such Note may be redeemed as described under ‘‘—Optional Redemption’’ above;
(5) make any such Note payable in money other than that stated in such Note;

(6) impair the right of any applicable Noteholder to receive payment of principal of and interest on such Noteholder's Notes of such series on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Noteholder's Notes of such series;
(7) make any change in the amendment provisions which require each applicable Noteholder's consent or in the waiver provisions;
(8) make any change in the ranking or priority of any such Note that would adversely affect the applicable Noteholders; or
(9) make any change in, or release other than in accordance with the applicable Indenture, any related Subsidiary Guaranty of a Significant Subsidiary that would adversely affect the applicable Noteholders.

Notwithstanding the preceding, the Company, the Guarantors and the applicable Trustee may amend each Indenture without the consent of any Noteholder:

(1) to cure any ambiguity, omission, defect, mistake or inconsistency;
(2) to provide for the assumption by a successor corporation of the obligations of Parent, the Company, or any Subsidiary Guarantor under such Indenture;
(3) to provide for uncertificated Notes of the applicable series in addition to or in place of certificated Notes of the applicable series (provided that the uncertificated Notes of the applicable series are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes of the applicable series are described in Section 163(f)(2)(B) of the Code);
(4) to add Guarantees with respect to the applicable Notes, including any Subsidiary Guaranties, or to secure the applicable Notes;
(5) to add to the covenants of the Company or a Subsidiary Guarantor for the benefit of the applicable Noteholders or to surrender any right or power conferred upon the Company or a Subsidiary Guarantor;
(6) to make any change that does not adversely affect the rights of any applicable Noteholder;
(7) to comply with any requirement of the SEC in connection with the qualification of such Indenture under the Trust Indenture Act; or

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(8) to make any amendment to the provisions of the Indenture relating to the transfer and legending of the applicable Notes; provided, however, that (a) compliance with such Indenture as so amended would not result in such Notes being transferred in violation of the Securities Act or any other applicable securities law and (b) such amendment does not materially and adversely affect the rights of the applicable Noteholders to transfer the applicable Notes.

However, no amendment to or waiver of the subordination provisions of the Subordinated Indenture (or the component definitions used therein) may be made without the consent of the holders of Senior Indebtedness of the Company and the Guarantors (or their Representative).

The consent of the applicable Noteholders is not necessary under an Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment under an Indenture becomes effective, the Company is required to mail to the applicable Noteholders a notice briefly describing such amendment. However, the failure to give such notice to all applicable

Noteholders, or any defect therein, will not impair or affect the validity of the amendment.

Neither the Company nor any Affiliate of the Company may, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Noteholder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of an Indenture or the Notes unless such consideration is offered to all applicable Noteholders and is paid to all applicable Noteholders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

Satisfaction and Discharge

When the Company (1) delivers to the applicable Trustee all outstanding applicable Notes for cancellation or (2) all outstanding applicable Notes have become due and payable, whether at maturity or on a redemption date as a result of the mailing of notice of redemption, and, in the case of clause (2), the Company irrevocably deposits with the applicable Trustee funds sufficient to pay at maturity or upon redemption all outstanding applicable Notes, including interest thereon to maturity or such redemption date, and if in either case the Company pays all other sums payable under the applicable Indenture by it, then the applicable Indenture shall, subject to certain exceptions, cease to be of further effect.

Defeasance

Each Indenture provides that at any time, the Company may terminate all of its obligations under the applicable Notes and the applicable Indenture (‘‘legal defeasance’’), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the applicable Notes, to replace mutilated, destroyed, lost or stolen Notes of the applicable series and to maintain a registrar and paying agent in respect of such Notes.

In addition, under each Indenture, at any time the Company may terminate its obligations under ‘‘—Change of Control’’ and under the covenants described under ‘‘—Certain Covenants’’ (other than the covenant described under ‘‘—Merger and Consolidation’’), the operation of the cross acceleration provision, the bankruptcy provisions with respect to Parent and Significant Subsidiaries and the judgment default provision described under ‘‘—Defaults’’ above and the limitations contained in clause (3) of the first paragraph under ‘‘—Certain Covenants—Merger and Consolidation’’ above (‘‘covenant defeasance’’).

The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its legal defeasance option under an Indenture, payment of the applicable Notes may not be accelerated because of an Event of Default with respect thereto. If the Company exercises its covenant defeasance option under an Indenture, payment of the

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applicable Notes may not be accelerated because of an Event of Default specified in clause (4), (6), (7) (with respect only to Parent and Significant Subsidiaries) (8) or (9) under ‘‘—Defaults’’ above or because of the failure of the Company to comply with clause (3) of the first paragraph under ‘‘—Certain Covenants—Merger and Consolidation’’ above. If the Company exercises its legal defeasance option or its covenant defeasance option under an Indenture, each Guarantor will be released from all of its obligations with respect to the related Guaranty.

In order to exercise either of the Company's defeasance options, it must irrevocably deposit in trust (the ''defeasance trust'') with the applicable Trustee money or U.S. Government Obligations for the payment of principal and interest on the applicable Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the applicable Trustee of an Opinion of Counsel to the effect that applicable Noteholders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable Federal income tax law).

Concerning the Trustee

Wilmington Trust Company is the Trustee under each of the Indentures and has been appointed as registrar and paying agent with regard to the Notes.

Each Indenture contains certain limitations on the rights of the applicable Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; provided, however, if it acquires any conflicting interest it must either eliminate such conflict within 90 days, apply to the SEC for permission to continue or resign.

The holders of a majority in principal amount of the outstanding Notes under an Indenture will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the applicable Trustee, subject to certain exceptions. If an Event of Default occurs (and is not cured), the applicable Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the applicable Trustee will be under no obligation to exercise any of its rights or powers under the applicable Indenture at the request of any applicable Noteholder, unless such Noteholder shall have offered to the applicable Trustee security and indemnity satisfactory to it against any loss, liability or expense and then only to the extent required by the terms of the applicable Indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Company or any Guarantor will have any liability for any obligations of the Company or any Guarantor under the Notes, any Guaranty or Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Noteholder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver and release may not be effective to waive liabilities under the U.S. Federal securities laws, and it is the view of the SEC that such a waiver is against public policy.

Governing Law

The Indentures and the Notes are governed by, and construed in accordance with, the laws of the State of New York.

Certain Definitions

''2004 Transactions'' means the Acquisition, the entering into and initial funding under the Credit Agreement, the issuance of the Notes and each other transaction incident thereto.

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‘‘Acquisition’’ means the purchase by Parent of the Company and certain other subsidiaries of Cooper Tire & Rubber Company and Cooper Tyre & Rubber Company UK Limited. ‘‘Additional Assets’’ means:

(1) any property, plant or equipment used in a Related Business, including improvements, through capital expenditures or otherwise, relating thereto (whether previously owned or acquired at the time such improvements are being made);
(2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or
(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary;

provided, however, that any such Restricted Subsidiary described in clause (2) or (3) above is primarily engaged in a Related Business.

‘‘Additional Notes’’ means any Additional Senior Notes and any Additional Subordinated Notes, as applicable.

‘‘Additional Senior Notes’’ means any Senior Notes issued after the Issue Date.

‘‘Additional Subordinated Notes’’ means any Senior Subordinated Notes issued after the Issue Date.

‘‘Affiliate’’ of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, ‘‘control’’ when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms ‘‘controlling’’ and ‘‘controlled’’ have meanings correlative to the foregoing.

‘‘Asset Disposition’’ means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Company or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a ‘‘disposition’’), of:

(1) any shares of Capital Stock of a Restricted Subsidiary (other than directors’ qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary);
(2) all or substantially all the assets of any division or line of business of the Company or any Restricted Subsidiary; or
(3) any other assets of the Company or any Restricted Subsidiary outside of the ordinary course of business of the Company or such Restricted Subsidiary

(other than, in the case of clauses (1), (2) and (3) above,

(A) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(B) for purposes of the covenant described under ‘‘—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock’’ only, (i) a disposition that constitutes a Restricted Payment (or would constitute a Restricted Payment but for the exclusions from the definition thereof) and that is not prohibited by the covenant described under ‘‘—Certain Covenants—Limitation on Restricted Payments’’ and (ii) a disposition of all or substantially all the assets of the Company in accordance with the covenant described under ‘‘—Certain Covenants—Merger and Consolidation;’’

(C) any disposition that constitutes a Change of Control;

(D) a disposition of assets with a Fair Market Value of less than $2.0 million;

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(E) a disposition of cash or Temporary Cash Investments;

(F) sales or other dispositions of obsolete, uneconomical, negligible, worn-out or surplus assets in the ordinary course of business (including equipment and intellectual property);

(G) sales, transfers and other dispositions of Receivables and Related Assets (as defined in the definition of ''Permitted Securitization'') pursuant to Permitted Securitizations;

(H) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien); and

(I) any sale, transfer or other disposition of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary.)

''Attributable Debt'' in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended) (discounted at the interest rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP; provided that if such interest rate cannot be determined in accordance with GAAP, the present value shall be discounted at the interest rate borne by the Senior Subordinated Notes, compounded annually); provided, however, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of ''Capital Lease Obligation.''

''Average Life'' means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

(1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment by
(2) the sum of all such payments.

''Bank Indebtedness'' means all Obligations pursuant to, or in respect of, the Credit Agreement.

''Board of Directors'' with respect to a Person means the Board of Directors of such Person (or, if such Person is (i) a limited liability company, the manager of such company and (ii) a partnership, the board of directors or other governing body of the general partner of such Person) or any committee thereof duly authorized to act on behalf of such Board of Directors.

''Business Day'' means each day which is not a Saturday, a Sunday or a day on which commercial banking institutions are not required to be open in the State of New York or the city in which the headquarters of the Company are located.

‘‘Capital Lease Obligation’’ means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP.

‘‘Capital Stock’’ of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) the equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

‘‘Code’’ means the Internal Revenue Code of 1986, as amended.

‘‘Commodities Agreement’’ means, in respect of a Person, any commodity futures contract, forward contract, option or similar agreement or arrangement (including derivative agreements or arrangements), as to which such Person is a party or beneficiary.

‘‘Consolidated Coverage Ratio’’ as of any date of determination means the ratio of (a) the aggregate amount of EBITDA for the most recent four consecutive fiscal quarters ended for which

internal financial statements are available prior to the date of such determination to (b) Consolidated Interest Expense for such four fiscal quarters; provided, however, that:

(1) if the Company or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, or both, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period;

(2) if the Company or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Company or such Restricted Subsidiary had not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness;

(3) if since the beginning of such period the Company or any Restricted Subsidiary shall have made any Asset Disposition, EBITDA for such period shall be reduced by an amount equal to EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period, or increased by an amount equal to EBITDA (if negative), directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Company or any Restricted Subsidiary repaid, repurchased,

defeased or otherwise discharged with respect to the Company and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

(4) if since the beginning of such period the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any Investment or acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition had occurred on the first day of such period; and

(5) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (3) or (4) above if made by the Company or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition had occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of the

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Company. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months). Interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Capital Lease Obligation in accordance with GAAP. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurodollar interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Company may designate.

If any Indebtedness has been incurred under a revolving credit facility or revolving advances with respect to any Permitted Securitization and is being given pro forma effect, the interest on such Indebtedness shall be calculated based on the average daily balance of such Indebtedness for the four fiscal quarters subject to the pro forma calculation.

‘‘Consolidated Interest Expense’’ means, for any period, the total interest expense of the Company and its consolidated Restricted Subsidiaries included in the Company’s consolidated income statement in accordance with GAAP, plus, to

the extent not included in such total interest expense, and to the extent incurred by the Company or its Restricted Subsidiaries, without duplication:

(1) interest expense attributable to Capital Lease Obligations;
(2) amortization of debt discount and debt issuance cost;
(3) capitalized interest;
(4) non-cash interest expense;
(5) to the extent included in the calculation of net income under GAAP, commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;
(6) to the extent included in the calculation of net income under GAAP, net payments pursuant to Hedging Obligations;
(7) dividends accrued in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary that is not a Subsidiary Guarantor, in each case held by Persons other than the Company or a Restricted Subsidiary (other than dividends payable solely in Capital Stock (other than Disqualified Stock) of the Company); provided, however, that such dividends will be multiplied by a fraction the numerator of which is one and the denominator of which is one minus the effective combined tax rate of the issuer of such Preferred Stock (expressed as a decimal) for such period (as estimated by the chief financial officer of the Company in good faith);
(8) interest incurred in connection with Investments in discontinued operations;
(9) interest actually paid by the Company or any Restricted Subsidiary under any Guarantee of any Indebtedness of any Person other than the Company or any Restricted Subsidiary;
(10) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Company or any Subsidiary Guarantor) in connection with Indebtedness Incurred by such plan or trust; and
(11) commissions, discounts, yield and other fees and charges incurred in connection with Permitted Securitizations during such period which are payable to any Person other than the Company or a Subsidiary Guarantor and that are comparable to or in the nature of interest under any Permitted Securitization, including losses on the sale of assets relating to any receivables securitization transaction accounted for as a ''true sale'' (other than any one time financing fees paid upon entering into any Permitted Securitization);

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and less, (1) to the extent included in such total interest expense, (A) the amortization during such period of capitalized financing costs associated with the 2004 Transactions and (B) the amortization during such period of other capitalized financing costs as determined in good faith by the chief financial officer of the Company and (2) interest income for such period.

''Consolidated Net Income'' means, for any period, the net income (or loss) of the Company and its Subsidiaries on a consolidated basis in accordance with GAAP; provided, however, that there shall not be included in such Consolidated Net Income:

(1)

any net income (or loss) of any Person (other than the Company) if such Person is not a Restricted Subsidiary, except that:

(A) subject to the exclusion contained in clause (5) below,(i) the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person (or to the extent promptly converted into cash) during such period to the Company or a Restricted Subsidiary as a dividend or other distribution and (ii) any dividend, distribution or other payments in respect of Capital Stock paid in cash by such Person to the Company or a Restricted Subsidiary thereof in excess of the amount included in clause (i) (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below); and

(B) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from the Company or any Restricted Subsidiary;

(2) any net income (or loss) of any Person acquired by the Company or a Subsidiary in any transaction accounted for in a manner similar to a pooling of interests for any period prior to the date of such acquisition;

(3) solely for the purpose of calculating the amount available for Restricted Payments under clause (a)(3) of ''—Certain Covenants—Limitation on Restricted Payments,'' any net income of any Restricted Subsidiary if such Restricted Subsidiary is not a Subsidiary Guarantor and is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions in respect of its Capital Stock by such Restricted Subsidiary, directly or indirectly, to the Company (but, in the case of any Foreign Subsidiary, only to the extent cash equal to such net income (or a portion thereof) for such period is not readily procurable by the Company from such Foreign Subsidiary (with the amount of cash readily procurable from such Foreign Subsidiary being determined in good faith by the chief financial officer of the Company) pursuant to intercompany loans, repurchases of Capital Stock or otherwise (without duplication from clause (1))); provided that, subject to the exclusion contained in clause (5) below, the Company's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Restricted Subsidiary during such period to the Company or another Subsidiary Guarantor as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary, to the limitation contained in this clause (3));

(4) the Company's equity in a net loss of any such Restricted Subsidiary for such period except to the extent such loss has been funded with cash from the Company or any Subsidiary Guarantor;

(5) any gain (or loss) realized upon the sale or other disposition of any assets of the Company, its consolidated Subsidiaries or any other Person (including pursuant to any sale-and-leaseback arrangement) which is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person;

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(6) any net after-tax extraordinary, unusual or nonrecurring gains or losses (less all fees and expenses relating thereto) or income or expense or charge, including, without limitation, any

severance expense, restructuring charges, and fees, expenses or charges related to any offering of Capital Stock of such Person, any Investment, acquisition or Indebtedness permitted to be incurred hereunder (in each case, whether or not successful), including all fees, expenses and charges and related to the 2004 Transactions;

(7) the cumulative effect of a change in accounting principles;

(8) any non-cash impairment charges resulting from the application of Statements of Financial Accounting Standards No. 142 and No. 144 and the amortization of intangibles pursuant to Statement of Financial Accounting Standards No. 141;

(9) any long-term incentive plan accruals and any non-cash compensation expense realized from grants of stock appreciation or similar rights, stock options or other rights to officers, directors and employees of such Person or any of its Restricted Subsidiaries;

(10) any one-time non-cash charges (such as capitalized manufacturing profit in inventory) resulting from purchase accounting in connection with the 2004 Transactions or any acquisition that is consummated prior to or after the Issue Date; and

(11) accruals and reserves that are established within twelve months after the Acquisition's closing date and that are so required to be established as a result of the 2004 Transactions in accordance with GAAP;

in each case, for such period. Notwithstanding the foregoing, for the purposes of the covenant described under ''—Certain Covenants—Limitation on Restricted Payments'' only, there shall be excluded from Consolidated Net Income any repurchases, repayments or redemptions of Investments, proceeds realized on the sale of Investments or return of capital to the Company or a Restricted Subsidiary to the extent such repurchases, repayments, redemptions, proceeds or returns increase the amount of Restricted Payments permitted under such covenant pursuant to clause (a)(3)(D) thereof.

''Consolidated Net Tangible Assets'' as of any date of determination, means the Total Assets of the Company and the Restricted Subsidiaries after giving effect to purchase accounting and after deducting therefrom the consolidated current liabilities of the Company and the Restricted Subsidiaries and, to the extent otherwise included, the amounts of:

(1) minority interests in Restricted Subsidiaries held by Persons other than the Company of a Restricted Subsidiary;

(2) excess of cost over fair value of assets of business acquired, as determined in good faith by the Board of Directors;

(3) any revaluation or other write-up in book value of assets subsequent to the Issue Date as a result of a change in the method of valuation in accordance with GAAP;

(4) unamortized debt discount and expenses and other unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights, licenses, organization or developmental expenses and other intangible items;

(5) treasury stock;

(6) cash set apart and held in a sinking or other analogous fund established for the purpose of redemption or other retirement of Capital Stock to the extent such obligation is not reflected in the consolidated current liabilities of the Company and the Restricted Subsidiaries; and

(7) Investments in Unrestricted Subsidiaries.

''Consolidated Senior Secured Debt'' for the purposes of the Senior Indenture, means, at any time, as determined at such time, without duplication, the sum of (1) the aggregate principal amount of Indebtedness of the Company or any of its Restricted Subsidiaries that is secured by a Lien on the

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assets of the Company or any Restricted Subsidiary other than Indebtedness of any Foreign Subsidiary permitted to be incurred under clause (11) under ‘‘—Certain Covenants—Limitation on Indebtedness’’ and (2) the aggregate principal amount of any Permitted Securitizations.

‘‘Consolidated Senior Secured Leverage Ratio’’ for the purposes of the Senior Indenture means as of any date, the ratio of Consolidated Senior Secured Debt on such date to EBITDA for the most recent four consecutive fiscal quarters ended for which internal financial statements are available (the ‘‘Four Quarter Period’’) prior to the date of the transaction giving rise to the need to calculate the Consolidated Senior Secured Leverage Ratio. In addition to and not in limitation of the foregoing, for the purposes of this definition, ‘‘Consolidated Senior Secured Debt’’ shall be calculated after giving pro forma effect to any Incurrence of Indebtedness on the applicable Transaction Date and the use of proceeds therefrom, and:

(1) if the Company or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such Four Quarter Period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Senior Secured Leverage Ratio is an Incurrence of Indebtedness, or both, EBITDA for such Four Quarter Period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such Four Quarter Period;

(2) if the Company or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such Four Quarter Period (including by the sale of Capital Stock of any Restricted Subsidiary whereby the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale) or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Senior Secured Leverage Ratio, EBITDA for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such Four Quarter Period and as if the Company or such Restricted Subsidiary had not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness;

(3) if since the beginning of such Four Quarter Period the Company or any Restricted Subsidiary shall have made any Asset Disposition, EBITDA for such Four Quarter Period shall be reduced by an amount equal to EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such Four Quarter Period, or increased by an amount equal to EBITDA (if negative), directly attributable thereto for such Four Quarter Period;

(4) if since the beginning of such Four Quarter Period the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any Investment or acquisition of assets occurring in connection with a transaction requiring a calculation of the Consolidated Senior Secured Leverage Ratio to be made hereunder, EBITDA for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition had occurred on the first day of such Four Quarter Period; and

(5)

if since the beginning of such Four Quarter Period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such Four Quarter Period shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (3) or (4) above if made by the Company or a Restricted Subsidiary during such Four Quarter Period, EBITDA for such Four Quarter Period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition had occurred on the first day of such Four Quarter Period.

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For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income, earnings or EBITDA relating thereto, the pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of the Company.

‘‘Credit Agreement’’ means the senior debt facilities under the Credit Agreement to be entered into by and among, Parent, the Company, certain of its Subsidiaries, the lenders referred to therein, Deutsche Bank Trust Company Americas, as Administrative Agent and Collateral Agent, Lehman Commercial Paper Inc., as Syndication Agent, and Goldman Sachs Credit Partners L.P., The Bank of Nova Scotia and UBS Securities LLC, each as Co-Documentation Agents, together with the related documents thereto (including the term loans and revolving loans thereunder, any guarantees and security documents), as amended, extended, renewed, restated, supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any agreement (and related document) governing Indebtedness incurred to Refinance, in whole or in part, the borrowings and commitments then outstanding under such Credit Agreement or a successor Credit Agreement, whether by the same or any other lender or group of lenders.

‘‘Credit Facilities’’ means, with respect to the Company or any of its Restricted Subsidiaries, one or more debt facilities, including the Credit Agreement, or commercial paper facilities with banks or other institutional lenders or investors or indentures providing for revolving credit loans, term loans, receivables financing, including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against receivables, letters of credit, bank guaranties or other long-term indebtedness, including any guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount borrowable thereunder or alters the maturity thereof.

‘‘Currency Agreement’’ means any foreign exchange contract, currency swap agreement or other similar agreement with respect to currency values.

‘‘Default’’ means any event which is, or after notice or passage of time or both would be, an Event of Default.

‘‘Designated Senior Indebtedness,’’ as defined in the Subordinated Indenture, with respect to a Person means:

(1) the Bank Indebtedness; and
(2) any other Senior Indebtedness of such Person which, at the date of determination, has an

aggregate principal amount outstanding of, or under which, at the date of determination, the holders thereof are committed to lend up to, at least $50.0 million and is specifically designated by such Person in the instrument evidencing or governing such Senior Indebtedness as ''Designated Senior Indebtedness'' for purposes of the Subordinated Indenture.

''Disqualified Stock'' means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case at the option of the holder) or upon the happening of any event:

(1) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise;
(2) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or
(3) is redeemable or must be purchased upon the occurrence of certain events or otherwise at the option of the holder, in whole or in part;

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in each case on or prior to the first anniversary of the Stated Maturity of the applicable Notes; provided that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; provided, further, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an ''asset sale'' or ''change of control'' (each defined in a substantially similar manner to the corresponding definitions in the applicable Indenture) occurring prior to the first anniversary of the Stated Maturity of the applicable Notes shall not constitute Disqualified Stock if any such requirement only becomes operative after compliance with such terms applicable to such Notes, including the purchase of any such Notes tendered pursuant thereto.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the applicable Indenture; provided, however, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

''EBITDA'' for any period means the sum of Consolidated Net Income, plus the following to the extent deducted in calculating such Consolidated Net Income and otherwise without duplication:

(1) all tax expense of the Company and its consolidated Restricted Subsidiaries for taxes based on income, profits or capital, including without limitation state, franchise and similar taxes (including state franchise taxes), of such Person and its Restricted Subsidiaries or, if applicable, the Tax Amount, for such period;
(2) Consolidated Interest Expense;
(3) depreciation and amortization expense of the Company and its consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid item that was paid in cash in a prior period);

(4) all other non-cash charges of the Company and its consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period) less all non-cash items of income of the Company and its consolidated Restricted Subsidiaries (other than accruals of revenue by the Company and its consolidated Restricted Subsidiaries in the ordinary course of business);

(5) any non-recurring fees, cash charges and other cash expenses made or incurred by the Company and its consolidated Restricted Subsidiaries in connection with the 2004 Transactions that are paid or otherwise accounted for within 90 days of the Issue Date in an aggregate amount not to exceed $55.0 million; and

(6) any net after-tax income or loss (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of Indebtedness and Hedging Obligations.

in each case for such period. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary of the Company that is not a Subsidiary Guarantor shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if (x) a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its shareholders or (y) in the case of any Foreign Subsidiary, a corresponding amount of cash is readily procurable by the Company from such Foreign Subsidiary (as determined in good faith by the chief financial officer of the

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Company) pursuant to intercompany loans, repurchases of Capital Stock or otherwise, provided that to the extent cash of such Foreign Subsidiary provided the basis for including the net income of such Foreign Subsidiary in Consolidated Net Income pursuant to clause (3) of the definition of ‘‘Consolidated Net Income,’’ such cash shall not be taken into account for the purposes of determining readily procurable cash under this clause (y).

‘‘Equity Offering’’ means any public or private sale after the Issue Date of common stock or Preferred Stock of the Company or Parent, as applicable (other than Disqualified Stock), other than public offerings with respect to Parent’s, the Company’s or such direct or indirect parent company’s common stock registered on Form S-8 and any such public or private sale that constitutes an Excluded Contribution.

‘‘Exchange Act’’ means the U.S. Securities Exchange Act of 1934, as amended.

‘‘Exchange Notes’’ means the debt securities of the Company issued pursuant to an Indenture in exchange for, and in an aggregate principal amount equal to, the Notes or Additional Notes issued thereunder, in compliance with the terms of a registration rights agreement, or any similar agreement or otherwise.

‘‘Excluded Contributions’’ means the Net Cash Proceeds received by the Company after the Issue Date from:

(1) contributions to its common equity capital, and

(2) the sale (other than to a Subsidiary of the Company or to any Company or Subsidiary management equity plan or stock option plan or any other management or employee benefit

plan or agreement) of Capital Stock (other than Disqualified Stock) of the Company;

in each case designated as Excluded Contributions pursuant to an Officers' Certificate executed by an Officer of the Company, the cash proceeds of which are excluded from the calculation set forth in clause (a)(3) of the first paragraph of ''—Certain Covenants—Limitation on Restricted Payments.''

''Fair Market Value'' means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Company and (i) in the event of transactions involving a Fair Market Value of more than $5.0 million, set forth in an Officer's Certificate, and (ii) in the event of transactions involving a Fair Market Value of more than $10.0 million, as determined by the Board of Directors of the Company (unless otherwise provided in the Indenture).

''Foreign Subsidiary'' means any Restricted Subsidiary that is not organized under the laws of the United States of America or any State thereof or the District of Columbia and any direct or indirect Subsidiary of such Restricted Subsidiary.

''GAAP'' means generally accepted accounting principles in the United States of America as in effect as of the Issue Date.

''Guarantee'' means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
(2) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term ''Guarantee'' shall not include endorsements for collection or deposit in the ordinary course of business. The term ''Guarantee'' used as a verb has a corresponding meaning.

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''Guarantors'' means Parent and the Subsidiary Guarantors.

''Guaranty'' means the Parent Guaranty and the Subsidiary Guaranties.

''Guaranty Agreement'' means a supplemental indenture entered into after the Issue Date, in a form satisfactory to the applicable Trustee, pursuant to which a Subsidiary Guarantor guarantees the Company's obligations with respect to the applicable Notes on the terms provided for in the applicable Indenture.

''Hedging Obligations'' of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

''Incur'' means issue, assume, Guarantee, incur, acquire or otherwise become liable (contingently or otherwise) for;

provided, however, that any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary. The term ‘‘Incurrence’’ when used as a noun shall have a correlative meaning. Solely for purposes of determining compliance with ‘‘—Certain Covenants—Limitation on Indebtedness’’:

(1) amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;
(2) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms; and
(3) the obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of redemption or making of a mandatory offer to purchase such Indebtedness;

will not be deemed to be the Incurrence of Indebtedness.

‘‘Indebtedness’’ means, with respect to any Person on any date of determination (without duplication):

(1) the principal in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;
(2) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such Person;
(3) the balance of deferred and unpaid purchase price of property or services, of such Person and all obligations of such Person under any title retention agreement (but, in each case, excluding any accounts payable or other liability to trade creditors arising in the ordinary course of business); provided that any Indebtedness Incurred to pay or otherwise discharge such obligations shall constitute Indebtedness;
(4) the principal component of all obligations of such Person in respect of any letter of credit, bankers’ acceptance or similar credit transaction (including reimbursement obligations with respect thereto) (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (1) through (3) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following payment on the letter of credit);
(5) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person or, with respect to any Preferred Stock of any Subsidiary of such Person that is not a Subsidiary Guarantor, the principal amount of such Preferred Stock to be determined in accordance with the Indenture (but excluding, in each case, any accrued dividends);

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(6) to the extent not otherwise included in this definition, Hedging Obligations of such Person;
(7) all obligations of the type referred to in clauses (1) through (6) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible

or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;

(8) all obligations of the type referred to in clauses (1) through (7) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or assets at such date of determination and the amount of the obligation so secured; and

(9) to the extent not otherwise included, with respect to the Company and its Restricted Subsidiaries, the amount of any Permitted Securitization.

Notwithstanding the foregoing, in connection with the purchase by the Company or any Restricted Subsidiary of any business, the term ''Indebtedness'' will exclude post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing or similar obligations; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all obligations as described above; provided, however, that in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time.

Notwithstanding the foregoing, for purposes of the definitions of ''Obligations'' and ''Senior Indebtedness'' as used herein (and only such definitions), the term ''Indebtedness'' shall include (i) all obligations of such Person in respect of any letter of credit, bankers' acceptance or similar credit transaction (including reimbursement obligations and fees with respect thereto), (ii) all Hedging Obligations of such Person and (iii) all obligations of such Person pursuant to any Commodities Agreement.

''Indentures'' means the Senior Indenture and the Subordinated Indenture, unless the context otherwise requires.

''Independent Qualified Party'' means an investment banking firm, accounting firm or appraisal firm of national standing; provided, however, that such firm is not an Affiliate of the Company.

''Initial Purchasers'' means Deutsche Bank Securities Inc., Lehman Brothers Inc., Goldman, Sachs & Co., UBS Securities LLC, BNP Paribas Securities Corp. and Scotia Capital (USA) Inc. and such other initial purchasers party to the purchase agreement entered into in connection with the offer and sale of the Senior Subordinated Notes.

''Interest Rate Agreement'' means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate collar agreement, interest rate hedge agreement, interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates.

''Investment'' in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in

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such third Person at such time. Except as otherwise provided for herein, the amount of an Investment shall be its Fair Market Value at the time the Investment is made and without giving effect to subsequent changes in value.

For purposes of the definition of ''Unrestricted Subsidiary,'' the definition of ''Restricted Payment'' and the covenant described under ''—Certain Covenants—Limitation on Restricted Payments:''

(1) ''Investment'' shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent ''Investment'' in an Unrestricted Subsidiary equal to an amount (if positive) equal to (A) the Company's ''Investment'' in such Subsidiary at the time of such redesignation less (B) the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer.

''Issue Date'' means the first date on which the Notes are originally issued.

''Lien'' means, with respect to any property or assets, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement (other than any easement not materially impairing usefulness or marketability), encumbrance, preference, priority or other security agreement of any kind or nature whatsoever on or with respect to such property or assets (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing); provided that in no event shall an operating lease, in and of itself, be deemed to constitute a Lien.

''Moody's'' means Moody's Investors Service, Inc. and any successor to its rating agency business.

''Net Available Cash'' from an Asset Disposition means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to such properties or assets or received in any other non-cash form), in each case net of:

(1) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such Asset Disposition;