GREAT LAKES CHEMICAL CORP
Form S-4/A
May 24, 2011
Table of Contents

As filed with the Securities and Exchange Commission on May 24, 2011.

Registration No. 333-172710

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 3 TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Chemtura Corporation*

(Exact name of each registrant as specified in its charter)

Delaware	2820	52-2183153
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Number)	(I.R.S. Employer Identification No.)

1818 Market Street, Suite 3700, Philadelphia, PA 19103

199 Benson Road, Middlebury, CT 06749

(203) 573-2000

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

Billie S. Flaherty

Senior Vice President, General Counsel and Secretary

Chemtura Corporation

199 Benson Road

Middlebury, CT 06749

(203) 573-2000

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

Copies to:

Robert M. Hayward, P.C.

Kirkland & Ellis LLP

300 North LaSalle

Chicago, Illinois 60654

Telephone: (312) 862-2000

Approximate date of commencement of proposed sale of the securities to the public: The exchange will occur as soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, 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(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. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ¨	Accelerated filer x
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer) ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit (1)	Proposed maximum aggregate offering price (1)	Amount of registration fee
7.875% Senior Notes due 2018	$455,000,000	100%	$455,000,000	$52,826(1)(2)
Guarantees of 7.875% Senior Notes due 2018 (3)				(4)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(2) under the Securities Act.
(2) Of this amount, $7,130 was previously paid in connection with Chemtura Corporation s Registration Statement on Form S-1 (File No. 333-168557) filed with the Securities and Exchange Commission on August 5, 2010 and has been set off from the currently due filing fee pursuant to Rule 457(p). The remainder of this amount was paid in connection with the initial filing of this Registration Statement.
(3) The 7.875% Senior Notes due 2018 will be issued by Chemtura Corporation. See the inside facing page for registrant guarantors. No separate consideration will be received from the issuance of the guarantees.
(4) Pursuant to Rule 457(n) of the Securities Act, no separate fee is payable with respect to the guarantees being registered hereby.
* The entities listed on the next page in the table of additional registrants are also included in this Form S-4 Registration Statement as additional Registrants.

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 Section 8(a), may determine.

Table of Contents

Exact Name of Additional Registrants*	Jurisdiction of Formation	I.R.S. Employer Identification No.
BioLab Franchise Company, LLC	Delaware	77-0706709
Bio-Lab, Inc.	Delaware	22-2268754
Crompton Colors Incorporated	Delaware	06-1413341
Crompton Holding Corporation	Delaware	06-1413342
GLCC Laurel, LLC	Delaware	16-1695687
Great Lakes Chemical Corporation	Delaware	95-1765035
Great Lakes Chemical Global, Inc.	Delaware	35-2024486
HomeCare Labs, Inc.	Delaware	57-1095038
Laurel Industries Holdings, Inc.	Delaware	76-0213635
Recreational Water Products, Inc.	Delaware	22-2268754
Weber City Road LLC	Louisiana	62-1864381

* The address for each of the additional Registrants is c/o Chemtura Corporation, 199 Benson Road, Middlebury, CT 06749, telephone: (203) 573-2000. The primary standard industrial classification number for each of the additional Registrants is 2820. The name, address, including zip code, of the agent for service for each of the additional Registrants is Billie S. Flaherty, Senior Vice President, General Counsel and Secretary, Chemtura Corporation, 199 Benson Road, Middlebury, CT 06749, telephone: (203) 573-2000.

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these 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 24, 2011.

PROSPECTUS

Offer to Exchange

Up to $455,000,000 aggregate principal amount

of our 7.875% Senior Notes due 2018

(which we refer to as exchange notes)

and the guarantees thereof which have been registered

under the Securities Act of 1933, as amended,

for all of our outstanding unregistered

7.875% Senior Notes due 2018 issued on August 27, 2010

(which we refer to as old notes)

and the guarantees thereof.

The Exchange Offer:

We will exchange all old notes that are validly tendered and not validly withdrawn for an equal principal amount of exchange notes.

You may withdraw tenders of old notes at any time prior to the expiration date of the exchange offer.

The exchange offer expires at 5:00 p.m., New York City time, on , 2011, unless extended. We do not currently intend to extend the expiration date.

The exchange of old notes for exchange notes in the exchange offer should not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The Exchange Notes:

We are offering the exchange notes to satisfy certain of our obligations under the registration rights agreement entered into in connection with the private offering of the old notes.

The terms of the exchange notes are substantially identical to the old notes, except that transfer restrictions, registration rights and additional interest provisions relating to the old notes do not apply to the exchange notes.

The exchange notes and the guarantees will be our unsecured senior obligations and will:

- rank senior in right of payment to all of our existing and future subordinated indebtedness;
- be effectively subordinated to all of our future secured indebtedness to the extent of the value of the assets securing such indebtedness;
- be fully and unconditionally guaranteed on a senior unsecured basis, jointly and severally, by each current and future domestic restricted subsidiary other than Excluded Subsidiaries (as defined herein) that guarantees any indebtedness of Chemtura or its restricted subsidiaries; and
- be structurally subordinated to all existing and future liabilities (including trade payables) of our subsidiaries that do not guarantee the notes.

The exchange notes will mature on September 1, 2018.

The exchange notes will bear interest at a rate of 7.875% per annum. We will pay interest on the exchange notes semi-annually on March 1 and September 1 of each year, beginning on September 1, 2011.

We may redeem the exchange notes in whole or in part from time to time. See Description of Exchange Notes.

See Risk Factors beginning on page 12 for a discussion of certain risks you should consider before participating in the exchange offer.

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

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. A broker-dealer who acquired old notes as a result of market making or other trading activities may use this prospectus, as supplemented or amended from time to time, in connection with any resales of the exchange notes.

We have agreed that, for a period of up to 180 days after the closing of the exchange offer, we will make this prospectus available for use in connection with any such resale. See Plan of Distribution.

, 2011

Table of Contents

TABLE OF CONTENTS

Incorporation of Information by Reference	i
Cautionary Statement Regarding Forward-Looking Statements	iii
Prospectus Summary	1
Risk Factors	12
Ratio of Earnings to Fixed Charges	30
Use of Proceeds	31
Capitalization	32
Description of Exchange Notes	33
The Exchange Offer	90
Material U.S. Federal Income Tax Considerations	99
Plan of Distribution	103
Legal Matters	104
Experts	104
Where You Can Find More Information	104

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to participate in the exchange offer, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

INCORPORATION BY REFERENCE

The Securities and Exchange Commission (the SEC) allows us to incorporate by reference information that we file with them, which means that we can disclose important information to you by referring you to documents previously filed with the SEC. The information incorporated by reference is an important part of this prospectus, and the information that we later file with the SEC will automatically update and supersede this information. This prospectus incorporates by reference the documents and reports listed below (other than portions of these documents deemed to be furnished or not deemed to be filed, including the portions of these documents that are either (1) described in paragraphs (d)(1), (d)(2), (d)(3) or (e)(5) of Item 407 of Regulation S-K promulgated by the SEC or (2) furnished under Item 2.02 or Item 7.01 of a Current Report on Form 8-K, including any exhibits included with such Items):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2010;
- our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2011, as amended by Amendment No. 1 on Form 10-Q/A;
- our Current Reports on Form 8-K filed on February 28, 2011, March 9, 2011 and March 28, 2011; and
- our Current Reports on Form 8-K/A filed on May 16, 2011 and May 16, 2011.

We also incorporate by reference the information contained in all other documents we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act) (other than portions of these documents deemed to be furnished or not deemed to be filed, including the portions of these documents that are either (1) described in paragraphs (d)(1), (d)(2), (d)(3) or (e)(5) of Item 407 of Regulation S-K promulgated by the SEC or (2) furnished under Item 2.02 or Item 7.01 of a Current Report on Form 8-K, including any exhibits included with such Items, unless otherwise specifically indicated therein) after the date of this prospectus and prior to the termination of this offering. The information contained in any such document will be considered part of this prospectus from the date the document is filed with the SEC.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded to the extent that a statement contained

Table of Contents

herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We undertake to provide without charge to any person, including any beneficial owner, to whom a copy of this prospectus is delivered, upon oral or written request of such person, a copy of any or all of the documents that have been incorporated by reference in this prospectus, other than exhibits to such other documents (unless such exhibits are specifically incorporated by reference therein). We will furnish any exhibit not specifically incorporated by reference upon the payment of a specified reasonable fee, which fee will be limited to our reasonable expenses in furnishing such exhibit. All requests for such copies should be directed to: Corporate Secretary, Chemtura Corporation, 199 Benson Road, Middlebury, CT 06749. In order to obtain timely delivery, you must request such exhibit no later than five business days before the date you must make your investment decision. **You must submit such request no later than , 2011.**

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein include forward-looking statements that are subject to risks and uncertainties. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can generally be identified by the use of words such as may, believe, will, expect, project, estimate, intend, anticipate, plan, continue or similar particular, information appearing under Risk Factors includes forward-looking statements. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these statements.

Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is based on the current plans and expectations of our management and expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. More information on factors that could cause actual results or events to differ materially from those anticipated is included from time to time in our reports filed with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2010, particularly under the caption Risk Factors. These risks, uncertainties and other factors include, but are not limited to:

- the cyclical nature of the global chemicals industry;
- increases in the price of raw materials or energy and our ability to recover cost increases through increased selling prices for our products;
- disruptions in the availability of raw materials or energy;
- declines in general economic conditions;
- the effects of competition;
- inability to register products in member states of the European Union under REACh legislation;
- disruptions due to adverse weather conditions;
- decline in demand for Chemtura AgroSolutions™ products due to changes in governmental policies;
- current and future litigation, governmental investigations, prosecutions and administrative claims, including antitrust-related governmental investigations and lawsuits;
- environmental, health and safety regulation matters;
- recent and future federal regulations aimed at increasing security at certain chemical production plants;

changes in foreign laws and regulatory requirements, export controls or international tax treaties;

potential failure to establish and maintain adequate internal controls over financial reporting;

exchange rate and other currency risks;

potential loss of our trained, dedicated sales force;

operating risks at our production facilities;

possible failure to protect our patents or other intellectual property rights or claims that we are infringing upon the rights of others;

weaker protection of our patents outside of the United States;

possible inability to remain technologically innovative and to offer improved products and services in a cost-effective manner;

Table of Contents

any lack of sole decision-making ability in any joint ventures, reliance on joint venture partners financial condition and disputes between us and our joint venture partners;

risks related to our unfunded and underfunded defined benefit pension plans and post-retirement welfare benefit plans;

the potential requirement to increase the amount and timing of funding of the pension plan of our U.K. subsidiary;

potential climate change legislation, regulation and international accords; and

potential impairment of our goodwill or intangible assets.

All forward-looking statements speak only as of the date of this prospectus and are expressly qualified in their entirety by the cautionary statements included in this prospectus and each of the documents incorporated herein by reference. We undertake no obligation to update or revise forward-looking statements that may be made to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, other than as required by law.

MARKET DATA

The data included in or incorporated into this prospectus regarding markets and ranking, including the size of certain markets and our position and the position of our competitors within these markets, are based on independent industry publications, other publicly available information and our own estimates. Our estimates are based on information obtained from our customers, distributors, suppliers, trade and business organizations and other contacts in the markets in which we operate and our management s knowledge and experience. We believe these estimates to be accurate as of the date of this prospectus.

TRADEMARKS

We own or have rights to use the trademarks, service marks and trade names that we use in conjunction with the operation of our businesses. In addition, our names, logos and web site names and addresses are our service marks or trademarks. Some of the more important trademarks that we own or to which we have rights include *Anderol®, Aqua Chem®, BAYROL®, BioGuard®, Chemtura AgroSolutions™ , Cristal®, Greased Lightning®, Guardex®, Hatcol®, Miami®, Mineral Springs®, Naugalube®, Omni®, Poolbrite®, Pool Time®, Pro Guard®, Royco®, Spa Essentials®, SpaGuard®, Spa-Time®, Synton®* and *The Works®*. Each trademark, service mark or trade name of any other company appearing in or incorporated into this prospectus is, to our knowledge, owned or licensed by such other company.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and the documents we incorporate by reference. It does not contain all of the information you should consider before taking part in this exchange offer. You should read the entire prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of our business and this offering. Participation in this exchange offer involves substantial risk. You should read the section entitled Risk Factors and additional information contained in our Annual Report on Form 10-K for the year ended December 31, 2010 incorporated by reference in this prospectus for more information about important factors you should consider before exchanging your old notes.

Our Company

We are a leading diversified global developer, manufacturer and marketer of performance-driven engineered specialty chemicals. Most of our products are sold to industrial manufacturing customers for use as additives, ingredients or intermediates that add value to their end products. Our agrochemical products are sold through dealers and distributors to growers and others. Our pool, spa and household chemical products are sold through local dealers, large retailers, independent retailers and mass merchants to consumers for in-home and outdoor use. Our operations are located in North America, Latin America, Europe and Asia. In addition, we have important joint ventures primarily in the United States and the Middle East, but also in Asia and Europe. We are committed to global sustainability through greener technology and developing engineered chemical solutions that meet our customers evolving needs. For the year ended December 31, 2010, our global net sales were $2.8 billion. As of December 31, 2010, our global total assets were $2.9 billion.

Competitive Strengths

We believe our key competitive strengths are:

Our Key Businesses Have Industry Leading Positions: Many of our key businesses and products hold leading positions within the various industries they serve. We believe our scale and global reach in product development and marketing provide us with advantages over many of our smaller competitors.

Operating Segment	Business Component	Industry Position / Commentary
Consumer Products	Consumer Products	One of the two largest global marketers and sellers of recreational water products used in pools and spas
Industrial Performance Products	Petroleum Additives	Global manufacturer and marketer of high-performance lubricant additive components and synthetic lubricant base-stocks and synthetic finished fluids
		Global manufacturer and marketer of high performing calcium sulfonate specialty greases and phosphate ester based fluids
	Urethanes	A global leader in the development and production of hot cast elastomer pre-polymers

Table of Contents

Operating Segment	Business Component	Industry Position / Commentary
	Antioxidants	A global leader in the development and production of a broad range of additives for the polymer industry
Chemtura AgroSolutions	Chemtura	A leading niche developer and manufacturer of seed treatments, fungicides, miticides, insecticides, growth regulants and herbicides
	AgroSolutions	
Industrial Engineered Products	Great Lakes Solutions	One of the three largest global developers and manufacturers of bromine and bromine-based products
	Organometallics	One of the three largest global developers and manufacturers of organometallic compounds, with applications in catalysts, surface treatment and pharmaceuticals

Broad Diversified Business:

Geographic diversity. Our worldwide manufacturing, sales and marketing network enables us to serve the needs of both local and global customers worldwide. As of December 31, 2010, we operated 31 manufacturing facilities in 13 countries. For the year ended December 31, 2010, 47% of our revenue was generated from net sales in the United States and Canada, 29% from net sales in Europe and Africa, 19% from net sales in Asia/Pacific and 5% from net sales in Latin America. We market and sell our products in more than 100 countries, providing the opportunity to develop new markets for our products in higher-growth regions. We have built upon our historical strength in the United States and Europe to expand our business geographically, thereby diversifying our exposure to many different economies.

Product and industry diversity. We are comprised of a number of distinct businesses, each of which is impacted by varied industry trends. Additionally, our business portfolio serves diverse industries and applications, thereby providing us with further diversification. For instance, despite the current general and industry-specific economic conditions, certain parts of our businesses have performed in line with historical norms through the recession:

In 2010, our Consumer Products segment increased its profitability over 2008 and 2009 despite the pressures on consumer spending due to the recession.

The lubricant additives used in transportation applications experienced customer inventory corrections at the outset of the recession, but recovered more quickly than the broader industrial sector because the number of miles driven, flown and sailed remained at pre-recession levels.

The demand for our products used in electronic applications has recovered much more quickly than demand from other industrial applications.

Diversified customer base. We have a large and diverse global customer base in a broad array of industries. No single customer comprises more than ten percent of our consolidated 2010 net sales.

Unique Industry Positions: We believe our businesses possess significant differentiation within their respective industry segments. Some of our businesses are vertically integrated into key feedstocks and others have strong brand recognition, long lead time product registrations or technical and formulatory

Table of Contents

know-how. We believe these attributes are difficult to replicate and allow us to attract customers looking for consistent performance, reliability and cost-effective results, and are distinct competitive advantages. Examples include:

Our Industrial Engineered Products segment has extensive brine fields in Arkansas from which we extract brine to produce bromine, which is used as a building block for products such as flame retardants.

Our Industrial Performance Products segment participates in a production joint venture that produces cost competitive alkylated diphenylamine, a building block for our *Naugalube*® antioxidants used in lubricants. This segment also develops urethanes, the production of which is enhanced by our technical and formulatory know-how that permits us to engineer our products to meet specific customer needs and antioxidants, for which we are the only producer of such products in the Middle East, allowing us to offer superior service and security of supply to the region s fast-growing polyolefin industry.

Our Consumer Products segment benefits from well-established brand names as well as registrations and certifications from government agencies and customers.

Our Chemtura AgroSolutions™ segment is well experienced in obtaining the required registrations for its products in each country in which they are sold. Once obtained, these registrations provide an exclusive right to use the active compound upon which the product is based for the specified crop in that country or region for a number of years.

Well Positioned to Grow in Emerging Markets: Our businesses product portfolios have positioned us to benefit from high growth emerging market regions in the future. We derived 24% of our revenues during 2010 from key emerging markets including Asia/Pacific and Latin America. We will continue to invest in emerging markets as their polymer production increases, their manufacturing of electronic products expands, their automotive industries build vehicles that meet emission standards such that they can be exported to western markets, and their growers seek to increase the exports of their produce. There are a limited number of suppliers that can supply the products or provide the technical support that customers in these regions require, giving us the opportunity to capture this growth in demand for our products. Additionally, we are strongly positioned to supply the polyolefin industry in the Middle East through our existing antioxidants joint venture in Saudi Arabia and our recently announced organometallics joint venture in Saudi Arabia which will produce components for polymerization catalysts in the region. We also participate in a joint venture within Asia that produces polymer antioxidants.

Emerged from Chapter 11 a Stronger and Leaner Company:

Significantly reduced indebtedness with improved liquidity. As of December 31, 2010, we have $751 million of total consolidated indebtedness, $201 million of cash and cash equivalents and approximately $275 million of lending commitments under our new five year senior secured revolving credit facility (the ABL Facility) with Bank of America, N.A., as administrative agent and the other lenders party thereto, which also permits us to enter into a foreign asset based financing arrangement. The $275 million of lending commitments was un-drawn other than to support the issuance of $12 million in letter of credit obligations. For comparison, as of December 31, 2009, we had approximately $1.4 billion of total consolidated indebtedness.

Improved cost structure. We have significantly improved our cost structure over the past two years and reduced our cash fixed costs substantially compared to prior years. From December 31, 2007 through the end of 2010, we reduced our workforce by approximately 900 employees, including the transfer of employees as part of the sale of the PVC additives business and a

Table of Contents

reduction of over 400 professional and administrative positions. Since the end of 2007, we have significantly reduced underperforming assets by closing or selling 6 plants and moving to third-party warehousing in a number of our businesses. These actions have eliminated underperforming assets and reduced fixed costs or made them variable. We will continue to manage our costs and improve the efficiency of our operations in 2011 and beyond.

Reduced environmental and other liabilities. Following our emergence from Chapter 11, we discharged a significant amount of our environmental and contingent liability exposure.

Focused, Experienced Management Team: We are led by Craig A. Rogerson, who was elected as Chairman, President and Chief Executive Officer in December 2008. Mr. Rogerson holds a chemical engineering degree from Michigan State University and has over 31 years of operating and leadership experience in the specialty chemicals industry. Mr. Rogerson is supported by a senior management team that has extensive operational and financial experience in the specialty chemicals industry. Our senior management team is focused on creating a culture of performance and accountability that can leverage the global economic recovery and the long-term trends in the industries we serve to drive profitable revenue growth.

Our Strategy

Our primary goal is to create value for our stakeholders by driving profitable revenue growth while continuing to manage our costs. We will develop and engineer new products and processes, exploit our global scale for regional growth and manage our portfolio of specialty chemical businesses. Our efforts are directed by the following key business strategies:

Technology-Driven Growth through Innovation. As a specialty chemical developer and manufacturer, our competitive strength lies in our ability to continue to develop and engineer new products and processes that meet our customers changing needs. We are investing in innovation to strengthen our new product pipelines and will license or acquire technologies to supplement these initiatives. We focus on the development of products that are sustainable, meet ecological concerns and capitalize on growth trends in the industries we serve.

Regional Growth through Building Global Scale. We are building our local presence in the rapidly expanding emerging markets through sales representation, technical development centers, joint ventures and local manufacturing. We empower our regional teams to serve their growing customer base and will supplement these efforts through bolt-on acquisitions where increased demand makes it appropriate. We exploit our global scale by sharing service functions and technologies that no one region or business could replicate on its own while utilizing our regional presence to lower raw material costs.

Performance-Driven Culture. We believe we have outstanding people who can deliver superior performance under strong, experienced leaders who instill a culture of accountability. We expect accountability on safety, environmental stewardship and reliability of orders. Our performance is focused on understanding the needs of our customers and meeting such needs by efficiently executing their orders and delivering technology based solutions that meet their requirements in order to become their preferred supplier. We measure our performance against benchmarks and metrics using statistical analysis.

Portfolio and Cost Management. We will continue to actively manage our portfolio of specialty chemical businesses to maximize their value. We seek to strengthen our businesses by building on our leading market positions and increasing differentiation of our products while pruning or exiting underperforming products and managing costs.

Table of Contents

Corporate Information

Our principal executive offices are located at 1818 Market Street, Suite 3700, Philadelphia, Pennsylvania 19103 and at 199 Benson Road, Middlebury, Connecticut 06749. Our telephone number in Connecticut is (203) 573-2000. Our principal web site is located at http://www.chemtura.com. Our web site and the information contained on that site, or connected to that site, are not a part of this prospectus.

Table of Contents

The Exchange Offer

The following summary contains basic information about the exchange offer. For a more detailed description of the terms and conditions of the exchange offer, please refer to the section entitled The Exchange Offer.

The Exchange Offer	We are offering to exchange $1,000 principal amount of the exchange notes, which have been registered under the Securities Act of 1933, as amended (the Securities Act), for each $1,000 principal amount of the old notes, which have not been registered under the Securities Act. We issued the old notes on August 27, 2010. In order to exchange your old notes, you must promptly tender them before the expiration date (as described in this prospectus). All old notes that are validly tendered and not validly withdrawn will be exchanged. We will issue the exchange notes on or promptly after the expiration date. You may tender your old notes for exchange in whole or in part in denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Registration Rights Agreement	Simultaneously with the initial sale of the old notes, we entered into a registration rights agreement for this exchange offer. In the registration rights agreement, we agreed, among other things, to use all commercially reasonable efforts to file a registration statement with the SEC and to keep the exchange offer open for not less than 20 business days after the notice of the exchange offer is mailed to the holders. The exchange offer is intended to satisfy your rights under the registration rights agreement. After the exchange offer is complete, you will no longer be entitled to any exchange or registration rights with respect to your old notes.
Consequences of Failure to Exchange	If you do not exchange your old notes for exchange notes in the exchange offer, you will still have the restrictions on transfer provided in the old notes and in the indenture that governs both the old notes and the exchange notes. In general, the old notes may not be offered or sold unless registered or exempt from registration under the Securities Act, or in a transaction not subject to the Securities Act and applicable state securities laws. See Risk Factors Risks Related to the Exchange Offer If you do not exchange your old notes for exchange notes, your ability to sell your old notes will be restricted.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, , 2011, unless we decide to extend the expiration date. See The Exchange Offer Expiration Date; Extensions; Amendments.

Table of Contents

Conditions to the Exchange Offer

The exchange offer is subject to customary conditions, some of which we may waive. See The Exchange Offer Conditions to the Exchange Offer.

Procedures for Tendering Old Notes

If you wish to participate in the exchange offer, you must comply with the Automated Tender Offer Program procedures of the Depository Trust Company. See The Exchange Offer Procedures for Tendering Old Notes. By accepting the exchange offer, you will represent to us that, among other things:

- any exchange notes that you receive will be acquired in the ordinary course of your business;
- you are not engaging in or intending to engage in a distribution of the exchange notes and you have no arrangement or understanding with any person or entity, including any of our affiliates, to participate in the distribution of the exchange notes;
- if you are a broker-dealer that will receive exchange notes for your own account in exchange for old notes that were acquired as a result of market-making activities, that you will deliver a prospectus, as required by law, in connection with any resale of the exchange notes; and
- you are not our affiliate as defined in Rule 405 under the Securities Act, or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.

Each broker-dealer that is issued exchange notes in the exchange offer for its own account in exchange for notes that were acquired by that broker-dealer as a result of market-marking or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. A broker-dealer may use this prospectus for an offer to resell, resale or other retransfer of the exchange notes issued to it in the exchange offer.

Withdrawal Rights

You may withdraw the tender of your old notes at any time before the expiration date. To do this, you should deliver a written notice of your withdrawal to the exchange agent according to the withdrawal procedures described in the section The Exchange Offer Withdrawal Rights.

Exchange Agent

The exchange agent for the exchange offer is U.S. Bank National Association. The address, telephone number and facsimile number of the exchange agent are provided in the section entitled The Exchange Offer Exchange Agent.

Use of Proceeds

We will not receive any cash proceeds from the issuance of exchange notes. See Use of Proceeds.

7

Table of Contents

Material U.S. Federal Income Tax Considerations	Your exchange of the old notes for exchange notes in the exchange offer should not be a taxable event for U.S. federal income tax purposes. Accordingly, you should not recognize any taxable gain or loss as a result of the exchange. See Material U.S. Federal Income Tax Considerations.

Table of Contents

Summary of Terms of the Exchange Notes

The form and terms of the exchange notes will be the same as the form and terms of the old notes, except that the exchange notes will be registered under the Securities Act. As a result, the exchange notes will not bear legends restricting their transfer and will not contain the registration rights and liquidated damage provisions contained in the old notes. The exchange notes represent the same debt as the old notes. Both the old notes and the exchange notes will be governed by the same indenture. Unless the context otherwise requires, we use the term notes in this prospectus to collectively refer to the old notes and the exchange notes.

Issuer	Chemtura Corporation
Securities	$455,000,000 aggregate principal amount of 7.875% Senior Notes due 2018.
Maturity	September 1, 2018.
Interest Payment Dates	March 1 and September 1 of each year, commencing on September 1, 2011.
Interest Rate	7.875% per year.
Guarantees	The exchange notes will be fully and unconditionally guaranteed on a senior unsecured basis, jointly and severally, by each current and future domestic restricted subsidiary other than Excluded Subsidiaries that guarantees any indebtedness of Chemtura or its restricted subsidiaries. Under certain circumstances, guarantors may be released from their guarantees without the consent of the holders of notes. See Description of Exchange Notes Note Guarantees Release of the Note Guarantees. For the year ended December 31, 2010, our non-guarantor subsidiaries: represented approximately 45% of our net sales; and contributed net earnings attributable to Chemtura of $68 million. As of December 31, 2010, our non-guarantor subsidiaries represented approximately 50% of our total assets (excluding intercompany assets).
Ranking	The exchange notes and the guarantees will be Chemtura and the guarantors general unsecured senior obligations and will rank equally in right of payment with all of our and the guarantors respective existing and future senior indebtedness; will rank senior in right of payment to our and the guarantors respective future subordinated indebtedness;

will be effectively subordinated to all of our and the guarantors respective existing and future secured indebtedness to the extent of the value of the collateral; and

Table of Contents

will be structurally subordinated to all existing and future liabilities (including trade payables) of each of our subsidiaries that does not guarantee the notes.

In addition, at December 31, 2010, our non-guarantor subsidiaries had $486 million of total liabilities (including trade payables but excluding intercompany liabilities), all of which would have been structurally senior to the exchange notes.

Optional Redemption

The exchange notes will be redeemable at our option, in whole or in part, at any time on or after September 1, 2014, in each case, at the redemption prices set forth in this prospectus, plus accrued and unpaid interest up to, but excluding, the date of redemption.

At any time prior to September 1, 2014, we may also redeem some or all of the exchange notes, in each case, at a price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest up to, but excluding, the date of redemption, plus a make-whole premium.

Mandatory Offers to Purchase

The occurrence of a change of control will be a triggering event requiring us to offer to purchase from you all or a portion of your exchange notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest up to, but excluding, the date of purchase.

Certain asset dispositions will be triggering events which may require us to use the proceeds from those asset dispositions to make an offer to purchase the notes at 100% of their principal amount, plus accrued and unpaid interest up to, but excluding, the date of purchase.

Covenants

The notes will be issued under an indenture entered into between Chemtura Corporation and U.S. Bank National Association, as trustee. The indenture, among other things, limits our ability and the ability of our restricted subsidiaries to:

- incur, assume or guarantee additional indebtedness;
- issue redeemable stock and preferred stock;
- pay dividends or distributions or redeem or repurchase capital stock;
- prepay, redeem or repurchase certain debt;
- make loans and investments;
- incur liens;

restrict dividends, loans or asset transfers from our subsidiaries;

sell or otherwise dispose of assets, including capital stock of subsidiaries;

consolidate or merge with or into, or sell substantially all of our assets to, another person;

Table of Contents

	enter into transactions with affiliates; and
	enter into new lines of business.
	These covenants will be subject to a number of important exceptions and qualifications. For more details, see Description of Exchange Notes. Certain of these covenants will cease to apply to the notes at all times during which the notes have an investment grade rating from both Moody s Investors Service, Inc. or Standard & Poor s Ratings Group.
Absence of Public Market for the Notes	The exchange notes are a new issue of securities, and there is currently no established trading market for the notes. The exchange notes generally will be freely transferable but will also be new securities for which there will not initially be a market. We do not intend to apply for a listing of the exchange notes, on any securities exchange or an automated dealer quotation system. Accordingly, there can be no assurance as to the development or liquidity of any market for the exchange notes. The initial purchasers of the old notes advised us that they intend to make a market in the notes. However, they are not obligated to do so, and any market making with respect to the exchange notes may be discontinued without notice.
Use of Proceeds	We will not receive any cash proceeds from the issuance of Exchange Notes. See Use of Proceeds.
Risk Factors	In evaluating an exchange of old notes for exchange notes, investors should carefully consider, along with the other information in this prospectus, the specific factors set forth under Risk Factors beginning on page 12 for risks involved with an investment in the exchange notes.

Table of Contents

RISK FACTORS

Participation in this exchange offer involves risk. In addition to the risks described below, you should also carefully read all of the other information included in this prospectus and the documents we have incorporated by reference into this prospectus in evaluating whether to participate in the exchange offer. If any of the described risks actually were to occur, our business, financial condition or results of operations could be affected materially and adversely. In that case, our ability to fulfill our obligations under the notes could be materially affected and you could lose all or part of your original investment in the exchange notes.

The risks described below are not the only ones facing our company. Additional risks not presently known to us or that we currently deem immaterial individually or in the aggregate may also impair our business operations.

Risks Relating to Our Business

The cyclical nature of the chemicals industry causes significant fluctuations in our results of operations and cash flows.

Our historical operating results reflect the cyclical and volatile nature of the supply and demand balance of the chemicals industry. The chemicals industry has experienced alternating periods of inadequate capacity and supply, allowing prices and profit margins to increase, followed by periods when substantial capacity is added, resulting in oversupply, overcapacity, corresponding declining utilization rates and, ultimately, declining prices and profit margins. Some of the markets in which our customers participate, such as the automotive, electronics and building and construction industries, are cyclical in nature, thus posing a risk to us that is beyond our control. These markets are highly competitive, are driven to a large extent by end-use markets and may experience overcapacity, all of which may affect demand for and pricing of our products and result in volatile operating results and cash flows over our business cycle. Future growth in product demand may not be sufficient to utilize current or future capacity. Excess industry capacity may continue to depress our volumes and margins on some products. Our operating results, accordingly, may be volatile as a result of excess industry capacity, as well as from rising energy and raw materials costs.

Increases in the price of the raw materials or energy utilized for our products may have a material adverse effect on our operating results.

We purchase significant amounts of raw materials and energy for our businesses. The cost of these raw materials and energy, in the aggregate, represents a substantial portion of our operating expenses. The prices and availability of the raw materials we utilize vary with market conditions and may be highly volatile. Over the past few years, we have experienced significant cost increases in purchases of petrochemicals, tin, soybean oil, other raw materials and, our primary energy source (natural gas) which has had a negative impact on our operating results.

Although we have attempted, and will continue to attempt, to match increases in the prices of raw materials or energy with corresponding increases in product prices, we may not be able to immediately raise product prices, if at all. Ultimately, our ability to pass on increases in the cost of raw materials or energy to customers is highly dependent upon market conditions. Specifically, there is a risk that raising prices charged to our customers could result in a loss of sales volume. In the past, we have not always been able to pass on increases in the prices of raw materials and energy to our customers, in whole or in part, and there will likely be periods in the future when we will not be able to pass on these price increases. Reactions by our customers and competitors to our price increases could cause us to reevaluate and possibly reverse such price increases, which would negatively affect operating results.

Table of Contents

Any disruption in the availability of the raw materials or energy utilized for our products may have a material adverse effect on our operating results.

Across our businesses, there are a limited number of suppliers for some of our raw materials and utilities and, in some cases, the number of sources for and availability of raw materials and utilities is specific to the particular geographic region in which a facility is located. It is also common in the chemical industries for a facility to have a sole, dedicated source for its utilities, such as steam, electricity and gas. Having a sole or limited number of suppliers may result in our having limited negotiating power, particularly during times of rising raw material costs. Even where we have multiple suppliers for a raw material or utility, these suppliers may not make up for the loss of a major supplier. Moreover, any new supply agreements we enter into may not have terms as favorable as those contained in our current supply agreements. For some of our products, the facilities or distribution channels of raw material and utility suppliers and our production facilities form an integrated system, which limits our ability to negotiate favorable terms in supply agreements.

During 2009, Lyondell Chemical Company (Lyondell), a key service provider to our Lake Charles, Louisiana plant, filed to reorganize under Chapter 11 of the U.S. Bankruptcy Code. We have entered into agreements with Lyondell for various services. Lyondell may have the right to terminate the agreements by giving prior written notice to us. If Lyondell terminates the agreements, or takes other adverse actions regarding the provisioning of services to us, and we are unable to arrange for alternative suppliers or perform such services ourselves, the outcome could have a material impact on the operating income of our Consumer Products segment.

In addition, as part of an increased trend towards vertical integration in the chemicals industry, other chemical companies are purchasing raw material suppliers. This is further reducing the available suppliers for certain raw materials.

If one or more of our significant raw material or utility suppliers were unable to meet its obligations under present supply arrangements, raw materials may become unavailable within the geographic area from which they are now sourced, or supplies may otherwise be constrained or disrupted, our businesses could be forced to incur increased costs for our raw materials or utilities, which would have a direct negative impact on plant operations and may adversely affect our results of operations and financial condition.

Decline in general economic conditions and other external factors may adversely impact our operations.

External factors, including domestic and global economic conditions, international events and circumstances, competitor actions and government regulation, are beyond our control and can cause fluctuations in demand and volatility in the prices of raw materials and other costs that can intensify the impact of economic cycles on our operations. We produce a broad range of products that are used as additives and components in other products in a wide variety of end-use markets. As a result, our products may be negatively impacted by supply and demand instability in other industries and the effects of that instability on supply chain participants. Economic and political conditions in countries in which we operate may also adversely impact our operations. For example, some countries in Central and Eastern Europe have been particularly adversely affected by the recent global financial crisis, rising government deficits and debt levels, protracted credit market tightness and other challenging European market conditions and could continue to negatively affect our businesses. Although our diversified product portfolio and international presence lessens our dependence on a single market and exposure to economic conditions or political instability in any one country or region, our businesses are nonetheless sensitive to changes in economic conditions. Accordingly, financial crises and economic downturns anywhere in the world could adversely affect our results of operations, cash flows and financial condition.

Competition may adversely impact our results of operations.

We face significant competition in many of the markets in which we operate due to the trend toward global expansion and consolidation by competitors. Some of our existing competitors are larger than we are and may

Table of Contents

have more resources and better access to capital markets to facilitate continued expansion or new product development. Additionally, some of our competitors have greater product range and distributional capability than we do for certain products and in specific regions. We also expect that we will continue to face new competitive challenges as well as additional risks inherent in international operations in developing regions. We are susceptible to price competition in certain markets in which customers are sensitive to changes in price. At the same time, we also face downward pressure on prices from industry overcapacity and lower cost structures in certain businesses. The further use and introduction of generic and alternative products by our competitors may result in increased competition and could require us to reduce our prices and take other steps to compete effectively. These measures could negatively affect our financial condition, results of operations and cash flows. Alternatively, if we were to increase prices in response to this competition, the reactions of our competitors and customers to such price increases could cause us to reevaluate and possibly reverse such price increases or risk a loss in sales volumes.

Our inability to register our products in member states of the European Union under the REACh legislation may lead to some restrictions or cancellations of registrations, which could impact our ability to manufacture and sell certain products.

In December 2006, the European Union signed the REACh legislation. This legislation requires chemical manufacturers and importers in the European Union to demonstrate the safety of the chemical substances contained in their products via a substance registration process. The full REACh registration process will be phased in over the next several years. The registration process will require capital and resource commitments to compile and file comprehensive chemical dossiers regarding the use and attributes of each chemical substance manufactured or imported by Chemtura and will require us to perform chemical safety assessments. Successful registration under REACh will be a functional prerequisite to the continued sale of our products in the European Union market. Thus, REACh presents a risk to the continued sale of our products in the European Union should we be unable or unwilling to complete the registration process or if the European Union seeks to ban or materially restrict the production or importation of the chemical substances used in our products.

Adverse weather or economic conditions could materially affect our results of operations.

Sales volumes for the products in Chemtura AgroSolutions segment, like all agricultural products, are subject to the sector s dependency on weather, disease and pest infestation conditions. Adverse weather conditions in a particular region could materially adversely affect our Chemtura AgroSolutions segment. Additionally, our Chemtura AgroSolutions segment products are typically sold pursuant to contracts with extended payment terms in Latin America and Europe. Customary extended payment periods, which are tied to particular crop growing cycles, render our Chemtura AgroSolutions segment susceptible to losses from receivables during economic downturns and may adversely affect our results of operations and cash flows.

Our pool and spa products in our Consumer Products segment are primarily used in swimming pools and spas. Demand for these products is influenced by a variety of factors, including seasonal weather patterns. An adverse change in weather patterns, such as the unseasonably cold and wet summers in the United States in 2008 and 2009, could negatively affect the demand for, and profitability, of our pool and spa products.

Demand for Chemtura AgroSolutions products is affected by governmental policies, and certain products are subject to government approval.

Demand for our Chemtura AgroSolutions segment products is also influenced by the agricultural policies of governments and regulatory authorities, particularly in developing countries in Asia and Latin America, where we conduct business. Moreover, changes in governmental policies or product registration requirements could have an adverse impact on our ability to market and sell our products.

In all regions of the world there are directives, laws and/or regulations that require the testing and registration of all agrochemical products before they can be sold for application to crops. Each country appoints agencies responsible for the administration of these approval processes. Under these laws or when such laws and

Table of Contents

regulations are periodically changed the products that have been previously registered may be required to undergo a process of re-registration. The re-registration process frequently demands tests to be repeated to more modern and exacting standards or may even require completely new types of tests to be completed. These tests and processes for both new and existing agrochemical products can take significant time to complete and resources to perform, and may ultimately be unsuccessful in their objective of securing a registration of new products or re-registration of existing products. There is no assurance when an existing product requires re-registration that it will be approved for continuing use or all of its previously approved uses can be sustained. Globally, many of our products are currently subject to such re-registration processes which may result in products having their approval for sale withdrawn in some countries.

Current and future litigation, governmental investigations, prosecutions and administrative claims, including antitrust-related governmental investigations and lawsuits, could harm our financial condition, results of operations and cash flows.

We have been involved in several significant lawsuits and claims relating to environmental and chemical exposure matters, and may in the future be involved in similar litigation. Additionally, we are routinely subject to other civil claims, litigation and arbitration and regulatory investigations arising in the ordinary course of our business as well as with respect to our divested businesses. Some of these claims and lawsuits relate to product liability claims, including claims related to current and former products and asbestos-related claims concerning the premises and historic products of us and our predecessors. We could become subject to additional claims. An adverse outcome of these claims could have a materially adverse effect on our business, financial conditions, results of operations and cash flows.

We have also been involved in a number of governmental investigations, prosecutions and administrative claims in the past, including antitrust-related governmental investigations and civil lawsuits, and may in the future be subject to similar claims. Additionally, we have incurred and could again incur expenses in connection with antitrust-related matters, including expenses related to our cooperation with governmental authorities and defense-related civil lawsuits.

Environmental, health and safety regulation matters could have a negative impact on our results of operations and cash flows.

We are subject to extensive federal, state, local and foreign environmental, health and safety laws and regulations concerning, among other things, emissions in the air, discharges to land and water and the generation, handling, treatment and disposal of hazardous waste and other materials. Our operations entail the risk of violations of those laws and sanctions for violations such as clean-up and removal costs, long-term monitoring and maintenance costs, costs of waste disposal, natural resource damages and payments for property damage and personal injury. Although it is our policy to comply with such laws and regulations, it is possible that we have not been or may not be at all times in compliance with all of these requirements.

Additionally, these requirements, and enforcement of these requirements, may become more stringent in the future. The ultimate additional cost of compliance with any such requirements could be material. Non-compliance could subject us to material liabilities such as government fines or orders, criminal sanctions, third-party lawsuits, remediations and settlements, the suspension, modification or revocation of necessary permits and licenses, or the suspension of non-compliant operations. We may also be required to make significant site or operational modifications at substantial cost. Future regulatory or other developments could also restrict or eliminate the use of, or require us to make modifications to, our products, packaging, manufacturing processes and technology, which could have a significant adverse impact on our financial condition, results of operations and cash flows.

At any given time, we may be involved in claims, litigation, administrative proceedings, settlements and investigations of various types in a number of jurisdictions involving potential environmental liabilities,

Table of Contents

including clean-up costs associated with hazardous waste disposal sites, natural resource damages, property damage, personal injury and regulatory compliance or non-compliance. The resolution of these environmental matters could have a material adverse effect on our results of operations and cash flows.

Recent federal regulations aimed at increasing security at certain chemical production plants and similar legislation that may be proposed in the future could require us to enhance plant security and to alter or discontinue our production of certain chemical products, thereby increasing our operating costs and causing an adverse effect on our results of operations.

Regulations have recently been issued by the U.S. Department of Homeland Security (DHS) aimed at decreasing the risk, and effects, of potential terrorist attacks on chemical plants located within the United States. Pursuant to these regulations, these goals would be accomplished in part through the requirement that certain high-priority facilities develop a prevention, preparedness, and response plan after conducting a vulnerability assessment. In addition, companies may be required to evaluate the possibility of using less dangerous chemicals and technologies as part of their vulnerability assessments and prevention plans and implementing feasible safer technologies in order to minimize potential damage to their facilities from a terrorist attack. Certain of our sites are subject to these regulations and we cannot state at this time with certainty the costs associated with any security plans that the DHS may require. These regulations may be revised further and additional legislation may be proposed in the future on this topic. It is possible that such future legislation could contain terms that are more restrictive than what has recently been passed and which would be more costly to us. We cannot predict the final form of currently pending legislation or other related legislation that may be passed and we can provide no assurance that such legislation will not have an adverse effect on our results of operations in a future reporting period. In addition, we may incur liabilities for subsequent damages in the event that we fail to comply with these regulations.

We operate on an international scale and are exposed to risks in the countries in which we have significant operations or interests. Changes in foreign laws and regulatory requirements, export controls or international tax treaties could adversely affect our results of operations and cash flows.

We are dependent, in large part, on the economies of the countries in which we manufacture and market our products. Of our 2010 net sales, 47% were to customers in the United States and Canada, 29% to Europe and Africa, 19% to the Asia/Pacific region and 5% to Latin America. As of December 31, 2010, our net property, plant and equipment were located in various regions including 64% in the United States and Canada, 28% in Europe and Africa, 5% in the Asia/Pacific region and 3% in Latin America.

The economies of the countries within these areas are in different stages of socioeconomic development. Consequently, we are exposed to risks from changes in foreign currency exchange rates, interest rates, inflation, governmental spending, social instability and other political, economic or social developments that may materially adversely affect our financial condition, results of operations and cash flows.

We may also face difficulties managing and administering an internationally dispersed business. In particular, the management of our personnel across several countries can present logistical and managerial challenges. Additionally, international operations present challenges related to operating under different business cultures and languages. We may have to comply with unexpected changes in foreign laws and regulatory requirements, which could negatively impact our operations and ability to manage our global financial resources. Export controls or other regulatory restrictions could prevent us from shipping our products into and from some markets. Moreover, we may not be able to adequately protect our trademarks and other intellectual property overseas due to uncertainty of laws and enforcement in a number of countries relating to the protection of intellectual property rights. Changes in tax regulation and international tax treaties could significantly reduce the financial performance of our foreign operations or the magnitude of their contributions to our overall financial performance.

Table of Contents

If we fail to establish and maintain adequate internal controls over financial reporting, we may not be able to report our financial results in a timely and reliable manner, which could harm our business and impact the value of our securities.

We depend on our ability to produce accurate and timely financial statements in order to run our business. If we fail to do so, our business could be negatively affected and our independent registered public accounting firm may be unable to attest to the fair presentation of our Consolidated Financial Statements in accordance with U.S. generally accepted accounting principles (GAAP) and the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Effective internal controls are necessary for us to provide reliable financial reports and to effectively prevent fraud. If we cannot provide reliable financial reports and effectively prevent fraud, our reputation and operating results could be harmed. Even effective internal controls have inherent limitations including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal control over financial reporting in future periods are subject to the risk that the control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

We have in the past discovered, and may in the future discover, areas of our internal controls that need improvement, including with respect to income tax accounts and international customer incentive, commission and promotional payment practices. We have completed the previously disclosed review of various customer incentive, commission and promotional payment practices of the Chemtura AgroSolutions segment in its Europe, Middle East and Africa region (the EMEA Region). The review was conducted under the oversight of the Audit Committee of the Board of Directors and with the assistance of outside counsel and forensic accounting consultants. As disclosed previously, the review found evidence of various suspicious payments made to persons in certain Central Asian countries and of activity intended to conceal the nature of those payments. The amounts of these payments were reflected in our books and records but were not recorded appropriately. In addition, the review found evidence of payments that were not recorded in a transparent manner, including payments that were redirected to persons other than the customer, distributor or agent in the particular transaction. None of these payments were subject to adequate internal control. We have strengthened our worldwide internal controls relating to customer incentives and sales agent commissions and enhanced our global policy prohibiting improper payments which contemplates, among other things, that we monitor our international operations. Such monitoring may require that we investigate allegations of possible improprieties relating to transactions and the way in which such transactions are recorded. We have severed our relationship with all of the sales agents and the employees responsible for the suspicious payments. We cannot reasonably estimate the nature or amount of monetary or other sanctions, if any, that might be imposed as a result of the review.

If we fail to maintain adequate internal controls, including any failure to implement new or improved controls, or if we experience difficulties in their implementation, we could fail to meet our reporting obligations, and there could be a material adverse effect on our business and financial results. In the event that our current control practices deteriorate, we may be unable to accurately report our financial results or prevent fraud, and investor confidence and the market price of our securities may be adversely affected.

Our results of operations are subject to exchange rate and other currency risks. A significant movement in exchange rates could adversely impact our results of operations.

Significant portions of our businesses are conducted in currencies other than the U.S. dollar. Accordingly, foreign currency exchange rates affect our operating results. Effects of exchange rate fluctuations upon our future operating results cannot be predicted because of the number of currencies involved, the variability of currency exposure and the potential volatility of currency exchange rates. We face risks arising from the imposition of exchange controls and currency devaluations. Exchange controls may limit our ability to convert foreign currencies into U.S. dollars or to remit dividends and other payments by our foreign subsidiaries or businesses

Table of Contents

located in or conducted within a country imposing controls. In certain foreign countries, some components of our cost structure are denominated in U.S. dollars while our revenues are denominated in the local currency. In those cases, currency devaluation could adversely impact our operating margins.

We are dependent upon a trained, dedicated sales force, the loss of which could materially affect our operations.

Many of our products are sold and supported through dedicated staff and specifically trained personnel. The loss of this sales force due to market or other conditions could affect our ability to sell and support our products effectively, which could have an adverse effect on our results of operations.

Our Great Lakes Solutions business could be adversely impacted by recent regulations related to deep-water exploratory drilling.

On April 20, 2010, a fire and explosion onboard the semisubmersible drilling rig Deepwater Horizon in the Gulf of Mexico led to the largest offshore oil spill in U.S. history. In response to this incident, the Bureau of Ocean Energy Management, Regulation and Enforcement (the BOE) of the U.S. Department of the Interior (the DOI) ceased issuing drilling permits pursuant to a series of moratoria, and all deepwater drilling activities in progress were suspended. On October 12, 2010, the U.S. government lifted the drilling moratorium, subject to compliance with enhanced safety requirements, including those set forth in Notices to Lessees 2010-N05 and 2010-N06, both of which were implemented during the drilling ban. Additionally, all drilling in the Gulf of Mexico will be required to comply with the Interim Final Rule to Enhance Safety Measures for Energy Development on the Outer Continental Shelf (Drilling Safety Rule) and the Workplace Safety Rule on Safety and Environmental Management Systems, both of which were issued on September 30, 2010. The DOI did not issue a new permit related to the drilling of new exploratory wells in the deepwater Gulf of Mexico until February 28, 2011. In January 2011 the President s National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling released its report, recommending that the federal government require additional regulation and an increase in liability caps. Additional legislation or regulation is being discussed which could require companies operating in the Gulf of Mexico to establish and maintain a higher level of financial responsibility under its Certificate of Financial Responsibility, a certificate required by the Oil Pollution Act of 1990 which evidences a company s financial ability to pay for cleanup and damages caused by oil spills. There have also been discussions regarding the establishment of a new industry mutual insurance fund in which companies would be required to participate and which would be available to pay for consequential damages arising from an oil spill. The BOEMRE is expected to continue to issue new safety and environmental guidelines or regulations for drilling in the Gulf of Mexico.

Our Great Lakes Solutions business produces products which are used by drilling rigs in the Gulf of Mexico. Sales of these products have been impacted by economic conditions and the moratorium in the last two to three years and have only recently started to recover. Amendments to existing laws and regulations or the adoption of new laws and regulations curtailing or further regulating exploratory or development drilling and production of oil and gas in the Gulf of Mexico could arrest this recovery and have an adverse effect on our business and on our operating results or financial condition.

Production facilities are subject to operating risks that may adversely affect our financial condition, results of operations and cash flows.

We are dependent on the continued operation of our production facilities. Such production facilities are subject to hazards associated with the manufacturing, handling, storage and transportation of chemical materials and products, including pipeline leaks and ruptures, explosions, fires, inclement weather and natural disasters, terrorist attacks, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, remediation complications, chemical spills, discharges or releases of toxic or hazardous gases, storage tank leaks and other environmental risks. These hazards can cause personal injury and loss of life, severe damage to, or

Table of Contents

destruction of, property and equipment and environmental damage, fines, civil or criminal penalties and liabilities. The occurrence of these events may disrupt production which could have an adverse effect on the production and profitability of a particular manufacturing facility and on our financial condition, results of operations and cash flows.

Our businesses depend upon many proprietary technologies, including patents, licenses and trademarks. Our competitive position could be adversely affected if we fail to protect our patents or other intellectual property rights or if we become subject to claims that we are infringing upon the rights of others.

Our intellectual property is of particular importance for a number of the specialty chemicals that we manufacture and sell. The trademarks and patents that we own may be challenged, and because of such challenges, we could eventually lose our exclusive rights to use and enforce such proprietary technologies and marks, which would adversely affect our competitive position and results of operations. We are licensed to use certain patents and technology owned by other companies, including foreign companies, to manufacture products complementary to our own products. We pay royalties for these licenses in amounts not considered material, in the aggregate, to our consolidated results. We cannot be assured that such licensors will adequately maintain or protect or enforce such licensed technology, or that such licenses will continue to be available on current terms, which may impair our ability to offer certain products and may require us to seek licenses on less favorable terms.

In connection with our introduction and development of the Chemtura AgroSolutions brand, we have filed applications to register the Chemtura AgroSolutions trademark. In April 2010, a third party filed an opposition to one such filing in the United States for the registration of the Chemtura AgroSolutions mark in connection with agricultural herbicides and pesticides. If such opposition is successful, we may be unable to prevent competitors from using marks similar to Chemtura AgroSolutions in the United States, and may be subject to further challenges which may prevent us from using the Chemtura AgroSolutions mark in the United States.

We also rely on unpatented proprietary know-how and continuing technological innovation and other trade secrets to develop and maintain our competitive position. Although it is our policy to enter into confidentiality agreements with our employees and third parties to restrict the use and disclosure of trade secrets and proprietary know-how, those confidentiality agreements may be breached. Additionally, adequate remedies may not be available in the event of an unauthorized use or disclosure of such trade secrets and know-how, and others could obtain knowledge of such trade secrets through independent development or other access by legal means. The failure of our patents, trademarks or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets or proprietary know-how and the brands under which we market and sell our products could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We cannot be assured that our products or methods do not infringe on the patents or other intellectual property rights of others. Infringement and other intellectual claims or proceedings brought against us, whether successful or not, could result in substantial costs and harm our reputation. Such claims and proceedings can also distract and divert management and key personnel from other tasks important to the success of our business. In addition, intellectual property litigation or claims could force us to do one or more of the following:

- cease selling products that contain asserted intellectual property;
- pay substantial damages for past use of the asserted intellectual property;
- obtain a license from the holder of the asserted intellectual property, which may not be available on reasonable terms; and
- redesign or rename, in the case of trademark claims, our products to avoid infringing the rights of third parties.

Such requirements could adversely affect our revenue, increase costs, and harm our financial condition.

Table of Contents

Our patents may not provide full protection against competing manufacturers outside of the United States, the European Union countries and certain other developed countries. Weaker protection may adversely impact our sales and results of operations.

In some of the countries in which we operate, such as China, the laws protecting patent holders are significantly weaker than in the United States, countries in the European Union and certain other developed countries. Weaker protection may assist competing manufacturers in becoming more competitive in markets in which they might not have otherwise been able to introduce competing products for a number of years. As a result, we tend to rely more heavily upon trade secret and know-how protection in these regions, as applicable, rather than patents. Additionally, for our Chemtura AgroSolutions segment products sold in China, we rely on regulatory protection of intellectual property provided by regulatory agencies, which may not provide us with complete protection against competitors.

An inability to remain technologically innovative and to offer improved products and services in a cost-effective manner could adversely impact our operating results.

Our operating results are influenced in part by our ability to introduce new products and services that offer distinct value to our customers. For example, both our Chemtura AgroSolutions segment and our organometallic specialties business seek to provide tailored products for our customers often unique problems, which require an ongoing level of innovation. In many of the markets where we sell our products, the products are subject to a traditional product life cycle. Even where we devote significant human and financial resources to develop new technologically advanced products and services, we may not be successful in these efforts.

Joint venture investments that we enter into could be adversely affected by our lack of sole decision-making authority, our reliance on joint venture partners financial condition and disputes between us and our joint venture partners.

A portion of our operations is conducted through certain ventures in which we share control with third parties. In these situations, we are not in a position to exercise sole decision-making authority regarding the facility, partnership, joint venture or other entity. Investments through partnerships, joint ventures, or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that joint venture partners might become bankrupt, fail to fund their share of required capital contributions, make poor business decisions or block or delay necessary decisions. Joint venture partners may have economic or other business interests or goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor our joint venture partners would have full control over the partnership or joint venture. Disputes between us and our joint venture partners may result in litigation or arbitration that would increase our expenses and prevent the members of our management team from focusing their time and effort on our business. Consequently, action by, or disputes with, our joint venture partners might result in subjecting the facilities owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our joint venture partners. Our joint ventures unfunded and underfunded pension plans and post-retirement health care plans could adversely impact our financial condition, results of operations and cash flows.

Our unfunded and underfunded defined benefit pension plans and post-retirement welfare benefit plans could adversely impact our financial condition, results of operations and cash flows.

The cost of our defined benefit pension and post-retirement welfare benefit plans is recognized through operations over extended periods of time and involves many uncertainties during those periods of time. Our funding policy for defined benefit pension plans is to accumulate plan assets that, over the long run, will approximate the present value of projected benefit obligations. Our pension cost is materially affected by the discount rate used to measure pension obligations, the level of plan assets available to fund those obligations at

Table of Contents

the measurement date and the expected long-term rate of return on plan assets. Significant changes in investment performance or a change in the portfolio mix of invested assets can result in corresponding increases and decreases in the valuation of plan assets or in a change of the expected rate of return on plan assets. Similarly, our post-retirement welfare benefit cost is materially affected by the discount rate used to measure these obligations, as well as by changes in the actual cost of providing these medical and other welfare benefits.

We have underfunded obligations under our U.S. tax-qualified defined benefit pension plans totaling approximately $234 million on a projected benefit obligation basis as of December 31, 2010. We also have underfunded obligations under our U.K. defined benefit plans totaling approximately $58 million as of December 31, 2010. Further declines in the value of the plan investments or unfavorable changes in law or regulations that govern pension plan funding could materially change the timing and amount of required funding. Additionally, we sponsor other foreign and non-qualified U.S. pension plans under which there are substantial unfunded liabilities totaling approximately $118 million on a projected benefit obligation basis as of December 31, 2010. Foreign regulatory authorities may seek to have Chemtura and/or certain of our non-sponsoring subsidiaries take responsibility for some portion of these obligations. Mandatory funding contributions with respect to these obligations and potential unfunded benefit liability claims could have a material adverse effect on our financial condition, results of operations or future cash flows. In addition, our actual costs with respect to our post-retirement welfare benefit plans could exceed our current actuarial projections.

We may be required to increase the amount and timing of funding for the pension plan of our U.K. subsidiary beyond what is currently anticipated, which would have an adverse effect on our cash flows from operations.

Certain of our subsidiaries and affiliates sponsor pension plans in their respective countries that may be underfunded. Chemtura Manufacturing U.K. Limited (CMUK), is the principal employer of the Great Lakes U.K. Limited Pension Plan (the UK Pension Plan), an occupational pension scheme that was established in the U.K. in order to provide pensions and other benefits for its employees. Under the UK Pension Plan, certain employees and former employees are entitled to defined pension benefits, based on pensionable salary. The UK Pension Plan has approximately 580 pensioners and 690 members entitled to deferred benefits under the defined benefit section. The estimated funding deficit as of December 31, 2008, as measured in accordance with section 75 of the Pension Act of 1995 (U.K.), was approximately £95 million.

We disclosed previously that the Trustees of the UK Pension Plan (the UK Pension Trustees) filed 27 contingent, unliquidated Proofs of Claim against each of the Debtors, other than Chemtura Canada in the Chapter 11 cases which, by agreement with the UK Pension Trustees, were disallowed on the condition that no party may later assert that the Chapter 11 cases operate as a bar to the UK Pension Trustees asserting claims against any of the Debtors in an appropriate non-bankruptcy forum. We also disclosed the risk that the applicable regulatory authority, in this case the UK Pensions Regulator (the Regulator), may assert claims against CMUK and against other Chemtura affiliates who are not sponsors of the U.K. Pension Plan. In fact, on December 22, 2010, the Regulator issued a warning notice to CMUK and five other Chemtura affiliates, including Chemtura Corporation, stating their intent to request authority to issue a financial support direction against each of them for the support of the benefit obligations under the UK Pension Plan. At the same time, CMUK has engaged in negotiations with the UK Pension Trustees over the terms of a recovery plan to reduce the underfunded deficit in the UK Pension Plan. The terms of definitive agreements have now been finalized subject to approval by the parties and certain conditions of effectiveness. The agreements provide, among other things, for CMUK to make cash contributions of £60 million (approximately $95 million) in just over a three year period starting with an initial contribution of £30 million (approximately $48 million) anticipated in the second quarter of 2011. The agreements also provide for the granting of both a security interest and a guarantee to support certain of the liabilities under this pension plan. There is also an evaluation being undertaken as to whether an additional funding liability exists in connection with the equalization of certain benefits under the pension plan that occurred in the early 1990s. If such an additional liability exists, additional cash contributions may be required starting in 2013. We do not yet know if the Regulator will withdraw the proceedings related to the warning

Table of Contents

notice , and therefore if we may ultimately be required to make greater cash contributions or contributions on a faster timeline. If we are required to make greater cash contributions or contributions on a faster timeline, such actions could have an adverse effect on our cash flows from operations.

We are subject to risks associated with possible climate change legislation, regulation and international accords.

Greenhouse gas emissions have increasingly become the subject of a large amount of international, national, regional, state and local attention. Cap and trade initiatives to limit greenhouse gas emissions have been introduced in the European Union. Similarly, numerous bills related to climate change have been introduced in the U.S. Congress, which could adversely impact all industries. In addition, future regulation of greenhouse gas could occur pursuant to future international treaty obligations, statutory or regulatory changes, including under the Clean Air Act or new climate change legislation.

While not all are likely to become law, this is a strong indication that additional climate change related mandates will be forthcoming, and may adversely impact our costs by increasing energy costs and raw material prices and establishing costly emissions trading schemes and requiring modification of equipment.

A step toward potential federal restriction on greenhouse gas emissions was taken on December 7, 2009 when the Environmental Protection Agency (EPA) issued its Endangerment Finding in response to a decision of the Supreme Court of the United States. The EPA found that the emission of six greenhouse gases, including carbon dioxide (which is emitted from the combustion of fossil fuels), may reasonably be anticipated to endanger public health and welfare. Based on this finding, the EPA defined the mix of these six greenhouse gases to be air pollution subject to regulation under the Clean Air Act. Although the EPA has stated a preference that greenhouse gas regulation be based on new federal legislation rather than the existing Clean Air Act, many sources of greenhouse gas emissions may be regulated without the need for further legislation.

The U.S. Congress is considering legislation that would create an economy-wide cap-and-trade system that would establish a limit (or cap) on overall greenhouse gas emissions and create a market for the purchase and sale of emissions permits or allowances. Under the leading cap-and-trade proposals before Congress, the chemical industry likely would be affected due to anticipated increases in energy costs as fuel providers pass on the cost of the emissions allowances, which they would be required to obtain, to cover the emissions from fuel production and the eventual use of fuel by us or our energy suppliers. In addition, cap-and-trade proposals would likely increase the cost of energy, including purchases of steam and electricity, and certain raw materials used by us. Other countries are also considering or have implemented cap-and-trade systems. Future environmental regulatory developments related to climate change are possible, which could materially increase operating costs in the chemical industry and thereby increase our manufacturing and delivery costs.

In addition, it is presently unclear what effects, if any, changes in regional or global climate will have on our operations or results.

If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings.

Under U.S. GAAP, we review our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is tested for impairment on July 31 of each year. Factors that may be considered a change in circumstances, indicating that the carrying value of our goodwill or amortizable intangible assets may not be recoverable, include, but are not limited to, a decline in stock price and market capitalization, reduced future cash flow estimates, and slower growth rates in our industry. We may be required to record a significant charge in our financial statements during the period in which any impairment of our goodwill or intangible assets is determined, negatively impacting our results of operations.

Table of Contents

Risks Related to the Exchange Notes

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the exchange notes.

We have a significant amount of indebtedness. As of December 31, 2010, our total indebtedness was $751 million, excluding $185 million of unused availability under our Senior Asset Based Facility.

Subject to the limits contained in the agreements governing our outstanding indebtedness instruments, we may be able to incur substantial additional indebtedness from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of indebtedness could intensify. Specifically, our high level of indebtedness could have important consequences to the holders of exchange notes, including the following:

- making it more difficult for us to satisfy our obligations with respect to the exchange notes and our other indebtedness;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, product developments, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

In addition, the indenture governing the exchange notes and the credit agreements governing our Senior Asset-Based Facility and our $295 million senior secured term loan facility agreement (the Term Loan together with the Senior Asset Based Facility, the Exit Credit Facilities) contain restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default, which, if not cured or waived, could result in the acceleration of all our debts.

Despite current indebtedness levels, we may still be able to incur substantially more indebtedness. This could further exacerbate the risks described above.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the indenture governing the exchange notes and the credit agreements governing our Exit Credit Facilities contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and the additional indebtedness incurred in compliance with these restrictions could be substantial. If we incur any additional indebtedness that ranks equally with the exchange notes, subject to any collateral arrangements, the holders of that indebtedness will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. This may have the effect of reducing the amount of proceeds paid to you. Additionally, our Senior Asset Based Facility provides commitments of up to $275 million in the aggregate. At December 31, 2010, we had no borrowings under the Senior Asset Based Facility, but we had $12 million of outstanding letters of credit which utilizes available capacity under the facility. At December 31, 2010, we had approximately $185 million of undrawn availability under the Senior Asset Based Facility. If new indebtedness is added to our current indebtedness levels, the related risks that we and our subsidiaries now face could intensify.

See Description of Exchange Notes.

Table of Contents

We may not be able to generate sufficient cash to service all of our indebtedness, including the exchange notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations, including the exchange notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to fund our day-to-day operations or to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the exchange notes. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all, and, even if successful, such alternative actions may not allow us to meet our scheduled debt service obligations. The credit agreements governing our Exit Credit Facilities and the indenture governing the exchange notes restrict our ability to dispose of assets and use the proceeds from any such dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. See Description of Exchange Notes.

In addition, we conduct our operations through our subsidiaries, certain of which will not be guarantors of the notes or our other indebtedness. Accordingly, repayment of our indebtedness, including the exchange notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the exchange notes, our subsidiaries do not have any obligation to pay amounts due on the exchange notes or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the exchange notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Although the indenture governing the notes and the agreements governing certain of our other existing indebtedness will limit the ability of certain of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations or to refinance our indebtedness on commercially reasonable terms or at all would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the exchange notes.

If we cannot make scheduled payments on our debt, we will be in default and, as a result, holders of exchange notes could declare all outstanding principal and interest to be due and payable, the lenders under our new Senior Asset Based Facility could terminate their commitments to loan money, our secured lenders could foreclose against the assets securing such borrowings and we could be forced into another Chapter 11 proceeding or liquidation which could, in each case, result in your losing your investment in the exchange notes.

The terms of our Exit Credit Facilities and the indenture governing the exchange notes may restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The indenture governing the exchange notes and the credit agreements governing our Exit Credit Facilities contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interests, including, among other things, restrictions on our ability to:

- incur, assume or guarantee additional indebtedness;
- issue redeemable stock and preferred stock;

Table of Contents

pay dividends or distributions or redeem or repurchase capital stock;

prepay, redeem or repurchase certain indebtedness;

make loans and investments;

incur liens;

restrict dividends, loans or asset transfers from our subsidiaries;

sell or otherwise dispose of assets, including capital stock of subsidiaries;

consolidate or merge with or into, or sell substantially all of our assets to, another person;

enter into transactions with affiliates; and

enter into new lines of business.

In addition, the restrictive covenants in the credit agreements governing our Exit Credit Facilities require us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we cannot assure you that we will meet them.

As a result of these restrictions, we may be:

limited in how we conduct our business;

unable to raise additional debt or equity financing to operate during general economic or business downturns; or

unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our plans.

A breach of the covenants under the indenture governing the exchange notes or under the credit agreements governing our Exit Credit Facilities could result in an event of default under the applicable indebtedness. Such default may allow the creditors to accelerate the related indebtedness and may result in the acceleration of any other indebtedness to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the credit agreement governing our Senior Asset Based Facility would permit the lenders under our Senior Asset Based Facility to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our Senior Asset Based Facility, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or holders of notes accelerate the repayment of our borrowings, we cannot assure you that we and our subsidiaries would have sufficient assets to repay such indebtedness.

The exchange notes will be effectively subordinated to our secured indebtedness to the extent of the value of the assets securing that indebtedness.

The exchange notes will be effectively subordinated to claims of our secured creditors to the extent of the value of the assets securing such claims, and the guarantees will be effectively subordinated to the claims of our secured creditors as well as the secured creditors of our subsidiary guarantors. As of December 31, 2010, we had approximately $295 million of indebtedness outstanding under our Term Loan to which the notes were effectively subordinated, approximately $12 million of undrawn letters of credit and approximately $185 million of additional borrowing capacity under our Senior Asset Based Facility. Holders of our secured obligations, including obligations under our Exit Credit Facilities, will have claims that are prior to claims of the holders of the exchange notes with respect to the assets securing those obligations. In the event of insolvency, liquidation, reorganization, dissolution or other winding-up, our assets and those of our subsidiaries will be available to pay obligations on the exchange notes and the guarantees only after holders of our senior secured indebtedness have been paid the value of the assets securing such obligations. Accordingly, there may not be sufficient funds remaining to pay amounts due on all or any of the exchange notes.

Table of Contents

The exchange notes and the guarantees will be structurally subordinated to all indebtedness of our existing and future subsidiaries that are not and do not become guarantors of the exchange notes.

The exchange notes will be fully and unconditionally guaranteed on a senior unsecured basis, jointly and severally, by each current and future domestic restricted subsidiary other than Excluded Subsidiaries that guarantees any indebtedness of Chemtura or its restricted subsidiaries. Except for such subsidiary guarantors of the notes, our subsidiaries, including all of our non-domestic subsidiaries, will have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The exchange notes will be structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary such that, in the event of insolvency, liquidation, reorganization, dissolution or other winding-up of any subsidiary that is not a guarantor, all of such subsidiary s creditors (including trade creditors and preferred stockholders, if any) would be entitled to payment in full out of such subsidiary s assets before we would be entitled to any payment.

For the year ended December 31, 2010, our non-guarantor subsidiaries represented approximately 45% of our net sales and contributed net earnings attributable to Chemtura of $68 million. As of December 31, 2010, our non-guarantor subsidiaries represented approximately 50% of our total assets (excluding intercompany assets).

We may not be able to repurchase the exchange notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all outstanding exchange notes at 101% of their principal amount, plus accrued and unpaid interest up to, but excluding, the repurchase date. Additionally, under our Exit Credit Facilities, a change of control (as defined therein) constitutes an event of default that permits the lenders to accelerate the maturity of borrowings under the respective agreements and the commitments to lend would terminate. The source of funds for any purchase of the exchange notes and repayment of borrowings under our Exit Credit Facilities will be our available cash or cash generated from our subsidiaries operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the exchange notes upon a change of control because we may not have sufficient financial resources to purchase all of the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. We may require additional financing from third parties to fund any such purchases, and we cannot assure you that we would be able to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the notes may be limited by law. In order to avoid the obligations to repurchase the notes and events of default and potential breaches of the credit agreements governing our Exit Credit Facilities, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

In addition, certain important corporate events, such as leveraged recapitalizations, may not, under the indenture governing the notes, constitute a change of control that would require us to repurchase the exchange notes, notwithstanding the fact that such corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the exchange notes. See Description of Exchange Notes Change of Control.

Many of the covenants in the indenture will be suspended if the exchange notes are rated investment grade by both Moody s and Standard & Poor s.

Many of the covenants in the indenture governing the exchange notes will no longer apply to us during any time that the notes have an investment grade rating, provided that at such time no default or event of default has occurred and is continuing. These covenants will restrict, among other things, our ability to pay distributions, incur indebtedness and to enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade, or that if they are rated investment grade, that the exchange notes will maintain these ratings. However, suspension of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force. See Description of Exchange Notes Covenant Suspension.

Table of Contents

Federal and state fraudulent transfer laws may permit a court to void the exchange notes or the guarantees and, if that occurs, you may not receive any payments on the exchange notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the exchange notes and the incurrence of the guarantees of such exchange notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or the guarantees thereof could be voided as a fraudulent transfer or conveyance if we or any of the guarantors, as applicable, (i) issued the exchange notes or incurred the guarantees with the intent of hindering, delaying or defrauding creditors, or (ii) received less than reasonably equivalent value or fair consideration in return for either issuing the exchange notes or incurring the guarantees and, in the case of (ii) only, one of the following is also true at the time thereof:

- we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the exchange notes or the incurrence of the guarantees;
- the issuance of the exchange notes or the incurrence of the guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on the business;
- we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or such guarantor s ability to pay as they mature; or
- we or any of the guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment is unsatisfied.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee, to the extent such guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the exchange notes.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the notes or the guarantees would be subordinated to our or any of our guarantors other indebtedness. In general, however, a court would deem an entity insolvent if:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they became due.

If a court were to find that the issuance of the exchange notes or the incurrence of a guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the exchange notes or such guarantee or subordinate the exchange notes or such guarantee to presently existing and future indebtedness of ours or of the related guarantor, or require the holders of exchange notes to repay any amounts received with respect to such guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the exchange notes. Further, the avoidance of the exchange notes could result in an event of default with respect to our and our subsidiaries other debt that could result in acceleration of such debt.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the exchange notes to other claims against us under the principle of equitable subordination, if the court determines that (i) the holder of exchange notes engaged in some type of inequitable

conduct, (ii) such inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holder of exchange notes and (iii) equitable subordination is not inconsistent with the provisions of Title 11 of the Unites States Code (the Bankruptcy Code).

Table of Contents

An active trading market for the exchange notes may not develop.

There is no existing market for the exchange notes. The exchange notes will not be listed on any securities exchange. There can be no assurance that a trading market for the exchange notes will ever develop or will be maintained. The initial purchasers of the old notes advised us that they intend to make a market in the notes as permitted by applicable laws and regulations; however, the initial purchasers are not obligated to do so and, if commenced, they may discontinue their market-making activities at any time without notice. Further, there can be no assurance as to the liquidity of any market that may develop for the exchange notes, your ability to sell your exchange notes or the price at which you will be able to sell your exchange notes. Future trading prices of the exchange notes will depend on many factors, including prevailing interest rates, our financial condition and results of operations, the then-current ratings assigned to the exchange notes and the market for similar securities. Any trading market that develops would be affected by many factors independent of and in addition to the foregoing, including the:

- time remaining to the maturity of the exchange notes;
- outstanding amount of the exchange notes;
- terms related to optional redemption of the exchange notes; and
- level, direction and volatility of market interest rates generally.

Even if an active trading market for the exchange notes does develop, there is no guarantee that it will continue. Historically, and particularly in recent years, the market for non-investment grade debt has been subject to severe disruptions that have caused substantial volatility in the prices of securities similar to the exchange notes. The market, if any, for the exchange notes may experience similar disruptions and any such disruptions may adversely affect the liquidity in such market and/or the prices at which you may sell your exchange notes.

Risks Relating to the Exchange Offer

If you do not exchange your old notes for exchange notes, your ability to sell your old notes will be restricted.

If you do not exchange your old notes for exchange notes in this exchange offer, you will continue to be subject to the restrictions on transfer described in the legend on your old notes. The restrictions on transfer of your old notes arise because we issued the old notes in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer to sell the old notes if they are registered under the Securities Act and applicable state securities laws or offered or sold pursuant to an exemption from those requirements. If you are still holding any old notes after the expiration date of the exchange offer and the exchange offer has been consummated, you will not be entitled to have those old notes registered under the Securities Act or to any similar rights under the registration rights agreement, subject to limited exceptions, if applicable. After the exchange offer is completed, we will not be required, and we do not intend, to register the old notes under the Securities Act.

You may not be able to sell the exchange notes quickly or at the price that you paid.

We do not intend to apply for the notes or the exchange notes to be listed on any securities exchange or to arrange for quotation on any automated dealer quotation systems. The initial purchasers of the old notes advised us that they intend to make a market in the exchange notes, but they are not obligated to do so. The initial purchasers may discontinue any market making in the exchange notes at any time, in their sole discretion. As a result, we cannot assure you as to the liquidity of any trading market in the exchange notes.

We also cannot assure you that you will be able to sell your exchange notes at a particular time or that the prices that you receive when you sell will be favorable. Future trading prices of the exchange notes will depend on many factors, including:

- our operating performance and financial condition;

the interest of securities dealers in making a market; and

the market for similar or alternative securities.

Table of Contents

It is possible that the market for the exchange notes will be subject to disruptions. Any disruptions may have a negative effect on noteholders, regardless of our prospects and financial performance.

Your old notes will not be accepted for exchange if you fail to follow the exchange offer procedures and, as a result, your old notes will continue to be subject to existing transfer restrictions and you may not be able to sell your old notes.

We will not accept your old notes for exchange if you do not follow the exchange offer procedures. We will issue exchange notes as part of this exchange offer only after a timely receipt of your old notes, a properly completed and duly executed letter of transmittal and all other required documents. Therefore, if you want to tender your old notes, please allow sufficient time to ensure timely delivery. If we do not receive your old notes, letter of transmittal and other required documents by the expiration date of the exchange offer, we will not accept your old notes for exchange. We are under no duty to give notification of defects or irregularities with respect to the tenders of old notes for exchange. If there are defects or irregularities with respect to your tender of old notes, we may not accept your old notes for exchange. For more information, see The Exchange Offer.

Some holders who exchange their old notes may be deemed to be underwriters, and these holders will be required to comply with the registration and prospectus delivery requirements in connection with any resale transaction.

If you exchange your old notes in the exchange offer for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

Set forth below is information concerning our ratio of earnings to fixed charges.

	Quarter Ended March 31, 2011	Year Ended December 31, 2010	2009	2008	2007	2006
Ratio of Earnings to Fixed Charges (a)	1.56x	(b)	(b)	(b)	(b)	(b)

(a) The ratio of earnings to fixed charges has been computed by dividing earnings available for fixed charges by fixed charges. Computations in the ratio included:

pre-tax earnings (loss) from continuing operations consists of earnings (loss) from continuing operations before income taxes plus amortization of capitalized interest less net earnings attributable to non-controlling interests, equity income and interest capitalized.

fixed charges consists of interest expensed and capitalized (including amortization of debt issuance costs) and one-third of operating rent expense, which we believe is representative of the interest component of rent expense.

(b) Earnings for all periods, except the quarter ended March 31, 2011, were insufficient to cover fixed charges at a ratio of 1:1. The amount of the deficiency was $555 million in 2010, $217 million in 2009, $992 million in 2008, $57 million in 2007 and $171 million in 2006. As a result of the deficiencies, the ratios are not presented above.

Table of Contents

USE OF PROCEEDS

This exchange offer is intended to satisfy our obligations under the registration rights agreement. We will not receive any proceeds from the exchange offer. You will receive, in exchange for old notes tendered by you and accepted by us in the exchange offer, exchange notes in the same principal amount. The old notes surrendered in exchange for the exchange notes will be retired and cancelled and cannot be reissued. Accordingly, the issuance of the exchange notes will not result in any increase of our outstanding debt or the receipt of any additional proceeds.

Table of Contents

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization on a historical basis as of March 31, 2011. This table should be read in conjunction with the section of this prospectus entitled Use of Proceeds and our financial statements and Management s Discussion and Analysis of Financial Condition and Results of Operations included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, as amended by Amendment No. 1 on Form 10-Q/A, which is incorporated by reference herein.

(dollars in millions)		**As of March 31, 2011**
Cash and cash equivalents	**$**	**113**
Debt, including current maturities:		
Short-term debt[1]	$	4
Long-term debt:		
Exchange Notes		452
Senior Asset Based Facility[2]		73
Term Loan[3]		292
Other long-term debt[1]		4
Total debt, including current maturities		825
Stockholders equity		1,024
Total capitalization	**$**	**1,849**

(1) Short-term debt and other long-term debt consists primarily of foreign related indebtedness.

(2) The Senior Asset Based Facility provides for $275 million of lending commitments (availability is subject to borrowing base calculations and advance rate calculations). At March 31, 2011, we had $73 million of borrowings under the Senior Asset Based Facility, and we had $16 million of outstanding letters of credit (primarily related to liabilities for insurance obligations and vendor deposits) which utilizes available capacity under the facility. At March 31, 2011 we had approximately $186 million of undrawn availability under the Senior Asset Based Facility.

(3) We are monitoring the current strength of the leveraged loan market and evaluating an opportunistic re-pricing and potential upsizing of our existing $295 million Term Loan. To the extent we pursue our upsize transaction, if consummated, it would result in a corresponding change to our senior secured leverage ratio and projected interest expense.

For more information on the various components of our debt, refer to note 7 to our unaudited consolidated financial statements contained in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2011, as amended by Amendment No. 1 on Form 10-Q/A which is incorporated herein by reference.

Table of Contents

DESCRIPTION OF EXCHANGE NOTES

General

The 7.875% Senior Notes due 2018 (the *Old Notes*) were issued by the Company under an indenture, dated as of August 27, 2010 (the *Indenture*), between the Company and U.S. Bank National Association, as trustee (the *Trustee*), in a private transaction that was not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the *Securities Act*). The 7.875% Senior Notes that have been registered (the *Exchange Notes*) under the Securities Act will also be issued by the Company under the Indenture. As used below in this Description of Exchange Notes, the term *Company* refers only to Chemtura Corporation and not to any of its Subsidiaries, as defined herein.

References to the Notes include Old Notes that remain outstanding after completion of the Exchange Offer, together with the Exchange Notes and any Additional Notes (as defined below) actually issued. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the *Trust Indenture Act*).

The following description is a summary of the material terms of the Indenture. It does not, however, restate the Indenture in its entirety. You should read the Indenture because it contains additional information and because it and not this description defines your rights as a Holder of the Notes. After the Exchange Notes have been issued, a copy of the Indenture may be obtained by requesting it from the Company. The definitions of certain other terms used in this description are set forth throughout the text or under Certain Definitions.

If a Holder has given wire transfer instructions to the Company at least 10 Business Days prior to the applicable payment date, the Company will pay all principal of, interest and premium, on that Holder s Notes in accordance with those instructions. All other payments on the Notes will be made at the office or agency of the Paying Agent and Registrar within the City and State of New York unless the Company elects to make interest payments by check mailed to the Holders at their addresses set forth in the register of Holders; *provided* that all payments of principal, premium, if any, and interest, with respect to the Global Notes (as defined below) registered in the name of or held by the Depository Trust Company (*DTC*) or its nominee will be made by wire transfer of immediately available funds to the account specified by DTC.

The Trustee will initially act as Paying Agent and Registrar. The Company may change the Paying Agent or Registrar without prior notice to the Holders, and the Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Exchange Notes will be issued only in fully registered form without coupons and only in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The Exchange Notes will be initially in the form of one or more Global Notes. The Global Notes will be deposited with the Trustee as custodian for DTC. Ownership of interests in the Global Notes, referred to in this description as book-entry interests, will be limited to persons that have accounts with DTC or their respective participants. The terms of the Indenture will provide for the issuance of definitive registered Notes in certain circumstances. Please see the section entitled Book-Entry, Delivery and Form.

The registered Holder of a Note will be treated as the owner of it for all purposes.

Terms of the Notes

The Company is offering up to $455 million aggregate principal amount of the Exchange Notes, which will mature on September 1, 2018. Subject to compliance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock, the Company can issue additional Notes from time to time in the future as part of the same series without consent from Holders of the Notes under the Indenture (the *Additional Notes*). Any Additional Notes that the Company issues in the future will be

Table of Contents

identical in all respects to the Notes and will be treated as a single class for all purposes of the Indenture, including with respect to waivers, amendments, redemptions and Offers to Purchase, except that Notes issued in the future may have different issuance prices and will have different issuance dates. Unless the context otherwise requires, references to the Notes for all purposes under the Indenture and in this Description of Exchange Notes include any Additional Notes that are issued.

The Exchange Notes bear interest at the rate of 7.875% per annum from , 2011, or from the most recent date to which interest has been paid or provided for, payable semi-annually on March 1 and September 1 of each year, commencing September 1, 2011, to holders of record at the close of business on the immediately preceding February 15 and August 15, respectively. Interest is computed on the basis of a 360-day year of twelve 30-day months. Interest on overdue principal and interest accrues at a rate that is 1% higher than the then-applicable interest rate on the Notes. In no event will the rate of interest on the Notes be higher than the maximum rate permitted by applicable law.

Ranking

The Notes and the Note Guarantees will be general unsecured unsubordinated obligations of the Company and each Guarantor, respectively. The Notes and the Note Guarantees will rank equally in right of payment with all existing and future Indebtedness of the Company and the Guarantors, respectively, that is not subordinated in right of payment to the Notes. The Notes will be structurally subordinated to all existing and future Indebtedness and other liabilities of Subsidiaries of the Company that do not provide Note Guarantees. The Notes and the Note Guarantees will be effectively subordinated to all existing and future secured Indebtedness of the Company and each of the Guarantors, respectively, to the extent of the assets securing such Indebtedness. The Notes will rank senior in right of payment to any and all of the Company s existing and future Indebtedness that is subordinated in right of payment to the Notes. The Note Guarantees will rank senior in right of payment to any and all of such Guarantor s existing and future Indebtedness that is subordinated in right of payment to its Note Guarantee.

Not all of the Company s Subsidiaries will Guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will be required to repay financial and trade creditors before distributing any assets to the Company or a Guarantor. For the fiscal year ended December 31, 2010, the non guarantor Subsidiaries generated approximately 45% of the Company s net sales and contributed net earnings attributable to Chemtura of $68 million. As of December 31, 2010, the non-guarantor Subsidiaries represented 50% of the Company s total assets (excluding intercompany assets).

As of the Issue Date, all of the Company s Subsidiaries were Restricted Subsidiaries. However, under the circumstances described below under the caption Certain Covenants Designation of Restricted and Unrestricted Subsidiaries, the Company will be permitted to designate certain of its Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture. Further, certain subsidiaries, including Unrestricted Subsidiaries, will not Guarantee the Notes.

Although the Indenture contains limitations on the amount of additional Indebtedness that the Company, the Guarantors and the Restricted Subsidiaries may Incur, the amount of such additional Indebtedness could be substantial.

Optional Redemption

At any time prior to September 1, 2014, the Company may redeem all or part of the Notes, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to the registered address of each Holder of Notes or otherwise delivered in accordance with the procedures of DTC, at a redemption price equal to the sum of (i) 100% of the principal amount thereof, *plus* (ii) the Applicable Premium as of the date of redemption, *plus* (iii) accrued and unpaid interest thereon up to, but excluding, the date of redemption (subject to the rights of Holders of Notes on a relevant record date to receive interest due on an interest payment date that occurs prior to the redemption date).

Table of Contents

The Notes (including any Additional Notes) will be redeemable at the option of the Company, in whole or in part, at any time on or after September 1, 2014 at the redemption prices (expressed as percentages of principal amount) set forth below, *plus* accrued and unpaid interest thereon up to, but excluding, the applicable redemption date (subject to the rights of Holders of Notes on a relevant record date to receive interest due on an interest payment date that occurs prior to the redemption date), if redeemed during the twelve-month period beginning on September 1 of the years indicated below:

Year	Percentage
2014	103.938%
2015	101.969%
2016 and thereafter	100.000%

Notwithstanding the foregoing, at any time prior to September 1, 2013, the Company may, at its option on any one or more occasions, redeem Notes in an aggregate principal amount not to exceed 35% of the aggregate principal amount of Notes issued under the Indenture (including any Additional Notes) at a redemption price of 107.875% of the principal amount, *plus* accrued and unpaid interest thereon up to, but excluding, the redemption date (subject to the rights of Holders of Notes on a relevant record date to receive interest due on an interest payment date that occurs prior to the redemption date), with the net cash proceeds of one or more Equity Offerings; *provided* that:

(1) at least 65% of the aggregate principal amount of Notes issued under the Indenture (including any Additional Notes) remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company or its Affiliates); and

(2) the redemption must occur within 90 days of the date of the closing of such Equity Offering.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Company is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase the Notes as described under the captions Change of Control and Certain Covenants Limitation on Asset Sales. The Company and its Restricted Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise.

Selection and Notice

If less than all of the Notes issued under the Indenture are to be redeemed at any time, the selection of Notes for redemption will be made by the Trustee on a pro rata basis, by lot or by such other method as the Trustee deems fair and appropriate; *provided* that no Notes of $2,000 or less will be redeemed in part. Notices of redemption will be mailed by first-class mail, at least 30 but not more than 60 days before the redemption date, to each Holder of Notes to be redeemed at its registered address. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note will state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder thereof 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 thereof called for redemption.

Any notice of redemption may be given prior to the completion of any event or transaction related to such redemption, and any such redemption or notice may, at the Company s discretion, be subject to one or more conditions precedent, including in the case of any Equity Offering, completion of such Equity Offering. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Company s discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

Table of Contents

Note Guarantees

General

Under the Indenture, the Initial Guarantors jointly and severally agree to guarantee the due and punctual payment of all amounts payable under the Notes, including principal, premium, if any, and interest. The Indenture will require any future Domestic Subsidiary (other than an Excluded Subsidiary) and any other Restricted Subsidiary, in either case, that Guarantees Indebtedness of the Company or any Guarantor to provide a Note Guarantee. Please see the section entitled Certain Covenants Additional Note Guarantees.

The Indenture limits the obligations of each Guarantor under its Note Guarantee to an amount not to exceed the maximum amount that can be guaranteed by such Guarantor by law or without resulting in its obligations under its Note Guarantee being voidable or unenforceable under applicable laws relating to fraudulent transfer, or under similar laws affecting the rights of creditors generally.

We cannot assure you that this limitation will protect the Note Guarantees from fraudulent transfer challenges or, if it does, that the remaining amount due and collectible under the Note Guarantees would suffice, if necessary, to pay the Notes in full when due. In a recent Florida bankruptcy case, this kind of provision was found to be unenforceable and, as a result, the subsidiary guarantees in that case were found to be fraudulent conveyances. We do not know if that case will be followed if there is litigation on this point under the Indenture. However, if it is followed, the risk that the Note Guarantees will be found to be fraudulent conveyances will be significantly increased. See Risk Factors Risks Related to the Notes Federal and state fraudulent transfer laws may permit a court to void the notes or the guarantees and, if that occurs, you may not receive any payments on the notes.

Release of the Note Guarantees

A Note Guarantee of a Guarantor will be automatically and unconditionally released (and thereupon shall terminate and be discharged and be of no further force and effect):

(a) in connection with any sale or other disposition (including by merger or otherwise) of Capital Stock of the Guarantor after which such Guarantor is no longer a Subsidiary of the Company, or of all or substantially all of the assets of such Guarantor, which sale or other disposition complies with the applicable provisions of the Indenture and all the obligations of such Guarantor in respect of all other Indebtedness of the Company or the Guarantors terminate upon consummation of such transaction;

(b) if the Company properly designates the Guarantor as an Unrestricted Subsidiary under the Indenture;

(c) solely in the case of a Note Guarantee created pursuant to the second paragraph of the covenant described under Certain Covenants Additional Note Guarantees, upon the release or discharge of the Note Guarantee or Incurrence of Indebtedness that resulted in the creation of such Note Guarantee pursuant to that covenant, except a discharge or release by or as a result of payment under such Guarantee;

(d) upon a Legal Defeasance, Covenant Defeasance or satisfaction and discharge of the Indenture, in each case which complies with the applicable provisions of the Indenture;

(e) upon payment in full of the aggregate principal amount of all Notes then outstanding and all other obligations under the Indenture and the Notes then due and owing;

(f) in the case of any Excluded Subsidiary which, after the date of the Indenture, is required to guarantee the Notes as a result of its provision of guarantees or other direct credit support for any other Indebtedness of the Company or any Guarantor, upon the release or discharge of all such Indebtedness or such guarantees or other direct credit support obligations of such Excluded Subsidiary that

caused it to be obligated to guarantee the Notes;

Table of Contents

(g) in the case of any Guarantor which, after the date of the Indenture, liquidates or dissolves or consolidates or merges with or into another Guarantor or the Company, upon such liquidation, dissolution, consolidation or merger;

(h) as discussed under Amendments and Waiver; or

(i) in the case of any Guarantor which is also a guarantor under the Credit Facilities, upon the release of such guarantee under the Credit Facilities (which release under the Credit Facilities may be conditioned upon the concurrent release of the Note Guarantee hereunder).

Upon any occurrence giving rise to a release of a Note Guarantee as specified above, the Trustee will execute any documents reasonably required in order to evidence or effect such release, termination and discharge in respect of such Note Guarantee. Neither the Company nor any Guarantor will be required to make a notation on the Notes to reflect any Note Guarantee or any such release, termination or discharge.

Change of Control

Unless the Company has previously or concurrently mailed a redemption notice with respect to all the outstanding Notes as described under Optional Redemption, the Company must commence, within 30 days of the occurrence of a Change of Control after the date the Escrow Proceeds were released to the Company (such date, the *Release Date*), and consummate an Offer to Purchase for all Notes then outstanding, at a purchase price in cash equal to 101% of the aggregate principal amount of the Notes repurchased, *plus* accrued and unpaid interest thereon, up to, but excluding, the date of repurchase (subject to the rights of Holders of Notes on a relevant record date to receive interest due on an interest payment date that occurs prior to the repurchase date).

The Credit Agreements limit, and future credit agreements or other agreements to which the Company becomes a party may prohibit or limit, the Company from purchasing any Notes as a result of a Change of Control. In the event a Change of Control occurs at a time when the Company is prohibited from purchasing the Notes, the Company could seek the consent of its lenders to permit the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain such consent or repay such borrowings, the Company will remain prohibited from purchasing the Notes. In such case, the Company s failure to purchase tendered Notes would constitute an Event of Default under the Indenture, which would, in turn, constitute a default under such other agreements. The Credit Agreements provide that certain change of control events with respect to the Company would constitute a default thereunder (including a Change of Control under the Indenture). If the Company experiences a change of control that triggers a default under the Credit Agreements, the Company could seek a waiver of such default or seek to refinance the Credit Agreements. In the event the Company does not obtain such a waiver or refinance the Credit Agreements, such default could result in amounts outstanding under the Credit Agreements being declared due and payable.

The Company s ability to pay cash to the Holders of the Notes following the occurrence of a Change of Control may be limited by the Company s then-existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. See Risk Factors Risks Related to the Notes We may not be able to repurchase the notes upon a change of control.

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of the Company and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the Initial Purchasers and the Company. As of the Issue Date, the Company had no present intention to engage in a transaction involving a Change of Control, although it is possible that the Company could decide to do so in the future. Subject to the limitations discussed below, 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 the 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 Incurrence of Indebtedness and Issuance of Preferred Stock

Table of Contents

and Certain Covenants Limitation on Liens. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders of the Notes protection in the event of a highly leveraged transaction.

The Company will not be required to make an Offer to Purchase upon a Change of Control if a third party makes the Offer to Purchase in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to an Offer to Purchase made by the Company and purchases all Notes validly tendered and not withdrawn under such Offer to Purchase. Notwithstanding anything to the contrary herein, an Offer to Purchase upon a Change of Control may be made in advance of a Change of Control, and conditioned upon the consummation of such Change of Control, if a definitive agreement is in place providing for the Change of Control at the time the Offer to Purchase is made.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Company and the Restricted Subsidiaries taken as a whole. 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, the ability of a Holder of Notes to require the Company to repurchase such Notes as a result of a sale, transfer, conveyance or other disposition of less than all of the assets of the Company and the Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions of the Indenture relating to the Company s obligation to make an Offer to Purchase upon a Change of Control may be waived or modified with the written consent of the Holders of a majority in aggregate principal amount of the Notes. See Amendments and Waiver.

Any Offer to Purchase upon a Change of Control will comply with any applicable regulations under the federal securities laws, including Rule 14e-1 under the Exchange Act.

Certain Covenants

The Indenture contains certain covenants, including, among others, the following:

Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock

The Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness and the issuance of any shares of Disqualified Stock or Preferred Stock by Restricted Subsidiaries); *provided, however*, that the Company or any Guarantor may Incur Indebtedness (including Acquired Indebtedness and the issuance of any shares of Disqualified Stock and Preferred Stock of any Restricted Subsidiary) if the Fixed Charge Coverage Ratio for the Company s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness (including the issuance of Disqualified Stock or Preferred Stock) is Incurred would be at least 2.0 to 1.0, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the Incurrence of any of the following items of Indebtedness (collectively, *Permitted Debt*):

(1) the Incurrence by the Company or any Restricted Subsidiary of Indebtedness under Credit Facilities (including, without limitation, the Incurrence by the Guarantors of Guarantees thereof) in an aggregate amount at any one time outstanding not to exceed:

(a) the greater of (i) $700 million; and (ii) the sum of (x) $425 million, (y) 75% of the net book value of the Inventory and (z) 85% of the net book value of the accounts receivable, in each case of the Company and the Restricted Subsidiaries, determined on a consolidated basis according to GAAP; *less*

Table of Contents

(b) the aggregate amount of all proceeds from Asset Sales applied by the Company or any Restricted Subsidiary to permanently repay any such Indebtedness pursuant to the covenant described below under the caption Limitation on Asset Sales ;

(2) the Incurrence of Existing Indebtedness;

(3) the Incurrence by the Company and the Guarantors of Indebtedness represented by the Notes (other than Additional Notes) and the Exchange Notes in respect thereof and the related Note Guarantees;

(4) the Incurrence by the Company or any Restricted Subsidiary of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, Incurred for the purpose of financing (whether prior to or within 270 days after) all or any part of the purchase price, cost of design or cost of construction, installation, maintenance, upgrade or improvement of property (real or personal, or movable or immovable), plant or equipment used in the business of the Company or such Restricted Subsidiary (including any reasonably related fees or expenses Incurred in connection with such acquisition, construction or improvement), whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, in an aggregate amount, including all Indebtedness Incurred to extend the maturity of, refund, refinance, renew, defease, discharge or replace any Indebtedness Incurred pursuant to this clause (4), not to exceed the greater of (a) $75 million and (b) 3% of the Consolidated Net Tangible Assets of the Company at any one time outstanding;

(5) the Incurrence by the Company or any Restricted Subsidiary of Permitted Refinancing Indebtedness (including Disqualified Stock or Preferred Stock) in exchange for, or the net cash proceeds of which are used to extend the maturity of, refund, refinance, renew, defease, discharge or replace, Indebtedness (including Disqualified Stock or Preferred Stock) that was permitted by the Indenture to be Incurred or issued under the first paragraph of this covenant or clauses (2), (3), (5) or (16) of this paragraph, including any additional Indebtedness (including the issuance of Disqualified Stock or Preferred Stock) Incurred, to pay premiums (including tender premiums) and original issue discount, expenses, defeasance costs and fees in connection therewith;

(6) the Incurrence by the Company or any Restricted Subsidiary of Indebtedness owing to and held by the Company or any Restricted Subsidiary; *provided, however*, that:

(a) if the Company or any Guarantor is the obligor on such Indebtedness, such Indebtedness must be unsecured and expressly subordinated in right of payment to the prior payment in full in cash of all Obligations with respect to the Notes, in the case of the Company, or the Note Guarantee, in the case of a Guarantor; and

(b) (i) any event that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary (except for any pledge of such Indebtedness constituting a Permitted Lien until the pledgee commences actions to foreclose on such Indebtedness) will be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) shares of Preferred Stock of a Restricted Subsidiary issued to the Company or another Restricted Subsidiary; provided that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary that holds such shares of Preferred Stock of another Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Company or another Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock not permitted by this clause (7);

(8) the Guarantee by the Company or any Restricted Subsidiary of Indebtedness of the Company or a Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant; *provided* that if the Indebtedness being Guaranteed is subordinated to

or pari passu with the Notes or a Note Guarantee, then the Guarantee must be subordinated or pari passu, as applicable, to the same extent as the Indebtedness Guaranteed;

Table of Contents

(9) the Incurrence by the Company or any Restricted Subsidiary of Hedging Obligations that are Incurred in the ordinary course of business or Incurred for the purpose of fixing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes;

(10) the Incurrence by the Company or any Restricted Subsidiary of Indebtedness arising from agreements providing for indemnification, adjustment of purchase price, earn-outs or similar obligations, or Guarantees or letters of credit, surety, performance, bid or appeal bonds and other similar types of performance and completion guarantees securing any obligations of the Company or any Restricted Subsidiary pursuant to such agreements, in any case Incurred or assumed in connection with the disposition or acquisition of any business, assets or Capital Stock held by a Restricted Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Capital Stock held by a Restricted Subsidiary for the purpose of financing such acquisition), so long as the amount does not exceed the gross proceeds actually received by the Company or any Restricted Subsidiary in connection with such disposition;

(11) the Incurrence by the Company or any Restricted Subsidiary of Indebtedness arising from (i) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds and related liabilities arising from treasury, depository and cash management services in the ordinary course of business, *provided*, *however*, that such Indebtedness is extinguished within 30 Business Days of its Incurrence; (ii) bankers acceptances; and (iii) customary treasury, depository, cash management, cash pooling or netting or setting-off arrangements;

(12) the Incurrence by the Company or any Restricted Subsidiary of Indebtedness constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including letters of credit in respect of workers compensation claims, or other Indebtedness with respect to reimbursement obligations regarding workers compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance or similar requirements, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims; *provided* that, upon the drawing of such letters of credit or the Incurrence of such Indebtedness, such obligations are reimbursed within 30 Business Days following such drawing or Incurrence;

(13) the Incurrence by the Company or any Restricted Subsidiary of Indebtedness to the extent the net cash proceeds thereof are promptly deposited to defease or to satisfy and discharge the Notes as described under Legal Defeasance and Covenant Defeasance or Satisfaction and Discharge ;

(14) the Incurrence of Indebtedness in a Qualified Receivables Transaction that is without recourse to the Company or to any Restricted Subsidiary of the Company or their assets (other than a Receivables Entity and its assets and, as to the Company or any Restricted Subsidiary of the Company, other than pursuant to Standard Receivables Undertakings) and is not guaranteed by any such Person other than pursuant to Standard Receivables Undertakings;

(15) Indebtedness (including Disqualified Stock) of the Company or Indebtedness (including Disqualified Stock or Preferred Stock) of any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, including all Permitted Refinancing Indebtedness Incurred to extend the maturity of, refund, refinance, renew, defease, discharge or replace any Indebtedness Incurred pursuant to this clause (15), not to exceed $100 million at any one time outstanding;

Table of Contents

(16) the Incurrence of Acquired Indebtedness; *provided* that after giving effect to such acquisition or merger, either

(a) the Company would be permitted to Incur at least $1.00 of additional Indebtedness under the first paragraph of this covenant; or

(b) the Fixed Charge Coverage Ratio of the Company and the Restricted Subsidiaries is equal to or greater than immediately prior to such acquisition or merger;

(17) the Incurrence of Indebtedness of any Foreign Subsidiary not to exceed at any one time outstanding pursuant to this clause (17) the greater of (a) $75 million and (b) 5% of Consolidated Net Tangible Assets of Foreign Subsidiaries;

(18) the Incurrence of Indebtedness existing on the Release Date (other than the Notes and Indebtedness described in clause (1) above) in an aggregate principal amount of $31 million, after giving effect to the consummation of the Reorganization Plan, and guarantees of Indebtedness of Joint Ventures outstanding on the Release Date, and operating leases of the Company and the Restricted Subsidiaries outstanding on the Release Date to the extent characterized as a Capital Lease Obligation after the Release Date;

(19) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(20) Indebtedness consisting of take-or-pay obligations contained in supply agreements relating to products, services or commodities of a type that the Company or any of its Subsidiaries uses or sells in the ordinary course of business;

(21) Indebtedness consisting of the financing of insurance premiums;

(22) Indebtedness consisting of guarantees Incurred in the ordinary course of business under repurchase agreements or similar agreements in connection with the financing of sales of goods in the ordinary course of business;

(23) customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;

(24) Indebtedness consisting of Indebtedness issued by the Company or a Restricted Subsidiary of the Company to future, current or former employees, directors and consultants thereof, or their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of the Company to the extent described in clause (6) of the second paragraph of the covenant described under Limitation on Restricted Payments ;

(25) Indebtedness Incurred on behalf of, or representing guarantees of Indebtedness of, Joint Ventures of the Company or any Restricted Subsidiary not to exceed, at any one time outstanding, the greater of (i) $50 million and (ii) 2% of the Consolidated Net Tangible Assets of the Company and any Indebtedness to exchange, extend, refinance, renew, replace, defease or refund such Indebtedness originally Incurred pursuant to clause (ii) of this subsection (25), *provided* that any such Indebtedness until reclassified in accordance with the Indenture shall remain Incurred pursuant to this clause (25) prior to its maturity;

(26) Indebtedness Incurred by the Company or any Restricted Subsidiary of up to $25 million relating to funding of contributions to the foreign pension plans; and

(27) Indebtedness which may be deemed to exist pursuant to any surety bonds, appeal bonds or similar obligations Incurred in connection with any judgment not constituting an Event of Default.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness, (including Disqualified Stock or Preferred Stock) (or any portion thereof) meets the criteria of more than one of

Table of Contents

the categories of Permitted Debt described in clauses (1) through (27) above or is entitled to be Incurred or issued pursuant to the first paragraph of this covenant, the Company will, in its sole discretion, classify such item of Indebtedness (including Disqualified Stock or Preferred Stock) and may divide and classify such Indebtedness (including Disqualified Stock or Preferred Stock) in more than one of the categories described and may later reclassify such item into any one or more of the categories described above (provided that at the time of reclassification it meets the criteria in such category or categories). The maximum amount of Indebtedness that the Company or any Restricted Subsidiary may Incur pursuant to this covenant will not be deemed to be exceeded solely as the result of fluctuations in the exchange rates of currencies. In determining the amount of Indebtedness outstanding under one of the clauses above, the outstanding principal amount of any particular Indebtedness of any Person shall be counted only once and any obligation of such Person or any other Person arising under any guarantee, Lien, letter of credit or similar instrument supporting such Indebtedness shall be disregarded so long as it is permitted to be Incurred by the Person or Persons Incurring such obligation. Notwithstanding the foregoing, Indebtedness under the Credit Agreements outstanding on the Issue Date or the Release Date, as applicable, will be deemed to have been Incurred on such date in reliance on the exception provided by clause (1) above.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest or dividends in the form of additional Indebtedness (including Disqualified Stock or Preferred Stock) of the same class, and the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles will not be deemed to be an Incurrence of Indebtedness.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this section any other obligation of the obligor on such Indebtedness (or of any other Person who could have Incurred such Indebtedness under this section) arising under any Note Guarantee, Lien or letter of credit, bankers acceptance or other similar instrument or obligation supporting such Indebtedness shall be disregarded to the extent that such Note Guarantee, Lien or letter of credit, bankers acceptance or other similar instrument or obligation secures the principal amount of such Indebtedness.

Notwithstanding the foregoing, the Company will not, and will not permit any other Guarantor to, Incur any Indebtedness that purports to be by its terms (or by the terms of any agreement or instrument governing such Indebtedness) subordinated in right of payment to any other Indebtedness of the Company or of such other Guarantor, as the case may be, unless such Indebtedness is also by its terms made subordinated in right of payment to the Notes or the Note Guarantee of such Guarantor, as applicable, to at least the same extent as such Indebtedness is subordinated in right of payment to such other Indebtedness of the Company or such Guarantor, as the case may be.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. Dollar Equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred (or first committed, in the case of revolving credit debt); *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced.

The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

Table of Contents

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, make a Restricted Payment unless, at the time of and after giving *pro forma* effect to the proposed Restricted Payment:

(1) no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(2) the Company could Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock ; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and the Restricted Subsidiaries after the Release Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6) and (9) of the next succeeding paragraph), is less than the sum, without duplication, of:

(a) 50% of the Consolidated Net Income on a cumulative basis during the period (taken as one accounting period) beginning on October 1, 2010 and ending on the last day of the Company s last fiscal quarter ending prior to the date of such proposed Restricted Payment for which internal financial statements are available (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), *plus*

(b) 100% of the aggregate net cash proceeds or property received by the Company after October 1, 2010 as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of the Company and the amount of reduction of Indebtedness of the Company or its Restricted Subsidiaries that has been converted into or exchanged for such Equity Interests (other than Equity Interests sold to, or Indebtedness held by, a Subsidiary of the Company); *provided* that for purposes of determining the Fair Market Value of property received (other than of any asset with a public trading market) in excess of $50 million, such Fair Market Value shall be determined by an Independent Financial Advisor, which determination shall be evidenced by an opinion addressed to the Company and delivered to the Trustee, *plus*

(c) 100% of the amount by which Indebtedness or Disqualified Stock Incurred or issued subsequent to October 1, 2010 is reduced on the Company s consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) into Equity Interests other than Disqualified Stock (less the amount of any cash, or the Fair Market Value of any other asset, distributed by the Company or any Restricted Subsidiary upon such conversion or exchange); *provided* that such amount shall not exceed the aggregate net cash proceeds received by the Company or any Restricted Subsidiary after October 1, 2010 from the issuance and sale (other than to a Subsidiary of the Company) of such Indebtedness or Disqualified Stock; *plus*

(d) to the extent not included in the calculation of the Consolidated Net Income referred to in (a), an amount equal to, without duplication: (i) 100% of the aggregate net proceeds (including the Fair Market Value of assets) received by the Company or any Restricted Subsidiary upon the sale or other disposition of any Investment (other than a Permitted Investment) made by the Company or any Restricted Subsidiary since October 1, 2010; *plus* (ii) the net reduction in Investments (other than Permitted Investments) in any Person resulting from dividends, repayments of loans or advances or other transfers of assets subsequent to October 1, 2010, in each case to the Company or any Restricted Subsidiary from such Person (including by way of such Person becoming a Restricted Subsidiary); *plus* (iii) if the sum of clauses (a), (b), (c) and (d) was reduced as the result of the designation of a Restricted Subsidiary as an Unrestricted Subsidiary, the portion (proportionate to the Company s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is re-designated, or liquidated or merged into, a Restricted Subsidiary.

43

Table of Contents

The preceding provisions will not prohibit, so long as, in the case of clauses (7) and (8) below, no Default has occurred and is continuing or would be caused thereby:

(1) the payment of any dividend or distribution within 90 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of the Indenture, and the redemption of any Indebtedness that is subordinated in right of payment to the Notes or any Note Guarantees within 60 days after the date on which notice of such redemption was given, if at said date of the giving of such notice, such redemption would have complied with the provisions of the Indenture;

(2) the payment of any dividend by a Restricted Subsidiary to all the holders of its Common Stock on a pro rata basis;

(3) the redemption, repurchase, defeasance or other acquisition or retirement for value of Indebtedness that is subordinated in right of payment to the Notes or the Note Guarantees in exchange for or with the net cash proceeds from a substantially concurrent Incurrence (other than to a Subsidiary of the Company) of, Permitted Refinancing Indebtedness;

(4) the repurchase of Capital Stock deemed to occur upon the exercise of options or warrants to the extent that such Capital Stock represents all or a portion of the exercise price thereof and applicable withholding taxes, if any;

(5) payments of cash, dividends, distributions, advances or other Restricted Payments by the Company or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants or (ii) the conversion or exchange of Capital Stock of any such Person;

(6) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company (and any Parent) held by any future, current or former employee, director, officer or consultant of the Company (or any Restricted Subsidiary) pursuant to the terms of any employee equity subscription agreement, stock option agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests in any calendar year will not exceed $5 million (with unused amounts in any calendar year being carried over to the next two succeeding calendar years);

(7) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Company or any Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, in each case issued in accordance with the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock, and *provided* that such dividends constitute Fixed Charges ;

(8) other Restricted Payments in an aggregate amount not to exceed $75 million pursuant to this clause (8);

(9) any Restricted Payment made in connection with the Emergence Transactions;

(10) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Company or any Restricted Subsidiary issued in accordance with the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock ;

(11)

the repurchase, redemption or other acquisition or retirement for value of any subordinated Indebtedness pursuant to the provisions similar to those described under Change of Control and Certain Covenants Limitation on Asset Sales ; *provided* that all Notes tendered by Holders of the Notes in connection with an Offer to Purchase in the event of a Change of Control or with respect to an Asset Sale have been repurchased, redeemed or acquired for value;

(12) payments or distributions to dissenting stockholders pursuant to applicable law, pursuant to or in connection with a consolidation, amalgamation, merger or transfer of all or substantially all of the

Table of Contents

assets of the Company and its Restricted Subsidiaries, taken as a whole, that complies with the covenant described under Merger, Consolidation or Sale of Assets ;

(13) the payment of dividends on the Company s Common Stock in an annual amount not to exceed 6% of the net cash proceeds received by or contributed to the Company from any public offering, other than public offerings with respect to the Company s Common Stock registered on Form S-8 (or any successor form);

(14) purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Transaction and the payment or distribution of Receivables Fees; and

(15) the declaration and payment of dividends by the Company to, or the making of loans to, a Parent in aggregate amounts not to exceed the aggregate amount required for any Parent to pay, in each case without duplication:

(a) franchise taxes and other fees, taxes and expenses required to maintain the corporate existence of the Company and its Restricted Subsidiaries;

(b) foreign, federal, state and local income taxes, to the extent such income taxes are attributable to the income of the Company and the Restricted Subsidiaries and, to the extent of the amount actually received from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided* that in each case the amount of such payments in any fiscal year does not exceed the amount that the Company and its Restricted Subsidiaries would be required to pay in respect of foreign, federal, state and local taxes for such fiscal year were the Company, its Restricted Subsidiaries and its Unrestricted Subsidiaries (to the extent described above) to pay such taxes separately from any such parent entity;

(c) customary salary, bonus, indemnification obligations and other benefits payable to officers, directors and employees or former officers, directors or employees of any Parent to the extent such salaries, bonuses, indemnification obligations and other benefits are attributable to the ownership or operation of the Company and the Restricted Subsidiaries;

(d) general corporate overhead expenses of any Parent to the extent such expenses are attributable to the ownership or operation of the Company and the Restricted Subsidiaries;

(e) fees and expenses Incurred by any Parent in connection with any unsuccessful equity issuances or Incurrence of Indebtedness to the extent the net proceeds thereof were intended to be contributed to the Company; and

(f) taxes with respect to income of any Parent derived from funding made available to the Company and its Restricted Subsidiaries by such Parent.

The amount of all Restricted Payments (other than 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 to or by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind (other than Permitted Liens) upon any of their property or assets, now owned or hereafter acquired, unless all payments due under the Indenture and the Notes are secured by a Lien on such property or assets on an equal and ratable

basis with the obligations so secured (or, in the case of Indebtedness subordinated to the Notes or the Note Guarantees, senior in priority thereto, with the same relative priority as the Notes will have with respect to such subordinated Indebtedness) until such time as such obligations are no longer secured by a Lien.

Table of Contents

Limitation on Transactions with Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into, make, amend, renew or extend any transaction or series of related transactions, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any of their Affiliates (each of the foregoing, an *Affiliate Transaction*), unless:

(1) such Affiliate Transaction is on terms that, taken as a whole, are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm s-length transaction by the Company or such Restricted Subsidiary with a Person that is not an Affiliate of the Company or any Restricted Subsidiary (as determined by the Company); and

(2) the Company delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $25 million, a Board Resolution set forth in an Officers Certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with this covenant and that such Affiliate Transaction or series of related Affiliate Transactions has been approved by a majority of the Disinterested Members; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $50 million, an opinion issued by an Independent Financial Advisor stating that such Affiliate Transaction or series of related Affiliate Transactions is fair to the Company or such Restricted Subsidiary from a financial point of view.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) transactions between or among the Company and/or its Restricted Subsidiaries;

(2) Restricted Payments that are permitted by the provisions of the Indenture described under Limitation on Restricted Payments and Permitted Investments;

(3) any issuance or sale of Equity Interests (other than Disqualified Stock) of, or capital contributions to, the Company;

(4) transactions pursuant to agreements or arrangements in effect on the Issue Date or as contemplated to be in effect on the Release Date and described in this prospectus, or any amendment, modification, or supplement thereto or replacement thereof, as long as such agreement or arrangement, as so amended, modified, supplemented or replaced, taken as a whole, is not materially more disadvantageous to the Company and the Restricted Subsidiaries than the agreement or arrangement in existence on the Issue Date;

(5) payments by the Company and its Subsidiaries pursuant to tax sharing agreements among the Company (and any Parent) and its Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Company and its Subsidiaries; *provided* that in each case the amount of such payments in any fiscal year does not exceed the amount that the Company, its Restricted Subsidiaries and its Unrestricted Subsidiaries (to the extent of amounts received from Unrestricted Subsidiaries) would be required to pay in respect of foreign, federal, state and local taxes for such fiscal year were the Company and its Subsidiaries (to the extent described above) to pay such taxes separately from any such parent entity;

(6) payment of reasonable and customary fees and reimbursement of expenses paid to, and reasonable and customary indemnification arrangements and similar payments on behalf of, directors of the Company or any Subsidiary thereof;

Table of Contents

(7) any employment, consulting, service or termination agreement, or reasonable and customary indemnification arrangements, entered into by the Company or any Restricted Subsidiary with officers, employees and consultants of the Company or any Subsidiary thereof and the payment of compensation, reimbursement of expenses paid or loans (or cancellation of loans) to officers, employees and consultants of the Company or any Subsidiary thereof (including issuances of securities and other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employee benefit plans, employee stock option or similar plans), so long as such agreement or payment has been approved by a majority of the Disinterested Members;

(8) any transaction with a Receivables Entity effected as part of a Qualified Receivables Transaction and otherwise in compliance with the terms of the Indenture on fair and reasonable terms that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm s-length transaction by the Company or such Restricted Subsidiary with a Person that is not an Affiliate of the Company or any Restricted Subsidiary (as determined in good faith by the Company);

(9) purchases and sales of raw materials or Inventory in the ordinary course of business on market terms;

(10) (a) transactions with customers, clients, lessors, landlords, suppliers, contractors, purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture, which are fair to the Company and its Restricted Subsidiaries in the reasonable determination of the Board of Directors or the senior management of the Company, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party or (b) transactions with Joint Ventures or Unrestricted Subsidiaries entered into in the ordinary course of business and consistent with past practice or industry norm;

(11) the existence of, or the performance by the Company or any Restricted Subsidiary of its obligations under the terms of, any stockholders agreements (or equity purchase agreements related thereto) the terms of which are fair to the Company and its Restricted Subsidiaries in the reasonable determination of the Board of Directors or the senior management of the Company;

(12) transactions with a Person (other than an Unrestricted Subsidiary of the Company) that is an Affiliate of the Company solely because the Company or a Restricted Subsidiary of the Company owns an equity interest in or otherwise controls such Person;

(13) the formation and maintenance of any consolidated group or subgroup for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(14) transactions entered into by a Person prior to the time such Person becomes a Restricted Subsidiary or is merged or consolidated into the Company or a Restricted Subsidiary (provided such transaction is not entered into in contemplation of such event);

(15) transactions permitted by, and complying with, the provisions of the covenant described under Merger, Consolidation or Sale of Assets ;

(16) pledges of Equity Interests of Unrestricted Subsidiaries;

(17) transactions between the Company or any of its Restricted Subsidiaries and any Person, a director of which is also a director of the Company or any Parent of the Company; *provided, however*, that such director abstains from voting as a director of the Company or such Parent of the Company on any matter involving such other Person; and

(18) Emergence Transactions, including the payment of fees and expenses paid in connection therewith.

Table of Contents

Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) except in the case of a Permitted Asset Swap, at least 75% of the consideration therefor received by the Company or such Restricted Subsidiary, as the case may be, is in the form of:

(a) Cash Equivalents (including any Cash Equivalents received from the conversion within 180 days of such Asset Sale of any securities, notes or other obligations received in consideration of such Asset Sale);

(b) Replacement Assets;

(c) any liabilities of the Company or any Restricted Subsidiary as shown on the Company s or such Restricted Subsidiary s most recent balance sheet or in the notes thereto prepared in accordance with GAAP (other than contingent liabilities**,** Indebtedness that is by its terms subordinated in right of payment to the Notes or any Note Guarantee and liabilities to the extent owed to the Company or any Restricted Subsidiary) that are assumed by the transferee of any such assets or Equity Interests and for which the Company and all of the Restricted Subsidiaries have been validly released by all creditors in writing;

(d) any Designated Noncash Consideration received by the Company or any Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Noncash Consideration received pursuant to this clause that is at the time outstanding and held by the Company or any Restricted Subsidiary, not to exceed the greater of (x) $75 million and (y) 2.5% of Total Assets at the time of the receipt of such Designated Noncash Consideration (with the Fair Market Value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value); or

(e) any combination of the consideration specified in clauses (a) through (d).

Within 12 months after the receipt of any Net Available Cash from an Asset Sale, the Company or a Restricted Subsidiary, as the case may be, may apply an amount equal to such Net Available Cash at its option:

(1) to repay or retire Indebtedness secured by such assets, Indebtedness of a Restricted Subsidiary that is not a Guarantor (other than Indebtedness owed to the Company or another Restricted Subsidiary) or Indebtedness under the Credit Agreements and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(2) to purchase Replacement Assets (or enter into a binding agreement to purchase such Replacement Assets; *provided* that (x) such purchase is consummated no later than the later of (i) the day that is 12 months after such Asset Sale and (ii) 90 days after the date of such binding agreement and (y) if such purchase is not consummated within the period set forth in subclause (x), the Net Available Cash not so applied will be deemed to be Excess Proceeds (as defined below));

(3) to make capital expenditures; or

(4) to make an Offer to Purchase as described below.

Pending the final application of any Net Available Cash from Asset Sales in accordance with clauses (1) through (4) in the preceding paragraph, the Company and the Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise apply such Net Available Cash in any manner not prohibited by the Indenture.

Table of Contents

The amount of such Net Available Cash required to be applied (or to be committed to be applied) during such 12-month period as set forth above and not applied (or committed to be applied) as so required by the end of such period shall constitute Excess Proceeds. If, as of the first day of any calendar month, the aggregate amount of Excess Proceeds totals at least $25 million, the Company must commence, not later than the fifteenth Business Day of such month, and consummate an Offer to Purchase, from the Holders and, at the Company s option, all holders of Pari Passu Debt containing provisions similar to those set forth in the Indenture with respect to offers to purchase with the proceeds of sales of assets, the maximum principal amount of Notes and such Pari Passu Debt, if any, that may be purchased out of the Excess Proceeds. The offer price in any such Offer to Purchase will be equal to 100% of the principal amount (or accreted value, if applicable) of the Notes and such Pari Passu Debt, *plus* accrued and unpaid interest and Additional Interest, if any up to, but excluding, the date of purchase (subject to the rights of Holders of Notes on a relevant record date to receive interest on an interest payment date that occurs prior to the purchase date) and will be payable in cash. To the extent that any Excess Proceeds remain after consummation of an Offer to Purchase pursuant to this Asset Sales covenant, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture, and those Excess Proceeds shall no longer constitute Excess Proceeds.

The Credit Agreements may prohibit the Company from purchasing any Notes, and may also provide that certain asset sale events with respect to the Company would constitute a default under the Credit Agreements. Any future credit agreements or other agreements to which the Company becomes a party may contain similar restrictions and provisions. In the event an Asset Sale occurs at a time when the Company is prohibited from purchasing the Notes, the Company could seek the consent of its lenders to permit the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain such consent or repay such borrowings, the Company would remain prohibited from purchasing the Notes. In such case, the Company s failure to purchase tendered Notes would constitute an Event of Default under the Indenture, which would, in turn, constitute a default under such other agreements.

Limitation on Dividend and Other Restrictions Affecting Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, cause or suffer to exist or become effective or enter into any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock (or with respect to any other interest or participation in, or measured by, its profits) to the Company or any Restricted Subsidiary (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);

(2) pay any liabilities owed to the Company or any Restricted Subsidiary;

(3) make loans or advances to the Company or any Restricted Subsidiary (it being understood that the subordination of loans or advances made to the Company or any Restricted Subsidiary to 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

(4) sell, lease or transfer any of its properties or assets to the Company or any Restricted Subsidiary;

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions:

(1) existing under, by reason of or with respect to the Credit Agreements as in effect on the Issue Date or the Release Date, as applicable, Existing Indebtedness or any other agreements in effect on the Release

49

Table of Contents

Date and any amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings thereof, *provided* that the encumbrances and restrictions in any such amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings, taken as a whole, are not materially more restrictive with respect to dividend and payment restrictions (as determined by the Company in good faith) than those contained in the Credit Agreements, Existing Indebtedness or such other agreements, as the case may be, as in effect on such dates;

(2) set forth in the Indenture, the Notes and the related Note Guarantees;

(3) existing under, by reason of or with respect to agreements governing other Indebtedness permitted to be Incurred under the provisions of the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock and any amendments, restatements, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings of those agreements; *provided* that the encumbrances and restrictions therein, taken as a whole, (i) are not materially more restrictive than the agreements governing Indebtedness as in effect on the date of the Indenture, or (ii) will not affect the Company s ability to make principal or interest payments on the notes (as determined by the Company in good faith);

(4) existing under or by reason of applicable law, rule, regulation or order;

(5) with respect to any Person, or the property or assets of a Person, acquired by the Company or any Restricted Subsidiary existing at the time of such acquisition and not Incurred in connection with or in contemplation of such acquisition, which encumbrance or restriction is not applicable to any Person, or the property or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, and any amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings thereof, *provided* that the encumbrances and restrictions in any such amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings, taken as a whole, are not materially more restrictive with respect to dividend and other payment restrictions than those in effect on the date of the acquisition;

(6) that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset;

(7) existing under or by reason of Permitted Refinancing Indebtedness; *provided* that the encumbrances and restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive with respect to dividend and payment restrictions, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(8) existing by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture;

(9) arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;

(10) existing under, by reason of or with respect to any agreement for the sale or other disposition of all or substantially all of the Capital Stock of, or property and assets of, a Restricted Subsidiary that restrict distributions or transfer by that Restricted Subsidiary pending such sale or other disposition;

(11)

under Indebtedness or other contractual requirements of a Receivables Entity in connection with a Qualified Receivables Transaction, *provided* that such restrictions apply only to such Receivables Entity or the Receivables Assets that are subject to such Qualified Receivables Transaction;

(12) on cash or other deposits or net worth, which encumbrances or restrictions are imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

Table of Contents

(13) arising from customary provisions in Joint Venture agreements and other similar agreements relating solely to such Joint Venture, which the Board of Directors of the Company determines in good faith will not adversely affect the Company s ability to make payments of principal of or interest on the Notes;

(14) existing under Indebtedness of a Foreign Subsidiary permitted to be Incurred under the Indenture, which encumbrances or restrictions apply solely to such Foreign Subsidiary and are ordinary and customary with respect to the type of Indebtedness being Incurred and which the Board of Directors of the Company determines in good faith will not adversely affect the Company s ability to make payments of principal of or interest on the Notes;

(15) existing under or by reason of Secured Indebtedness permitted to be Incurred pursuant to the covenants described under Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock and Limitation on Liens that limit the right of the Company or any Restricted Subsidiary to dispose of the assets securing such Indebtedness;

(16) under purchase money obligations for property acquired and Capital Lease Obligations in the ordinary course of business;

(17) existing under any agreement imposed in connection with consignment agreements entered into in the ordinary course of business;

(18) under provisions limiting the disposition or distribution of assets or property in Joint Venture agreements, asset sale agreements, sale and leaseback agreements, stock sale agreements and other similar agreements (or Investments), which limitation is applicable only to the assets that are the subject of such agreements;

(19) arising from customary provisions in Hedging Obligations permitted under the Indenture and entered into in the ordinary course of business; and

(20) existing under, by reason of or with respect to any Restricted Payment not prohibited by the covenant described under Limitation on Restricted Payments and any Permitted Investment.

Additional Note Guarantees

If the Company or any Restricted Subsidiary acquires or creates another Domestic Subsidiary (other than an Excluded Subsidiary) on or after the Issue Date, then that newly acquired or created Domestic Subsidiary must become a Guarantor and execute a supplemental indenture and deliver an Opinion of Counsel to the Trustee.

The Company will not permit any Domestic Subsidiary (other than an Excluded Subsidiary), directly or indirectly, to Guarantee any Indebtedness of the Company or any Restricted Subsidiary unless such Domestic Subsidiary (other than any Excluded Subsidiary) (a) is a Guarantor or (b) (i) within 15 Business Days executes and delivers to the Trustee an Opinion of Counsel and a supplemental indenture providing for the Guarantee of the payment of the Notes by such Restricted Subsidiary, which Guarantee will rank senior in right of payment to or equally in right of payment with such Restricted Subsidiary s Guarantee of such other Indebtedness.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company in the Subsidiary designated as Unrestricted will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described under Limitation on Restricted Payments or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at

51

Table of Contents

that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may re-designate any Unrestricted Subsidiary to be a Restricted Subsidiary if that re-designation would not cause a Default.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a Board Resolution giving effect to such designation and an Officers Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described under Limitation on Restricted Payments. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock, the Company will be in default of such covenant. The Company s Board of Directors may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock, calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period, and (2) no Default or Event of Default would be in existence following such designation.

Merger, Consolidation or Sale of Assets

The Company. The Company will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company is the surviving corporation), or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties and assets of the Company and the Restricted Subsidiaries, taken as a whole, in one or more related transactions, to another Person, unless:

(1) immediately after giving effect to such transaction, no Default or Event of Default exists;

(2) either:

(a) the Company is the surviving corporation; or

(b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition will have been made (i) is a Person organized or existing under the laws of the United States, any state thereof or the District of Columbia, *provided* that in the case where such Person is not a corporation, a co-obligor of the Notes is a corporation and (ii) assumes all the obligations of the Company under the Notes and the Indenture pursuant to a supplemental indenture or other documents, agreements or instruments in form reasonably satisfactory to the Trustee;

(3) immediately after giving effect to such transaction on a *pro forma* basis, (a) the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition will have been made, will be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock or (b) the Fixed Charge Coverage Ratio for the Company or surviving Person and its Restricted Subsidiaries will be greater than such ratio for the Company and its Restricted Subsidiaries immediately prior to such transaction; and

(4) each Guarantor, unless such Guarantor is the Person with which the Company has entered into a transaction under this covenant, will have confirmed to the Trustee in writing that its Note Guarantee will apply to the obligations of the Company or the surviving Person in accordance with the Notes and the Indenture.

52

Table of Contents

provided, however, that clause (3) above will not apply (i) if, in the good faith determination of the Board of Directors of the Company, whose determination shall be evidenced by a Board Resolution, the principal purpose of such transaction is to change the state of incorporation of the Company, and any such transaction shall not have as one of its purposes the evasion of the foregoing limitations; or (ii) to any consolidation, merger, sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and any Restricted Subsidiary.

Upon any consolidation, merger, sale, assignment, transfer, conveyance or other disposition in accordance with this covenant, the successor Person formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, conveyance or other disposition is made will succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, conveyance or other disposition, the provisions of the Indenture referring to the Company will refer instead to the successor Person and not to the Company), and may exercise every right and power of, the Company under the Indenture with the same effect as if such successor Person had been named as the Company in the Indenture.

In addition, the Company and the Restricted Subsidiaries may not, directly or indirectly, lease all or substantially all of the properties or assets of the Company and the Restricted Subsidiaries considered as one enterprise, in one or more related transactions, to any other Person.

The Guarantors. A Guarantor will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Guarantor is the surviving Person), or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties and assets of the Guarantor, in one or more related transactions, to another Person, other than the Company or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

(a) the Guarantor is the surviving corporation, or the Person formed by or surviving any such consolidation or merger (if other than the Guarantor) or to which such sale, assignment, transfer, conveyance or other disposition has been made (i) is organized or existing under the laws of the United States, any state thereof or the District of Columbia and (ii) assumes all the obligations of that Guarantor under the Indenture, including its Note Guarantee, pursuant to a supplemental indenture or other documents, agreements or instruments in form reasonably satisfactory to the Trustee; or

(b) such sale, assignment, transfer, conveyance or other disposition or consolidation or merger complies with the covenant described under Limitation on Asset Sales.

Notwithstanding anything to the contrary herein, the Company and any Restricted Subsidiary shall be permitted, directly or indirectly, to consolidate or merge with or into another Person (whether or not the Company is the surviving corporation), and to sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties and assets of the Company and the Restricted Subsidiaries, in each case, as contemplated in the Reorganization Plan. In addition, any Guarantor shall be permitted to liquidate, dissolve or consolidate or merge with or into the Company or another Guarantor.

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 all or substantially all of the property or assets of a Person.

Provision of Financial Information

Whether or not required by the Commission, so long as any Notes are outstanding, the Company will furnish to the Holders of Notes, or file electronically with the Commission through the Commission s Next-

Table of Contents

Generation EDGAR System (or any successor system), within the time periods specified in the Commission s rules and regulations that are then applicable to the Company:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file such reports, including a Management s Discussion and Analysis of Financial Condition and Results of Operations and, with respect to the annual information only, a report on the annual financial statements by the Company s certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file such reports.

In addition, whether or not required by the Commission, the Company will file a copy of all of the information and reports referred to in clauses (1) and (2) above with the Commission for public availability within the time periods specified in the Commission s rules and regulations (unless the Commission will not accept such a filing) and make such information available to prospective investors. In addition, the Company and the Guarantors have agreed that, for so long as any Notes remain outstanding and not freely transferable under the Securities Act, during any period when they are not subject to Section 13 or 15(d) of the Exchange Act, or otherwise permitted to furnish the Commission with certain information pursuant to Rule 12g3-2(b), they will furnish to the Holders and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

If the Company has designated any Subsidiaries as Unrestricted Subsidiaries and such Unrestricted Subsidiaries, either individually or collectively, would otherwise have been a Significant Subsidiary, then the quarterly and annual financial information required by the preceding paragraph shall include a reasonably detailed presentation, as determined in good faith by senior management of the Company, 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.

Conduct of Business

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to such extent as would not be material to the Company and the Restricted Subsidiaries taken as a whole.

Payments for Consent

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid to all Holders that may legally participate in the transaction, as proposed by the Company and is paid to all Holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or amendment.

Covenant *Suspension*

During any period of time that (i) the Notes have Investment Grade Ratings from both Rating Agencies and (ii) no Default has occurred and is continuing under the Indenture (the events described in the foregoing clauses (i) and (ii) being collectively referred to as a *Covenant Suspension Event*), the Company and the Restricted Subsidiaries will not be subject to the covenants (the *Suspended Covenants*) described under:

(1) Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock ;

(2) Certain Covenants Limitation on Restricted Payments ;

54

Table of Contents

(3) Certain Covenants Limitation on Transactions with Affiliates ;

(4) Certain Covenants Limitation on Asset Sales ;

(5) Certain Covenants Limitation on Dividend and Other Restrictions Affecting Restricted Subsidiaries ;

(6) Certain Covenants Additional Note Guarantees ;

(7) Certain Covenants Conduct of Business ; and

(8) clause (3) of the first paragraph of Certain Covenants Merger, Consolidation or Sale of Assets.

In the event that the Company and the Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the *Reversion Date*) (a) one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating or (b) the Company or any of its Affiliates enters into an agreement to effect a transaction that would result in a Change of Control and one or more of the Rating Agencies indicate that if consummated, such transaction (alone or together with any related recapitalization or refinancing transactions) would cause such Rating Agency to withdraw its Investment Grade Rating or downgrade the ratings assigned to the Notes below an Investment Grade Rating, then the Company and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture with respect to future events. The period beginning on the day of a Covenant Suspension Event and ending on a Reversion Date is called a *Suspension Period*. The ability of the Company and the Restricted Subsidiaries to make Restricted Payments after the time of such withdrawal, downgrade, Default or Event of Default will be calculated as if the covenant governing Restricted Payments had been in effect during the entire period of time since the Release Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments. However, no Default or Event of Default will be deemed to have occurred on the Reversion Date as a result of any actions taken by the Company or its Restricted Subsidiaries during the Suspension Period.

There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Rating.

The following will be an Event of Default under the Indenture:

(1) default in the payment in respect of the principal of (or premium, if any, on) any Note when due and payable (whether at Stated Maturity or upon repurchase, acceleration, optional redemption or otherwise);

(2) default in the payment of any interest upon any Note when it becomes due and payable, and continuance of such default for a period of 30 days;

(3) failure to perform or comply with the Indenture provisions described under Certain Covenants Provision of Financial Information and continuance of such failure to perform or comply for a period of 120 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes, voting as a single class;

(4) except as permitted by the Indenture, any Note Guarantee or any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary) shall for any reason cease to be, or it shall be asserted by any Guarantor or the Company not to be, in full force and effect and enforceable in accordance with its terms;

(5) default in the performance, or breach, of any covenant or agreement of the Company or any Restricted Subsidiary in the Indenture (other than a covenant or agreement a default in whose performance or whose breach is specifically dealt with in clauses (1), (2), (3) or (4) above), and continuance of such

Table of Contents

default or breach for a period of 60 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes, voting as a single class;

(6) a default or defaults under any bonds, debentures, notes or other evidences of Indebtedness (other than the Notes) by the Company or any Restricted Subsidiary having, individually or in the aggregate, a principal or similar amount outstanding of at least $30 million, whether such Indebtedness now exists or shall hereafter be created, which default or defaults either (a) shall have resulted in the acceleration of the maturity of such Indebtedness prior to its express maturity or (b) shall constitute a failure to pay principal of, or interest or premium on, such Indebtedness when due and payable after the expiration of any applicable grace period with respect thereto;

(7) the entry against the Company or any Restricted Subsidiary that is a Significant Subsidiary of a final judgment(s) for the payment of money in an aggregate amount in excess of $30 million (net of amounts covered by (x) insurance for which the insurer thereof has been notified of such claim and has not challenged such coverage or (y) valid third-party indemnifications for which the indemnifying party thereof has been notified of such claim and has not challenged such indemnification), by a court or courts of competent jurisdiction, which judgment(s) remain undischarged, unwaived, unstayed, unbonded or unsatisfied for a period of 60 consecutive days; or

(8) certain events in bankruptcy, insolvency or reorganization affecting the Company or any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary).

If an Event of Default (other than an Event of Default specified in clause (8) above with respect to the Company) occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in aggregate principal amount of the outstanding Notes may declare the principal of the Notes and any accrued interest on the Notes to be due and payable immediately by a notice in writing to the Company (and to the Trustee if given by Holders); *provided*, *however*, that after such acceleration, but before a judgment or decree based on acceleration, the Holders of a majority in aggregate principal amount of the outstanding Notes may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the nonpayment of accelerated principal of or interest on the Notes, have been cured or waived as provided in the Indenture.

In the event of a declaration of acceleration of the Notes solely because an Event of Default described in clause (6) above has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically rescinded and annulled if the event of default or payment default triggering such Event of Default pursuant to clause (6) shall be remedied or cured by the Company or a Restricted Subsidiary of the Company or waived by the holders of the relevant Indebtedness within 20 Business Days after the declaration of acceleration with respect thereto and if the rescission and annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction obtained by the Trustee for the payment of amounts due on the Notes.

If an Event of Default specified in clause (8) above occurs with respect to the Company, the principal of and any accrued interest on the Notes then outstanding shall *ipso facto* become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. For further information as to waiver of defaults, see Amendments and Waiver. The Trustee may withhold from Holders notice of any Default (except Default in payment of principal, premium, if any, and interest) if the Trustee determines that withholding notice is in the interests of the Holders to do so.

No Holder of any Note will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless (x) such Holder shall have previously given to the Trustee written notice of a continuing Event of Default, (y) the Holders of at least 25% in aggregate principal amount of the outstanding

Table of Contents

Notes shall have made written request to the Trustee, and provided indemnity reasonably satisfactory to the Trustee, to institute such proceeding as Trustee, and (z) the Trustee shall not have received from the Holders of a majority in aggregate principal amount of the outstanding Notes a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. Such limitations do not apply, however, to a suit instituted by a Holder of a Note directly (as opposed to through the Trustee) for enforcement of payment of the principal of (and premium, if any) or interest on such Note on or after the respective due dates expressed in such Note.

The Company is required to notify the Trustee if it becomes aware of the occurrence of any Default or Event of Default.

Amendments and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, the Notes and the Note Guarantees may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then-outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of each Holder affected, an amendment or waiver may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(3) reduce the principal amount of, or premium, if any, or interest on, any Note;

(4) change the optional redemption dates or optional redemption prices of the Notes from those stated under the caption Optional Redemption ;

(5) waive a Default or Event of Default in the payment of principal of, or interest or premium and Additional Interest, if any, on, the Notes (except, upon a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes, a waiver of the payment default that resulted from such acceleration) or in respect of any other covenant or provision that cannot be amended or modified without the consent of all Holders;

(6) make any Note payable in money other than U.S. dollars;

(7) make any change in the amendment and waiver provisions of the Indenture;

(8) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture;

(9) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes or the Note Guarantees;

(10)

amend, change or modify the obligation of the Company to make and consummate an Offer to Purchase with respect to any Asset Sale in accordance with the covenant described under Certain Covenants Limitation on Asset Sales after the obligation to make such Offer to Purchase has arisen, or the obligation of the Company to make and consummate an Offer to Purchase in the event of a Change of Control in accordance with the covenant described under Change of Control after such Change of Control has occurred, including, in each case, amending, changing or modifying any definition relating thereto;

Table of Contents

(11) except as otherwise permitted under the covenants described under Certain Covenants Merger, Consolidation or Sale of Assets and Certain Covenants Additional Note Guarantees, consent to the assignment or transfer by the Company or any Guarantor of any of their rights or obligations under the Indenture; or

(12) amend or modify any of the provisions of the Indenture or the related definitions affecting the subordination of the Notes or any Note Guarantee in any manner adverse to the Holders of the Notes or any Note Guarantee.

Notwithstanding the preceding, without the consent of any Holder of Notes, the Company, the Guarantors and the Trustee may amend or supplement the Indenture, the Notes or any Note Guarantee:

(1) to cure any ambiguity, omission, mistake, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Company s or any Guarantor s obligations to Holders of Notes in accordance with the Indenture in the case of a merger or consolidation or sale of all or substantially all of the Company s or such Guarantor s assets;

(4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not materially, in the good faith determination of the Board of Directors of the Company, adversely affect the legal rights under the Indenture, the Note Guarantees or the Notes of any such Holder;

(5) to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act;

(6) to comply with the provisions described under Certain Covenants Additional Note Guarantees ;

(7) to evidence and provide for the acceptance of appointment by a successor Trustee;

(8) to provide for the issuance of Additional Notes in accordance with the Indenture; or

(9) to conform the Indenture, the Note Guarantees or the Notes to any provision of this Description of Notes to the extent such provision is intended to be a verbatim recitation thereof.

Legal Defeasance and Covenant Defeasance

The Company at any time may terminate all its Obligations under the Notes and the Indenture with respect to the Holders (*Legal Defeasance*), except for certain Obligations, including those respecting the Defeasance Trust (as defined below) and Obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes. If the Company exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect thereto.

The Company at any time may terminate its Obligations under the covenants described under Certain Covenants for the benefit of the Holders, the operation of certain provisions described under Events of Default (but only to the extent that those provisions relate to the Defaults with respect to the Notes and not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) and the undertakings and

covenants contained under Change of Control and Merger, Consolidation or Sale of Assets (*Covenant Defeasance*) for the benefit of the Holders.

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 or its covenant defeasance option, each Guarantor will be released from all of its Obligations with respect to the Notes.

Table of Contents

In order to exercise its defeasance option, the Company must irrevocably deposit in trust (the *Defeasance Trust*) with the Trustee money or Government Securities for the payment of principal of, premium (if any) and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel to the effect that Holders of the Notes 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 amount 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 change in applicable federal income tax law). Notwithstanding the foregoing, the Opinion of Counsel required by the immediately preceding sentence with respect to a Legal Defeasance need not be delivered if all of the Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable or (y) will become due and payable at their Stated Maturity within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company) have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation (x) have become due and payable (by reason of the mailing of a notice of redemption or otherwise), (y) will become due and payable at Stated Maturity within one year, or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the Company s name and at the Company s expense, and in each such case the Company has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, without consideration o