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Michael T. Hallam  
40 North Central Avenue  
Phoenix, Arizona 85004-4429

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Direct Fax: (602) 734-3886  
MHallam@LRLaw.com  
Admitted in: Arizona

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2007 APR 23 P 4: 31

Our File Number: 38889-00019

April 23, 2007

ARIZONA CORPORATION COMMISSION  
DOCUMENT CONTROL

Docket Control - Utilities Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

Re: In the Matter of the Application of Level 3 Communications LLC for a Limited Waiver of the Public Utility Holding Companies and Affiliated Interest Rules (A.A.C. R14-2-801 et seq.) and Encumbrance of Assets  
Docket No. T-03654A-06-0689; Decision No. 69376  
Compliance Filing

Docket Control:

Level 3 Communications, LLC, through undersigned counsel, hereby informs the Commission that it has consummated the \$600 million and \$650 million note issuance and the guarantee as described in the Application approved in Docket No. T-03654A-06-0689 on March 22, 2007 (Decision No. 69376). In compliance with Decision No. 69376, attached as Exhibit "A" are relevant portions of the transaction documents as filed with the Securities and Exchange Commission. In addition, in compliance with Decision No. 69376, attached hereto as Exhibit "B" is an affidavit attesting that no customer deposit or advance was encumbered as a result of the note issuances approved in Docket No. T-03654A-06-0689.

Very truly yours,

Michael T. Hallam

MTH/jw  
Enclosures

cc: Brian K. Bozzo  
Catherine Wang  
Danielle Burt  
Bill Hunt

Arizona Corporation Commission  
DOCKETED

APR 23 2007

DOCKETED BY

**Exhibit A**

**Securities and Exchange Commission Filing**

8-K 1 d8k.htm CURRENT REPORT  
CURRENT REPORT OF MATERIAL EVENTS OR CORPORATE CHANGES

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): October 30, 2006**

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**Level 3 Communications, Inc.**

(Exact name of Registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**47-0210602**  
(I.R.S. Employer  
Identification No.)

**1025 Eldorado Blvd., Broomfield, Colorado**  
(Address of principal executive offices)

**80021**  
(Zip code)

**720-888-1000**  
(Registrant's telephone number including area code)

**Not applicable**  
(Former name and former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement****Item 2.03. Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of the Registrant**

On October 30, 2006, Level 3 Communications, Inc. (the "Parent") and its wholly owned subsidiary Level 3 Financing, Inc. (the "Issuer") entered into an indenture (the "Indenture") with The Bank of New York, as trustee, in connection with the Issuer's issuance of \$600,000,000 in aggregate principal amount of the Issuer's 9.25% Senior Notes due 2014 (the "Notes"). The Notes were priced at 100% of par.

The Notes are senior unsecured obligations of the Issuer, ranking equal in right of payment with all other senior unsecured obligations of the Issuer. The Parent has guaranteed the Notes. The Notes will mature on November 1, 2014. Interest on the Notes will be payable on May 1 and November 1 of each year, beginning on May 1, 2007.

The Notes will be subject to redemption at the option of the Issuer, in whole or in part, at any time or from time to time, on or after November 1, 2010, upon not less than 30 nor more than 60 days' prior notice, at the redemption prices set forth below (expressed as a percentage of principal amount), plus accrued and unpaid interest thereon (if any) to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). The redemption price for the Notes, if redeemed during the twelve months beginning (i) November 1, 2010 is 104.625%, (ii) November 1, 2011 is 102.313% and (iii) November 1, 2012 is 100.0%.

At any time or from time to time on or prior to November 1, 2009, the Issuer may redeem up to 35% of the original aggregate principal amount of the Notes at a redemption price equal to 109.250% of the principal amount of the Notes so redeemed, plus accrued and unpaid interest thereon (if any) to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), with the net cash proceeds contributed to the capital of the Issuer of one or more private placements to persons other than affiliates of Parent or underwritten public offerings of common stock of Parent resulting, in each case, in gross proceeds of at least \$100 million in the aggregate; *provided, however*, that at least 65% of the original aggregate principal amount of the Notes would remain outstanding immediately after giving effect to such redemption. Any such redemption shall be made within 90 days of such private placement or public offering upon not less than 30 nor more than 60 days' prior notice.

The Notes have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

On October 30, 2006, the Parent, the Issuer and the initial purchasers of the Notes entered into a registration rights agreement (the "Registration Agreement") regarding the Notes pursuant to which the Parent and the Issuer agreed to file an exchange offer registration statement with the Securities and Exchange Commission.

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The Indenture is filed as Exhibit 4.1 to this Form 8-K and incorporated herein by reference. The descriptions of the material terms of the Indenture are qualified in their entirety by reference to such exhibit.

The Registration Agreement is filed as Exhibit 4.2 to this Form 8-K and incorporated herein by reference. The descriptions of the material terms of the Registration Agreement are qualified in their entirety by reference to such exhibit.

**Item 9.01. Financial Statements and Exhibits**

(a) Financial Statements of Business Acquired  
Not Applicable.

(b) Pro Forma Financial Information  
Not Applicable.

(c) Shell Company Transactions  
Not Applicable.

(d) Exhibits

4.1 Indenture, dated as of October 30, 2006, among Level 3 Communications, Inc., as Guarantor, Level 3 Financing, Inc., as Issuer, and The Bank of New York, as Trustee, relating to the 9.25% Senior Notes due 2014 of Level 3 Financing, Inc.

4.2 Registration Agreement, dated October 30, 2006, among Level 3 Communications, Inc., Level 3 Financing, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, Credit Suisse Securities (USA) LLC, J.P. Morgan Securities Inc. and Wachovia Capital Markets, LLC relating to Level 3 Financing, Inc.'s 9.25% Senior Notes due 2014.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Level 3 Communications, Inc.

By: /s/ Neil J. Eckstein

Neil J. Eckstein, Senior Vice President

October 30, 2006  
Date

EX-4.1 2 dex41.htm INDENTURE, DATED AS OF OCTOBER 30, 2006

**Exhibit 4.1**  
EXECUTION COPY

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LEVEL 3 COMMUNICATIONS, INC.,

as Guarantor,

LEVEL 3 FINANCING, INC.,

as Issuer,

and

THE BANK OF NEW YORK,

as Trustee

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Indenture

Dated as of October 30, 2006

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9.25% Senior Notes Due 2014

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**SECTION 1206. Reinstatement.**

If the Trustee or any Paying Agent is unable to apply any money in accordance with Section 401 or 1205 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuer's and each Guarantor's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 401, 1202 or 1203, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance therewith; provided, however, that if the Issuer or any Guarantor makes any payment of principal of, premium, if any, or interest on any Security following the reinstatement of its obligations, the Issuer or such Guarantor shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money held by the Trustee or Paying Agent.

**ARTICLE THIRTEEN****Guarantees And Offering Proceeds Note Guarantees**

**SECTION 1301. Guarantees.** Each Guarantor hereby unconditionally guarantees, jointly and severally, to each Holder and to the Trustee and its successors and assigns (a) the full and punctual payment of principal of (and premium, if any) and interest on the Securities when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of the Issuer under this Indenture and the Securities and (b) the full and punctual performance within applicable grace periods of all other obligations of the Issuer under this Indenture and the Securities (all the foregoing being hereinafter collectively called the "Obligations"). Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Guarantor, and that such Guarantor will remain bound under this Article Thirteen notwithstanding any extension or renewal of any Obligation.

Each Guarantor waives presentation to, demand of, payment from and protest to the Issuer of any of the Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Securities or the Obligations. The obligations of each Guarantor hereunder shall not be affected by (a) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Indenture, the Securities or any other agreement or otherwise; (b) any extension or renewal of any thereof; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Securities or any other agreement; (d) the release of any security held by any Holder or the Trustee for the Obligations or any of them; (e) the failure of any Holder or the Trustee to exercise any right or remedy against any other guarantor of the Obligations; or (f) any change in the ownership of such Guarantor.

---

Each Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Obligations.

Except as expressly set forth in Sections 805, 806, 1017, 1019, 1202, 1203, 1303 and 1308, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Securities or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Guarantor or would otherwise operate as a discharge of such Guarantor as a matter of law or equity.

Each Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of (or premium, if any) or interest on any Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Issuer or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Issuer to pay the principal of (or premium, if any) or interest on any Obligation when and as the same shall become due, whether at Stated Maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Obligation, each Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (i) the unpaid amount of such Obligations, (ii) accrued and unpaid interest on such Obligations (but only to the extent not prohibited by law) and (iii) all other monetary Obligations of the Issuer to the Holders and the Trustee.

Each Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Obligations guaranteed hereby until payment in full in cash of all Obligations. Each Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article Five for the purposes of such Guarantor's Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such Obligations as provided in Article Five, such Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of this Section.

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Each Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under this Section 1301.

SECTION 1302. Contribution. Each of the Issuer and any Guarantor (a "Contributing Party") agrees that, in the event a payment shall be made by any other Guarantor under any Note Guarantee (the "Claiming Guarantor"), the Contributing Party shall indemnify the Claiming Guarantor in an amount equal to the amount of such payment multiplied by a fraction, the numerator of which shall be the net worth of the Contributing Party on the date hereof and the denominator of which shall be the aggregate net worth of the Issuer and all the Guarantors on the date hereof (or, in the case of any Guarantor becoming a party hereto pursuant to Section 901, the date of the supplemental indenture executed and delivered by such Guarantor).

SECTION 1303. Release of Guarantees. The Note Guarantee of a Guarantor (other than Parent) will be released (a) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) Parent or a Restricted Subsidiary, if the sale or other disposition of all or substantially all of the assets of that Guarantor complies with Section 1016 (or Parent certifies in an Officers' Certificate to the Trustee that it will comply with the requirements of Section 1016 relating to application of the proceeds of such sale or disposition), (b) in connection with any sale of all of the Capital Stock of a Guarantor (other than Parent) to a Person that is not (either before or after giving effect to such transaction) Parent or a Restricted Subsidiary, if the sale of all such Capital Stock of that Guarantor complies with Section 1016 (or Parent certifies in an Officers' Certificate to the Trustee that it will comply with the requirements of Section 1016 relating to application of the proceeds of such sale or disposition), (c) if Parent properly designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary pursuant to Section 1019 or (d) if the Issuer exercises the legal defeasance option or covenant defeasance option in accordance with Article Twelve.

SECTION 1304. Successors and Assigns. This Article Thirteen shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Securities shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 1305. No Waiver. Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article Thirteen shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article Thirteen at law, in equity, by statute or otherwise.

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SECTION 1306. Modification. No modification, amendment or waiver of any provision of this Article Thirteen, nor the consent to any departure by any Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 1307. Execution of Supplemental Indenture for Future Guarantors. Each Subsidiary which is required to become a Guarantor pursuant to any Section of the Indenture shall promptly execute and deliver to the Trustee a supplemental indenture in the form of Exhibit C hereto pursuant to which such Subsidiary shall become a Guarantor under this Article Thirteen and shall guarantee the Obligations. Concurrently with the execution and delivery of such supplemental indenture, the Issuer shall deliver to the Trustee an Opinion of Counsel to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Note Guarantee of such Guarantor is a legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms. Each Person then a Guarantor authorizes the Issuer to enter into such a supplemental indenture on its behalf.

SECTION 1308. Subordination of Note Guarantees. The Issuer, the Guarantors and the Trustee may, without notice to or consent of any holder of Securities, enter into one or more indentures supplemental to the Indenture substantially in the form of Exhibit G hereto, or amend any indenture supplemental to the Indenture entered into by the Issuer, such Guarantor and the Trustee for the purpose of adding an additional Note Guarantee pursuant to Section 1010, Section 1011 or Section 1020 to provide that the payment obligation on a Note Guarantee of a Guarantor (other than Parent or any Sister Restricted Subsidiary) be expressly subordinated in any bankruptcy, liquidation or winding up proceeding of such Guarantor to the prior payment in full in cash of all obligations of such Guarantor under any Guarantee of, or obligation as borrower under, any Qualified Credit Facility Incurred by Parent or a Restricted Subsidiary in accordance with clause (ii) of paragraph (b) of Section 1010 or clause (ii) of paragraph (b) of Section 1011; provided, however, that (x) the terms of the subordination of a Note Guarantee to any such Guarantee of, or obligation as borrower under, a Qualified Credit Facility may not eliminate or otherwise adversely affect the subordination of the payment obligation on any other Debt of such Guarantor to the payment obligation of the Note Guarantee of such Guarantor and (y) any Guarantee (other than a Guarantee of such Qualified Credit Facility) by such Guarantor of the 10.75% Notes, the 12.25% Notes, the Floating Rate Notes or any other Debt of Parent or any Sister Restricted Subsidiary also shall be expressly subordinated in any bankruptcy, liquidation or winding up proceeding of such Guarantor to the prior payment in full in cash of all obligations of such Guarantor under its Guarantee of such Qualified Credit Facility to at least the same extent and on the same terms and conditions as the subordination provisions applicable to such Guarantor's Note Guarantee.

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**SECTION 1309. Execution of Offering Proceeds Note Guarantees for Future Offering Proceeds Note Guarantors; Subordination of Offering Proceeds Note Guarantee.** (a) Each Subsidiary which is required to become an Offering Proceeds Note Guarantor pursuant to any Section of the Indenture shall promptly execute, and deliver a copy to the Trustee of, an Offering Proceeds Note Guarantee substantially in the form set forth in Exhibit E hereto pursuant to which such Subsidiary shall become an Offering Proceeds Note Guarantor. Concurrently with the execution and delivery of such Offering Proceeds Note Guarantee, the Issuer shall deliver to the Trustee an Opinion of Counsel to the effect that such Offering Proceeds Note Guarantee has been duly authorized, executed and delivered by such Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Offering Proceeds Note Guarantee of such Offering Proceeds Note Guarantor is a legal, valid and binding obligation of such Offering Proceeds Note Guarantor, enforceable against such Offering Proceeds Note Guarantor in accordance with its terms. Any Offering Proceeds Note Guarantee of an Offering Proceeds Note Guarantor will be released on the terms, and as set forth in, the form of Offering Proceeds Note Guarantee attached as Exhibit E hereto.

(b) Each Offering Proceeds Note Guarantor required expressly to subordinate the payment obligation of certain intercompany Debt to obligations with respect to the Offering Proceeds Note Guarantee of such Offering Proceeds Note Guarantor pursuant to, and on terms set forth in, clause (vi) of paragraph (b) of Section 1010 or clause (iv) of paragraph (b) of Section 1011, shall promptly execute, and deliver a copy to the Trustee of, a supplement to the Parent Intercompany Note Subordination Agreement in substantially the form attached as Exhibit D hereto.

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IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

LEVEL 3 FINANCING, INC., as Issuer

By /s/ Sunit S. Patel

Name: Sunit S. Patel

Title: Group Vice President

LEVEL 3 COMMUNICATIONS, INC., as Parent  
and a Guarantor

By /s/ Neil J. Eckstein

Name: Neil J. Eckstein

Title: Senior Vice President

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THE BANK OF NEW YORK, as Trustee

By /s/ Stacey B. Poindexter

Name: Stacey B. Poindexter

Title: Assistant Vice President

8-K 1 d8k.htm CURRENT REPORT

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): December 27, 2006**

**Level 3 Communications, Inc.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-15658**  
(Commission File Number)

**47-0210602**  
(IRS employer  
Identification No.)

**1025 Eldorado Blvd.,  
Broomfield, Colorado**  
(Address of principal executive offices)

**80021**  
(Zip code)

**720-888-1000**  
(Registrant's telephone number including area code)

**Not applicable**  
(Former name and former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 8.01 Other Events.****Senior Note Offering**

On December 28, 2006, Level 3 issued a press release relating to its wholly owned, first tier subsidiary Level 3 Financing, Inc., raising \$650 million aggregate principal amount of 9.25% Senior Notes due 2014 in a private offering to "qualified institutional buyers" as defined in Rule 144A under the Securities Act of 1933 and outside the United States under Regulation S under the Securities Act of 1933. The senior notes offered represent an additional offering of the 9.25% Senior Notes due 2014 that were issued on October 30, 2006. The notes offered in this offering were offered as additional notes under the same indenture as the 9.25% Senior Notes issued on October 30, 2006, and will be treated under that indenture as a single series of notes with the outstanding 9.25% Senior Notes. The senior notes were priced at 101.75% of the principal amount plus accrued interest from October 30, 2006. The closing of the offering took place on December 28, 2006.

The press release is filed as Exhibit 99.1 to this Current Report and is incorporated herein by reference as if set forth in full.

On December 28, 2006, Level 3, Level 3 Financing, Inc. and the initial purchasers of the senior notes entered into a registration rights agreement (the "Registration Agreement") regarding the senior notes pursuant to which Level 3 and Level 3 Financing, Inc. agreed to file an exchange offer registration statement with the Securities and Exchange Commission. The Registration Agreement is filed as Exhibit 4.1 to this Form 8-K and incorporated herein by reference as if set forth in full. The descriptions of the material terms of that agreement are qualified in their entirety by reference to such exhibit.

**Tender Offer and Consent Solicitation**

On December 28, 2006, Level 3 announced that, as part of its previously announced tender offer and consent solicitation for Level 3 Financing, Inc.'s 10.75% Notes (the "10.75% Notes"), as of 5:00 p.m., New York City time, on December 27, 2006 (the "Consent Time"), Level 3 had accepted tenders and consents for approximately \$497 million in total principal amount of 10.75% Notes, representing approximately 99.3% of the aggregate principal amount outstanding of all 10.75% Notes. Holders of 10.75% Notes validly tendered prior to the Consent Time and accepted for purchase by Level 3 will receive the total consideration of \$1,092.21 per \$1,000 principal amount of the 10.75% Notes, which includes \$1,062.21 as the purchase price and \$30 as a consent payment. The tender offer is scheduled to expire at 5:00 p.m., New York City time, on January 11, 2007, unless extended or earlier terminated.

A press release relating to that announcement is attached hereto as Exhibit 99.2.

In connection with the tender offer and related consent solicitation, on December 27, 2006, Level 3 Financing, Inc. entered into a Supplemental Indenture supplementing the Indenture, dated as of October 1, 2003, among Level 3, as Guarantor, Level 3 Financing, Inc., as Issuer, and The Bank of New York, as Trustee, relating to the 10.75% Notes (the "10.75% Note Indenture"). The Supplemental Indenture was entered into among Level 3, Level 3 Financing, Inc., Level 3 Communications, LLC and The Bank of

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New York, as Trustee. Pursuant to the Supplemental Indenture, the 10.75% Note Indenture is amended to eliminate substantially all of the covenants, certain repurchase rights and certain events of default and related provisions contained in the 10.75% Note Indenture.

The Supplemental Indenture is filed as Exhibit 4.2 to this Current Report and is incorporated herein by reference as if set forth in full.

This report is not an offer to purchase, a solicitation of an offer to purchase, or a solicitation of an offer to sell securities with respect to the 10.75% Notes. The Tender Offer may only be made pursuant to the terms of the Offer to Purchase and the related Letter of Transmittal.

**Item 9.01. Financial Statements and Exhibits**

(a) Financial Statements of Business Acquired

None

(b) Pro Forma Financial Information

None

(c) Shell Company Transactions

None

(d) Exhibits

- 4.1 Registration Agreement, dated December 28, 2006, among Level 3 Communications, Inc., Level 3 Financing, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and Wachovia Capital Markets, LLC relating to Level 3 Financing, Inc.'s 9.25% Senior Notes due 2014.
- 4.2 Supplemental Indenture, dated as of December 27, 2006, among Level 3 Communications, Inc., Level 3 Financing, Inc., Level 3 Communications, LLC and The Bank of New York as Trustee, supplementing the Indenture dated as of October 1, 2003, among Level 3 Financing, Inc., as Issuer, Level 3 Communications, Inc., as Guarantor, and The Bank of New York as Trustee, relating to Level 3 Financing, Inc.'s 10.75% Senior Notes due 2011.
- 99.1 Press Release dated December 28, 2006, relating to the completion of the offering of 9.25% Senior Notes due 2014.
- 99.2 Press Release dated December 28, 2006, relating to the receipt of requisite consents in Level 3's tender offer and consent solicitation for Level 3 Financing, Inc.'s 10.75% Senior Notes due 2011.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Level 3 Communications, Inc.

By: /s/ Neil J. Eckstein  
Neil J. Eckstein, Senior Vice President

Date: December 28, 2006

EX-4.1 2 dex41.htm REGISTRATION AGREEMENT, DATED DECEMBER 28, 2006

**Exhibit 4.1**  
EXECUTION COPY

LEVEL 3 FINANCING, INC.  
9.25% Senior Notes due 2014  
REGISTRATION AGREEMENT

New York, New York  
December 28, 2006

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Morgan Stanley & Co. Incorporated

Credit Suisse Securities (USA) LLC

Citigroup Global Markets Inc.

Wachovia Capital Markets, LLC

In care of:

Merrill Lynch, Pierce, Fenner & Smith Incorporated  
4 World Financial Center  
North Tower  
250 Vesey Street  
New York, New York 10080

Ladies and Gentlemen:

Level 3 Financing, Inc., a Delaware company (the "Issuer"), proposes to issue and sell to certain purchasers (the "Purchasers"), upon the terms set forth in a purchase agreement dated December 13, 2006, (the "Purchase Agreement"), \$650,000,000 aggregate principal amount of its 9.25% Senior Notes due 2014 (the "Original Notes") (such sale, the "Initial Placement"), to be guaranteed on an unsecured unsubordinated basis by Level 3 Communications, Inc., the direct parent company of the Issuer ("Parent"). As an inducement to the Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to your obligations thereunder, the Issuer and Parent jointly and severally agree with you, (i) for your benefit and the benefit of the other Purchasers and (ii) for the benefit of the holders from time to time of the Original Notes (including you and the other Purchasers) (each of the foregoing a "Holder" and together the "Holders"), as follows:

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1. Definitions. Capitalized terms used herein without definition shall have their respective meanings set forth in the Purchase Agreement. As used in this Agreement, the following capitalized defined terms shall have the following meanings:

“Affiliate” of any specified person means any other person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such specified person. For purposes of this definition, control of a person means the power, direct or indirect, to direct or cause the direction of the management and policies of such person whether by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Commission” means the Securities and Exchange Commission.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

“Exchange Offer Prospectus” means the prospectus included in the Exchange Offer Registration Statement, as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the New Notes covered by such Exchange Offer Registration Statement, and all amendments and supplements thereto and all material incorporated by reference therein.

“Exchange Offer Registration Period” means the 180-day period following the consummation of the Registered Exchange Offer, exclusive of any period during which any stop order shall be in effect suspending the effectiveness of the Exchange Offer Registration Statement.

“Exchange Offer Registration Statement” means a registration statement of the Issuer and Parent on an appropriate form under the Securities Act with respect to the Registered Exchange Offer, all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

“Exchanging Dealer” means any Holder (which may include the Purchasers) which is a broker-dealer electing to exchange Original Notes acquired for its own account as a result of market-making activities or other trading activities for New Notes.

“Existing Notes” means the \$600,000,000 aggregate principal amount of the Issuer’s 9.25% Senior Notes due 2014 issued on October 30, 2006 and any debt securities of the Issuer exchanged for such 9.25% Senior Notes due 2014 and identical in all material respects to such notes (except that the interest rate step-up provisions and the transfer restrictions will be modified or eliminated, as appropriate).

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“Holder” has the meaning set forth in the preamble hereto.

“Indenture” means the Indenture relating to the Existing Notes, the Original Notes and the New Notes, dated as of October 30, 2006, among Parent, the Issuer and The Bank of New York, as trustee, as the same may be amended from time to time in accordance with the terms thereof.

“Initial Placement” has the meaning set forth in the preamble hereto.

“Majority Holders” means the Holders of a majority of the aggregate principal amount of the Original Notes and the New Notes and any Existing Notes registered under a Registration Statement.

“Managing Underwriters” means the investment banker or investment bankers and manager or managers that shall administer an offering of securities under a Shelf Registration Statement.

“New Notes” means debt securities of the Issuer identical in all material respects to the Original Notes (except that the interest rate step-up provisions and the transfer restrictions will be modified or eliminated, as appropriate), to be issued under the Indenture.

“Original Notes” has the meaning set forth in the preamble hereto.

“Prospectus” means the prospectus included in any Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Original Notes or the New Notes covered by such Registration Statement, and all amendments and supplements to the Prospectus, including post-effective amendments.

“Registered Exchange Offer” means the proposed offer to the Holders to issue and deliver to such Holders, in exchange for the Original Notes, a like principal amount of the New Notes.

“Registration Securities” has the meaning set forth in Section 3(a) hereof.

“Registration Statement” means any Exchange Offer Registration Statement or Shelf Registration Statement that covers any of the Original Notes or the New Notes pursuant to the provisions of this Agreement, all amendments and supplements to such registration statement, including, without limitation, post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

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“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

“Shelf Registration” means a registration effected pursuant to Section 3 hereof.

“Shelf Registration Period” has the meaning set forth in Section 3(b) hereof.

“Shelf Registration Statement” means a “shelf” registration statement of Parent and the Issuer pursuant to the provisions of Section 3 hereof which covers some of or all the Original Notes or New Notes, as applicable, on an appropriate form under Rule 415 under the Securities Act, or any similar rule that may be adopted by the Commission, all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

“Trustee” means the trustee with respect to the Original Notes, the Existing Notes and the New Notes under the Indenture.

“underwriter” means any underwriter of securities in connection with an offering thereof under a Shelf Registration Statement.

2. Registered Exchange Offer; Resales of New Notes by Exchanging Dealers; Private Exchange.

(a) The Issuer and Parent shall prepare and, not later than March 28, 2007, shall file with the Commission the Exchange Offer Registration Statement with respect to the Registered Exchange Offer. The Issuer and Parent shall use their commercially reasonable efforts to cause the Exchange Offer Registration Statement to become effective under the Securities Act by July 26, 2007.

(b) Upon the effectiveness of the Exchange Offer Registration Statement, the Issuer and Parent shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder electing to exchange Original Notes for New Notes (assuming that such Original Notes do not constitute a portion of an unsold allotment acquired by such Holder directly from the Issuer, such Holder is not an Affiliate of the Issuer or Parent, such Holder acquires the New Notes in the ordinary course of its business and such Holder has no arrangements with any person to participate in the distribution of the New Notes) to trade such New Notes from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of a substantial proportion of the several states of the United States.

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(c) In connection with the Registered Exchange Offer, the Issuer and Parent shall:

- (i) mail to each Holder a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;
- (ii) keep the Registered Exchange Offer open for not less than 20 business days after the date notice thereof is mailed to the Holders (or longer if required by applicable law);
- (iii) utilize the services of a depository for the Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York; and
- (iv) comply in all material respects with all applicable laws.

(d) As soon as practicable after the close of the Registered Exchange Offer, the Issuer and Parent shall:

- (i) accept for exchange all Original Notes tendered and not validly withdrawn pursuant to the Registered Exchange Offer;
- (ii) deliver to the Trustee for cancellation all Original Notes so accepted for exchange; and
- (iii) cause the Trustee promptly to authenticate and deliver to each Holder of Original Notes a principal amount of New Notes equal to the principal amount of the Original Notes of such Holder so accepted for exchange.

(e) The Purchasers, the Issuer and Parent acknowledge that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, and in the absence of an applicable exemption therefrom, each Exchanging Dealer is required to deliver a Prospectus in connection with a sale of any New Notes received by such Exchanging Dealer pursuant to the Registered Exchange Offer in exchange for Original Notes acquired for its own account as a result of market-making activities or other trading activities. Accordingly, the Issuer and Parent shall:

- (i) include the information set forth in Annex A hereto on the cover of the Exchange Offer Registration Statement, in Annex B hereto in the forepart of the Exchange Offer Registration Statement in a section setting forth details of the Exchange Offer, in Annex C hereto in the underwriting or plan of distribution section of the Prospectus forming a part of the Exchange Offer Registration Statement, and in Annex D hereto in the Letter of Transmittal delivered pursuant to the Registered Exchange Offer (it being understood that a Holder's participation in the Exchange Offer is conditioned on the Holder, by executing and returning the Letter of Transmittal, representing in writing to the Issuer as set forth in Rider B of Annex D hereto); and

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(ii) use commercially reasonable efforts to keep the Exchange Offer Registration Statement continuously effective under the Securities Act during the Exchange Offer Registration Period for delivery by Exchanging Dealers in connection with sales of New Notes received pursuant to the Registered Exchange Offer, as contemplated by Section 4 (h) below.

(f) In the event that any Purchaser determines that it is not eligible to participate in the Registered Exchange Offer with respect to the exchange of Original Notes constituting any portion of an unsold allotment, at the request of such Purchaser, the Issuer and Parent shall issue and deliver to such Purchaser or the party purchasing New Notes registered under a Shelf Registration Statement as contemplated by Section 3 hereof from such Purchaser, in exchange for such Original Notes, a like principal amount of New Notes. The Issuer and Parent shall seek to cause the CUSIP Service Bureau to issue the same CUSIP number for such New Notes as for New Notes issued pursuant to the Registered Exchange Offer.

(g) Parent and the Issuer may include in the Exchange Offer Registration Statement up to \$600,000,000 aggregate principal amount of the Existing Notes, to be exchanged for New Notes.

3. Shelf Registration. If, (i) because of any change in law or applicable interpretations thereof by the Commission's staff, the Issuer and Parent determine upon advice of outside counsel that they are not permitted to effect the Registered Exchange Offer as contemplated by Section 2 hereof, or (ii) for any other reason the Exchange Offer Registration Statement is not declared effective by July 26, 2007 or the Registered Exchange Offer is not consummated within 30 business days following the initial effectiveness date of the Exchange Offer Registration Statement, or (iii) any Purchaser so requests with respect to Original Notes (or any New Notes received pursuant to Section 2(f)) not eligible to be exchanged for New Notes in a Registered Exchange Offer or, in the case of any Purchaser that participates in any Registered Exchange Offer, such Purchaser does not receive freely tradable New Notes, or (iv) any Holder (other than a Purchaser) is not eligible to participate in the Registered Exchange Offer or (v) in the case of any such Holder that participates in the Registered Exchange Offer, such Holder does not receive freely tradable New Notes in exchange for tendered securities, other than by reason of such Holder being an affiliate of the Issuer and Parent within the meaning of the Securities Act (it being understood that, for purposes of this Section 3, (x) the requirement that a Purchaser deliver a Prospectus containing the information required by Items 507 and/or 508 of Regulation S-K under the Securities Act in connection with sales of New Notes acquired in exchange for such Original Notes shall result in such New Notes being not "freely tradeable" but (y) the requirement that an Exchanging Dealer deliver a Prospectus in connection with sales of New Notes acquired in the Registered Exchange Offer in exchange for Original Notes acquired as a result of market-making activities or other trading activities shall not result in such New Notes being not "freely tradeable"), the following provisions shall apply:

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(a) The Issuer and Parent shall as promptly as practicable (but in no event more than the later of (i) March 28, 2007 or (ii) 45 days after so required or requested pursuant to this Section 3), file with the Commission and thereafter shall use their commercially reasonable efforts to cause to become effective under the Securities Act, or, if permitted by Rule 430B under the Securities Act, otherwise designate an existing registration statement filed with the Commission as, a Shelf Registration Statement relating to the offer and sale of the Original Notes or the New Notes, as applicable, by the Holders from time to time in accordance with the methods of distribution elected by such Holders and set forth in such Shelf Registration Statement (such Original Notes or New Notes, as applicable, to be sold by such Holders under such Shelf Registration Statement being referred to herein as "Registration Securities"); provided, however, that, with respect to New Notes received by a Purchaser in exchange for Original Notes constituting any portion of an unsold allotment, the Issuer and Parent may, if permitted by current interpretations by the Commission's staff, file a post-effective amendment to the Exchange Offer Registration Statement containing the information required by Regulation S-K Items 507 and/or 508, as applicable, in satisfaction of their obligations under this paragraph (a) with respect thereto, and any such Exchange Offer Registration Statement, as so amended, shall be referred to herein as, and governed by the provisions herein applicable to, a Shelf Registration Statement. Unless the Shelf Registration Statement is an automatic shelf registration statement (as defined in Rule 405 under the Securities Act), the Issuer and Parent shall include the information required by Rule 430B(b)(2)(iii) under the Securities Act.

(b) The Issuer and Parent shall use their commercially reasonable efforts to keep the Shelf Registration Statement continuously effective in order to permit the Prospectus forming part thereof to be usable by Holders for a period of two years from the date the Shelf Registration Statement becomes effective or is designated as such or such shorter period that will terminate when all the Original Notes or New Notes, as applicable, covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement (in any such case, such period being called the "Shelf Registration Period"). The Issuer and Parent shall be deemed not to have used their commercially reasonable efforts to keep the Shelf Registration Statement effective during the Shelf Registration Period if the Issuer, or Parent voluntarily takes any action that would result in Holders of securities covered thereby not being able to offer and sell such securities during that period, unless (i) such action is required by applicable law or (ii) such action is taken by such party in good faith and for valid business reasons (not including avoidance of the obligations of the Issuer and Parent hereunder), including the acquisition or divestiture of assets, so long as the Issuer and Parent promptly thereafter comply with the requirements of Section 4(k) hereof, if applicable.

(c) Parent and the Issuer may include in the Shelf Registration Statement up to \$600,000,000 aggregate principal amount of the Existing Notes or New Notes issued in exchange for Existing Notes, as applicable, to be offered and sold by the holders thereof from time to time in accordance with the methods of distribution elected by such holders and set forth in such Shelf Registration Statement.

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4. Registration Procedures. In connection with any Shelf Registration Statement and, to the extent applicable, any Exchange Offer Registration Statement, the following provisions shall apply:

(a) (i) The Issuer and Parent shall furnish to you, prior to the filing or designation thereof with the Commission, a copy of any Exchange Offer Registration Statement, each amendment thereof and each amendment or supplement, if any, to the Prospectus included therein and shall use its commercially reasonable efforts to reflect in each such document, when so filed or designated with the Commission, such comments as you reasonably may propose.

(ii) The Issuer and Parent shall furnish to you, prior to the filing or designation thereof with the Commission, a copy of any Shelf Registration Statement, each amendment thereof and each amendment or supplement, if any, to the Prospectus included therein and shall use its commercially reasonable efforts to reflect in each such document, when so filed or designated with the Commission, such comments as any Holder whose securities are to be included in such Shelf Registration Statement reasonably may propose.

(b) The Issuer and Parent shall ensure that (i) any Registration Statement and any amendment thereto and any Prospectus forming part thereof and any amendment or supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) any Registration Statement and any amendment thereto does not, when it becomes effective (or, in the case of a previously filed registration statement that is effective at the time it is designated as a Shelf Registration Statement, when it is so designated), contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any Prospectus forming part of any Registration Statement, and any amendment or supplement to such Prospectus, does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) (1) The Issuer and Parent shall advise you and, in the case of a Shelf Registration Statement, the Holders of securities covered thereby, and, if requested by you or any such Holder, confirm such advice in writing:

(i) when a Registration Statement and any amendment thereto has been filed (or, in the case of a previously filed registration statement designated as a Shelf Registration Statement, when it is so designated) with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective (or, in the case of a previously filed registration statement that is effective at the time it is designated as a Shelf Registration Statement, when it is so designated); and

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(ii) of any request by the Commission for amendments or supplements to the Registration Statement or the Prospectus included therein or for additional information.

(2) The Issuer and Parent shall advise you and, in the case of a Shelf Registration Statement, the Holders of securities covered thereby, and, in the case of an Exchange Offer Registration Statement, any Exchanging Dealer which has provided in writing to the Issuer a telephone or facsimile number and address for notices, and, if requested by you or any such Holder or Exchanging Dealer, confirm such advice in writing:

(i) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(ii) of the receipt by the Issuer or Parent of any notification with respect to the suspension of the qualification of the securities included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(iii) of the happening of any event that requires the making of any changes in the Registration Statement or the Prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading (which advice shall be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made).

Each such Holder or Exchanging Dealer agrees by its acquisition of such securities to be sold by such Holder or Exchanging Dealer, that, upon being so advised by the Issuer or Parent of any event described in clause (iii) of this paragraph (c)(2), such Holder or Exchanging Dealer will forthwith discontinue disposition of such securities under such Registration Statement or Prospectus, until such Holder's or Exchanging Dealer's receipt of the copies of the supplemented or amended Prospectus contemplated by paragraph 4(k) hereof, or until it is advised in writing by the Issuer or Parent that the use of the applicable Prospectus may be resumed.

(d) The Issuer and Parent shall use their commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement at the earliest possible time.

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(e) The Issuer and Parent shall furnish to each Holder of securities included within the coverage of any Shelf Registration Statement, without charge, at least one copy of such Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if the Holder so requests in writing, any documents incorporated by reference therein and all exhibits thereto (including those incorporated by reference therein).

(f) The Issuer and Parent shall, during the Shelf Registration Period, deliver to each Holder of securities included within the coverage of any Shelf Registration Statement, without charge, as many copies of the Prospectus (including each preliminary Prospectus) included in such Shelf Registration Statement and any amendment or supplement thereto as such Holder may reasonably request; and each of the Issuer and Parent hereby consent to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders of securities in connection with the offering and sale of the securities covered by the Prospectus or any amendment or supplement thereto.

(g) The Issuer and Parent shall furnish to each Exchanging Dealer which so requests, without charge, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules and, if the Exchanging Dealer so requests in writing, any documents incorporated by reference therein and all exhibits thereto (including those incorporated by reference therein).

(h) The Issuer and Parent shall, during the Exchange Offer Registration Period, promptly deliver to each Exchanging Dealer, without charge, as many copies of the Prospectus included in such Exchange Offer Registration Statement and any amendment or supplement thereto as such Exchanging Dealer may reasonably request for delivery by such Exchanging Dealer in connection with a sale of New Notes received by it pursuant to the Registered Exchange Offer; and the Issuer and Parent hereby consent to the use of the Prospectus or any amendment or supplement thereto by any such Exchanging Dealer, as aforesaid.

(i) Prior to the Registered Exchange Offer or any other offering of securities pursuant to any Registration Statement, the Issuer shall register or qualify or cooperate with the Holders of securities included therein and their respective counsel in connection with the registration or qualification of such securities for offer and sale under the securities or blue sky laws of such jurisdictions as any such Holder reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the securities covered by such Registration Statement; provided, however, that the Issuer will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process or to taxation in any such jurisdiction where it is not then so subject.

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(j) The Issuer and Parent shall cooperate with the Holders of Original Notes to facilitate the timely preparation and delivery of certificates representing Original Notes to be sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as Holders may request prior to sales of securities pursuant to such Registration Statement.

(k) Upon the occurrence of any event contemplated by paragraph (c)(2)(iii) above, the Issuer and Parent shall promptly prepare a post-effective amendment to any Registration Statement or an amendment or supplement to the related Prospectus or file any other required document so that, as thereafter delivered to purchasers of the securities included therein, the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) Not later than the effective date (or the designation date, in the case of a previously filed registration statement that is effective at the time it is designated as a Shelf Registration Statement) of any such Registration Statement hereunder, the Issuer and Parent shall provide a CUSIP number for each of the Original Notes or the New Notes, as the case may be, registered under such Registration Statement, and provide the Trustee with printed certificates for such Original Notes or New Notes, in a form, if requested by the applicable Holder or Holder's counsel, eligible for deposit with The Depository Trust Company or any successor thereto under the Indenture.

(m) The Issuer and Parent shall use their commercially reasonable efforts to comply with all applicable rules and regulations of the Commission to the extent and so long as they are applicable to the Registered Exchange Offer or the Shelf Registration and will make generally available to the security holders of the Issuer a consolidated earning statement (which need not be audited) covering a twelve-month period commencing after the effective date (or the designation date, in the case of a previously filed registration statement that is effective at the time it is designated as a Shelf Registration Statement) of the Registration Statement and ending not later than 15 months thereafter, as soon as practicable after the end of such period, which consolidated earning statement shall satisfy the provisions of Section 11 (a) of the Securities Act.

(n) The Issuer and Parent shall cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, on or prior to the effective date (or the designation date, in the case of a previously filed registration statement that is effective at the time it is designated as a Shelf Registration Statement) of any Shelf Registration Statement or Exchange Offer Registration Statement.

(o) The Issuer and Parent may require each Holder of securities to be sold pursuant to any Shelf Registration Statement to furnish to the Issuer in writing such information regarding the Holder and the distribution of such securities as the Issuer may

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from time to time reasonably require for inclusion in such Registration Statement. The Issuer may exclude from any such Registration Statement the securities of any such Holder who fails to furnish such information within a reasonable time after receiving such request. Each Holder as to which any Shelf Registration is being effected agrees to furnish promptly to the Issuer all information required to be disclosed in order to make the information previously furnished to the Issuer by such Holder not materially misleading. Each Holder further agrees that neither such Holder nor any underwriter participating in any disposition pursuant to any Shelf Registration Statement on such Holder's behalf will make any offer relating to the securities to be sold pursuant to such Shelf Registration Statement that would constitute an issuer free writing prospectus (as defined in Rule 433 under the Securities Act) or that would otherwise constitute a "free writing prospectus" (as defined in Rule 405 under the Securities Act) required to be filed by the Issuer and Parent with the Commission or retained by the Issuer and Parent under Rule 433 of the Securities Act, unless it has obtained the prior written consent of the Issuer and Parent (and except for as otherwise provided in any underwriting agreement entered into by the Issuer and Parent and any such underwriter).

(p) The Issuer and Parent shall, if requested, promptly incorporate in a Prospectus supplement or post-effective amendment to a Shelf Registration Statement, such information as the Managing Underwriters, if any, and the Majority Holders reasonably agree should be included therein and shall make all required filings of such Prospectus supplement or post-effective amendment as soon as notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

(q) (i) In the case of any Shelf Registration Statement, the Issuer and Parent shall enter into such agreements (including underwriting agreements) and take all other appropriate actions in order to expedite or facilitate the registration or the disposition of the Original Notes, and in connection therewith, if an underwriting agreement is entered into, cause the same to contain indemnification provisions and procedures no less favorable than those set forth in Section 6 hereof (or such other provisions and procedures acceptable to the Majority Holders and the Managing Underwriters, if any), with respect to all parties to be indemnified pursuant to Section 6 hereof.

(ii) Without limiting in any way paragraph (q)(i), no Holder may participate in any underwritten registration hereunder unless such Holder (x) agrees to sell such Holder's securities to be covered by such registration on the basis provided in any underwriting arrangements approved by the Majority Holders and the Managing Underwriters and (y) completes and executes in a timely manner all customary questionnaires, powers of attorney, underwriting agreements and other documents reasonably required by the Issuer or the Managing Underwriters in connection with such underwriting arrangements.

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(r) In the case of any Shelf Registration Statement, the Issuer and Parent shall (i) make reasonably available for inspection by the Holders of securities to be registered thereunder, any underwriter participating in any disposition pursuant to such Registration Statement, and any attorney, accountant or other agent retained by the Holders or any such underwriter all relevant financial and other records, pertinent corporate documents and properties of Parent and its subsidiaries reasonably requested by such person; (ii) cause the officers, directors and employees of the Issuer and Parent to supply all relevant information reasonably requested by the Holders or any such underwriter, attorney, accountant or agent in connection with any such Registration Statement as is customary for due diligence examinations in connection with primary underwritten offerings; provided, however, that any information that is nonpublic at the time of delivery of such information shall be kept confidential by the Holders or any such underwriter, attorney, accountant or agent, unless such disclosure is made in connection with a court proceeding or required by law, or such information becomes available to the public generally or through a third party without an accompanying obligation of confidentiality; (iii) make such representations and warranties to the Holders of securities registered thereunder and the underwriters, if any, in form, substance and scope as are customarily made by an issuer to underwriters in primary underwritten offerings; (iv) obtain opinions of counsel to the Issuer and Parent (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the Managing Underwriters, if any) addressed to each selling Holder and the underwriters, if any, covering such matters as are customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such Holders and underwriters; (v) obtain "cold comfort" letters (or, in the case of any person that does not satisfy the conditions for receipt of a "cold comfort" letter specified in Statement on Auditing Standards No. 72, an "agreed-upon procedures" letter under Statement on Auditing Standards No. 35) and updates thereof from the independent certified public accountants of Parent (and, if necessary, any other independent certified public accountants of any subsidiary of Parent or of any business acquired by Parent for which financial statements and financial data are, or are required to be, included or incorporated by reference in the Registration Statement), addressed to each selling Holder of securities registered thereunder and the underwriters, if any, in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with primary underwritten offerings; and (vi) deliver such documents and certificates as may be reasonably requested by the Majority Holders and the Managing Underwriters, if any, including those to evidence compliance with Section 4(k) and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Issuer and Parent. The foregoing actions set forth in clauses (iii), (iv), (v) and (vi) of this Section 4(r) shall be performed (A) on the effective date (or the designation date, in the case of a previously filed registration

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statement that is effective at the time it is designated as a Shelf Registration Statement) of such Registration Statement and each post-effective amendment thereto and (B) at each closing under any underwriting or similar agreement as and to the extent required thereunder.

(s) In the case of any Exchange Offer Registration Statement, the Issuer and Parent shall (i) make reasonably available for inspection by each Purchaser, and any attorney, accountant or other agent retained by such Purchaser, all relevant financial and other records, pertinent corporate documents and properties of Parent and its subsidiaries reasonably requested by such person; (ii) cause the officers, directors and employees of the Issuer and Parent to supply all relevant information reasonably requested by such Purchaser or any such attorney, accountant or agent in connection with any such Registration Statement as is customary for due diligence examinations in connection with primary underwritten offerings; provided, however, that any information that is nonpublic at the time of delivery of such information shall be kept confidential by such Purchaser or any such attorney, accountant or agent, unless such disclosure is made in connection with a court proceeding or required by law, or such information becomes available to the public generally or through a third party without an accompanying obligation of confidentiality; (iii) make such representations and warranties to such Purchaser, in form, substance and scope as are customarily made by an issuer to underwriters in primary underwritten offerings; (iv) obtain opinions of counsel to the Issuer and Parent (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to such Purchaser and its counsel), addressed to such Purchaser, covering such matters as are customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such Purchaser or its counsel; (v) obtain "cold comfort" letters and updates thereof from the independent certified public accountants of Parent (and, if necessary, any other independent certified public accountants of any subsidiary of Parent or of any business acquired by Parent for which financial statements and financial data are, or are required to be, included or incorporated by reference in the Registration Statement), addressed to such Purchaser, in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with primary underwritten offerings, or if requested by such Purchaser or its counsel in lieu of a "cold comfort" letter, an agreed-upon procedures letter under Statement on Auditing Standards No. 35, covering matters requested by such Purchaser or its counsel; and (vi) deliver such documents and certificates as may be reasonably requested by such Purchaser or its counsel, including those to evidence compliance with Section 4(k) and with conditions customarily contained in underwriting agreements. The foregoing actions set forth in clauses (iii), (iv), (v) and (vi) of this Section 4(s) shall be performed (A) at the close of the Registered Exchange Offer and (B) on the effective date of any post-effective amendment to the Exchange Offer Registration Statement.

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5. Registration Expenses. The Issuer and Parent shall jointly and severally bear all expenses incurred in connection with the performance of their obligations under Sections 2, 3 and 4 hereof and, in the event of any Shelf Registration Statement, will reimburse the Holders for the reasonable fees and disbursements of one firm or counsel (in addition to one local counsel in each relevant jurisdiction) designated by the Majority Holders to act as counsel for the Holders in connection therewith. Notwithstanding the foregoing, the Holders of the securities being registered shall pay all agency or brokerage fees and commissions and underwriting discounts and commissions attributable to the sale of such securities and the fees and disbursements of any counsel or other advisors or experts retained by such Holders (severally or jointly), other than the counsel and experts specifically referred to above in this Section 5, transfer taxes on resale of any of the securities by such Holders and any advertising expenses incurred by or on behalf of such Holders in connection with any offers they may make.

6. Indemnification and Contribution. (a) In connection with any Registration Statement, the Issuer and Parent jointly and severally agree to indemnify and hold harmless each Holder of securities covered thereby (including each Purchaser and, with respect to any Prospectus delivery as contemplated in Section 4(h) hereof, each Exchanging Dealer), the directors, officers, employees and agents of each such Holder and each other person, if any, who controls any such Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement as originally filed or in any amendment thereof, or in any preliminary Prospectus or Prospectus, or in any amendment thereof or supplement thereto, or in any issuer free writing prospectus approved for use by the Issuer and Parent, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Issuer and Parent will not be liable in any case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Issuer or Parent by or on behalf of any such Holder specifically for inclusion therein. This indemnity agreement will be in addition to any liability which the Issuer and Parent may otherwise have.

The Issuer and Parent also jointly and severally agree to indemnify or contribute to Losses (as defined below) of, as provided in Section 6(d), any underwriters

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of Original Notes or New Notes registered under a Shelf Registration Statement, their officers, directors, employees and agents and each person who controls such underwriters on substantially the same basis as that of the indemnification of the Purchasers and the selling Holders provided in this Section 6(a) and shall, if requested by any Holder, enter into an underwriting agreement reflecting such agreement, as provided in Section 4(q) hereof.

(b) Each Holder of securities covered by a Registration Statement (including each Purchaser and, with respect to any Prospectus delivery as contemplated in Section 4(h) hereof, each Exchanging Dealer) severally and not jointly agrees to indemnify and hold harmless the Issuer, Parent, each of their directors and officers and each other person, if any, who controls the Issuer or Parent within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Issuer and Parent to each such Holder, but only with reference to written information relating to such Holder furnished to the Issuer by or on behalf of such Holder specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any such Holder may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 6, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel (and local counsel) if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such

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action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding. It is understood, however, that the Issuer and Parent shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys (in addition to any local counsel) at any time for all such Holders and controlling persons. An indemnifying party shall not be liable under this Section 6 to any indemnified party regarding any settlement or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent is consented to by such indemnifying party, which consent shall not be unreasonably withheld.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 6 is unavailable to or insufficient to hold harmless an indemnified party for any reason, then the Issuer, Parent and the Holders, in lieu of indemnifying such indemnified party, shall have a joint and several obligation to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "Losses") to which the Issuer, Parent and the Holders may be subject in such proportion as is appropriate to reflect the relative benefits received by the Issuer and Parent, on the one hand, and by the Holders, on the other hand, from the Initial Placement and the Registration Statement which resulted in such Losses; provided, however, that in no case shall any Purchaser or any subsequent Holder of any Original Note or New Note be responsible, in the aggregate, for any amount in excess of the purchase discount or commission applicable to such Original Note, or in the case of a New Note, applicable to the security which was exchangeable into such New Note, as set forth in the Final Memorandum and in the Purchase Agreement, nor shall any underwriter be responsible for any amount in excess of the underwriting discount or commission applicable to the securities purchased by such underwriter under the Registration Statement which resulted in such Losses. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Issuer, Parent and the Holders severally shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer and Parent, on the one hand, and the Holders, on the other hand, in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Issuer and Parent shall be deemed to be equal to the sum of (x) the total net proceeds from the Initial Placement (before deducting expenses) as set forth in

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the Final Memorandum and in the Purchase Agreement and (y) the total amount of additional interest which the Issuer was not required to pay as a result of registering the securities covered by the Registration Statement which resulted in such Losses. Benefits received by the Purchasers shall be deemed to be equal to the total purchase discounts and commissions as set forth in the Final Memorandum and in the Purchase Agreement, and benefits received by any other Holders shall be deemed to be equal to the value of receiving Original Notes or New Notes, as applicable, registered under the Securities Act. Benefits received by any underwriter shall be deemed to be equal to the total underwriting discounts and commissions, as set forth on the cover page of the Prospectus forming a part of the Registration Statement which resulted in such Losses. Relative fault shall be determined by reference to whether any alleged untrue statement or omission relates to information provided by the Issuer and Parent, on the one hand, or by Holders, on the other hand. The parties agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 6, each person who controls a Holder within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of such Holder shall have the same rights to contribution as such Holder, and each person who controls the Issuer or Parent within the meaning of either the Securities Act or the Exchange Act, each of their officers who shall have signed the Registration Statement and each of their directors shall have the same rights to contribution as the Issuer and Parent, subject in each case to the applicable terms and conditions of this paragraph (d).

(e) The provisions of this Section 6 will remain in full force and effect, regardless of any investigation made by or on behalf of any Purchaser, any other Holder, the Issuer and Parent or any underwriter or any of the officers, directors or controlling persons referred to in this Section 6, and will survive the sale by a Holder of securities covered by a Registration Statement.

7. Miscellaneous.

(a) No Inconsistent Agreements. None of the Issuer or Parent has, as of the date hereof, entered into, nor shall it, on or after the date hereof, enter into, any agreement with respect to its securities that limits the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, qualified, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Issuer has obtained the written consent of the Holders of at least a majority of the then outstanding aggregate principal

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amount of Original Notes (or, after the consummation of any Exchange Offer in accordance with Section 2 hereof, of New Notes); provided that, with respect to any matter that directly or indirectly affects the rights of any Purchaser hereunder, the Issuer shall obtain the written consent of each such Purchaser against which such amendment, qualification, supplement, waiver or consent is to be effective. Notwithstanding the foregoing (except the foregoing proviso), a waiver or consent to departure from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by the Majority Holders, determined on the basis of securities being sold rather than registered under such Registration Statement.

(c) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, facsimile, or air courier guaranteeing overnight delivery:

(1) if to a Holder, at the most current address given by such Holder to the Issuer in accordance with the provisions of this Section 7(c), which address initially is, with respect to each Holder, the address of such Holder maintained by the registrar under the Indenture, with a copy in like manner to Merrill Lynch, Pierce, Fenner & Smith Incorporated by facsimile (212-449-3207) and confirmed by mail to it at Merrill Lynch World Headquarters, North Tower, World Financial Center, New York, New York 10281-1201, Attention: Global Origination Counsel;

(2) if to you, initially at the address set forth in the Purchase Agreement; and

(3) if to the Issuer or Parent, initially at the address set forth in the Purchase Agreement.

All such notices and communications shall be deemed to have been duly given when received.

The Purchasers or the Issuer by notice to the other may designate additional or different addresses for subsequent notices or communications.

(d) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including, without the need for an express assignment or any consent by the Issuer and Parent or subsequent Holders of Original Notes and/or New Notes. The Issuer and Parent hereby agree to extend the benefits of this Agreement to any Holder of Original Notes and/or New Notes and any such Holder may specifically enforce the provisions of this Agreement as if an original party hereto.

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(e) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF).**

(h) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected thereby, it being intended that all the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

(i) Securities Held by the Issuer or Parent, etc. Whenever the consent or approval of Holders of a specified percentage of principal amount of Original Notes or New Notes is required hereunder, Original Notes or New Notes, as applicable, held by the Issuer, Parent or their Affiliates (other than subsequent Holders of Original Notes or New Notes if such subsequent Holders are deemed to be Affiliates solely by reason of their holdings of such Original Notes or New Notes) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(j) Termination. This Agreement shall automatically terminate, without any further action on the part of the Issuer and Parent or the Purchasers, upon the termination or cancellation of the Purchase Agreement prior to the Closing Date.

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Please confirm that the foregoing correctly sets forth the agreement among Parent, the Issuer and you.

Very truly yours,

Level 3 Financing, Inc.

By: /s/ Neil J. Eckstein

Name: Neil J. Eckstein

Title: Senior Vice President

Level 3 Communications, Inc.

By: /s/ Thomas C. Stortz

Name: Thomas C. Stortz

Title: Executive Vice President and  
Chief Legal Officer

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The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Morgan Stanley & Co. Incorporated

Credit Suisse Securities (USA) LLC

Citigroup Global Markets Inc.

Wachovia Capital Markets, LLC

By: Merrill Lynch, Pierce, Fenner & Smith Incorporated

By: /s/ Heather Lamberton

Name: Heather Lamberton

Title: Vice President

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## Item 1.01 Entry into a Material Definitive Agreement

On April 9, 2007, Level 3 Financing, Inc. ("Level 3 Financing"), a wholly owned subsidiary of Level 3 Communications, Inc., entered into a Supplemental Indenture (the "Guarantee Supplemental Indenture"), dated as of April 9, 2007, to the Indenture, dated as of October 30, 2006, among Level 3 Communications, Inc., as Guarantor, Level 3 Financing, as Issuer, and The Bank of New York, as Trustee (the "Indenture"), relating to Level 3 Financing's 9.25% Senior Notes due 2014 (the "Notes"). The Guarantee Supplemental Indenture was entered into among Level 3 Financing, Level 3 Communications, LLC and The Bank of New York, as Trustee. Pursuant to the Guarantee Supplemental Indenture, Level 3 Communications, LLC has provided an unconditional, unsecured guaranty of the Notes. The Guarantee Supplemental Indenture is filed as exhibit 4.1 to this Current Report and is incorporated by reference as if set forth in full.

On April 9, 2007, Level 3 Financing entered into an additional Supplemental Indenture (the "Subordination Supplemental Indenture"), dated as of April 9, 2007, to the Indenture. The Subordination Supplemental Indenture was entered into among Level 3 Financing, Level 3 Communications, Inc., Level 3 Communications, LLC and The Bank of New York, as Trustee. Pursuant to the Subordination Supplemental Indenture, the unconditional, unsecured guaranty of Level 3 Communications, LLC of the Notes shall be subordinated in any bankruptcy, liquidation or winding up proceeding of Level 3 Communications, LLC to all obligations of Level 3 Communications, LLC under the Level 3 Financing Amended and Restated Credit Agreement dated as of March 13, 2007. The Subordination Supplemental Indenture is filed as exhibit 4.2 to this Current Report and is incorporated by reference as if set forth in full.

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## Item 9.01. Financial Statements and Exhibits

- (a) Financial Statements of Business Acquired None
- (b) Pro Forma Financial Information None
- (c) Shell Company Transactions None
- (d) Exhibits

4.1 Supplemental Indenture, dated as of April 9, 2007, among Level 3 Communications, LLC, as guarantor, Level 3 Financing, Inc., as Issuer and The Bank of New York, as Trustee.

4.2 Supplemental Indenture, dated as of April 9, 2007, among Level 3 Communications, LLC, as guarantor, Level 3 Financing, Inc., as Issuer, Level 3 Communications, Inc., as Parent and The Bank of New York, as Trustee.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Level 3 Communications, Inc.

By: /s/ Neil J. Eckstein  
Neil J. Eckstein, Senior Vice President

Date: April 11, 2007

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Exhibit 4.1

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture") dated as of April 9, 2007, among Level 3 Communications, LLC (the "New Guarantor"), a direct or indirect subsidiary of Level 3 Communications, Inc. (or its successor), a Delaware corporation ("Parent"), LEVEL 3 FINANCING, INC., a Delaware corporation (the "Issuer") on behalf of itself and the Guarantors (the "Existing Guarantors"), if any, under the Indenture referred to below, and THE BANK OF NEW YORK, a New York banking corporation, as trustee under the indenture referred to below (the "Trustee").

W I T N E S S E T H :

WHEREAS the Issuer and Parent have heretofore executed and delivered to the Trustee an Indenture dated as of October 30, 2006 (the "Indenture"; capitalized terms used but not defined herein having the meanings assigned thereto in the Indenture), providing for the issuance of its 9.25% Senior Notes Due 2014;

WHEREAS the Indenture permits the New Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantor shall unconditionally guarantee all the Issuer's obligations under the Securities pursuant to a Guarantee on the terms and conditions set forth herein;

WHEREAS the Guarantee contained in this Supplemental Indenture shall constitute a "Restricted Subsidiary Guarantee", and the New Guarantor shall constitute a "Guarantor", for all purposes of the Indenture; and

WHEREAS pursuant to Section 901 and Section 1307 of the Indenture, the Trustee and the Issuer are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Issuer, the Existing Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the holders of the Securities as follows:

1. Agreement to Guaranty. The New Guarantor hereby agrees, jointly and severally with all the existing Guarantors, to unconditionally guarantee the Issuer's obligations under the Securities on the terms and subject to the conditions set forth in Article 13 of the Indenture and to be bound by all other applicable provisions of the Indenture and the Securities.

2. Successors and Assigns. This Supplemental Indenture shall be binding upon the New Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in the Indenture and in the

Securities shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

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3. No Waiver. Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Supplemental Indenture, the Indenture or the Securities shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein and therein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Supplemental Indenture, the Indenture or the Securities at law, in equity, by statute or otherwise.

4. Modification. No modification, amendment or waiver of any provision of this Supplemental Indenture, nor the consent to any departure by the New Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the New Guarantor in any case shall entitle the New Guarantor to any other or further notice or demand in the same, similar or other circumstances.

5. Opinion of Counsel. Concurrently with the execution and delivery of this Supplemental Indenture, the Issuer shall deliver to the Trustee an Opinion of Counsel to the effect that this Supplemental Indenture has been duly authorized, executed and delivered by each of the New Guarantor and the Issuer and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Guarantee of the New Guarantor is a legal, valid and binding obligation of the New Guarantor, enforceable against the New Guarantor in accordance with its terms.

6. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Securities heretofore or hereafter authenticated and delivered shall be bound hereby.

7. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

8. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. Effect of Headings. The Section headings herein are for convenience only and shall not effect the construction thereof.

10. Trustee. The recitals and statements herein are deemed to be those of the Issuer, Parent and Level 3 LLC and not of the Trustee.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

LEVEL 3 COMMUNICATIONS, LLC,

By

/s/ Robin E. Grey

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Name: Robin E. Grey  
Title Senior Vice President

LEVEL 3 FINANCING, INC., on behalf of itself as the Issuer and the Existing Guarantors, if any,

By

/s/ Thomas C. Stortz

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Name: Thomas C. Stortz  
Title Executive Vice President

THE BANK OF NEW YORK, as Trustee,

By

/s/ Stacey E. Poindexter

-----  
Name: Stacey E. Poindexter  
Title Assistant Vice President

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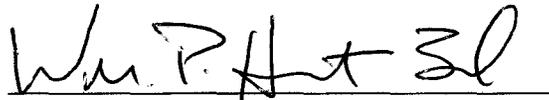
**Exhibit B**

**Affidavit**

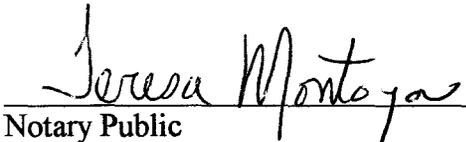
AFFIDAVIT

STATE OF COLORADO §  
  §  
COUNTY OF BROOMFIELD §

I, William P. Hunt, state that I am Vice President Public Policy for Level 3 Communications, LLC; that I am authorized to make this Affidavit on behalf of Level 3 Communications, LLC; and that no customer deposit or advance was encumbered as a result of the note issuances approved by the Commission in Docket No. T-03654A-06-0689.

  
\_\_\_\_\_  
William P. Hunt  
Vice President Public Policy  
Level 3 Communications, LLC

SWORN TO AND SUBSCRIBED before me on the 20<sup>th</sup> day of April, 2007.

  
\_\_\_\_\_  
Notary Public

My commission expires: 10-11-2010

