LEVEL 3 COMMUNICATIONS INC

FORM S-4/A

(Registration Statement for securities to be issued in business combination transactions)

Filed 06/13/05

Address	1025 ELDORADO BOULEVARD BLDG 2000 BROOMFIELD, CO 80021
Telephone	7208881000
CIK	0000794323
Symbol	LVLT
SIC Code	4813 - Telephone Communications, Except Radiotelephone
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

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(Securities Registration: Business Combination)

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	BROOMFIELD, Colorado 80021
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As filed with the Securities and Exchange Commission on June 10, 2005

Registration No. 333-124436

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Pre-Effective Amendment No. 1 to Form S-4 REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

LEVEL 3 FINANCING, INC.

(Exact name of registrant as specified in its charter)

Delaware	**1221, 4813**	**47-0735805**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

LEVEL 3 COMMUNICATIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**1221, 4813, 7374**	**47-0210602**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

LEVEL 3 COMMUNICATIONS, LLC

(Exact name of registrant as specified in its charter)

Delaware	**1221, 4813, 7374**	**47-0807040**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

1025 Eldorado Boulevard, Broomfield, Colorado 80021

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

Thomas C. Stortz, Esq.
Executive Vice President and Chief Legal Officer
1025 Eldorado Boulevard
Broomfield, Colorado 80021
(720) 888-1000

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

with a copy to:

John S. D'Alimonte
David K. Boston
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
(212) 728-8000

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price(1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
10.750 % Senior Notes of Level 3 Financing, Inc. due 2011	$500,000,000	100%	$500,000,000	$58,850
Guarantees of the Notes listed above by Level 3 Communications, Inc. and Level 3 Communications, LLC	(2)	(2)	(2)	(2)
Total	$500,000,000	100%	$500,000,000	$58,850

(1) Estimated solely for the purpose of calculating the registration fee.

(2) No separate consideration will be received for the guarantees by Level 3 Communications, Inc. and Level 3 Communications, LLC. Pursuant to Rule 457(n), no registration fee is payable with respect to the guarantees.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated June 10, 2005

Prospectus

Level 3 Financing, Inc.

Offer to Exchange

10.750% Senior Notes of Level 3 Financing, Inc. due 2011

for

Outstanding 10.750% Senior Notes of Level 3 Financing, Inc. due 2011

Guaranteed by
Level 3 Communications, Inc. and Level 3 Communications, LLC

Terms of Exchange Offer

- The exchange offer expires at 5:00 p.m., New York City time, on , 2005, unless it is extended.
- There is no established trading market for the new notes, and Level 3 does not intend to apply for listing of the new notes on any securities exchange.

See " Risk Factors " beginning on page 12 for a discussion of matters that participants in the exchange offer should consider.

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

The date of this prospectus is , 2005

This prospectus incorporates important business and financial information about the Issuer, Level 3 Communications, Inc. and Level 3 Communications, LLC that is not included in or delivered with this prospectus. Level 3 will provide this information to you at no charge upon written or oral request directed to: Senior Vice President, Investor Relations, Level 3 Communications, Inc., 1025 Eldorado Blvd., Broomfield, CO 80021, 720-888-2500. In order to ensure timely delivery of the information, any request should be made by , 2005.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for original notes where such new notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Issuer and Parent have agreed that, starting on the date hereof (the "Expiration Date") and ending on the close of business on the day that is 180 days following the Expiration Date, they will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

None of Level 3 Financing, Inc., Level 3 Communications, Inc. nor Level 3 Financing, LLC has authorized any person to give you any information or to make any representations about the exchange offer other than those contained in this prospectus. If you are given any information or representations that are not discussed in this prospectus, you must not rely on that information or those representations. This prospectus is not an offer to sell or a solicitation of an offer to buy any securities other than the securities to which it relates. In addition, this prospectus is not an offer to sell or the solicitation of an offer to buy those securities in any jurisdiction in which the offer or solicitation is not authorized, or in which the person making the offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The delivery of this prospectus and any exchange made under this prospectus do not, under any circumstances, mean that there has not been any change in the affairs of Level 3 Financing, Inc., Level 3 Communications, Inc. or Level 3 Communications, LLC since the date of this prospectus or that information contained in this prospectus is correct as of any time subsequent to its date.

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Cautionary Factors That May Affect Future Results
(Cautionary Statements Under the Private Securities Litigation Reform Act of 1995)

This prospectus contains or incorporates by reference forward-looking statements and information. These forward-looking statements include, among others, statements concerning:

- the communications and information services business of Level 3 Communications, Inc. and its subsidiaries (together, "Level 3" or the "Company"), its advantages and the Company's strategy for continuing to pursue its business;
- anticipated development and launch of new services in the communications portion of the Company's business;
- anticipated dates on which the Company will begin providing certain services or reach specific milestones in the development and implementation of its business;
- growth and recovery of the communications and information services industry;
- expectations as to the Company's future revenue, margins, expenses and capital requirements; and
- other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts.

These forward-looking statements are subject to risks and uncertainties, including financial, regulatory, environmental, industry growth and trend projections, that could cause actual events or results to differ materially from those expressed or implied by the statements. The most important factors that could prevent Level 3 from achieving its stated goals include, but are not limited to, the Company's failure to:

- develop new products and services that meet customer demands and generate acceptable margins;
- increase the volume of traffic on Level 3's network;
- overcome the softness in the economy given its disproportionate effect on the telecommunications industry;
- integrate strategic acquisitions;
- attract and retain qualified management and other personnel;
- successfully complete commercial testing of new technology and information systems to support new products and services, including voice transmission services;
- ability to meet all of the terms and conditions of the Company's debt obligations;
- overcome Software Spectrum's reliance on financial incentives, volume discounts and marketing funds from software publishers;
- reduce downward pressure of Software Spectrum's margins as a result of the use of volume licensing and maintenance agreements; and
- reduce rate of price compression on certain of the Company's existing transport and IP services.

Other factors are described under "Risk Factors" and in our filings with the SEC that are incorporated by reference in this prospectus.

SUMMARY

This summary highlights information contained elsewhere or incorporated by reference in this prospectus and does not contain all the information you should consider before tendering original notes in the exchange offer. You should carefully read the entire prospectus, including the documents incorporated in it by reference. This prospectus and the letter of transmittal that accompanies it collectively constitute the exchange offer.

In this prospectus, (i) Level 3 Financing, Inc., the issuer of the notes and a direct, wholly owned subsidiary of Level 3 Communications, Inc., is referred to as the "Issuer," (ii) Level 3 Communications, Inc., the parent company and a guarantor of the notes, is referred to as "Parent," (iii) Level 3 Communications, LLC, a direct, wholly owned subsidiary of the Issuer and a guarantor of the notes, is referred to as "Level 3 LLC," and (iv) Parent and its subsidiaries are collectively referred to as "Level 3" or the "Company" unless it is clear from the context or expressly stated that the reference to "Level 3" or the "Company" is only to Parent or the Issuer.

The Issuer

The new notes will be issued by Level 3 Financing, Inc., a direct, wholly owned subsidiary of Parent, in exchange for the original notes. The Issuer was formerly known as *(i)* Structure, Inc. and was originally incorporated in Delaware in 1990 under the name PKS Information Services, Inc. The Issuer is a holding company that holds all of the outstanding capital stock of Parent's subsidiaries.

Level 3

Level 3 Communications, Inc., through its subsidiaries, engages primarily in the communications and information services businesses.

Communications Business

Level 3 is a facilities based provider (that is, a provider that owns or leases a substantial portion of the plant, property and equipment necessary to provide its services) of a broad range of integrated communications services. The Company has created, generally by constructing its own assets, but also through a combination of purchasing and leasing facilities, the Level 3 network—an advanced, international, facilities based communications network. The Company has designed Level 3's network to provide communications services, which employ and leverage rapidly improving underlying optical and Internet Protocol technologies.

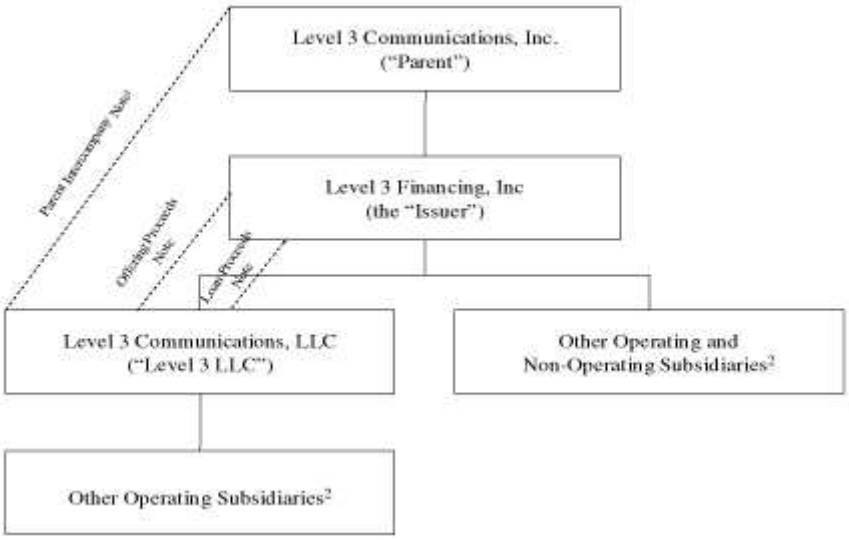
Information Services Business

Software Spectrum. Through its Software Spectrum subsidiaries, collectively Software Spectrum, the Company is a global business-to-business software services provider with sales locations and operations located in North America, Europe and Asia/Pacific. Software Spectrum primarily sells software through licensing agreements, or right-to-copy arrangements, and full-packaged software products. Software Spectrum has established supply arrangements with major software publishers, including Adobe Systems, Citrix Systems, Computer Associates, IBM, McAfee, Microsoft, Novell, Sun Micro, Symantec and Trend Micro. Software Spectrum markets a full array of software titles for managing, enabling and securing business enterprises. The software products offered by Software Spectrum include all major desktop productivity applications, server platforms, operating systems and wireless applications, including strategic product categories for security storage and Web infrastructure.

(i) Structure. Level 3 currently offers, through its subsidiary (*i*)Structure, LLC, computer operations outsourcing to customers located primarily in the United States. (*i*)Structure is an information technology, or IT, infrastructure outsourcing company that provides managed computer infrastructure services across z/OS, OS/390, iSeries ™, NT/UNIX ® and Linux platforms in its data centers located in Omaha, Nebraska and Tempe, Arizona. Additionally, in some cases, (*i*)Structure operates equipment located on customer premises or in remote data center space, like collocation facilities. The Company enables businesses to outsource costly IT operations and benefit from secure, cost-effective, managed services that scale to meet changing needs.

Current Organizational Structure of the Issuer and Parent

The following organizational chart shows a simplified structure of Level 3 and only depicts certain of the Issuer's subsidiaries. For a discussion of the Offering Proceeds Note and the Parent Intercompany Note, see "Risk Factors—Risks Relating to an Investment in the Notes—Although the notes will initially benefit from some structural seniority to Parent's indebtedness, existing and future intercompany indebtedness and other actions could limit or eliminate this seniority."



1 For the terms and duration of the subordination of obligations under the Parent Intercompany Note to the Offering Proceeds Note, see "Description of the Notes — Subordination of Existing Intercompany Obligations."

2 These other subsidiaries are owned at multiple levels.

The Issuer's principal executive offices are located at 1025 Eldorado Boulevard, Broomfield, Colorado 80021 and its telephone number is (720) 888-1000.

Level 3's principal executive offices are located at 1025 Eldorado Boulevard, Broomfield, Colorado 80021 and its telephone number is (720) 888-1000.

Level 3 LLC's principal executive offices are located at 1025 Eldorado Boulevard, Broomfield, Colorado 80021 and its telephone number is (720) 888-1000.

The Exchange Offer

On September 26, 2003, the Issuer privately placed $500,000,000 aggregate principal amount of 10.750% Senior Notes due 2011, which are collectively referred to as the original notes, in a transaction exempt from registration under the Securities Act of 1933, as amended. In connection with the private placement, the Issuer and Parent entered into a registration agreement, dated as of September 26, 2003, with the initial purchasers of the original notes. In the registration agreement, the Issuer and Parent agreed to register under the Securities Act an offer of the Issuer's new 10.750% Senior Notes due 2011, which are collectively referred to as the new notes, in exchange for the original notes. The Issuer and Parent also agreed to deliver this prospectus to the holders of the original notes. In this prospectus the original notes and the new notes are referred to together as the notes. You should read the discussion under the heading "Description of the Notes" for information regarding the notes.

The Exchange Offer

This is an offer to exchange $1,000 in principal amount of new notes for each $1,000 in principal amount of original notes. The new notes are substantially identical to the original notes, except that:

(1) the new notes will be freely transferable, other than as described in this prospectus;

(2) the new notes will not contain any legend restricting their transfer;

(3) holders of the new notes will not be entitled to the rights of the holders of the original notes under the registration agreement; and

(4) the new notes will not contain any provisions regarding the payment of special interest.

The Issuer and Parent believe that you can transfer the new notes without complying with the registration and prospectus delivery provisions of the Securities Act if you:

(1) acquire the new notes in the ordinary course of your business;

(2) are not and do not intend to become engaged in a distribution of the new notes;

(3) are not an affiliate of the Issuer;

(4) are not a broker-dealer that acquired the original notes directly from the Issuer; and

(5) are not a broker-dealer that acquired the original notes as a result of market-making or other trading activities.

If any of these conditions are not satisfied and you transfer any exchange note without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act.

	Each broker-dealer that receives new notes for its own account in exchange for original notes, which it acquired as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of those new notes. See "Plan of Distribution."
Registration Rights	Under the registration agreement, the Issuer and Parent have agreed to use their best efforts to consummate the exchange offer or cause the original notes to be registered under the Securities Act to permit resales. If the Issuer and Parent are not in compliance with their obligations under the registration rights agreement, special interest will accrue on the original notes in addition to the interest that is otherwise due on the original notes. If the exchange offer is completed on the terms and within the time period contemplated by this prospectus, no Special Interest will be payable on the notes. The new notes will not contain any provisions regarding the payment of Special Interest. See "Description of the Notes—Registration Rights; Special Interest."
No Minimum Condition	The exchange offer is not conditioned on any minimum aggregate principal amount of original notes being tendered for exchange.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on , 2005, unless it is extended.
Exchange Date	Original notes will be accepted for exchange beginning on the first business day following the expiration date, upon surrender of the original notes.
Conditions to the Exchange Offer	The Issuer's obligation to complete the exchange offer is subject to certain conditions. See "The Exchange Offer— *Conditions to the Exchange Offer*. " The Issuer reserves the right to terminate or amend the exchange offer at any time before the expiration date if various specified events occur.
Withdrawal Rights	You may withdraw the tender of your original notes at any time before the expiration date. Any original notes not accepted for any reason will be returned to you without expense as promptly as practicable after the expiration or termination of the exchange offer.
Procedures for Tendering Original Notes	See "The Exchange Offer— *How to Tender*. "
Material United States Federal Income Tax Considerations	The exchange of original notes for new notes by U.S. holders will not be a taxable exchange for U.S. federal income tax purposes, and U.S. holders will not recognize any taxable gain or loss as a result of the exchange. See "Material United States Federal Income Tax Considerations."

Effect on Holders of Original Notes	If the exchange offer is completed on the terms and within the period contemplated by this prospectus, holders of original notes will have no further registration or other rights under the registration rights agreement, except under limited circumstances. **Holders of original notes who do not tender their original notes will continue to hold those original notes. All untendered, and tendered but unaccepted, original notes will continue to be subject to the restrictions on transfer provided for in the original notes and the indenture under which the original notes have been, and the new notes are being, issued.** To the extent that original notes are tendered and accepted in the exchange offer, the trading market, if any, for the original notes could be adversely affected. See "The Exchange Offer— *Other*. "
Use of Proceeds	None of the Issuer, Parent or Level 3 LLC will receive any proceeds from the issuance of the new notes in exchange offer.
Exchange Agent	The Bank of New York is serving as exchange agent in connection with the exchange offer.

The Notes

The new notes are substantially identical to the original notes, except for the transfer restrictions and registration rights relating to the original notes. The new notes will evidence the same debt as the original notes, be guaranteed by Parent and Level 3 LLC and be entitled to the benefits of the indenture. See "Description of the Notes."

Issuer	Level 3 Financing, Inc.
Securities Offered	$500,000,000 aggregate principal amount of 10.750% Senior Notes due 2011.
Maturity	October 15, 2011.
Interest	Interest on the notes is payable in cash semiannually in arrears on April 15 and October 15 of each year, to the persons who are registered holders of the notes at the close of business on the preceding April 1 or October 1, as the case may be. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.
Note Guarantees	The notes are fully and unconditionally guaranteed on an unsubordinated unsecured basis by the Issuer's parent company, Level 3 Communications, Inc., and by the Issuer's direct, wholly owned subsidiary, Level 3 Communications, LLC. If the Issuer cannot make payments on the notes when they are due, the guarantors must make them instead.
Subordination of Existing Intercompany Obligations	The Issuer lent the net proceeds received by it from the offering of the original notes to Level 3 LLC in return for an intercompany demand note issued by Level 3 LLC, which note is referred to as the "offering proceeds note." On December 1, 2004, Parent, as guarantor, the Issuer, as borrower, Merrill Lynch Capital Corporation, as administrative agent and collateral agent, and certain lenders entered into a credit agreement pursuant to which the lenders extended a $730 million senior secured term loan to the Issuer. The Issuer lent the proceeds of the term loan to Level 3 LLC in return for an intercompany demand note issued by Level 3 LLC, which note is referred to as the "loan proceeds note." The Issuer's obligations under the term loan are, subject to certain exceptions, secured by the offering proceeds note and the loan proceeds note. The offering proceeds note was subordinated to the loan proceeds note pursuant to a subordination agreement by and among the Issuer, Parent and Level 3 LLC. Level 3 LLC has previously issued an intercompany demand note to Parent in exchange for loans made by Parent to Level 3 LLC, which note is referred to as the "parent intercompany note." As of March 31, 2005, the principal amount outstanding under the parent intercompany note was $13.189 billion. Concurrently with the closing of the offering of the original notes, Parent and the

	Issuer entered into a subordination agreement, which is referred to as the "subordination agreement," that subordinated the right of Parent to payment under the parent intercompany note to the right of the Issuer to payment under the offering proceeds note upon the liquidation, dissolution or winding up of Level 3 LLC or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to Level 3 LLC or its property. The subordination agreement does not subordinate the parent intercompany note to the notes or to the guarantee of the notes by Level 3 LLC. The benefit of this subordination can be limited or eliminated by certain actions. See "Risk Factors — Risks Relating to an Investment in the Notes — Although the notes will initially benefit from some structural seniority to Parent's indebtedness, existing and future intercompany indebtedness and other actions could limit or eliminate this seniority."
Guarantees of Notes and Offering Proceeds Note	As a condition to incurring specified types of indebtedness described under "Description of the Notes — Certain Covenants — Limitation on Consolidated Debt" and "Description of the Notes — Certain Covenants — Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries," restricted subsidiaries of Parent will be required to guarantee the notes and Level 3 LLC's obligations under the offering proceeds note and, in certain circumstances, subordinate such indebtedness to such guarantees.
Future Subordination of Guarantees and Offering Proceeds Note	The offering proceeds note and guarantees of the notes (other than Parent's guarantee) and of the offering proceeds note may, at the option of Level 3, be expressly subordinated in any bankruptcy, liquidation or winding up proceeding of Level 3 LLC and each guarantor to the prior payment in full in cash of all obligations of Level 3 LLC and such guarantor in respect of a credit facility incurred by Parent or any of its restricted subsidiaries in accordance with the covenants of the indenture relating to the notes. Such subordination did occur in connection with the Issuer's credit agreement. In addition, the offering proceeds note and the loan proceeds note have been pledged to secure the Issuer's term loan under the credit agreement. See "Description of the Notes."
Ranking	The notes are unsubordinated unsecured obligations of the Issuer, ranking equal in right of payment with all existing and future unsubordinated unsecured indebtedness of the Issuer, and are senior in right of payment to all existing and future indebtedness of the Issuer expressly subordinated in right of payment to the notes. The notes are effectively subordinated to all secured obligations of the Issuer to the extent of the value of the collateral securing such obligations, including the secured term loan under the credit agreement, as described above. The Issuer conducts

substantially all its operations through subsidiaries, and the notes are effectively subordinated to all liabilities (including trade payables) of the Issuer's subsidiaries that do not guarantee the notes. The indenture relating to the notes permits Parent, the Issuer and their subsidiaries to incur substantial amounts of additional debt and other liabilities, some of which may be secured and some of which may be incurred by non-guarantor subsidiaries. As of March 31, 2005, the Issuer (excluding its subsidiaries) had $730 million of indebtedness outstanding in addition to the original notes. As of March 31, 2005, the Issuer and its subsidiaries in the aggregate had approximately $1.350 billion of indebtedness outstanding (including the original notes but excluding intercompany balances), $120 million of which constituted secured indebtedness and none of which constituted subordinated indebtedness (excluding intercompany balances).

Each guarantee of the notes is a general unsecured obligation of each guarantor, is effectively subordinated to any existing or future secured indebtedness of such guarantor to the extent of the value of the assets securing such indebtedness, is senior in right of payment to any existing or future indebtedness of such guarantor that is expressly subordinated in right of payment to such guarantor's guarantee of the notes, and will rank equal in right of payment with any existing or future unsecured unsubordinated indebtedness of such guarantor. The offering proceeds note and guarantees (other than Parent's guarantee) of the notes and of the offering proceeds note may, at the option of Level 3, be expressly subordinated in any bankruptcy, liquidation or winding up proceeding of Level 3 LLC and each guarantor to the prior payment in full in cash of all obligations of Level 3 LLC and such guarantor in respect of a credit facility incurred by Parent or any of its restricted subsidiaries in accordance with the covenants of the indenture relating to the notes. See "Description of the Notes." As of March 31, 2005, on a pro forma basis giving effect to the issuance of $880 million aggregate principal amount of 10% Convertible Senior Notes due 2011 by Parent, which was consummated on April 4, 2005, Parent (excluding its subsidiaries) had approximately $4.722 billion of indebtedness outstanding, none of which constituted secured indebtedness and approximately $876 million of which constituted subordinated indebtedness. See "Description of the Notes."

Optional Redemption	The notes are 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 October 15, 2007, upon not less than 30 nor more than 60 days' prior notice, at the redemption prices set forth herein, plus accrued and unpaid interest thereon (if any) to the redemption date. In addition, at any time or from time to time on or prior to October 15, 2006, the Issuer may redeem up to 35% of the original aggregate principal amount of the notes at a redemption price equal to 110.750% of the principal amount of the notes so redeemed, plus accrued and unpaid interest thereon (if any) to the redemption date, with the net cash proceeds contributed to 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 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. See "Description of the Notes — Optional Redemption."
Change of Control Triggering Event	Within 30 days of the occurrence of a change of control triggering event, the Issuer will be required to make an offer to purchase all outstanding notes at a price in cash equal to 101% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the purchase date. See "Description of the Notes — Certain Covenants — Change of Control Triggering Event."
Certain Covenants	The indenture relating to the notes contains certain covenants, including, among others, covenants with respect to the following matters: (i) limitation on consolidated debt; (ii) limitation on debt of the Issuer and Issuer restricted subsidiaries; (iii) limitation on restricted payments; (iv) limitation on dividend and other payment restrictions affecting restricted subsidiaries; (v) limitation on liens; (vi) limitation on sale and leaseback transactions; (vii) limitation on asset dispositions; (viii) limitation on issuance and sales of capital stock of restricted subsidiaries; (ix) transactions with affiliates; (x) reports; (xi) limitation on designations of unrestricted subsidiaries; and (xii) in the case of Parent, the Issuer, Level 3 LLC, future guarantors of the notes and guarantors of the offering proceeds note, limitations on mergers, consolidations and sales of all or substantially all of the assets of such entities. All of the covenants are subject to a number of important qualifications and exceptions. See "Description of the Notes."
Covenant Suspension	During any period of time that (i) the ratings assigned to the notes by both of Moody's Investors Service, Inc. and Standard & Poor's Ratings Service are equal to or higher than Baa3 (or the equivalent) and BBB- (or the equivalent),

	respectively, and (ii) no default or event of default has occurred and is continuing under the indenture relating to the notes, the Issuer, Parent and their respective restricted subsidiaries will not be subject to most of the covenants discussed above. In the event that the Issuer, Parent and their respective restricted subsidiaries are not subject to such covenants for any period of time as a result of the preceding sentence and, on any subsequent date, one or both of such rating agencies withdraws its ratings or downgrades the ratings assigned to the notes below the level set forth above or a default or event of default occurs and is continuing under the indenture relating to the notes, then the Issuer, Parent and their respective restricted subsidiaries will thereafter again be subject to such covenants.
Absence of a Public Market for the Notes	The new notes are a new issue of securities for which there is currently no established trading market. There can be no assurance as to the development or liquidity of any market for any of the new notes. The Issuer does not intend to apply for listing of the new notes on any securities exchange or for quotation through any annotated quotation system. See “Risk Factors — Risks Relating to an Investment in the Notes — There is no public market for the notes, so you may be unable to sell the notes.”
Risk Factors	Before tendering original notes, holders should carefully consider all of the information set forth and incorporated by reference in this prospectus and, in particular, should evaluate the specific risk factors set forth under “Risk Factors,” beginning on page 12.

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RATIO OF EARNINGS TO FIXED CHARGES

Parent's ratio of earnings to fixed charges for each of the periods indicated was as follows:

	Three Months Ended March 31,		Fiscal Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
Ratio of earnings to fixed charges	—	—	—	—	—	—	—

For this ratio, earnings consist of earnings (loss) before income taxes, minority interest and discontinued operations, plus fixed charges (excluding capitalized interest but including amortization of capitalized interest). Fixed charges consist of interest expensed and capitalized, plus the portion of rent expense under operating leases deemed by us to be representative of the interest factor. Parent had deficiencies of earnings to fixed charges of $60 million for the three months ended March 31, 2005, $129 million for the three months ended march 31, 2004, $384 million for the fiscal year ended December 31, 2004, $706 million for the fiscal year ended December 31, 2003, $926 million for the fiscal year ended December 31, 2002, $4.378 billion for the fiscal year ended December 31, 2001, and $1.506 billion for the fiscal year ended December 31, 2000.

RISK FACTORS

Before tendering original notes, prospective participants in the exchange offer should consider carefully the following risks.

The new notes, like the original notes, entail the following risks:

Risks Related to Level 3's Business

Communications Group

The prices that Level 3 charges for its services have been decreasing, and Level 3 expects that they will continue to decrease over time and Level 3 may be unable to compensate for this lost revenue

Level 3 expects to continue to experience decreasing prices for its services as Level 3 and its competitors increase transmission capacity on existing and new networks, as a result of its current agreements with customers which often contain volume based pricing, through technological advances or otherwise, and as volume based pricing becomes more prevalent. Accordingly, Level 3's historical revenue is not indicative of future revenue based on comparable traffic volumes. As the prices for its services decrease for whatever reason, if Level 3 is unable to offer additional services from which it can derive additional revenue or otherwise reduce its operating expenses, Level 3's operating results will decline and its business and financial results will suffer.

Level 3 also expects, excluding the effects of acquisitions, managed modem related revenue to continue to decline in the future primarily due to an increase in the number of subscribers migrating to broadband services and continued pricing pressures and declining customer obligations under contractual arrangements. Level 3 also expects a significant decline in its DSL aggregation revenue during 2005, as a significant customer of this service is expected to terminate its customer contract effective during 2005.

Level 3's VoIP services have only been sold for a limited period and there is no guarantee that these services will gain broad market acceptance.

Although Level 3 has sold Softswitch based services since the late 1990's, Level 3 has been selling its VoIP services for a limited period of time. As a result, there are many difficulties that Level 3 may encounter, including regulatory hurdles and other problems that the Company may not anticipate. To date, Level 3 has not generated significant revenue from the sale of its VoIP services, and there is no guarantee that Level 3 will be successful in generating significant VoIP revenues.

The success of Level 3's VoIP services is dependent on the growth and public acceptance of VoIP telephony.

The success of Level 3's VoIP services is dependent upon future demand for VoIP telephony services. In order for the IP telephony market to continue to grow, several things need to occur. Telephone and cable service providers must continue to invest in the deployment of high speed broadband networks to residential and commercial customers. VoIP networks must continue to improve quality of service for real-time communications, managing effects such as packet jitter, packet loss, and unreliable bandwidth, so that toll-quality service can be provided. VoIP telephony equipment and services must achieve a similar level of reliability that users of the public switched telephone network have come to expect from their telephone service. VoIP telephony service providers must offer cost and feature benefits to their customers that are sufficient to cause the customers to switch away from traditional telephony service providers. If any or all of these factors fail to occur, Level 3's VoIP services business may not grow.

Failure to complete development, testing and introduction of new services, including VoIP services, could affect Level 3's ability to compete in the industry

Level 3 continuously develops, tests and introduces new services that are delivered over the Level 3 network. These new services are intended to allow Level 3 to address new segments of the communications marketplace and to

compete for additional customers. In certain instances, the introduction of new services requires the successful development of new technology. To the extent that upgrades of existing technology are required for the introduction of new services, the success of these upgrades may be dependent on the conclusion of contract negotiations with vendors and vendors meeting their obligations in a timely manner. In addition, new service offerings, including new Voice-over-IP (or VoIP) services, may not be widely accepted by customers, which may result in the termination of those service offerings and an impairment of any assets used to develop or offer those services. If Level 3 is not able to successfully complete the development and introduction of new services, including new Voice-over-IP (or VoIP) services, in a timely manner, Level 3's business could be materially adversely affected.

Level 3 needs to increase the volume of traffic on its network or its network will not generate profits

Level 3 must continue to increase the volume of Internet, data, voice and video transmission on Level 3's network in order to realize the anticipated cash flow, operating efficiencies and cost benefits of the Level 3 network. If Level 3 does not maintain its relationship with current customers and develop new large-volume customers, Level 3 may not be able to substantially increase traffic on the Level 3 network, which would adversely affect Level 3's ability to become profitable.

Continuing softness in the economy is having a disproportionate effect on the telecommunications industry

The downturn in general economic conditions, particularly in the telecommunications services industry, has forced a number of Level 3's competitors and certain customers to file for protection from creditors under bankruptcy laws and to take other extraordinary actions to reconfigure their capital structure. These companies had significant debt servicing requirements and were unable to generate sufficient cash from operations to both service their debt and conduct their businesses. Level 3 has changed its customer base in order to focus on global users of bandwidth capacity, which tend to be more financially viable than certain of Level 3's former Internet start-up customers, and Level 3 has implemented policies and procedures designed to enable it to make determinations regarding the financial condition of potential and existing customers. However, there can be no assurance regarding the financial viability of Level 3's customers or that these policies and procedures will be effective. If general conditions in the telecommunications marketplace remain at current levels for an extended period of time or worsen, Level 3 could be materially adversely affected.

Level 3's communications revenue is concentrated in a limited number of customers

A significant portion of Level 3's communications revenue is concentrated among a limited number of customers. If Level 3 lost one or more of these major customers, or if one or more major customers significantly decreased orders for Level 3's services, Level 3's communications business would be materially and adversely affected. Revenue from Level 3's two largest communications customers, Time Warner, Inc. and its subsidiaries and Verizon Communications, Inc. and its affiliates, represented approximately 22% and 13% of Level 3's communications revenue for 2004, respectively. America Online, Level 3's largest managed modem customer and an affiliate of Time Warner, Inc., reduced the number of managed modem ports it purchases from Level 3 by approximately 30% during 2004. Level 3's future communications operating results will depend on the success of these customers and other customers and its success in selling services to them. In addition, revenue attributable to Time Warner Inc. and its subsidiaries, including America Online, amounted, on an aggregate basis, to $373 million for the year ended December 31, 2004, representing approximately 10% of consolidated revenue for Level 3.

If Level 3 were to lose a significant portion of its communications revenue from either America Online or Verizon, Level 3 would not be able to replace this revenue in the short term and its operating losses would increase, which increase may be significant.

During its communications business operating history, Level 3 has generated substantial losses, which Level 3 expects to continue

The development of Level 3's communications business required, and may continue to require, significant expenditures. These expenditures could result in substantial negative cash flow from operating activities and substantial net losses for the near future. For the three months ended March 31, 2005 and the fiscal year ended December 31, 2004, Level 3 incurred losses from

continuing operations of approximately $77 million and $458 million, respectively. Level 3 expects to continue to experience losses, and may not be able to achieve or sustain operating profitability in the future. Continued operating losses could limit Level 3's ability to obtain the cash needed to expand its network, make interest and principal payments on its debt or fund other business needs. Level 3 will need to continue to expand and adapt its network in order to remain competitive, which may require significant additional funding

Future expansion and adaptations of the Level 3 network's electronic and software components will be necessary in order to respond to:

- growing number of customers;
- the development and launching of new services;
- increased demands by customers to transmit larger amounts of data;
- changes in customers' service requirements;
- technological advances by competitors; and
- governmental regulations.

Future expansion or adaptation of Level 3's network will require substantial additional financial, operational and managerial resources, which may not be available at the time. If Level 3 is unable to expand or adapt its network to respond to these developments on a timely basis and at a commercially reasonable cost, its business will be materially adversely affected.

Level 3's need to obtain additional capacity for its network from other providers increases its costs

Level 3 continues in some part to lease telecommunications capacity and obtains rights to use dark fiber from both long distance and local telecommunications carriers in order to extend the scope of Level 3's network both in the United States and Europe. Any failure by companies leasing capacity to Level 3 to provide timely service to Level 3 would adversely affect Level 3's ability to serve its customers or increase the costs of doing so. Some of Level 3's agreements with other providers require the payment of amounts for services whether or not those services are used. Level 3 enters into interconnection agreements with many domestic and foreign local telephone companies, but Level 3 is not always able to do so on favorable terms.

Costs of obtaining local service from other carriers comprise a significant proportion of the operating expenses of long distance carriers. Similarly, a large proportion of the costs of providing international service consists of payments to other carriers. Changes in regulation, particularly the regulation of local and international telecommunication carriers, could indirectly, but significantly, affect Level 3's competitive position. These changes could increase or decrease the costs of providing Level 3's services.

Level 3's business requires the continued development of effective business support systems to implement customer orders and to provide and bill for services

Level 3's business depends on its ability to continue to develop effective business support systems and in particular the development of these systems for use by customers who intend to use Level 3's services in their own service offering. This is a complicated undertaking requiring significant resources and expertise and support from third-party vendors. Business support systems are needed for:

- implementing customer orders for services;
- provisioning, installing and delivering these services; and
- monthly billing for these services.

Because Level 3's business provides for continued rapid growth in the number and volume of services offered, there is a need to continue to develop these business support systems on a schedule sufficient to meet proposed service rollout dates. In addition, Level 3 requires these business support systems to expand and adapt to its rapid growth and alternate distribution channel strategy. The failure to continue to develop effective business support systems could materially adversely affect Level 3's ability to implement its business plans.

Level 3's growth may depend upon its successful integration of acquired businesses

The integration of acquired businesses involves a number of risks, including, but not limited to:

- demands on management related to the significant increase in size after the acquisition;
- the diversion of management's attention from the management of daily operations to the integration of operations;
- difficulties in the assimilation and retention of employees;
- difficulties in the assimilation of different cultures and practices, as well as in the assimilation of broad and geographically dispersed personnel and operations; and
- difficulties in the integration of departments, systems, including accounting systems, technologies, books and records and procedures, as well as in maintaining uniform standards, controls, including internal accounting controls, procedures and policies.

If Level 3 cannot successfully integrate acquired businesses or operations, Level 3 may experience material negative consequences to its business, financial condition or results of operations. Successful integration of these acquired businesses or operations will depend on Level 3's ability to manage these operations, realize opportunities for revenue growth presented by strengthened service offerings and expanded geographic market coverage and, to some degree, to eliminate redundant and excess costs. Because of difficulties in combining geographically distant operations, Level 3 may not be able to achieve the benefits that Level 3 hopes to achieve as a result of the acquisition.

Level 3 may be unable to hire and retain sufficient qualified personnel; the loss of any of its key executive officers could adversely affect Level 3

Level 3 believes that its future success will depend in large part on its ability to attract and retain highly skilled, knowledgeable, sophisticated and qualified managerial, professional and technical personnel. Level 3 has experienced significant competition in attracting and retaining personnel who possess the skills that it is seeking. As a result of this significant competition, Level 3 may experience a shortage of qualified personnel. Level 3's businesses are managed by a small number of key executive officers, particularly James Q. Crowe, Chief Executive Officer, Charles C. Miller, III, Vice Chairman of the Board, and Kevin J. O'Hara, Chief Operating Officer. The loss of any of these key executive officers could have a material adverse effect on Level 3.

Level 3 must obtain and maintain permits and rights-of-way to operate Level 3's network

If Level 3 is unable, on acceptable terms and on a timely basis, to obtain and maintain the franchises, permits and rights needed to expand and operate Level 3's network, its business could be materially adversely affected. In addition, the cancellation or nonrenewal of the franchises, permits or rights that are obtained could materially adversely affect Level 3. Level 3 is a defendant in several lawsuits that the plaintiffs have sought to have certified as class actions that, among other things, challenge its use of rights of way. It is likely that additional suits challenging use of its rights of way will occur and that those plaintiffs also will seek class certification. The outcome of this litigation may increase Level 3's costs and adversely affect its operating results.

Termination of relationships with key suppliers could cause delay and costs

Level 3 is dependent on third-party suppliers for fiber, computers, software, optronics, transmission electronics and related components that are integrated into Level 3's network. If any of these relationships is terminated or a supplier fails to provide reliable services or equipment and Level 3 is unable to reach suitable alternative arrangements quickly, Level 3 may experience significant additional costs. If that happens, Level 3 could be materially adversely affected.

Rapid technological changes can lead to further competition

The communications industry is subject to rapid and significant changes in technology. In addition, the introduction of new products or technologies, as well as the further development of existing products and technologies may reduce the cost or increase the supply of certain services similar to those that Level 3 provides. As a result, Level 3's most significant competitors in the future may be new entrants to the communications and information services industries. These new entrants may not be burdened by an installed base of outdated equipment. Future success depends, in part, on the ability to anticipate and adapt in a timely manner to technological changes. Technological changes and the resulting competition could have a material adverse effect on Level 3.

Increased industry capacity and other factors could lead to lower prices for Level 3's services

Additional network capacity available from Level 3's competitors may cause significant decreases in the prices for services. Prices may also decline due to capacity increases resulting from technological advances and strategic acquisitions, such as the announced transactions between SBC and AT&T and Verizon and MCI. Increased competition has already led to a decline in rates charged for various telecommunications services.

Level 3 is subject to significant regulation that could change in an adverse manner

Communications services are subject to significant regulation at the federal, state, local and international levels. These regulations affect Level 3 and its existing and potential competitors. Delays in receiving required regulatory approvals, completing interconnection agreements with incumbent local exchange carriers or the enactment of new and adverse regulations or regulatory requirements may have a material adverse effect on Level 3. In addition, future legislative, judicial and regulatory agency actions could have a material adverse effect on Level 3.

Recent federal legislation provides for a significant deregulation of the U.S. telecommunications industry, including the local exchange, long distance and cable television industries. This legislation remains subject to judicial review and additional FCC rulemaking. As a result, Level 3 cannot predict the legislation's effect on its future operations. Many regulatory actions are under way or are being contemplated by federal and state authorities regarding important items. These actions could have a material adverse effect on Level 3's business.

Level 3 may lose customers if it experiences system failures that significantly disrupt the availability and quality of the services that it provides

Level 3's operations depend on its ability to avoid and mitigate any interruptions in service or reduced capacity for customers. Interruptions in service or performance problems, for whatever reason, could undermine confidence in Level 3's services and cause Level 3 to lose customers or make it more difficult to attract new ones. In addition, because many of Level 3's services are critical to the businesses of many of its customers, any significant interruption in service could result in lost profits or other loss to customers. Although Level 3 attempts to disclaim liability in its service agreements, a court might not enforce a limitation on liability, which could expose Level 3 to financial loss. In addition, Level 3 often provides its customers with guaranteed service level commitments. If Level 3 is unable to meet these guaranteed service level commitments as a result of service interruptions, Level 3 may be obligated to provide credits, generally in the form of free service for a short period of time, to its customers, which could negatively affect its operating results.

The failure of any equipment or facility on Level 3's network, including the network operations control center and network data storage locations, could result in the interruption of customer service until necessary repairs are

effected or replacement equipment is installed. Network failures, delays and errors could also result from natural disasters, terrorist acts, power losses, security breaches and computer viruses. These failures, faults or errors could cause delays, service interruptions, expose Level 3 to customer liability or require expensive modifications that could have a material adverse effect on Level 3's business.

Intellectual property and proprietary rights of others could prevent Level 3 from using necessary technology to provide Internet protocol voice services

While Level 3 does not know of any technologies that are patented by others that it believes are necessary for Level 3 to provide its services, necessary technology may in fact be patented by other parties either now or in the future. If necessary technology were held under patent by another person, Level 3 would have to negotiate a license for the use of that technology. Level 3 may not be able to negotiate such a license at a price that is acceptable. The existence of such patents, or Level 3's inability to negotiate a license for any such technology on acceptable terms, could force Level 3 to cease using the technology and offering products and services incorporating the technology.

Canadian law currently does not permit Level 3 to offer services in Canada

Ownership of facilities that originate or terminate traffic in Canada is currently limited to Canadian carriers. This restriction hinders Level 3's entry into the Canadian market unless appropriate arrangements can be made to address it.

Potential regulation of Internet service providers in the United States could adversely affect Level 3's operations

The FCC has to date treated Internet service providers as enhanced service providers. Enhanced service providers are currently exempt from federal and state regulations governing common carriers, including the obligation to pay access charges and contribute to the universal service fund. The FCC is currently examining the status of Internet service providers and the services they provide. If the FCC were to determine that Internet service providers, or the services they provide, are subject to FCC regulation, including the payment of access charges and contribution to the universal service funds, it could have a material adverse effect on Level 3's business and the profitability of its services.

The communications and information services industries are highly competitive with participants that have greater resources and a greater number of existing customers

The communications and information services industries are highly competitive. Many of Level 3's existing and potential competitors have financial, personnel, marketing and other resources significantly greater than Level 3. Many of these competitors have the added competitive advantage of a larger existing customer base. In addition, significant new competitors could arise as a result of:

- the recent increased consolidation in the industry;
- allowing foreign carriers to compete in the U.S. market;
- further technological advances; and
- further deregulation and other regulatory initiatives.

If Level 3 is unable to compete successfully, its business could be materially adversely affected.

Level 3 may be unable to successfully identify, manage and assimilate future acquisitions, investments and strategic alliances, which could adversely affect Level 3's results of operations

Level 3 continually evaluates potential investments and strategic opportunities to expand Level 3's network, enhance connectivity and add traffic to the network. In the future, Level 3 may seek additional investments, strategic alliances or similar arrangements, which may expose it to risks such as:

- the difficulty of identifying appropriate investments, strategic allies or opportunities;
- the possibility that senior management may be required to spend considerable time negotiating agreements and monitoring these arrangements;
- the possibility that definitive agreements will not be finalized;
- potential regulatory issues applicable to the telecommunications business;
- the loss or reduction in value of the capital investment;
- the inability of management to capitalize on the opportunities presented by these arrangements; and
- the possibility of insolvency of a strategic ally.

There can be no assurance that Level 3 would successfully overcome these risks or any other problems encountered with these investments, strategic alliances or similar arrangements.

Information Services

Software Spectrum relies on financial incentives, volume discounts and marketing funds from software publishers

As part of Software Spectrum's supply agreements with certain publishers and distributors, Software Spectrum receives substantial incentives in the form of rebates, volume purchase discounts, cooperative advertising funds and market development funds. Under the licensing model increasingly used by Microsoft, which became effective in October 2001, Software Spectrum no longer receives these forms of financial incentives on the majority of new enterprise-wide licensing agreements, but instead Software Spectrum is paid fees for services performed under those agreements. Other publishers have based their financial incentives on specific market segments and products. If the Software Spectrum business model does not continue to align with the objectives established for these incentives or if software publishers further change, reduce or discontinue these incentives, discounts or advertising allowances, Software Spectrum's business and Level 3's consolidated financial results could be materially adversely affected.

Software Spectrum is very dependent on a small number of vendors

A large percentage of Software Spectrum's sales are represented by popular business software products from a small number of vendors. For the year ended December 31, 2004, approximately 70% of Software Spectrum's net software sales were derived from products published by Microsoft and IBM/ Lotus. Most of Software Spectrum's contracts with vendors are terminable by either party, without cause, upon 30 to 60 days notice. The loss or significant change in Software Spectrum's relationship with these vendors could have a material adverse effect on Software Spectrum's business and Level 3's consolidated financial results. Although Software Spectrum believes the software products would be available from other parties, Software Spectrum may have to obtain such products on terms that would likely adversely affect its financial results.

Software Spectrum's business is sensitive to general economic conditions and its success at expanding its business geographically

Software Spectrum's business is sensitive to the spending patterns of its customers, which in turn are subject to prevailing economic and business conditions. Recent economic conditions caused a decrease in spending for information technology over the several past years. If customers and potential customers continue to decrease their

spending in this area, Level 3's consolidated financial results would be adversely affected. Further, sales to large corporations have been important to Software Spectrum's results, and its future results are dependent on its continued success with such customers. Sales outside of the United States accounted for approximately 43% of Software Spectrum's revenue for the year ended December 31, 2004. Software Spectrum's future growth and success depend on continued growth and success in international markets. The success and profitability of Software Spectrum's international operations are subject to numerous risks and uncertainties, including local economic and labor conditions, unexpected changes in the regulatory environment, trade protection measures and tax laws, currency exchange risks, political instability and other risks of conducting business abroad.

Software Spectrum's business is subject to seasonal changes in demand and resulting sales activities

Software Spectrum's software distribution business is subject to seasonal influences. In particular, net sales and profits in the United States, Canada and Europe are typically lower in the first and third quarters due to lower levels of information technology purchases during those times. As a result, Software Spectrum's quarterly results may be materially affected during those quarters. Therefore, the operating results for any three month period are not necessarily indicative of the results that may be achieved for any subsequent fiscal quarter or for a full fiscal year. In addition, periods of higher sales activities during certain quarters may require a greater use of working capital to fund the Software Spectrum business in the quarter that follows the higher levels of sales activities.

Software Spectrum operates in a highly-competitive business environment and is subject to significant pricing competition

The desktop technology marketplace is intensely competitive. Software Spectrum faces competition from a wide variety of sources, including other software resellers, hardware manufacturers and resellers, large system integrators, software publishers, contact services providers, software suppliers, retail stores (including superstores), mail order, Internet and other discount business suppliers. Many competitors, particularly software publishers, have substantially greater financial resources than Software Spectrum. Because of the intense competition within the software channel, companies that compete in this market, including Software Spectrum, are characterized by low gross and operating margins. Consequently, Software Spectrum's profitability is highly dependent upon effective cost and management controls.

The market for Software Spectrum's products and services is characterized by rapidly-changing technology

The market for Software Spectrum's products and services is characterized by rapidly changing technology, evolving industry standards and frequent introductions of new products and services. Software Spectrum's future success will depend in part on its ability to enhance existing services, to continue to invest in rapidly changing technology and to offer new services on a timely basis. Additionally, Level 3's business results can be adversely affected by disruptions in customer ordering patterns, the effect of new product releases and changes in licensing programs.

Software Spectrum's new Media Plane ™ platform

Software Spectrum has made significant investments in research, development and marketing for its new Media Plane application. Significant revenue from this new product investment may not be achieved for a number of years, if at all. In addition, Software Spectrum may face warranty and/or infringement claims related to this new product, unlike in its historic software reselling business in which Software Spectrum has merely passed on to its customers the warranties and intellectual property infringement protections provided by the software publishers.

Software Spectrum's business is subject to significant changes in the methods of software distribution

In late 2001, Microsoft announced a change to its licensing programs, whereby new enterprise-wide licensing arrangements are priced, billed and collected directly by Microsoft. Software Spectrum continues to provide sales and support services related to these transactions and will earn a service fee directly from Microsoft for these activities. Enterprise-wide licensing agreements in effect prior to October 1, 2001, which generally have terms of three years from the date such agreements are signed, and Microsoft's other licensing programs were not affected by

this change. The licensing program changes have resulted in significantly lower revenue for the Software Spectrum on the affected transactions. For the year ended December 31, 2004, approximately 20% of Software Spectrum's sales were under Microsoft enterprise-wide licensing agreements. Software Spectrum's continued ability to adjust to and compete under this new model are important factors in its future success.

The manner in which software products are distributed and sold is continually changing, and new methods of distribution may continue to emerge or expand. Software publishers may intensify their efforts to sell their products directly to end-users, including current and potential customers of Software Spectrum. Other products and methodologies for distributing software to users may be introduced by publishers, present competitors or other third parties. If software suppliers' participation in these programs is reduced or eliminated, or if other methods of distribution of software, which exclude the software resale channel, become common, Software Spectrum's business and Level 3's consolidated financial results could be materially adversely affected.

Other Operations

Environmental liabilities from Level 3's historical operations could be material

Level 3's operations and properties are subject to a wide variety of laws and regulations relating to environmental protection, human health and safety. These laws and regulations include those concerning the use and management of hazardous and non-hazardous substances and wastes. Level 3 has made and will continue to make significant expenditures relating to its environmental compliance obligations. Level 3 may not at all times be in compliance with all of these requirements.

In connection with certain historical operations, Level 3 is a party to, or otherwise involved in, legal proceedings under state and federal law involving investigation and remediation activities at approximately 110 contaminated properties. Level 3 could be held liable, jointly and severally, and without regard to fault, for such investigation and remediation. The discovery of additional environmental liabilities related to historical operations or changes in existing environmental requirements could have a material adverse effect on Level 3.

Potential liabilities and claims arising from coal operations could be significant

Level 3's coal operations are subject to extensive laws and regulations that impose stringent operational, maintenance, financial assurance, environmental compliance, reclamation, restoration and closure requirements.

These requirements include those governing air and water emissions, waste disposal, worker health and safety, benefits for current and retired coal miners, and other general permitting and licensing requirements. Level 3 may not at all times be in compliance with all of these requirements. Liabilities or claims associated with this non-compliance could require Level 3 to incur material costs or suspend production. Mine reclamation costs that exceed reserves for these matters also could require Level 3 to incur material costs.

General

If Level 3 is unable to comply with the restrictions and covenants in its debt agreements, there would be a default under the terms of these agreements, and this could result in an acceleration of payment of funds that have been borrowed

If Level 3 were unable to comply with the restrictions and covenants in any of its debt agreements, there would be a default under the terms of those agreements. As a result, borrowings under other debt instruments that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable. If any of these events occur, there can be no assurance that Level 3 would be able to make necessary payments to the lenders or that it would be able to find alternative financing. Even if Level 3 were able to obtain alternative financing, there can be no assurance that it would be on terms that are acceptable.

Level 3 has substantial debt, which may hinder its growth and put it at a competitive disadvantage

Level 3's substantial debt may have important consequences, including the following:

- the ability to obtain additional financing for acquisitions, working capital, investments and capital or other expenditure could be impaired or financing may not be available on acceptable terms;
- a substantial portion of Level 3's cash flow will be used to make principal and interest payments on outstanding debt, reducing the funds that would otherwise be available for operations and future business opportunities;
- a substantial decrease in cash flows from operating activities or an increase in expenses could make it difficult to meet debt service requirements and force modifications to operations;
- Level 3 has more debt than certain of its competitors, which may place Level 3 at a competitive disadvantage; and
- substantial debt may make Level 3 more vulnerable to a downturn in business or the economy generally.

Level 3 had substantial deficiencies of earnings to cover fixed charges of approximately $60 million for the three months ended March 31, 2005, $129 million for the three months ended march 31, 2004, $384 million for the fiscal year ended December 31, 2004, $706 million for the fiscal year 2003, $926 million for the fiscal year 2002, $4.378 billion for the fiscal year 2001 and $1.506 billion for fiscal year 2000.

Level 3 may not be able to repay its existing debt; failure to do so or refinance the debt could prevent Level 3 from implementing its strategy and realizing anticipated profits

If Level 3 were unable to refinance its debt or to raise additional capital on acceptable terms, its ability to operate its business would be impaired. As of March 31, 2005, after giving pro forma effect to the issuance of $880 million aggregate principal amount of 10% Convertible Senior Notes due 2011, Parent had an aggregate of approximately $6.072 billion of long-term debt on a consolidated basis, including current maturities, and approximately $237 million of stockholders' deficit. Level 3's ability to make interest and principal payments on its debt and borrow additional funds on favorable terms depends on the future performance of the business. If Level 3 does not have enough cash flow in the future to make interest or principal payments on its debt, it may be required to refinance all or a part of its debt or to raise additional capital. Level 3 cannot assure that it will be able to refinance its debt or raise additional capital on acceptable terms.

Restrictions and covenants in Level 3's debt agreements limit its ability to conduct its business and could prevent it from obtaining needed funds in the future

Level 3's debt and financing arrangements contain a number of significant limitations that restrict its ability to, among other things:

- borrow additional money or issue guarantees;
- pay dividends or other distributions to stockholders;
- make investments;
- create liens on assets;
- sell assets;
- enter into sale-leaseback transactions;
- enter into transactions with affiliates; and
- engage in mergers or consolidations.

Increased scrutiny of financial disclosure, particularly in the telecommunications industry in which Level 3 operates, could adversely affect investor confidence, and any restatement of earnings could increase litigation risks and limit its ability to access the capital markets

Congress, the SEC, other regulatory authorities and the media are intensely scrutinizing a number of financial reporting issues and practices. Although all businesses face uncertainty with respect to how the U.S. financial disclosure regime may be impacted by this process, particular attention has been focused recently on the telecommunications industry and companies' interpretations of generally accepted accounting principles.

If Level 3 were required to restate its financial statements as a result of a determination that it had incorrectly applied generally accepted accounting principles, that restatement could adversely affect its ability to access the capital markets or the trading price of its securities. The recent scrutiny regarding financial reporting has also resulted in an increase in litigation in the telecommunications industry. There can be no assurance that any such litigation against Level 3 would not materially adversely affect its business or the trading price of Level 3's securities.

Terrorist attacks and other acts of violence or war may adversely affect the financial markets and Level 3's business

As a result of the September 11, 2001, terrorist attacks and subsequent events, there has been considerable uncertainty in world financial markets. The full effect on the financial markets of these events, as well as concerns about future terrorist attacks, is not yet known. They could, however, adversely affect Level 3's ability to obtain financing on terms acceptable to it, or at all.

There can be no assurance that there will not be further terrorist attacks against the United States or U.S. businesses. These attacks or armed conflicts may directly affect Level 3's physical facilities or those of its customers. These events could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and world financial markets and economy. Any of these occurrences could materially adversely affect Level 3's business.

Level 3's international operations and investments expose it to risks that could materially adversely affect the business

Level 3 has operations and investments outside of the United States, as well as rights to undersea cable capacity extending to other countries, that expose it to risks inherent in international operations. These include:

- general economic, social and political conditions;
- the difficulty of enforcing agreements and collecting receivables through certain foreign legal systems;
- tax rates in some foreign countries may exceed those in the U.S.;
- foreign currency exchange rates may fluctuate, which could adversely affect Level 3's results of operations and the value of its international assets and investments;
- foreign earnings may be subject to withholding requirements or the imposition of tariffs, exchange controls or other restrictions;
- difficulties and costs of compliance with foreign laws and regulations that impose restrictions on Level 3's investments and operations, with penalties for noncompliance, including loss of licenses and monetary fines;
- difficulties in obtaining licenses or interconnection arrangements on acceptable terms, if at all; and
- changes in U.S. laws and regulations relating to foreign trade and investment.

Risks Relating to the Notes

You may not be able to sell your original notes if you do not exchange them for new notes in the exchange offer

If you do not exchange your original notes for new notes in the exchange offer, your original notes will continue to be subject to the restrictions on transfer as stated in the legend on the original notes. In general, you may not reoffer, resell or otherwise transfer the original notes in the United States unless they are:

- registered under the Securities Act;
- offered or sold under an exemption from the Securities Act and applicable state securities laws; or
- offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

The Issuer does not currently anticipate that it will register the original notes under the Securities Act.

Holders of the original notes who do not tender their original notes will have no further registration rights under the registration agreement

Holders who do not tender their original notes, except for limited instances involving the initial purchaser or holders of original notes who are not eligible to participate in the exchange offer or who do not receive freely transferable new notes in the exchange offer, will not have any further registration rights under the registration agreement or otherwise and will not have rights to receive special interest.

The market for original notes may be significantly more limited after the exchange offer and you may not be able to sell your original notes after the exchange offer

If original notes are tendered and accepted for exchange under the exchange offer, the trading market for original notes that remain outstanding may be significantly more limited. As a result, the liquidity of the original notes not tendered for exchange could be adversely affected. The extent of the market for original notes and the availability of price quotations would depend upon a number of factors, including the number of holders of original notes remaining outstanding and the interest of securities firms in maintaining a market in the original notes. An issue of securities with a similar outstanding market value available for trading, which is called the “float,” may command a lower price than would be comparable to an issue of securities with a greater float. As a result, the market price for original notes that are not exchanged in the exchange offer may be affected adversely as original notes exchanged in the exchange offer reduce the float. The reduced float also may make the trading price of the original notes that are not exchanged more volatile.

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

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

There is no established trading market for the new notes

The new notes will constitute a new issue of securities with no established trading market, and there can be no assurance as to:

- the liquidity of any such market that may develop;
- the ability of holders of new notes to sell their new notes; or
- the price at which the holders of new notes would be able to sell their new notes.

If such a market were to exist, the new notes could trade at prices that may be higher or lower than their principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar notes and our financial performance.

The Issuer's subsidiaries must make payments to the Issuer in order for the Issuer to make payments on the notes, and Parent's subsidiaries must make payments to Parent in order for Parent to make payment on its obligations as a guarantor of the notes

The Issuer is a holding company with no material assets other than the stock of its subsidiaries and the Offering Proceeds Note (as defined below) and the Loan Proceeds Note (as defined below). Accordingly, the Issuer will depend upon dividends, loans or other distributions from its subsidiaries, or capital contributions from Parent, to generate the funds necessary to meet its financial obligations, including its obligations to pay you as a holder of notes. The Issuer's subsidiaries may not generate earnings sufficient to enable it to meet its payment obligations. The Issuer's subsidiaries are legally distinct from it and, unless they guarantee the Notes (which Level 3 LLC has done), have no obligation to pay amounts due on the Issuer's debt or to make funds available to it for such payment. Similarly, Parent, the Issuer's parent company and a guarantor of the notes, is a holding company with no material assets other than the stock of its subsidiaries. Accordingly, Parent depends upon dividends, loans or other distributions from its subsidiaries, including the Issuer, to generate the funds necessary to meet its financial obligations, including its obligations as a guarantor of the notes. Future debt of certain of the Issuer's subsidiaries may prohibit the payment of dividends or the making of loans or advances to Parent or the Issuer. In addition, the ability of such subsidiaries to make such payments, loans or advances is limited by the laws of the relevant states in which such subsidiaries are organized or located. In certain circumstances, the prior or subsequent approval of such payments, loans or advances is required from applicable regulatory bodies or other governmental entities. To the extent the Issuer cannot access the cash flow of its subsidiaries, and Parent is unable to access the cash flow of its subsidiaries, including the Issuer, the Issuer may not have access to sufficient cash to repay the notes, and Parent may not have sufficient cash to comply with its guarantee obligations on the notes.

Because the notes are structurally subordinated to the obligations of the Issuer's subsidiaries which are not guarantors of the notes, you may not be fully repaid if the Issuer becomes insolvent

Substantially all of the Issuer's operating assets are held directly by its subsidiaries, including its principal operating subsidiary, Level 3 LLC. Level 3 LLC has guaranteed the notes, but none of the Issuer's other subsidiaries is required to be a guarantor of the notes. Holders of any preferred stock of any of the Issuer's subsidiaries which are not guarantors of the notes and creditors, including trade creditors and other subsidiaries of Parent that have made intercompany loans to the Issuer's subsidiaries, of any of those subsidiaries have and will have claims relating to the assets of that subsidiary that are senior to the notes. That is, the notes are structurally subordinated to the debt, preferred stock and other obligations of the Issuer's subsidiaries which are not guarantors of the notes. As of the date of this prospectus, holders of the notes have no claims to the assets of any of the Issuer's subsidiaries other than Level 3 LLC. As of March 31, 2005, the Issuer's subsidiaries (excluding Level 3 LLC) had approximately $770 million in aggregate indebtedness and other balance sheet liabilities (excluding deferred revenue), excluding intercompany liabilities, which is structurally senior to the notes.

Although the notes will initially benefit from some structural seniority to Parent's indebtedness, existing and future intercompany indebtedness and other actions could limit or eliminate this seniority

Level 3 LLC is the obligor on an existing intercompany demand note (the "Parent Intercompany Note") to Parent, which evidences loans previously made from Parent to Level 3 LLC. As of March 31, 2005, the outstanding principal amount of the Parent Intercompany Note was approximately $13.189 billion. The Issuer lent the net proceeds of the issuance of the original notes together with cash on hand to Level 3 LLC in return for an intercompany demand note (the "Offering Proceeds Note") from Level 3 LLC in a principal amount equal to the principal amount of the notes. On December 1, 2004, Issuer lent the proceeds of a $730 million term loan under its credit facility to Level 3 LLC in return for an intercompany demand note (the "Loan Proceeds Note") from Level 3 LLC. The Offering Proceeds Note and the Loan Proceeds Note were pledged by the Issuer to secure the term loan under the credit agreement. The Offering Proceeds Note was subordinated to the Loan Proceeds Note pursuant to a subordination agreement by and among the Issuer, Parent and Level 3 LLC. Upon the closing of the offering of the original notes, Level 3 LLC, Parent and the Issuer entered into a subordination agreement that will subordinate, upon the liquidation, dissolution or winding up of Level 3 LLC or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to Level 3 LLC or its property, Level 3 LLC's obligations with respect to the Parent Intercompany Note to Level 3 LLC's obligations with respect to the Offering Proceeds Note. There is no restriction, however, on Level 3 LLC's ability to repay a portion or all of the principal of the Parent Intercompany Note, other than in a bankruptcy or similar proceeding, and in certain cases the Issuer may be able to transfer the Offering Proceeds Note, including to Parent. If Level 3 LLC prepays the Parent Intercompany Note or the Issuer transfers the Offering Proceeds Note to Parent or a subsidiary of Parent, the subordination of Level 3 LLC's obligations on the Parent Intercompany Note to its obligations on the Offering Proceeds Note will not provide any benefit to the holders of the notes. The Offering Proceeds Note is not pledged as security for the benefit of the holders of the notes, and Level 3 LLC's obligations on the Parent Intercompany Note are not subordinated in any way to obligations with respect to the notes themselves or with respect to any guarantees of the notes (including the guarantee of the notes by Level 3 LLC).

Although Parent, the Issuer and Level 3 LLC are restricted under the terms of the indenture governing the notes from taking certain actions with respect to the Offering Proceeds Note, the Parent Intercompany Note and the subordination agreement, neither the trustee for the notes nor the holders of the notes will be parties to, or third party beneficiaries of, the subordination agreement or the Offering Proceeds Note. See "Description of the Notes — Certain Covenants — Limitation on Actions with respect to Existing Intercompany Obligations."

Because the notes that you hold are unsecured, you may not be fully repaid if the Issuer becomes insolvent, and guarantees of the notes and guarantees of the Offering Proceeds Note are subordinated to guarantees of the Issuer's credit facility, and creditors under the credit facility have prior claims over the proceeds of certain intercompany obligations

The notes are not secured by any of the Issuer's assets or the Issuer's subsidiaries' assets. The notes are effectively junior to obligations incurred under Issuer's credit agreement, entered into on December 1, 2004, which is guaranteed by Parent and Level 3 LLC and secured by a substantial portion of Parent's assets and by substantially all of the assets of its subsidiaries (including the Issuer), including the Offering Proceeds Note and the Loan Proceeds Note, and will also be effectively junior to secured obligations incurred under any future credit facilities, receivables and purchase money indebtedness, capitalized leases and certain other arrangements that are secured. If the Issuer becomes insolvent, the holders of any secured debt would receive payments from the assets used as security before you receive payments. The indenture relating to the notes expressly permits guarantees, if any, of the notes provided by subsidiaries of the Issuer to be subordinated to obligations of such subsidiaries under such senior secured debt. Additionally, guarantees of the notes (other than Parent's guarantee), the Offering Proceeds Note and the Parent Intercompany Note, and guarantees of such intercompany notes, will be subordinated to obligations in respect of the credit agreement and any such future credit facilities. Creditors under the credit agreement and any such future credit facilities have prior claims over the proceeds of the Offering Proceeds Note and the Parent Intercompany Note, and any remaining proceeds after repayment of the credit agreement and any such future credit facilities may not be sufficient to repay the notes.

Parent has substantial existing debt and could incur substantial additional debt, so it may be unable to make payments on its guarantee of the notes

As of March 31, 2005, on a pro forma basis giving effect to the issuance of $880 million of 10% Convertible Senior Notes due 2011 which was consummated on April 4, 2005, Parent had on a consolidated basis approximately $6.072 billion of total indebtedness, both long-term and short-term. The indentures relating to the notes and each issue of Parent's

outstanding notes permit it to incur substantial additional debt. A substantial level of debt makes it more difficult for Parent to honor its obligations under its guarantee of the notes. Substantial amounts of Parent's existing debt will, and its future debt may, mature prior to the notes.

The Issuer and its subsidiaries will transfer assets to Parent at least to the extent necessary to service Parent's existing debt obligations, and those assets would not be available to repay the notes

The indenture relating to the notes contains substantial flexibility for the Issuer and its subsidiaries to transfer assets (by dividend, sale, loans or otherwise) to Parent. Transferred assets may not be directly or indirectly available to repay the notes. The Issuer and its subsidiaries will transfer assets to Parent at least to the extent necessary to service Parent's existing debt obligations. Although Parent will guarantee the repayment of the notes, the guarantee is not secured and ranks equal with other unsecured debt of Parent and junior to all secured debt of Parent. Parent has substantial debt outstanding. As of March 31, 2005, Parent had, on a pro forma, unconsolidated basis, $4.722 billion of total indebtedness, none of which is secured, and approximately $876 million of which constituted subordinated indebtedness. The indentures relating to the notes and each issue of outstanding notes of Parent permit Parent to incur substantial additional debt, including substantial amounts of additional secured debt. A substantial level of debt makes it more difficult for Parent to honor its obligations under its guarantee of the notes. Substantial amounts of such existing debt of Parent will, and future debt of Parent may, mature prior to the notes. In addition, in certain instances proceeds from the sale, transfer or other disposition of assets of the Issuer and its subsidiaries may be used to repay debt of Parent. See "Description of the Notes — Certain Covenants — Limitation on Asset Dispositions."

If Parent experiences a change in control, the Issuer may be unable to purchase the notes you hold as required under the indenture relating to the notes

Upon the occurrence of certain designated events, the Issuer must make an offer to purchase all outstanding notes at a purchase price equal to 101% of the principal amount of the notes, plus accrued interest. The Issuer may not have sufficient funds to pay the purchase price for all the notes tendered by holders seeking to accept the offer to purchase. In addition, the indenture relating to the notes and Level 3's other debt agreements may require the Issuer and/or Parent to repurchase the other debt upon a change in control or may prohibit the Issuer and/or Parent from purchasing any notes before their stated maturity, including upon a change of control. See "Description of the Notes — Certain Covenants — Change of Control Triggering Event."

Federal and state statutes allow courts, under specific circumstances, to void guarantees and require note holders to return payments received from guarantors

The notes are guaranteed by Parent and Level 3 LLC may, under certain circumstances in the future, be guaranteed by other subsidiaries of the Issuer and/or Parent. Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee; and
- was insolvent or rendered insolvent by reason of the incurrence of the guarantee; or
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

In addition, any payment by that guarantor pursuant to its guarantee could be voided and required to be returned to the guarantor, or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

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

In certain circumstances, subsidiaries of Parent may provide guarantees of the Offering Proceeds Note. Any such guarantee could be subject to the same risks described above.

USE OF PROCEEDS

None of the Issuer, Parent or Level 3 LLC will receive any proceeds from the exchange pursuant to the exchange offer.

The net proceeds from the offering of the original notes, after deducting the initial purchasers' discount and fees and expenses of the offering, were approximately $486 million. The net proceeds from the offering of the original notes were used in October 2003 to repay purchase money indebtedness under Level 3's senior secured credit facility. Level 3 used cash on hand of approximately $642.5 million to repay the remaining purchase money indebtedness then outstanding under the senior secured credit facility (including prepayment fees) and terminated the facility.

CAPITALIZATION

The following table sets forth the consolidated capitalization of Level 3 as of March 31, 2005, on an actual basis and on an as adjusted basis to give effect to the issuance on April 4, 2005 of $880 million aggregate principal amount of 10% Convertible Senior Notes due 2011 by Parent.

	March 31, 2005 (unaudited, dollars in millions)	
	Actual	As Adjusted
Cash and cash equivalents	$ 336	$ 1,214
Marketable securities (includes noncurrent)	290	290
Restricted cash (includes noncurrent)	112	112
Total cash and marketable securities	$ 738	$ 1,616
Current portion of long-term debt	$ 119	$ 119
Long-term debt, less current portion	$ 5,073	$ 5,073
10% Convertible Senior Notes due 2011	—	880
Total long-term debt, less current portion	5,073	5,953
Stockholders' deficit		
Preferred stock, $.01 par value; authorized 10,000,000 shares; no shares outstanding; actual and as adjusted	—	—
Common stock, $.01 par value; authorized, 1,500,000,000 shares; 691,813,024 shares outstanding, actual and as adjusted (1)	7	7
Additional paid-in capital	7,393	7,393
Accumulated other comprehensive loss	(6)	(6)
Accumulated deficit	(7,631)	(7,631)
Total stockholders' deficit	(237)	(237)
Total capitalization	$ 4,836	$ 5,716

(1) Excludes shares issuable upon exercise of outstanding options and warrants and upon conversion of outstanding convertible securities.

THE EXCHANGE OFFER

Purpose of the Exchange Offer

On September 26, 2003, the Issuer privately placed the original notes in a transaction exempt from registration under the Securities Act. Accordingly, the original notes may not be reoffered, resold or otherwise transferred in the United States unless so registered or unless an exemption from the Securities Act registration requirements is available. In the registration agreement, the Issuer and Parent have agreed with the initial purchasers of the original notes to:

- file a registration statement with the SEC relating to the exchange offer not later than April 30, 2005;
- use their best efforts to cause the exchange offer registration statement to become effective under the Securities Act by June 30, 2005; and
- upon effectiveness of the exchange offer registration statement, promptly commence the exchange offer.

In addition, the Issuer and Parent have agreed to keep the exchange offer open for at least 30 days, or longer if required by applicable law, after the date notice of the exchange offer is mailed to the holders of the original notes. The new notes are being offered under this prospectus to satisfy these obligations of the Issuer and Parent under the registration agreement.

Terms of the Exchange

Upon the terms and subject to the conditions contained in this prospectus and in the letter of transmittal that accompany this prospectus, the Issuer is offering to exchange $1,000 in principal amount of new notes for each $1,000 in principal amount of original notes. The terms of the new notes are substantially identical to the terms of the original notes for which they may be exchanged in the exchange offer, except that:

(1) the new notes will be freely transferable, other than as described in this prospectus;

(2) the new notes will not contain any legend restricting their transfer;

(3) holders of the new notes will not be entitled to certain rights of the holders of the original notes under the registration agreement, which rights will terminate on completion of the exchange offer; and

(4) the new notes will not contain any provisions regarding the payment of special interest.

The new notes will evidence the same debt as the original notes and will be entitled to the benefits of the indenture. See “Description of the Notes.”

The exchange offer is not conditioned on any minimum aggregate principal amount of original notes being tendered for exchange.

Based on interpretations by the SEC’s staff in no-action letters issued to other parties, the Issuer believes that holders of new notes issued in the exchange offer may transfer the new notes without complying with the registration and prospectus delivery requirements of the Securities Act if the holders:

(1) acquired the new notes in the ordinary course of the holders’ business;

(2) are not engaged in, and do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the new notes;

(3) are not affiliates of the Issuer within the meaning of Rule 405 under the Securities Act;

(4) are not broker-dealers who acquired original notes directly from the Issuer; and

(5) are not broker-dealers who acquired original notes as a result of market-making or other trading activities.

See "Plan of Distribution."

Each broker-dealer that receives new notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. See "Plan of Distribution."

The letter of transmittal that accompanies this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. A participating broker-dealer may use this prospectus, as it may be amended or supplemented from time to time, in connection with resales of new notes received in exchange for original notes where those new notes were acquired by the broker-dealer as a result of market-making activities or other trading activities. The Issuer and Parent have agreed that, starting on the date of this prospectus and ending on the close of business on the day that is 180 days following the date of this prospectus, they will make this prospectus available to any broker-dealer for use in connection with any resale of this kind.

Tendering holders of original notes will not be required to pay brokerage commissions or fees or, subject to the instructions in the applicable letter of transmittal, transfer taxes relating to the exchange of original notes for new notes in the exchange offer.

Shelf Registration Statement

If:

(1) because of any change in law or applicable interpretations of the staff of the SEC, the Issuer and Parent determine that they are note permitted to effect an exchange offer,

(2) for any other reason the exchange offer registration statement is not declared effective by June 30, 2005 or the exchange offer is not consummated by July 31, 2005,

(3) any initial purchaser so requests for original notes not eligible to be exchanged for new notes in the exchange offer, or

(4) any holder of original notes, other than an initial purchaser, is not eligible to participate in the exchange offer; or

(5) any holder of original notes, other than an initial purchaser, does not receive freely tradable new notes in the exchange offer other than by reason of the holder being an affiliate of the Issuer and Parent,

the Issuer and Parent will:

(1) as promptly as practicable (but in no event more than the later of (i) April 30, 2005 or (ii) 45 days after so required or requested), file a shelf registration statement covering resales of the original notes or the new notes, as the case may be, and thereafter use their best efforts to cause the shelf registration statement to be declared effective under the Securities Act, and

(2) use their best efforts to keep the shelf registration statement effective until two years after its effective date.

For purposes of determining whether the Issuer and Parent are obligated to file a shelf registration statement, the requirement that a participating broker-dealer deliver this prospectus in connection with sales of new notes will not result in those new notes being deemed not freely tradable.

If the Issuer and Parent file a shelf registration statement, they will, among other things:

(1) provide to each holder for whom the shelf registration statement was filed copies of the prospectus which is a part of the shelf registration statement;

(2) notify each of those holders when the shelf registration statement has become effective; and

(3) take other actions as are required to permit unrestricted resales of the original notes or the new notes, as the case may be.

A holder selling original notes or new notes under the shelf registration statement generally must be named as a selling security holder in the related prospectus and must deliver a prospectus to purchasers. Consequently, the holder may be subject to the civil liability provisions under the Securities Act in connection with those sales and will be bound by any applicable provisions of the registration agreement, including specified indemnification obligations.

Special Interest

Special interest will accrue on the principal amount of the original notes and the new notes, in addition to the stated interest on the original notes and the new notes, from and including the date on which a registration default occurs to but excluding the date on which all registration defaults have been cured.

The occurrence of any of the following is a registration default:

(1) neither the exchange offer registration statement nor the shelf registration statement has been filed with the SEC on or before April 30, 2005,

(2) neither the exchange offer registration statement nor the shelf registration statement has been declared effective on or before June 30, 2005,

(3) neither the exchange offer has been completed nor the shelf registration statement has been declared effective on or before July 31, 2005, or

(4) after either the exchange offer registration statement or the shelf registration statement has been declared effective, that registration statement ceases to be effective or usable, subject to certain exceptions, in connection with resales of original notes or new notes in accordance with and during the periods specified in the registration agreement.

Special interest will accrue at a rate of 0.50% per annum on the principal amount during the 90-day period after the occurrence of the registration default and will increase by 0.25% per annum at the end of each subsequent 90-day period. In no event will the rate exceed 1.00% per annum on the principal amount. If the exchange offer is completed on the terms and within the period contemplated by this prospectus, no special interest will be payable.

The summary of the provisions of the registration agreement contained in this prospectus does not purport to be complete. This summary is subject to and is qualified in its entirety by reference to all the provisions of the registration agreement, a copy of which is an exhibit to the registration statement of which this prospectus is a part.

Expiration Date; Extensions; Termination; Amendments

The expiration date of the exchange offer is 5:00 p.m., New York City time, on , 2005, unless the Issuer in its sole discretion extends the period during which the exchange offer is open. In that case, the expiration

date will be the latest time and date to which the exchange offer is extended. The Issuer reserves the right to extend the exchange offer at any time and from time to time before the expiration date by giving written notice to The Bank of New York, the exchange agent, and by timely public announcement. Unless otherwise required by applicable law or regulation, the public announcement will be made by a release to the PR Newswire or other national newswire service. During any extension of the exchange offer, all original notes previously tendered in the exchange offer will remain subject to the exchange offer.

The initial exchange date will be the first business day following the expiration date. The Issuer expressly reserves the right to:

(1) terminate the exchange offer and not accept for exchange any original notes for any reason, including if any of the events described below under "—Conditions to the Exchange Offer" shall have occurred and shall not have been waived by the Issuer; and

(2) amend the terms of the exchange offer in any manner.

If any termination or amendment occurs, the Issuer will notify the exchange agent in writing and will either issue a press release or give written notice to the holders of the original notes as promptly as practicable. Unless the Issuer terminates the exchange offer prior to 5:00 p.m., New York City time, on the expiration date, the Issuer will exchange the new notes for the original notes on the exchange date.

If:

(1) the Issuer waives any material condition to the exchange offer or amends the exchange offer in any other material respect; and,

(2) at the time that notice of this waiver or amendment is first published, sent or given to holders of original notes in the manner specified above, the exchange offer is scheduled to expire at any time earlier than the fifth business day from, and including, the date that the notice is first so published, sent or given,

then the exchange offer will be extended until that fifth business day.

This prospectus and the letter of transmittal and other relevant materials will be mailed by the Issuer to record holders of original notes. In addition, these materials will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the lists of holders for subsequent transmittal to beneficial owners of original notes.

How to Tender

The tender to the Issuer of original notes according to one of the procedures described below will constitute an agreement between that holder of original notes and the Issuer in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal.

General Procedures. A holder of an original note may tender them by properly completing and signing the letter of transmittal or a facsimile of the letter of transmittal and delivering them, together with the certificate or certificates representing the original notes being tendered and any required signature guarantees, or a timely confirmation of a book-entry transfer according to the procedure described below, to either exchange agent at one of the addresses set forth below under "— Exchange Agent" on or before the expiration date, or complying with the guaranteed delivery procedures described below. All references in this prospectus to the letter of transmittal include a facsimile of the letter of transmittal.

If tendered original notes are registered in the name of the signer of the applicable letter of transmittal and the new notes to be issued in exchange for accepted original notes are to be issued, and any untendered original notes are to be reissued, in the name of the registered holder, the signature of the signer need not be guaranteed. In any

other case, the tendered original notes must be endorsed or accompanied by written instruments of transfer in form satisfactory to the Issuer. They must also be duly executed by the registered holder. In addition, the signature on the endorsement or instrument of transfer must be guaranteed by an eligible guarantor institution that is a member of a recognized signature guarantee medallion program within the meaning of Rule 17Ad-15 under the Exchange Act. If the new notes and/or original notes not exchanged are to be delivered to an address other than that of the registered holder appearing on the note register for the original notes, an eligible guarantor institution must guarantee the signature on the applicable letter of transmittal.

Any beneficial owner whose original notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender original notes should contact the holder promptly and instruct it to tender on the beneficial owner's behalf. If the beneficial owner wishes to tender the original notes itself, the beneficial owner must either make appropriate arrangements to register ownership of the original notes in its name or follow the procedures described in the immediately preceding paragraph. The beneficial owner must make these arrangements or follow these procedures before completing and executing the letter of transmittal and delivering the original notes. The transfer of record ownership may take considerable time.

Book-Entry Transfer . An exchange agent will make a request to establish an account for the original notes at each book-entry transfer facility for purposes of the exchange offer within two business days after receipt of this prospectus unless the exchange agent already has established an account with the book-entry transfer facility suitable for the exchange offer. Subject to the establishment of the account, any financial institution that is a participant in the book-entry transfer facility's systems may make book-entry delivery of original notes by causing a book-entry transfer facility to transfer the original notes into one of the exchange agent's accounts at the book-entry transfer facility in accordance with the facility's procedures. However, although delivery of original notes may be effected through book-entry transfer, the applicable letter of transmittal, with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received by an exchange agent at one of the addresses set forth below under "—Exchange Agent" on or before the expiration date or the guaranteed delivery procedures described below must be complied with.

The method of delivery of original notes and all other documents is at the election and risk of the holder. If sent by mail, it is recommended that the holder use registered mail, return receipt requested, obtain proper insurance, and make the mailing sufficiently in advance of the expiration date to permit delivery to the exchange agent on or before the expiration date.

Unless an exemption applies under the applicable law and regulations concerning backup withholding of federal income tax, an exchange agent will be required to withhold 30% of the gross proceeds otherwise payable to a holder in the exchange offer if the holder does not provide the holder's taxpayer identification number and certify that the number is correct. Each tendering holder should complete and sign the main signature form and the Substitute Form W-9 included as part of the letter of transmittal, so as to provide the information and certification necessary to avoid backup withholding. This will not be required, however, if an applicable exemption exists and is proved in a manner satisfactory to the Issuer and an exchange agent.

Guaranteed Delivery Procedures . If a holder desires to accept the exchange offer and time will not permit a letter of transmittal or original notes to reach the exchange agent before the expiration date, a tender may be effected if an exchange agent has received at one of its offices listed under "—Exchange Agent" below on or before the expiration date a letter, telegram or facsimile transmission from an eligible guarantor institution that:

(1) sets forth the name and address of the tendering holder, the names in which the original notes are registered and, if possible, the certificate numbers of the original notes to be tendered; and

(2) states that the tender is being made thereby; and

(3) guarantees that within three New York Stock Exchange trading days after the date of execution of the letter, telegram or facsimile transmission by the eligible guarantor institution, the original notes, in proper form for transfer, will be delivered by the eligible guarantor institution together with a properly completed and duly executed letter of transmittal and any other required documents.

Unless original notes being tendered by the above-described method or a timely confirmation of a book-entry transfer are deposited with the exchange agent within the time period described above, accompanied or preceded by a properly completed letter of transmittal and any other required documents, the Issuer may reject the tender. Copies of a notice of guaranteed delivery which may be used by eligible guarantor institutions for the purposes described in this paragraph are being delivered with this prospectus and the letter of transmittal.

A tender will be deemed to have been received as of the date when the tendering holder's properly completed and duly signed letter of transmittal accompanied by the original notes or a timely confirmation of a book-entry transfer is received by an exchange agent. Issuances of new notes in exchange for original notes tendered by an eligible guarantor institution as described above will be made only against deposit of the applicable letter of transmittal and any other required documents and the tendered original notes or a timely confirmation of a book-entry transfer.

All questions as to the validity, form, eligibility, including time of receipt, and acceptance for exchange of any tender of original notes will be determined by the Issuer. The Issuer's determination will be final and binding. the Issuer reserves the absolute right to reject any or all tenders not in proper form or the acceptances for exchange of which may, in the opinion of counsel to the Issuer, be unlawful. The Issuer also reserves the absolute right to waive any of the conditions of the exchange offer or any defect or irregularities in tenders of any particular holder whether or not similar defects or irregularities are waived in the case of other holders. None of the Issuer, the exchange agent or any other person will incur any liability for failure to give notification of any defects or irregularities in tenders. The Issuer's interpretation of the terms and conditions of the exchange offer, including the letter of transmittal and the instructions to the letter of transmittal, will be final and binding.

Terms and Conditions of the Letter of Transmittal

The letter of transmittal contains, among other things, the following terms and conditions, which are part of the exchange offer.

The party tendering original notes for exchange, or the transferor, exchanges, assigns and transfers the original notes to the Issuer and irrevocably constitutes and appoints our exchange agent as its agent and attorney-in-fact to cause the original notes to be assigned, transferred and exchanged. The transferor represents and warrants that:

(1) it has full power and authority to tender, exchange, assign and transfer the original notes and to acquire new notes issuable upon the exchange of the tendered original notes; and

(2) when the same are accepted for exchange, the Issuer will acquire good and unencumbered title to the tendered original notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim.

The transferor also warrants that it will, upon request, execute and deliver any additional documents the Issuer deems necessary or desirable to complete the exchange, assignment and transfer of tendered original notes. The transferor further agrees that acceptance of any tendered original notes by the Issuer and the issuance of new notes in exchange shall constitute performance in full by the Issuer of its obligations under the registration agreement and that the Issuer shall have no further obligations or liabilities under the registration agreement, except in certain limited circumstances. All authority conferred by the transferor will survive the death or incapacity of the transferor and every obligation of the transferor shall be binding upon the heirs, legal representatives, successors, assigns, executors and administrators of the transferor.

By tendering original notes, the transferor certifies that:

(1) it is not an affiliate of the Issuer within the meaning of Rule 405 under the Securities Act, that it is not a broker-dealer that owns original notes acquired directly from the Issuer or an affiliate of the Issuer, that it is acquiring the new notes offered hereby in the ordinary course of its business and that it has no arrangement with any person to participate in the distribution of the new notes; or

(2) it is an affiliate, as so defined, of the Issuer or of the initial purchasers, and that it will comply with applicable registration and prospectus delivery requirements of the Securities Act.

Each broker-dealer that receives new notes for its own account in the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act.

Withdrawal Rights

Original notes tendered in the exchange offer may be withdrawn at any time before the expiration date.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the exchange agent at the address set forth below under "— Exchange Agent." Any notice of withdrawal must:

(1) specify the person named in the applicable letter of transmittal as having tendered original notes to be withdrawn;

(2) specify the certificate numbers of original notes to be withdrawn;

(3) specify the principal amount of original notes to be withdrawn, which must be an authorized denomination;

(4) state that the holder is withdrawing its election to have those original notes exchanged;

(5) state the name of the registered holder of those original notes; and

(6) be signed by the holder in the same manner as the original signature on the applicable letter of transmittal, including any required signature guarantees, or be accompanied by evidence satisfactory to the Issuer that the person withdrawing the tender has succeeded to the beneficial ownership of the original notes being withdrawn.

If certificates for original notes have been delivered or otherwise identified to the exchange agent, then prior to the release of those certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an eligible institution unless that holder is an eligible institution.

If original notes have been tendered pursuant to the procedure for book-entry transfer described above, the executed notice of withdrawal, guaranteed by an eligible institution, unless that holder is an eligible institution, must specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn original notes and otherwise comply with the procedures of that facility. All questions as to the validity, form and eligibility, including time of receipt, of those notices will be determined by us, and our determination shall be final and binding on all parties. Any original notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Any original notes which have been tendered for exchange but which are not exchanged for any reason will be either

(1) returned to the holder without cost to that holder or

(2) in the case of original notes tendered by book-entry transfer into the applicable exchange agent's account at the book-entry transfer facility pursuant to the book-entry transfer procedures described above, those original notes will be credited to an account maintained with the book-entry transfer facility for the original notes,

in either case as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn original notes may be retendered by following one of the procedures described under "—How to Tender" above at any time on or prior to the expiration date.

Acceptance of Original Notes for Exchange; Delivery of New Notes

Upon the terms and subject to the conditions of the exchange offer, the acceptance for exchange of original notes validly tendered and not withdrawn and the issuance of the new notes will be made on the exchange date. For the purposes of the exchange offer, the Issuer shall be deemed to have accepted for exchange validly tendered original notes when, as and if the Issuer has given written notice of acceptance to the exchange agent.

The exchange agent will act as agent for the tendering holders of original notes for the purposes of receiving new notes from the Issuer and causing the original notes to be assigned, transferred and exchanged. Upon the terms and subject to the conditions of the exchange offer, delivery of new notes to be issued in exchange for accepted original notes will be made by the exchange agent promptly after acceptance of the tendered original notes. Original notes not accepted for exchange will be returned without expense to the tendering holders. Or, in the case of original notes tendered by book-entry transfer, the non-exchanged original notes will be credited to an account maintained with the book-entry transfer facility promptly following the expiration date. If the Issuer terminates the exchange offer before the expiration date, these non-exchanged original notes will be credited to the applicable exchange agent's account promptly after the exchange offer is terminated.

Conditions to the Exchange Offer

Despite any other provision of the exchange offer or any extension of the exchange offer, the Issuer will not be required to issue new notes for any properly tendered original notes not previously accepted. The Issuer may terminate the exchange offer by oral or written notice to the exchange agent and by timely public announcement communicated, unless otherwise required by applicable law or regulation, by making a release to the PR Newswire or other national newswire service or, at its option, modify or otherwise amend the exchange offer, if:

(1) any action or proceeding is threatened, instituted or pending before, or any injunction, order or decree is issued by, any court or governmental agency or other governmental regulatory or administrative agency or commission:

  (A) seeking to restrain or prohibit the making or completion of the exchange offer or any other transaction contemplated by the exchange offer,

  (B) assessing or seeking any damages as a result of the making or completion of the exchange offer or any other transaction contemplated by the exchange offer, or

  (C) resulting in a material delay in the ability of the Issuer to accept for exchange or exchange some or all of the original notes in the exchange offer;

(2) any statute, rule, regulation, order or injunction is sought, proposed, introduced, enacted, promulgated or deemed applicable to the exchange offer or any of the transactions contemplated by the exchange offer by any government or governmental authority, domestic or foreign, or any action is taken, proposed or threatened, by any government, governmental authority, agency or court, domestic or foreign, that in the sole judgment of the Issuer might result in any of the consequences referred to in clauses (1)(A) or (B) above or, in the sole judgment of the Issuer, might result in the holders of new notes having obligations relating to resales and transfers of new notes which are greater than those described in the interpretations of the SEC referred to in "—Terms of the Exchange" above, or would otherwise make it inadvisable to proceed with the exchange offer; or

(3) a material adverse change has occurred in the business, condition (financial or otherwise), operations, or prospects of the Issuer, Parent or Level 3 LLC.

The conditions described above are for the sole benefit of the Issuer. The Issuer may assert these conditions regarding all or any portion of the exchange offer regardless of the circumstances, including any action or inaction by the Issuer, giving rise to the condition. The Issuer may waive these conditions in whole or in part at any time or from time to time in its sole discretion. The failure by the Issuer at any time to exercise any of the rights described above will not be deemed a waiver of any of those rights, and each right will be deemed an ongoing right which may be asserted at any time or from time to time. In addition, the Issuer has reserved the right, despite the satisfaction of each of the conditions described above, to terminate or amend the exchange offer.

Any determination by the Issuer concerning the fulfillment or non-fulfillment of any conditions will be final and binding upon all parties.

In addition, the Issuer will not accept for exchange any original notes tendered and no new notes will be issued in exchange for any original notes, if at that time any stop order is threatened or in effect relating to:

(1) the registration statement of which this prospectus constitutes a part; or

(2) the qualification of any of the indentures under the Trust Indenture Act.

Exchange Agent

The Bank of New York has been appointed as the exchange agent for the exchange offer. Letters of transmittal must be addressed to the exchange agent at one of the addresses set forth below.

Deliver to:

The Bank of New York

By Registered or Certified Mail:

101 Barclay Street, 7E
Corporate Trust Organization
Reorganization Unit
New York, New York 10286

By Facsimile:

(212) 298-1915

Delivery to an address other than as set forth in this prospectus, or transmissions of instructions via a facsimile or telex number other than the ones set forth herein, will not constitute a valid delivery.

Solicitation of Tenders; Expenses

The Issuer has not retained any dealer-manager or similar agent in connection with the exchange offer and will not make any payments to brokers, dealers or others for soliciting acceptances of the exchange offer. However, the Issuer will pay the exchange agent reasonable and customary fees for its services and will reimburse it for reasonable out-of-pocket expenses in connection with its services. The Issuer will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding tenders for their customers. The expenses to be incurred in connection with the exchange offer, including the fees and expenses of the exchange agent and printing, accounting and legal fees, will be paid by the Issuer and are estimated at approximately $260,000.

Appraisal Rights

Holders of original notes will not have dissenters' rights or appraisal rights in connection with the exchange offer.

Transfer Taxes

Holders who tender their original notes for exchange will not be obligated to pay any transfer taxes in connection with the exchange, except that holders who instruct us to register new notes in the name of, or request that original notes not tendered or not accepted in the exchange offer be returned to, a person other than the registered tendering holder will be responsible for the payment of any applicable transfer tax.

Other

Participation in the exchange offer is voluntary, and holders should carefully consider whether to accept the terms and conditions of this offer. Holders of the original notes are urged to consult their financial and tax advisors in making their own decisions on what action to take.

As a result of the making of this exchange offer, and upon acceptance for exchange of all validly tendered original notes according to the terms of this exchange offer, the Issuer and Parent will have fulfilled a covenant contained in the terms of the original notes and the registration agreement. Holders of the original notes who do not tender their certificates in the exchange offer will continue to hold those certificates and will be entitled to all the rights, and limitations applicable to the original notes under the indentures, except for any rights under the registration agreement which by their terms terminate or cease to have further effect as a result of the making of this exchange offer. See "Description of the Notes."

All untendered original notes will continue to be subject to the restrictions on transfer set forth in the indenture. In general, the original notes may not be reoffered, resold or otherwise transferred in the U.S. unless registered under the Securities Act or unless an exemption from the Securities Act registration requirements is available. Except under certain limited circumstances, the Issuer does not intend to register the original notes under the Securities Act.

In addition, any holder of original notes who tenders in the exchange offer for the purpose of participating in a distribution of the new notes may be deemed to have received restricted securities. If so, that holder will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. To the extent that original notes are tendered and accepted in the exchange offer, the trading market, if any, for the original notes could be adversely affected.

The Issuer may in the future seek to acquire untendered original notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. The Issuer has no present plan to acquire any original notes that are not tendered in the exchange offer.

DESCRIPTION OF OTHER INDEBTEDNESS OF LEVEL 3 COMMUNICATIONS, INC. AND LEVEL 3 FINANCING, INC.

The following is a description of the Issuer's and Parent's material outstanding indebtedness. For purposes of this section of the prospectus only, "Level 3" refers only to Level 3 Communications, Inc., the parent company of the Issuer. The following summaries of Level 3's outstanding notes are qualified in their entirety by reference to the indentures to which each issue of notes relates. Copies of these indentures are available on request from Level 3.

Indebtedness of Level 3 Communications, Inc.

9 1/8% Senior Notes due 2008

On April 28, 1998, Level 3 issued $2 billion aggregate principal amount of 9 1/8% Senior Notes due 2008 (which are referred to as the "9 1/8% Notes") under an indenture between Level 3 and The Bank of New York, as successor trustee to IBJ Whitehall Bank & Trust Company. The 9 1/8% Notes are senior unsecured obligations of Level 3. They rank equally in right of payment with all other existing and future senior unsecured indebtedness of Level 3. The 9 1/8% Notes bear interest at a rate of 9 1/8% per annum, payable semiannually in arrears on May 1 and November 1.

Level 3 may redeem the 9 1/8% Notes, in whole or in part, at any time on or after May 1, 2003. If a redemption occurs before May 1, 2006, Level 3 will pay a premium on the principal amount of the 9 1/8% Notes redeemed. This premium decreases annually from approximately 3.4% for a redemption during the twelve month period beginning on May 1, 2004 to approximately 1.5% for a redemption during the twelve month period beginning on May 1, 2005.

If an event treated as a change of control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding 9 1/8% Notes at a purchase price of 101% of the principal amount, plus accrued and unpaid interest, if any.

The indenture relating to the 9 1/8% Notes places restrictions on the ability of Level 3 and its restricted subsidiaries to:

- incur additional indebtedness;
- pay dividends or make other restricted payments and transfers;
- create liens;
- sell assets;
- issue or sell capital stock of some of its subsidiaries;
- enter into transactions, including transactions with affiliates; and
- in the case of Level 3, consolidate, merge or sell substantially all of Level 3's assets.

The holders of the 9 1/8% Notes may force Level 3 to immediately repay the principal on the 9 1/8% Notes, including interest to the acceleration date, if certain defaults exist under other indebtedness having an outstanding principal amount of at least $25 million, which defaults result in the acceleration of such other indebtedness or constitutes a failure to pay principal when due.

As of March 31, 2005, approximately $954 million aggregate principal amount of the 9 1/8% Notes was outstanding.

10½% Senior Discount Notes due 2008

On December 2, 1998, Level 3 issued $834 million aggregate principal amount at maturity of 10½% Senior Discount Notes due 2008 (which are referred to as the "10½% Discount Notes") under an indenture between Level 3 and The Bank of New York, as successor trustee to IBJ Whitehall Bank & Trust Company. The 10½% Discount Notes are senior unsecured obligations of Level 3. They rank equally in right of payment with all other existing and future senior unsecured indebtedness of Level 3.

The issue price of the 10½% Discount Notes was approximately 60% of the principal amount at maturity. The notes accreted at a rate of 10½% per year, compounded semiannually, to 100% of their principal amount on December 1, 2003. Cash interest began to accrue on the 10½% Discount Notes on December 1, 2003 at a rate of 10½% and is payable semiannually on June 1 and December 1, with June 1, 2004 as the first interest payment date.

Level 3 may redeem the 10½% Discount Notes, in whole or in part, at any time on or after December 1, 2003. If a redemption occurs before December 1, 2006, Level 3 will pay a premium on the accreted value of the 10½% Discount Notes redeemed. This premium decreases annually from approximately 3.5% for a redemption during the twelve month period beginning on December 1, 2004 to approximately 1.75% for a redemption during the twelve month period beginning on December 1, 2005.

If an event treated as a change of control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding 10½% Discount Notes at a purchase price of 101% of the accreted value, plus accrued and unpaid interest, if any.

The indenture relating to the 10½% Discount Notes places certain restrictions on the actions of Level 3 and some of its subsidiaries that are substantially similar to those contained in the indenture relating to the 9 1/8% Notes. The indenture also contains a provision relating to the acceleration of the 10½% Discount Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

As of March 31, 2005, approximately $144 million aggregate principal amount at maturity of the 10½% Discount Notes was outstanding.

6% Convertible Subordinated Notes due 2009

On September 20, 1999, Level 3 issued $823 million aggregate principal amount of 6% Convertible Subordinated Notes due 2009 (which are referred to as the "2009 Convertible 6% Notes") under an indenture between Level 3 and The Bank of New York, as successor trustee to IBJ Whitehall Bank & Trust Company. The 2009 Convertible 6% Notes are unsecured, subordinated obligations of Level 3.

The 2009 Convertible 6% Notes are convertible into shares of common stock, at the option of the holder, at any time prior to maturity, unless previously repurchased or unless Level 3 has caused the conversion rights to expire. The 2009 Convertible 6% Notes may be converted at the initial rate of 15.3401 shares of common stock per each $1,000 principal amount of notes, subject to adjustment in certain circumstances. This is equivalent to a conversion price of approximately $65.19 per share.

On or after September 15, 2002, Level 3 may cause the conversion rights of the holders of 2009 Convertible 6% Notes to expire at any time prior to the maturity date of the notes. Level 3 may exercise this option if the current market price of the common stock exceeds 140% of the prevailing conversion price then in effect, for at least 20 trading days within any 30-day period of consecutive trading days, including the last trading day of such period.

If an event treated as a change in control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding notes at a purchase price of 100% of the principal amount, plus accrued and unpaid interest, if any. Level 3 will pay the repurchase price in cash or, at Level 3's option but subject to the satisfaction of certain conditions, in shares of common stock.

In the event of a bankruptcy, liquidation or reorganization of Level 3, an acceleration of the 2009 Convertible 6% Notes due to an event of default under the indenture, and certain other events, the payment of the principal of, premium, if any, and interest on the 2009 Convertible 6% Notes will be subordinated in right of payment to the prior full and final payment in cash of all senior debt of Level 3.

The indenture also contains a provision relating to the acceleration of the 2009 Convertible 6% Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

As of March 31, 2005, approximately $362 million aggregate principal amount of the 2009 Convertible 6% Notes was outstanding.

11% Senior Notes due 2008

On February 29, 2000, Level 3 issued $800 million aggregate principal amount of 11% Senior Notes due 2008 (which are referred to as the "11% Notes") under an indenture between Level 3 and The Bank of New York, as trustee. The 11% Notes are senior unsecured obligations of Level 3. They rank equally in right of payment with all other existing and future senior unsecured indebtedness of Level 3. The 11% Notes bear interest at a rate of 11% per annum, payable semiannually in arrears on March 15 and September 15.

The 11% Notes are not redeemable at the option of Level 3 prior to maturity.

If an event treated as a change in control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding 11% Notes at a purchase price of 101% of the principal amount, plus accrued and unpaid interest, if any.

The indenture relating to the 11% Notes places certain restrictions on the actions of Level 3 and some of its subsidiaries that are substantially similar to those contained in the indenture relating to the 9 1/8% Notes. The indenture also contains a provision relating to the acceleration of the 11% Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

As of March 31, 2005, approximately $132 million aggregate principal amount at maturity of the 11% Notes was outstanding.

11¼% Senior Notes due 2010

On February 29, 2000, Level 3 issued $250 million aggregate principal amount of 11¼% Senior Notes due 2010 (which are referred to as the "11 1/4% Notes") under an indenture between Level 3 and The Bank of New York, as trustee. The 11¼% Notes are senior unsecured obligations of Level 3. They rank equally in right of payment with all other existing and future senior unsecured indebtedness of Level 3. The 11¼% Notes bear interest at a rate of 11¼% per annum, payable semiannually in arrears on March 15 and September 15.

Level 3 may redeem the 11¼% Notes, in whole or in part, at any time on or after March 15, 2005. If a redemption occurs before March 15, 2008, Level 3 will pay a premium on the principal amount of the 11¼% Notes redeemed. This premium decreases annually from approximately 5.625% for a redemption during the twelve month period beginning on March 15, 2005 to approximately 1.875% for a redemption during the twelve month period beginning on March 15, 2007.

If an event treated as a change in control of Level 3 occurs, Level 3 is obligated, subject to certain conditions, to offer to purchase all of the outstanding 11¼% Notes at a purchase price of 101% of the principal amount, plus accrued and unpaid interest, if any.

The indenture relating to the 11¼% Notes places certain restrictions on the actions of Level 3 and some of its subsidiaries that are substantially similar to those contained in the indenture relating to the 9 1/8% Notes.

The indenture also contains a provision relating to the acceleration of the 11¼% Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

As of March 31, 2005, approximately $96 million aggregate principal amount of the 11¼% Notes was outstanding.

12 7/8% Senior Discount Notes due 2010

On February 29, 2000, Level 3 issued $675 million aggregate principal amount at maturity of 12 7/8% Senior Discount Notes due 2010 (which are referred to as the "12 7/8% Discount Notes") under an indenture between Level 3 and The Bank of New York, as trustee. The 12 7/8% Discount Notes are senior unsecured obligations of Level 3. They rank equally in right of payment with all other existing and future senior unsecured indebtedness of Level 3.

The issue price of the 12 7/8% Discount Notes was approximately 53.308% of the principal amount at maturity. The 12 7/8% Discount Notes accrete at a rate of 12 7/8% per year, compounded semiannually, to 100% of their principal amount by March 15, 2005. Cash interest began accruing on the 12 7/8% Discount Notes on March 15, 2005 at a rate of 12 7/8% and will be payable semiannually on March 15 and September 15, beginning September 15, 2005.

Level 3 may redeem the 12 7/8% Discount Notes, in whole or in part, at any time on or after March 15, 2005. If a redemption occurs before March 15, 2008, Level 3 will pay a premium on the accreted value of the 12 7/8% Discount Notes redeemed. This premium decreases annually from approximately 6.438% for a redemption during the twelve month period beginning on March 15, 2005 to approximately 2.146% for a redemption during the twelve month period beginning on March 15, 2007.

If an event treated as a change in control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding 12 7/8% Discount Notes at a purchase price of 101% of the accreted value, plus accrued and unpaid interest, if any.

The indenture relating to the 12 7/8% Discount Notes places certain restrictions on the actions of Level 3 and some of its subsidiaries that are substantially similar to those contained in the indenture relating to the 9 1/8% Notes. The indenture also contains a provision relating to the acceleration of the 12 7/8% Discount Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

As of March 31, 2005, approximately $488 million aggregate principal amount at maturity of the 12 7/8% Discount Notes was outstanding.

6% Convertible Subordinated Notes due 2010

On February 29, 2000 Level 3 issued $863 million aggregate principal amount of 6% Convertible Subordinated Notes due 2010 (which are referred to as the "2010 Convertible 6% Notes") under an indenture between Level 3 and The Bank of New York, as trustee. The 2010 Convertible 6% Notes are unsecured, subordinated obligations of Level 3.

The 2010 Convertible 6% Notes are convertible into shares of Level 3 common stock, at the option of the holder, at any time prior to maturity, unless previously repurchased or redeemed, or unless Level 3 has caused the conversion rights to expire. The 2010 Convertible 6% Notes may be converted at the initial rate of 7.416 shares of common stock per each $1,000 principal amount of notes, subject to adjustment in certain circumstances. This is equivalent to a conversion price of approximately $134.84 per share.

On or after March 18, 2003, Level 3 may cause the rights of the holders of the 2010 Convertible 6% Notes to expire at any time prior to the maturity date of the notes. Level 3 may exercise this option to cause the conversion rights to expire only if for at least 20 trading days within any period of 30 consecutive trading days, including the last trading day of that period, the current market price of common stock exceeds 140% of the prevailing conversion price then in effect.

If an event treated as a change of control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding 2010 Convertible 6% Notes at a purchase price of 100% of the principal amount, plus accrued and unpaid interest, if any. Level 3 will pay the repurchase price in cash or, at Level 3's option but subject to the satisfaction of certain conditions, in shares of common stock.

In the event of a bankruptcy, liquidation or reorganization of Level 3, an acceleration of the 2010 Convertible 6% Notes due to an event of default under the indenture relating to the 2010 Convertible 6% Notes, and certain other events, the payment of the principal of, premium, if any, and interest on the 2010 Convertible 6% Notes will be subordinated in right of payment to the prior full and final payment in cash of all senior debt of Level 3.

The indenture relating to the 2010 Convertible 6% Notes also contains a provision relating to the acceleration of the 2010 Convertible 6% Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

As of March 31, 2005, approximately $514 million aggregate principal amount of the 2010 Convertible 6% Notes was outstanding.

2.875% Convertible Senior Notes due 2010

On July 8, 2003, Level 3 issued $374 million aggregate principal amount of 2.875% Convertible Senior Notes due 2010 (which are referred to as the "2010 Convertible 2.875% Notes") under an indenture between Level 3 and The Bank of New York, as trustee. The 2010 Convertible 2.875% Notes are senior unsecured obligations of Level 3. They rank equally in right of payment with all other existing and future senior unsecured indebtedness of Level 3.

The 2010 Convertible 2.875% Notes are convertible into shares of common stock, at the option of the holder, at any time prior to maturity, unless previously repurchased or redeemed. The 2010 Convertible 2.875% Notes may be converted at the initial rate of 139.2758 shares of common stock per each $1,000 principal amount of notes, subject to adjustment in certain circumstances. This is equivalent to a conversion price of approximately $7.18 per share.

Level 3 may redeem the 2010 Convertible 2.875% Notes, in whole or in part, at any time after July 15, 2007 only if the closing sale price of Level 3's common stock exceeds a specified percentage of the then applicable conversion price for at least 20 trading days in any consecutive 30-day trading period, including the last trading day of that period. The specified percentage decreases annually from 170% in the 12-month period beginning July 15, 2007 to 150% in the 12-month period beginning July 15, 2009. Level 3 must pay a "make whole" payment equal to the present value of all remaining scheduled payments of interest on the 2010 Convertible 2.875% Notes to be redeemed through and including July 15, 2010.

If an event treated as a change of control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding 2010 Convertible 2.875% Notes at a purchase price of 100% of the principal amount, plus accrued and unpaid interest, if any.

The indenture also contains a provision relating to the acceleration of the 2010 Convertible 2.875% Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

As of March 31, 2005, approximately $374 million aggregate principal amount of the 2.875% Notes was outstanding.

9% Convertible Senior Discount Notes due 2013

On October 24, 2003, Level 3 issued $295 million aggregate principal amount at maturity of 9% Convertible Senior Discount Notes due 2013 (which are referred to as the "9% Convertible Senior Discount Notes"), together with 20 million shares of Level 3 common stock, in exchange for approximately $352 million (book value) of debt and accrued interest outstanding as of that date. The 9% Convertible Senior Discount Notes were issued under an

indenture between Level 3 and The Bank of New York and are senior unsecured obligations of Level 3. They rank equally in right of payment with all other existing and future senior unsecured indebtedness of Level 3.

The 9% Convertible Senior Discount Notes were offered at a discount of 29.527% to their aggregate principal amount at maturity. The 9% Convertible Senior Discount Notes accrete at a rate of 9% per year, compounded semiannually, to 100% of their aggregate principal amount at maturity by October 15, 2007. Cash interest will not accrue on the 9% Convertible Senior Discount Notes prior to October 15, 2007; however, Level 3 may elect to commence the accrual of cash interest on all outstanding 9% Convertible Senior Discount Notes on or after October 15, 2004, in which case the outstanding principal amount at maturity of each 9% Convertible Senior Discount Note, will, on the elected commencement date, be reduced to the accreted value of the 9% Convertible Senior Discount Note as of that date and cash interest shall be payable on April 15 and October 15 thereafter. Commencing October 15, 2007, interest on the 9% Convertible Senior Discount Notes will accrue at the rate of 9% per year and will be payable in cash semiannually in arrears.

The 9% Convertible Senior Discount Notes are convertible into shares of common stock at the option of the holder, at any time prior to maturity, unless previously repurchased or redeemed. The 9% Convertible Senior Discount Notes may be converted at the initial conversion price of $9.99 per share, subject to adjustment in certain circumstances. The total number of shares issuable upon conversion will range from approximately 22 million to 30 million shares depending upon the total accretion prior to conversion.

Level 3 may redeem the 9% Convertible Senior Discount Notes, in whole or in part, at any time on or after October 15, 2008 only if the closing sale price of Level 3's common stock exceeds a specified percentage of the then applicable conversion price for at least 20 trading days in any consecutive 30-day trading period, including the last trading day of that period. The specified percentage is 140% in the 12-month period beginning October 15, 2008 and decreases to 130% and 120% on October 15, 2008 and 2009, respectively, if the initial holders sell greater than 33.33% of the 9% Convertible Senior Discount Notes. The redemption price is payable in cash and is equal to 100% of the accreted value of the 9% Convertible Senior Discount Notes to be redeemed as of the redemption date plus accrued and unpaid interest, to, but excluding, the redemption date.

If an event treated as a change of control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding 9% Convertible Senior Discount Notes at a purchase price of 101% of aggregate accreted value of the notes so purchased as of the date designated for payment, plus accrued and unpaid interest, if any, to, but excluding, that date.

The indenture also contains a provision relating to the acceleration of the 9% Convertible Senior Discount Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

As of March 31, 2005, approximately $295 million aggregate principal amount at maturity of the 9% Convertible Senior Discount Notes was outstanding.

5¼% Convertible Senior Notes due 2011

On December 2, 2004, Level 3 issued $345 million aggregate principal amount of 5¼% Convertible Senior Notes due 2011 (which are referred to as the "2011 Convertible 5¼% Notes") under an indenture between Level 3 and The Bank of New York, as trustee. The 2011 Convertible 5¼% Notes are senior unsecured obligations of Level 3. They rank equally in right of payment with all other existing and future senior unsecured indebtedness of Level 3.

The 2011 Convertible 5 1/4% Notes are convertible into shares of common stock, at the option of the holder, at any time prior to maturity, unless previously repurchased or redeemed. The 2011 Convertible 5¼% Notes may be converted at the initial rate of 251.004 shares of common stock per each $1,000 principal amount of notes, subject to adjustment in certain circumstances. This is equivalent to a conversion price of approximately $3.984 per share.

Level 3 may redeem the 2011 Convertible 5¼% Notes, in whole or in part, at any time after December 15, 2008. If a redemption occurs before December 15, 2010, Level 3 will pay a premium on principal amount of the 2011 Convertible 5¼% Notes redeemed. The premium for the 12 month period beginning December 15, 2008 is

equal to 102.25%, for the 12 month period beginning December 15, 2009 is equal to 101.50% and for the 12 month period beginning December 15 2010 and thereafter 100.75%.

If an event treated as a change of control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding 2011 Convertible 5¼% Notes at a purchase price of 100% of the principal amount, plus accrued and unpaid interest, if any, plus in certain circumstances a "make-whole premium" that is based on a table included in the indenture relating to the 2011 Convertible 5¼% Notes and the date on which the change in control becomes effective as well as the price paid per share of our common stock in the change of control transaction.

The indenture also contains a provision relating to the acceleration of the 2011 Convertible 5¼% Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

As of March 31, 2005, approximately $345 million aggregate principal amount of the 5¼% Notes was outstanding.

10% Convertible Senior Notes due 2011

On April 4, 2005, Level 3 issued $880 million aggregate principal amount of 10% Convertible Senior Notes due 2011 (which are referred to as the "2011 Convertible 10% Notes") under an indenture supplement between Level 3 and The Bank of New York, as trustee. The 2011 Convertible 10% Notes are senior unsecured obligations of Level 3. They rank equally in right of payment with all other existing and future senior unsecured indebtedness of Level 3.

After January 1, 2007, the 2011 Convertible 10% Notes are convertible into shares of common stock, at the option of the holder, at any time prior to maturity, unless previously repurchased or redeemed. The conversion right will be accelerated in the event of a change of control as defined in the indenture. For each $1,000 principal amount of 2011 Convertible 10% Notes surrendered for conversion a holder will receive 277.77 shares of our common stock.

Level 3 may redeem the 2011 Convertible 10% Notes, in whole or in part, at any time after May 1, 2009. If a redemption occurs before maturity, Level 3 will pay a premium on principal amount of the 2011 Convertible 10% Notes redeemed. The premium for the 12 month period beginning May 1, 2009 is equal to 3.33% and for the 12 month period beginning May 1, 2010 and thereafter 1.67%.

If an event treated as a change of control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding 2011 Convertible 10% Notes at a purchase price of 100% of the principal amount, plus accrued and unpaid interest, if any, plus in certain circumstances a "make-whole premium" that is based on a table included in the indenture relating to the 2011 Convertible 10% Notes and the date on which the change in control becomes effective as well as the price paid per share of our common stock.

The indenture also contains a provision relating to the acceleration of the 2011 Convertible 10% Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

Euro-Denominated Senior Notes

11¼% Senior Notes due 2010

On February 29, 2000, Level 3 issued €300 million aggregate principal amount of 11¼% Senior Notes due 2010 (which are referred to as the "11¼% Euro Notes") under an indenture between Level 3 and The Bank of New York, as trustee. The 11¼% Euro Notes are senior unsecured obligations of Level 3. They rank equally in right of payment with all other existing and future senior unsecured indebtedness of Level 3. The 11¼% Euro Notes bear interest at a rate of 11¼% per annum, payable semiannually in arrears on March 15 and September 15.

Level 3 may redeem the 11¼% Euro Notes, in whole or in part, at any time on or after March 15, 2005. If a redemption occurs before March 15, 2008, Level 3 will pay a premium on the principal amount of the 11¼% Euro Notes redeemed. This premium decreases annually from approximately 5.625% for a redemption during the twelve month period beginning on March 15, 2005 to approximately 1.875% for a redemption during the twelve month period beginning on March 15, 2007.

If an event treated as a change in control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding 11¼% Euro Notes at a purchase price of 101% of the principal amount, plus accrued and unpaid interest, if any.

The indenture relating to the 11¼% Euro Notes places certain restrictions on the actions of Level 3 and its restricted subsidiaries that are substantially similar to those contained in the indenture relating to the 9 1/8% Notes. The indenture also contains a provision relating to the acceleration of the 11¼% Euro Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

As of March 31, 2005, approximately €104 million aggregate principal amount of the 11 1/4% Euro Notes was outstanding.

10¾% Senior Notes due 2008

On February 29, 2000, Level 3 issued €500 million aggregate principal amount of 10¾% Senior Notes due 2008 (which are referred to as the "10¾% Euro Notes") under an indenture between Level 3 and The Bank of New York, as trustee. The 10¾% Euro Notes are senior unsecured obligations of Level 3. They rank equally in right of payment with all other existing and future senior unsecured indebtedness of Level 3. The 10¾% Euro Notes bear interest at a rate of 10¾% per annum, payable semiannually in arrears on March 15 and September 15.

The 10¾% Euro Notes are not redeemable at the option of Level 3 prior to maturity.

If an event treated as a change of control of Level 3 occurs, Level 3 will be obligated, subject to certain conditions, to offer to purchase all of the outstanding 10¾% Euro Notes at a purchase price of 101% of the principal amount, plus accrued and unpaid interest, if any.

The indenture relating to the 10¾% Euro Notes places certain restrictions on the actions of Level 3 and its restricted subsidiaries that are substantially similar to those contained in the indenture relating to the 9 1/8% Notes. The indenture also contains a provision relating to the acceleration of the 10¾% Euro Notes that is substantially similar to that contained in the indenture relating to the 9 1/8% Notes.

As of March 31, 2005, approximately €50 million aggregate principal amount of the 10¾% Euro Notes was outstanding, using an exchange rate as of December 31, 2004.

Indebtedness of Level 3 Financing, Inc.

Credit Agreement

As of December 1, 2004, Level 3 Financing, Inc., as borrower, and Level 3 Communications, Inc., as guarantor, Merrill Lynch Capital Corporation, as administrative agent and collateral agent, and certain lenders entered into a Credit Agreement, pursuant to which the lenders extended a $730 million senior secured term loan to Level 3 Financing.

Level 3 Financing's obligations under the Credit Agreement are, subject to certain exceptions, secured by certain of the assets of (i) Level 3 Communications, Inc.; and (ii) certain of Level 3 Communications, Inc.'s material domestic subsidiaries that are engaged in the telecommunications business, including Level 3 Communications, LLC. Level 3 Communications, Inc. and these subsidiaries also guarantee the obligations of Level 3 Financing under the Credit Agreement.

The principal amount of the senior secured term loan will be payable in full on December 1, 2011. Additional secured term loans or revolving loans may in the future be extended to Level 3 Financing under the Credit Agreement.

The senior secured term loan bears interest at a rate equal to the London Interbank Offered Rate (LIBOR) plus 700 basis points.

The Credit Agreement provides that indebtedness outstanding under the senior secured term loan will be paid with all of the net available cash proceeds with respect to certain asset sales, if these proceeds are not reinvested in Level 3's business.

The Credit Agreement contains negative covenants restricting and limiting the ability of Level 3 Communications, Inc., Level 3 Financing and any restricted subsidiary to engage in certain activities, including:

- limitations on indebtedness and the incurrence of liens;
- restrictions on dividends and distributions on capital stock, and other similar distributions;
- limitations on transactions restricting the ability of subsidiaries to pay dividends and other similar distributions;
- restrictions on the issuance and sale of capital stock of subsidiaries;
- restrictions on sale leaseback transactions, sales of assets and investments, including restrictions on asset transfers by guarantors under the Credit Agreement to subsidiaries of Level 3 Communications, Inc. which are not guarantors;
- limitations on transactions with affiliates;
- limitations on designating subsidiaries as unrestricted subsidiaries;
- limitations on actions with respect to existing intercompany obligations; and
- in the case of Level 3 Communications, Inc., Level 3 Financing and any guarantor, restrictions on mergers and sales of substantially all assets.

The Credit Agreement does not require Level 3 Communications, Inc. or Level 3 Financing to maintain specific financial ratios. The Credit Agreement does contain certain events of default.

DESCRIPTION OF THE NOTES

General

The New Notes, like the Original Notes, will be issued under an Indenture, dated as of October 1, 2003 (as supplemented, the "Indenture"), among Level 3 Communications, Inc. ("Parent"), Level 3 Financing, Inc. (the "Issuer") and The Bank of New York, as trustee under the Indenture (the "Trustee"), as amended by a Supplemental Indenture, dated as of October 20, 2004, by and among Parent, the Issuer, Level 3 LLC and the Trustee, and by a

Supplemental Indenture, dated as of December 1, 2004, by and among Parent, the Issuer, Level 3 LLC and the Trustee. Copies of the Indenture are available from Parent or the Issuer on request. For purposes of this Description of the Notes, the term "Issuer" refers only to Level 3 Financing, Inc. and not to any of its subsidiaries or its parent company, Level 3 Communications, Inc., and the term "Parent" refers only to Level 3 Communications, Inc. and not to any of its subsidiaries, in each case except for purposes of financial data determined on a consolidated basis. For purposes of this "Description of the Notes," all references in this prospectus to the Notes shall be deemed to refer collectively to the Original Notes and the New Notes.

The following summary of certain provisions of the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and to all of the provisions of the Indenture, including the definitions of certain terms therein and those terms made a part of the Indenture by reference to the Trust Indenture Act, as in effect on the date of the Indenture. The definitions of certain capitalized terms used in the following summary are set forth below under "— Certain Definitions."

The Notes are unsubordinated unsecured obligations of the Issuer, ranking equal in right of payment with all existing and future unsecured indebtedness of the Issuer that is not expressly subordinated in right of payment to the notes, and are senior in right of payment to all existing and future indebtedness of the Issuer expressly subordinated in right of payment to the notes. The Notes, however, are effectively subordinated to the Issuer's existing and future secured obligations, including secured obligations under the Credit Agreement, dated as of December 1, 2004 (the "Credit Agreement"), by and among Parent, as guarantor, the Issuer, as borrower, Merrill Lynch Capital Corporation, as administrative agent and collateral agent, and certain lenders and any future credit facilities, receivables, purchase money indebtedness, capitalized leases and certain other arrangements, to the extent of the value of the collateral securing such obligations. Additionally, the Notes are effectively subordinated to all liabilities, including trade payables, of the Issuer's subsidiaries that are not Guarantors. As of March 31, 2005, the Issuer (excluding its subsidiaries) had $1.23 billion in indebtedness outstanding (including the Original Notes).

For a summary of certain risks relating to an investment in the Notes, see "Risk Factors."

Note Guarantees

The Issuer's obligations under the Indenture, including the repurchase obligation resulting from a Change of Control Triggering Event, are fully and unconditionally guaranteed, jointly and severally, on an unsubordinated unsecured basis by Parent, Level 3 LLC and each Restricted Subsidiary that becomes a Guarantor pursuant to the terms of the Indenture. A Restricted Subsidiary will only be required to become a Guarantor if it incurs specified types of Debt. Each Note Guarantee is a general unsecured obligation of the Guarantor, is effectively subordinated to any existing or future secured Debt of the Guarantor, to the extent of the value of the assets securing such Debt, is senior in right of payment to any existing or future Debt of the Guarantor that is expressly subordinated in right of payment to the Note Guarantee, and is equal in right of payment with any existing or future unsecured Debt of the Guarantor that is not expressly subordinated in right of payment to the Note Guarantee. As further described in the third succeeding paragraph, the Note Guarantee of a Restricted Subsidiary may be subordinated in the future to any guarantee of any Qualified Credit Facility issued by such Restricted Subsidiary. As of March 31, 2005, on a pro forma basis giving effect to the issuance of $880 million aggregate principal amount of 10% Convertible Senior Notes due 2011 by Parent which was consummated on April 4, 2005, Parent (excluding its subsidiaries) had approximately $4.722 billion of indebtedness outstanding, none of which constituted secured indebtedness and $876 million of which constituted subordinated indebtedness. As of March 31, 2005, the Issuer and its subsidiaries in the aggregate had approximately $1.350 billion of indebtedness (excluding intercompany payables to Parent and its subsidiaries) outstanding, approximately $120 million of which constituted secured indebtedness and none of which constituted subordinated indebtedness. Under the circumstances described below under " — Certain Covenants — Limitation on Designations of Unrestricted Subsidiaries," Parent is permitted to designate certain of its subsidiaries as "Unrestricted Subsidiaries." The Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture. The Unrestricted Subsidiaries will not guarantee the Notes.

If any Guarantor makes payments under its Note Guarantee, each of the Issuer and the other Guarantors must contribute their share of such payments. The Issuer's and the other Guarantors' shares of such payments will be

computed based on the proportion that the Consolidated Net Worth of the Issuer or the relevant Guarantor represents relative to the aggregate Consolidated Net Worth of the Issuer and all the Guarantors combined.

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 the covenant described under " — Certain Covenants — Limitation on Asset Dispositions" (or Parent certifies in an Officers' Certificate to the Trustee that it will comply with the requirements of such covenant 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 the covenant described under " — Certain Covenants — Limitation on Asset Dispositions" (or Parent certifies in an Officers' Certificate to the Trustee that it will comply with the requirements of such covenant relating to application of the proceeds of such sale or disposition), or (c) if Parent properly designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary pursuant to the covenant described under " — Certain Covenants — Limitation on Designations of Unrestricted Subsidiaries."

The Issuer, the Guarantors and the Trustee may, without notice to or consent of any holders of Notes, enter into one or more indentures supplemental to the Indenture, 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 the covenants described under " — Certain Covenants — Limitation on Consolidated Debt" or " — Certain Covenants — Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries," 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 the covenant described under " — Certain Covenants — Limitation on Consolidated Debt" or clause (ii) of paragraph (b) of the covenant described under " — Certain Covenants — Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries;" *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 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.

The Issuer is a holding company with no material assets other than the stock of its subsidiaries and the Offering Proceeds Note and the Loan Proceeds Note. Accordingly, the Issuer depends upon dividends, loans or other distributions from its subsidiaries, including Level 3 LLC, or capital contributions from Parent, to generate the funds necessary to meet its financial obligations, including its obligations to pay you as a holder of the Notes. The Issuer's subsidiaries may not generate earnings sufficient to enable it to meet its payment obligations. The Issuer's subsidiaries are legally distinct from it and, unless they guarantee the Notes (as Level 3 LLC has done), have no obligation to pay amounts due on the Issuer's debt or to make funds available to it for such payment. Similarly, Parent is a holding company with no material assets other than the stock of its subsidiaries. Accordingly, Parent depends upon dividends, loans or other distributions from its subsidiaries, including the Issuer, to generate the funds necessary to meet its financial obligations, including its obligations as a Guarantor. Future debt of certain of the Issuer's subsidiaries may prohibit the payment of dividends or the making of loans or advances to Parent or the Issuer. In addition, the ability of such subsidiaries to make such payments, loans or advances is limited by the laws of the relevant states in which such subsidiaries are organized or located. In certain circumstances, the prior or subsequent approval of such payments, loans or advances is required from applicable regulatory bodies or other governmental entities. To the extent the Issuer cannot access the cash flow of its subsidiaries, and Parent is unable to access the cash flow of its subsidiaries, including the Issuer, the Issuer may not have access to sufficient cash to repay the Notes, and Parent may not have sufficient cash to comply with its guarantee obligations on the Notes.

Holders of any preferred stock of any of the Issuer's subsidiaries that are not Guarantors and creditors, including trade creditors and other subsidiaries of Parent that have made intercompany loans to the Issuer's subsidiaries, of any of those subsidiaries have and will have claims relating to the assets of that subsidiary that are senior to the Notes. That is, the Notes are structurally subordinated to the debt, preferred stock and other obligations of the Issuer's subsidiaries that are not Guarantors. Holders of the Notes have no claims to the assets of any of the Issuer's subsidiaries. See "Risk Factors — Risks Relating to an Investment in the Notes — The Issuer's subsidiaries must make payments to the Issuer in order for the Issuer to make payments on the notes, and Parent's subsidiaries must make payments to Parent in order for Parent to make payment on its obligations as a guarantor of the notes" and "Risk Factors — Risks Relating to an Investment in the Notes — Because the notes are structurally subordinated to the obligations of the Issuer's subsidiaries that are not guarantors, you may not be fully repaid if the Issuer becomes insolvent."

Principal, Maturity and Interest

In the exchange offer, the Issuer is issuing up to $500,000,000 aggregate principal amount of Notes (the "New Notes") in exchange for the original notes issued under the Indenture (the "Original Notes"). Subject to compliance with the covenant described under " — Certain Covenants — Debt of the Issuer and Issuer Restricted Subsidiaries," the Issuer can issue an unlimited amount of additional Notes at later dates under the same Indenture. The Issuer can issue additional Notes as part of the same series or as an additional series. Any additional Notes that the Issuer issues in the future will be identical in all respects to the New Notes that the Issuer is issuing now in the exchange offer, except that Notes issued in the future will have different issuance prices and issuance dates. The Notes will mature on October 15, 2011. Interest on the New Notes accrues at the rate of 10.750% per annum from the most recent date to which interest has been paid, and is payable in cash semiannually in arrears on April 15 and October 15, to the persons who are registered holders of the Notes at the close of business on the preceding April 1 or October 1, as the case may be. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. For purpose of this "Description of the Notes," all references herein to the "Notes" shall be deemed to refer collectively to the New Notes and any additional Notes issued at later dates.

Principal of, premium, if any, and interest on the Notes will be payable, and the Notes may be exchanged or transferred, at the office or agency of the Issuer, which, unless otherwise provided by the Issuer, will be the offices of the Trustee. At the option of the Issuer, interest may be paid by check mailed to the registered holders at their registered addresses. The Notes will be issued without coupons and in fully registered form only, in minimum denominations of $1,000 and integral multiples thereof. The Notes will be issued only against payment in immediately available funds. No service charge will be made for any registration of transfer or exchange of the Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

Book-Entry, Delivery and Form

The New Notes will initially be issued in the form of one or more global securities registered in the name of The Depository Trust Company, or DTC, or its nominee.

The New Notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "Global Notes"). The Global Notes will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company ("DTC"), in New York, New York, and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes in certificated form except in the limited circumstances described below. See " — Exchange of Global Notes for Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

Depositary Procedures . The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the

control of the respective settlement systems and are subject to changes by them. The Issuer takes no responsibility for these operations and procedures and urges investors to contact the systems or their participants directly to discuss these matters.

DTC has advised the Issuer that DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "banking organization" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered under the Exchange Act. DTC was created to hold the securities of its participating organizations ("participants") and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers (which may include the underwriters), banks, trust companies, clearing corporations and certain other organizations, some of whom (or their representatives) have ownership interests in DTC. Access to DTC's book-entry system is also available to others, such as banks, brokers, dealers and trust companies ("indirect participants"), that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Persons who are not participants may beneficially own Notes held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each Note held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

Upon the issuance of a Global Note, DTC or its nominee will credit the accounts of participants with the respective principal amounts of the Notes represented by such Global Note purchased by such participants in the offering. Such accounts shall be designated by the underwriters. Investors in the Global Notes who are participants in DTC's system may hold their interests therein directly through DTC. Investors in the Global Notes who are not participants may hold their interests therein indirectly through the organizations (including Euroclear and Clearstream) which are participants in such system. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream also may be subject to the procedures and requirements of such systems. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that ownership interest will be effected only through, records maintained by DTC (with respect to participants' interests) or by the participants and the indirect participants (with respect to the owners of beneficial interests in such Global Note other than participants).

The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global Note. Because DTC, Euroclear and Clearstream can act only on behalf of their respective participants, which in turn act on behalf of indirect participants and certain banks, the ability of a person having beneficial interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC, Euroclear or Clearstream system, as applicable, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Payment of principal of and interest on Notes represented by a Global Note will be made in immediately available funds to DTC or its nominee, as the case may be, as the sole registered owner and the sole holder of the Notes represented thereby for all purposes under the Indenture. Under the terms of the Indenture, the Issuer and the Trustee will treat the Persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the Trustee nor any agent of the Issuer or the Trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any participant's or indirect participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

The Issuer has been advised by DTC that upon receipt of any payment of principal of or interest on any Global Note, DTC will immediately credit, on its book-entry registration and transfer system, the accounts of participants with payments in amounts proportionate to their respective beneficial interests in the principal or face amount of such Global Note as shown on the records of DTC. The Issuer expects that payments by participants or indirect participants to owners of beneficial interests in a Global Note held through such participants or indirect participants will be governed by standing instructions and customary practices as is now the case with securities held for customer accounts registered in "street name" and will be the sole responsibility of such participants and indirect participants.

Neither the Issuer nor the Trustee will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the Notes, and the Issuer and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described herein, cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf of delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC reserves the right to exchange the Global Notes for legended Notes in certificated form, and to distribute such Notes to its participants.

So long as DTC or any successor depositary for a Global Note, or any nominee, is the registered owner of such Global Note, DTC or such successor depositary or nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture and the Notes. Except as set forth above, owners of beneficial interests in a Global Note will not be entitled to have the Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of certificated Notes in definitive form and will not be considered to be the owners or holders of any Notes under such Global Note. Accordingly, each Person owning a beneficial interest in a Global Note must rely on the procedures of DTC or any successor depositary, and, if such Person is not a participant, on the procedures of the participant through which such Person owns its interest, to exercise any rights of a holder under the Indenture. The Issuer understands that under existing industry practices, in the event that the Issuer requests any action of holders or that an owner of a beneficial interest in a Global Note desires to give or take any action which a holder is entitled to give or take under the Indenture, DTC or any successor depositary would authorize the participants holding the relevant beneficial interest to give or take such action, and such participants would authorize beneficial owners owning through such participants to give or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of interests in Global Notes among participants of DTC, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or the underwriters will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes . A Global Note is exchangeable for certificated Notes only if:

(a) DTC notifies the Issuer that it is unwilling or unable to continue as a depositary for such Global Note or if at any time DTC ceases to be a clearing agency registered under the Exchange Act and, in either case, the Issuer fails to appoint a successor depositary within 90 days after the date of such notice,

(b) the Issuer in its discretion at any time determines not to have all the Notes represented by such Global Note, or

(c) there shall have occurred and be continuing a Default or an Event of Default with respect to the Notes represented by such Global Note.

Any Global Note that is exchangeable for certificated Notes pursuant to the preceding sentence will be exchanged for certificated Notes in authorized denominations and registered in such names as DTC or any successor depositary holding such Global Note may direct. Subject to the foregoing, a Global Note is not exchangeable, except for a Global Note of like denomination to be registered in the name of DTC or any successor depositary or its nominee. In the event that a Global Note becomes exchangeable for certificated Notes:

(a) certificated Notes will be issued only in fully registered form in denominations of $1,000 or integral multiples thereof,

(b) payment of principal of, and premium, if any, and interest on, the certificated Notes will be payable, and the transfer of the certificated Notes will be registerable, at the office or agency of the Issuer maintained for such purposes, and

(c) no service charge will be made for any registration of transfer or exchange of the certificated Notes, although the Issuer may require payment of a sum sufficient to cover any tax or governmental charge imposed in connection therewith.

Optional Redemption

The Notes are 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 October 15, 2007, upon not less than 30 nor more than 60 days' prior notice, at the redemption prices set forth below, 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), if redeemed during the twelve months beginning October 15, of the years indicated below:

Year	Redemption Price
2007	105.375%
2008	102.688%
2009 and thereafter	100.000%

In addition, at any time or from time to time on or prior to October 15, 2006, the Issuer may redeem up to 35% of the original aggregate principal amount of the Notes at a redemption price equal to 110.750% 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.

Mandatory Redemption

Except pursuant to the covenants described under "— Certain Covenants — Change of Control Triggering Event," "— Certain Covenants — Limitation on Asset Dispositions" and "— Certain Covenants — Limitation on Actions with Respect to Existing Intercompany Obligations," the Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Subordination of Existing Intercompany Obligations

The Issuer lent the net proceeds of the issuance of the original notes, together with cash on hand, to Level 3 LLC, a direct Wholly Owned Subsidiary of the Issuer, in return for an intercompany demand note (the "Offering Proceeds Note") from Level 3 LLC in an equal principal amount. Subsequently, the Issuer lent the proceeds of a $730 million term loan under the Credit Agreement to Level 3 LLC in return for an intercompany demand note (the "Loan Proceeds Note") from Level 3 LLC in an equal principal amount. The Issuer's obligations under the Credit Agreement are, subject to certain exceptions, secured by the Offering Proceeds Note and the Loan Proceeds Note. The Offering Proceeds Note was subordinated to the Loan Proceeds Note pursuant to a subordination agreement by and among the Issuer, Parent and Level 3 LLC. Level 3 LLC is the obligor on an existing intercompany demand note (the "Parent Intercompany Note") to Parent to evidence loans from Parent to Level 3 LLC. As of March 31, 2005, the outstanding principal amount of the Parent Intercompany Note was approximately $13.189 billion. Parent and the Issuer entered into a subordination agreement (the "Subordination Agreement") that provides that upon a total or partial liquidation, dissolution or winding up of Level 3 LLC or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to Level 3 LLC or its Property, (a) the Issuer will be entitled to receive payment in full in cash of the Offering Proceeds Note before Level 3 LLC may make any payment of principal of or interest on the Parent Intercompany Note to Parent, and (b) until the Offering Proceeds Note is paid in full in cash, any distribution to which Parent would be entitled but for the Subordination Agreement will be made to the Issuer as its interests may appear. If a distribution is made to Parent that because of the Subordination Agreement should not have been made to Parent, Parent shall hold such distribution in trust for the Issuer and pay it over to the Issuer as the Issuer's interests may appear. No right of the Issuer to enforce the subordination of the Offering Proceeds Note shall be impaired by any act or failure to act by the Issuer or by its failure to comply with the Subordination Agreement. Parent, the Issuer and Level 3 LLC are restricted from taking certain actions with respect to the Offering Proceeds Note, the Parent Intercompany Note and the Subordination Agreement as set forth in the covenant described below under "— Certain Covenants — Limitation on Actions with respect to Existing Intercompany Obligations."

As a condition to Incurring specified types of Debt pursuant to the covenants described below under "— Certain Covenants — Limitation on Consolidated Debt" and "— Certain Covenants — Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries," Restricted Subsidiaries will be required to guarantee (an "Offering Proceeds Note Guarantee") Level 3 LLC's obligations under the Offering Proceeds Note and, in certain circumstances, subordinate the Debt that is Incurred to such Offering Proceeds Note Guarantee.

The Offering Proceeds Note Guarantee of an Offering Proceeds Note Guarantor will be released (a) in connection with any sale or other disposition of all or substantially all of the assets of that Offering Proceeds Note 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 Offering Proceeds Note Guarantor complies with the covenant described under "— Certain Covenants — Limitation on Asset Dispositions" (or Parent certifies in an Officers' Certificate to the Trustee that it will comply with the requirements of such covenant relating to application of the proceeds of such sale or disposition), (b) in connection with any sale of all of the Capital Stock of an Offering Proceeds Note Guarantor 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 Offering Proceeds Note Guarantor complies with the covenant described under "— Certain Covenants — Limitation on Asset Dispositions" (or Parent certifies in an Officers' Certificate to the Trustee that it will comply with the requirements of such covenant relating to application of the proceeds of such sale or disposition), or (c) if Parent properly designates any Restricted Subsidiary that is an Offering Proceeds Note Guarantor as an Unrestricted Subsidiary pursuant to the covenant described under "— Certain Covenants — Limitation on Designations of Unrestricted Subsidiaries."

An Offering Proceeds Note Guarantor and Level 3 LLC may enter into an agreement or arrangement that provides that the payment obligation on an Offering Proceeds Note Guarantee (and in the case of Level 3 LLC, on the Offering Proceeds Note) of an Offering Proceeds Note Guarantor (other than Parent or any Sister Restricted Subsidiary) be expressly subordinated in any bankruptcy, liquidation or winding up proceeding of such Offering Proceeds Note Guarantor to the prior payment in full in cash of all obligations of such Offering Proceeds Note Guarantor or Level 3 LLC, as applicable, 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 the covenant described under "— Certain Covenants — Limitation on Consolidated Debt" or clause (ii) of paragraph (b) of the covenant described under "— Certain Covenants — Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries;" *provided, however,* that (x) the terms of the subordination of an Offering Proceeds Note Guarantee, or in the case of Level 3 LLC, the Offering Proceeds Note, 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 Offering Proceeds Note Guarantor or Level 3 LLC, as applicable, to the payment obligation of the Offering Proceeds Note Guarantee of such Offering Proceeds Note Guarantor, or in the case of Level 3 LLC, the Offering Proceeds Note, and (y) any Guarantee (other than a Guarantee of such Qualified Credit Facility) by such Offering Proceeds Note Guarantor or Level 3 LLC, as applicable, of 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 Offering Proceeds Note Guarantor or Level 3 LLC, as applicable, to the prior payment in full in cash of all obligations of such Offering Proceeds Note Guarantor or Level 3 LLC, as applicable, 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 Offering Proceeds Note Guarantor's Offering Proceeds Note Guarantee or Level 3 LLC's obligation on the Offering Proceeds Note.

Certain Covenants

Covenant Suspension. Set forth below are summaries of certain covenants contained in the Indenture. During any period of time (a "Suspension Period") that (i) the ratings assigned to the Notes by both of the Rating Agencies are Investment Grade Ratings and (ii) no Default or Event of Default has occurred and is continuing under the Indenture, Parent and the Restricted Subsidiaries will not be subject to the following covenants of the Indenture described below under "— Limitation on Consolidated Debt," "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries," "Limitation on Restricted Payments," "— Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries," clause (i)(a) of "— Limitation on Sale and Leaseback Transactions," "— Limitation on Asset Dispositions," "— Limitation on Issuance and Sales of Capital Stock of Restricted Subsidiaries" (other than the first two sentences thereof), "— Transactions with Affiliates," clause (b) of "— Limitation on Designations of Unrestricted Subsidiaries," and clauses (c) and (d) of the first and second paragraphs of "— Mergers, Consolidations and Certain Sales of Assets" (collectively, the "Suspended Covenants"). In the event that Parent and the Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the preceding sentence and, on any subsequent date (the "Reversion Date"), one or both of the Rating Agencies withdraws its ratings or downgrades the ratings assigned to the Notes below the required Investment Grade Ratings or a Default or Event of Default occurs and is continuing, then Parent and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants and calculations of the amount available to be made as Restricted Payments under the covenant described under "— Limitation on Restricted Payments" will be made as though the covenant described under "— Limitation on Restricted Payments" had been in effect during the entire period of time from the Measurement Date. On the Reversion Date, all Debt Incurred during the Suspension Period will be classified to have been Incurred pursuant to paragraph (a) or one of the clauses set forth in paragraph (b) of the covenant described under "— Limitation on Consolidated Debt" or paragraph (a) or one of the clauses set forth in paragraph (b) of the covenant described under "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" (in each case to the extent such Debt would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Debt Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Debt would not be permitted to be Incurred pursuant to paragraph (a) or one of the clauses set forth in paragraph (b) of the covenant described under "— Limitation on Consolidated Debt" or paragraph (a) or one of the clauses set forth in paragraph (b) of the covenant described under "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries," such Debt will be deemed to have been outstanding on the Measurement Date, so that it is classified as permitted under clause (v) of paragraph (b) of the covenant described under "— Limitation on Consolidated Debt" or clause (iii) of paragraph (b) of the covenant described under "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries." If the Incurrence of any Debt by a Restricted Subsidiary during the

Suspension Period would have been prohibited or conditioned upon such Restricted Subsidiary entering into a Note Guarantee and an Offering Proceeds Note Guarantee had the covenants described under "— Limitation on Consolidated Debt" and "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" been in effect at the time of such Incurrence, such Restricted Subsidiary shall enter into a Note Guarantee and an Offering Proceeds Note Guarantee that are senior to or rank equal with such Debt within ten days after the Reversion Date. For purposes of determining compliance with the covenant described under "— Limitation on Asset Dispositions," on the Reversion Date, the Net Available Proceeds from all Asset Sales not applied in accordance with the covenant will be deemed to be reset to zero. Notwithstanding the foregoing, neither (a) the continued existence, after the date of such withdrawal or downgrade, of facts and circumstances or obligations that were Incurred or otherwise came into existence during a Suspension Period nor (b) the performance of any such obligations, shall constitute a breach of any covenant set forth in the Indenture or cause a Default or Event of Default thereunder; *provided, however,* that (1) Parent and its Restricted Subsidiaries did not Incur or otherwise cause such facts and circumstances or obligations to exist in anticipation of a withdrawal or downgrade below investment grade, (2) Parent reasonably believed that such Incurrence or actions would not result in such a withdrawal or downgrade and (3) if so required each Restricted Subsidiary shall have entered into a Note Guarantee and an Offering Proceeds Note Guarantee within the specified time period. For purposes of clauses (1) and (2) in the preceding sentence, anticipation and reasonable belief may be determined by Parent and shall be conclusively evidenced by a board resolution to such effect adopted in good faith by the Board of Directors of Parent. In reaching their determination, the Board of Directors may, but need not, consult with the Rating Agencies.

The Indenture contains, among others, the following covenants:

Limitation on Consolidated Debt. (a) Parent may not, and may not permit any Restricted Subsidiary (other than to the extent permitted by paragraph (b) of the covenant described under "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries") to, directly or indirectly, Incur any Debt; *provided, however,* that Parent or any Restricted Subsidiary (subject, in the case of the Issuer and any Issuer Restricted Subsidiary, to the covenant described under "—Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries") may Incur any Debt if, after giving pro forma effect to such Incurrence and the receipt and application of the net proceeds thereof, no Default or Event of Default would occur as a consequence of such Incurrence or be continuing following such Incurrence and either (i) the ratio of (A) the aggregate consolidated principal amount (or, in the case of Debt issued at a discount, the then-Accreted Value) of Debt of Parent and its Restricted Subsidiaries outstanding as of the most recent available quarterly or annual balance sheet, after giving pro forma effect to the Incurrence of such Debt and any other Debt Incurred or repaid since such balance sheet date and the receipt and application of the net proceeds thereof, to (B) Consolidated Cash Flow Available for Fixed Charges for Parent and its Restricted Subsidiaries for the four full fiscal quarters next preceding the Incurrence of such Debt for which consolidated financial statements are available, would be less than 5.0 to 1.0, or (ii) Parent's Consolidated Capital Ratio as of the most recent available quarterly or annual balance sheet, after giving pro forma effect to (x) the Incurrence of such Debt and any other Debt Incurred or repaid since such balance sheet date, (y) the issuance of any Capital Stock (other than Disqualified Stock) of Parent since such balance sheet date, including the issuance of any Capital Stock to be issued concurrently with the Incurrence of such Debt, and (z) the receipt and application of the net proceeds of such Debt or Capital Stock, as the case may be, is less than 2.25 to 1.0.

(b) Notwithstanding the foregoing limitation, Parent or any Restricted Subsidiary (other than the Issuer or any Issuer Restricted Subsidiary, except to the extent permitted by the covenant described under "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries") may Incur any and all of the following (each of which shall be given independent effect):

(i) Debt under the Original Notes, the New Notes, any Note Guarantee in respect of the New Notes or the Original Notes or any Offering Proceeds Note Guarantee in respect of the Offering Proceeds Note;

(ii) Debt under Credit Facilities in an aggregate principal amount outstanding or available (together with the sum of (A) the amount of any outstanding Debt Incurred pursuant to clause (ii) of paragraph (b) of the covenant described under "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries," *plus* (B) the amount of all refinancing Debt outstanding or available pursuant to clause (vi) of paragraph (b) of the covenant described under "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" in respect of Debt previously Incurred pursuant to clause (ii) of paragraph (b) of the covenant described under "—

Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries," *plus* (C) the amount of all refinancing Debt outstanding or available pursuant to clause (viii) below in respect of Debt previously Incurred pursuant to this clause (ii)) at any one time not to exceed the greater of (x) $500 million and (y) 1.5 times Consolidated Cash Flow Available for Fixed Charges of Parent and its Restricted Subsidiaries for the four full fiscal quarters next preceding the Incurrence of such Debt for which consolidated financial statements are available, which amount shall be permanently reduced by the amount of Net Available Proceeds used to repay Debt under the Credit Facilities or any refinancing Debt in respect of the Credit Facilities Incurred pursuant to clause (vi) of paragraph (b) of the covenant described under "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" or clause (viii) below, and not reinvested in Telecommunications/IS Assets or used to purchase Notes or repay other Debt, pursuant to and as permitted by the covenant described under "— Limitation on Asset Dispositions;"

(iii) Purchase Money Debt; *provided, however,* that the amount of such Purchase Money Debt does not exceed 100% of the cost of the construction, installation, acquisition, lease, development or improvement of the applicable Telecommunications/IS Assets;

(iv) Subordinated Debt of Parent; *provided, however,* that the aggregate principal amount (or, in the case of Debt issued at a discount, the Accreted Value) of such Debt, together with any other outstanding Debt Incurred pursuant to this clause (iv), shall not exceed $500 million at any one time (which amount shall be permanently reduced by the amount of Net Available Proceeds used to repay Subordinated Debt of Parent, and not reinvested in Telecommunications/IS Assets or used to purchase Notes or repay other Debt, pursuant to and as permitted by the covenant described under "— Limitation on Asset Dispositions"), except to the extent such Debt in excess of $500 million (A) is subordinated to all other Debt of Parent other than Debt Incurred pursuant to this clause (iv) in excess of such $500 million limitation, (B) does not provide for the payment of cash interest on such Debt prior to the Stated Maturity of the Notes and (C) (1) does not provide for payments of principal of such Debt at stated maturity or by way of a sinking fund applicable thereto or by way of any mandatory redemption, defeasance, retirement or repurchase thereof by Parent (including any redemption, retirement or repurchase which is contingent upon events or circumstances, but excluding any retirement required by virtue of the acceleration of any payment with respect to such Debt upon any event of default thereunder), in each case on or prior to the Stated Maturity of the Notes, and (2) does not permit redemption or other retirement (including pursuant to an offer to purchase made by Parent but excluding through conversion into capital stock of Parent, other than Disqualified Stock, without any payment by Parent or its Restricted Subsidiaries to the holders thereof) of such Debt at the option of the holder thereof on or prior to the Stated Maturity of the Notes;

(v) Debt outstanding on the Measurement Date;

(vi) Debt owed by Parent to any Restricted Subsidiary or Debt owed by a Restricted Subsidiary to Parent or a Restricted Subsidiary; *provided, however,* that (A) any Person that Incurs Debt owed to Parent or a Sister Restricted Subsidiary pursuant to this clause (vi) is a Guarantor and an Offering Proceeds Note Guarantor, (B) (x) upon the transfer, conveyance or other disposition by such Restricted Subsidiary or Parent of any Debt so permitted to a Person other than Parent or another Restricted Subsidiary of Parent or (y) if for any reason such Restricted Subsidiary ceases to be a Restricted Subsidiary, the provisions of this clause (vi) shall no longer be applicable to such Debt and such Debt shall be deemed to have been Incurred by the issuer thereof at the time of such transfer, conveyance or other disposition or when such Restricted Subsidiary ceases to be a Restricted Subsidiary and (C) the payment obligation of such Debt (if clause (A) above applies) is expressly subordinated in any bankruptcy, liquidation or winding up proceeding of the obligor to the prior payment in full in cash of all obligations with respect to the Offering Proceeds Note Guarantee of such Offering Proceeds Note Guarantor; and *provided further, however,* that a Foreign Restricted Subsidiary need not become a Guarantor or an Offering Proceeds Note Guarantor pursuant to clause (A) above until such time and only so long as such Foreign Restricted Subsidiary Guarantees any other Debt of Parent or any Domestic Restricted Subsidiary;

(vii) Debt Incurred by a Person prior to the time (A) such Person became a Restricted Subsidiary, (B) such Person merges into or consolidates with a Restricted Subsidiary or (C) another Restricted Subsidiary merges into or consolidates with such Person (in a transaction in which such Person becomes a Restricted

Subsidiary), which Debt was not Incurred in anticipation of such transaction and was outstanding prior to such transaction;

(viii) Debt Incurred to renew, extend, refinance, defease, repay, prepay, repurchase, redeem, retire, exchange or refund (each, a "refinancing") Debt Incurred pursuant to clause (i), (ii), (iii), (v), (vii) or (xii) of this paragraph (b) or this clause (viii), in an aggregate principal amount (or if issued at a discount, the then-Accreted Value) not to exceed the aggregate principal amount (or if issued at a discount, the then-Accreted Value) of and accrued interest on the Debt so refinanced plus the amount of any premium required to be paid in connection with such refinancing pursuant to the terms of the Debt so refinanced or the amount of any premium reasonably determined by the board of directors of Parent as necessary to accomplish such refinancing by means of a tender offer or privately negotiated repurchase, plus the expenses of Parent Incurred in connection with such refinancing; *provided, however,* that (A) if the Person that originally Incurred the Debt to be refinanced became, or would have been required to become if not already, a Guarantor or an Offering Proceeds Note Guarantor as a result of the Incurrence of the Debt being refinanced in accordance with this covenant, (1) the Person that Incurs the refinancing Debt pursuant to this clause (viii) shall be a Guarantor and an Offering Proceeds Note Guarantor and (2) if the Debt to be refinanced is subordinated to the Offering Proceeds Note Guarantee of such Offering Proceeds Note Guarantor, the refinancing Debt shall be subordinated to the same extent to the Offering Proceeds Note Guarantee of the Offering Proceeds Note Guarantor Incurring such refinancing Debt, (B) the refinancing Debt shall not be senior in right of payment to the Debt that is being refinanced and (C) in the case of any refinancing of Debt Incurred pursuant to clause (i), (v), (vii) or (xii) or, if such Debt previously refinanced Debt Incurred pursuant to any such clause, this clause (viii), the refinancing Debt by its terms, or by the terms of any agreement or instrument pursuant to which such Debt is issued, (x) does not provide for payments of principal of such Debt at stated maturity or by way of a sinking fund applicable thereto or by way of any mandatory redemption, defeasance, retirement or repurchase thereof by Parent or any Restricted Subsidiary (including any redemption, retirement or repurchase which is contingent upon events or circumstances, but excluding any retirement required by virtue of the acceleration of any payment with respect to such Debt upon any event of default thereunder), in each case prior to the time the same are required by the terms of the Debt being refinanced and (y) does not permit redemption or other retirement (including pursuant to an offer to purchase made by Parent or any Restricted Subsidiary) of such Debt at the option of the holder thereof prior to the time the same are required by the terms of the Debt being refinanced, other than, in the case of clause (x) or (y), any such payment, redemption or other retirement (including pursuant to an offer to purchase made by Parent) which is conditioned upon a change of control pursuant to provisions substantially similar to those described under "— Change of Control Triggering Event;"

(ix) Debt (A) in respect of performance, surety or appeal bonds, Guarantees, letters of credit or reimbursement obligations Incurred or provided in the ordinary course of business securing the performance of contractual, franchise, lease, self-insurance or license obligations and not in connection with the Incurrence of Debt or (B) in respect of customary agreements providing for indemnification, adjustment of purchase price after closing, or similar obligations, or from Guarantees or letters of credit, surety bonds or performance bonds securing any such obligations of Parent or any of its Restricted Subsidiaries pursuant to such agreements, Incurred in connection with the disposition of any business, assets or Restricted Subsidiary of Parent (other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary of Parent for the purpose of financing such acquisition) and in an aggregate principal amount not to exceed the gross proceeds actually received by Parent or any Restricted Subsidiary in connection with such disposition;

(x) Debt consisting of Permitted Interest Rate or Currency Protection Agreements;

(xi) Debt not otherwise permitted to be Incurred pursuant to clauses (i) through (x) above or clause (xii) below, which, together with any other outstanding Debt Incurred pursuant to this clause (xi), has an aggregate principal amount not in excess of $50 million at any time outstanding; and

(xii) Issue Date Purchase Money Debt and Debt under the Existing Notes and the related indentures and any restricted subsidiary guarantees issued prior to the Issue Date in accordance with such related indentures.

Notwithstanding any other provision of this "— Limitation on Consolidated Debt" covenant, the maximum amount of Debt that Parent or any Restricted Subsidiary may Incur pursuant to this "— Limitation on Consolidated Debt" covenant shall not be deemed to be exceeded due solely to the result of fluctuations in the exchange rates of currencies.

For purposes of determining any particular amount of Debt under this "— Limitation on Consolidated Debt" covenant, (1) Guarantees, Liens or obligations with respect to letters of credit supporting Debt otherwise included in the determination of such particular amount shall not be included and (2) any Liens granted for the benefit of the Notes pursuant to the provisions referred to in the "— Limitation on Liens" covenant described below shall not be treated as Debt. For purposes of determining compliance with this "— Limitation on Consolidated Debt" covenant, in the event that an item of Debt meets the criteria of more than one of the types of Debt described in the above clauses, Parent, in its sole discretion, shall classify such item of Debt and only be required to include the amount and type of such Debt in one of such clauses.

Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries. (a) The Issuer may not, and may not permit any Issuer Restricted Subsidiary to, directly or indirectly, Incur any Debt; *provided, however,* that (i) the Issuer or (ii) any Issuer Restricted Subsidiary may incur any Debt if, after giving pro forma effect to such Incurrence and the receipt and application of the net proceeds thereof, no Default or Event of Default would occur as a consequence of such Incurrence or be continuing following such Incurrence and the Issuer Debt Ratio would be less than 4.0 to 1.0; *provided, however,* that any Issuer Restricted Subsidiary that Incurs Debt pursuant to this paragraph (a) is a Guarantor and an Offering Proceeds Note Guarantor.

(b) Notwithstanding the foregoing limitation, the Issuer or any Issuer Restricted Subsidiary may Incur any and all of the following (each of which shall be given independent effect):

(i) Debt of the Issuer or any Issuer Restricted Subsidiary under the Original Notes, the New Notes, any Note Guarantee in respect of the Original Notes or the New Notes or any Offering Proceeds Note Guarantee in respect of the Offering Proceeds Note;

(ii) Debt of the Issuer or any Issuer Restricted Subsidiary under Credit Facilities in an aggregate principal amount outstanding or available (together with the sum of (A) the amount of any outstanding Debt Incurred pursuant to clause (ii) of paragraph (b) of the covenant described under "— Limitation on Consolidated Debt," *plus* (B) the amount of all refinancing Debt outstanding or available pursuant to clause (viii) of paragraph (b) of the covenant described under "— Limitation on Consolidated Debt," *plus* (C) the amount of all refinancing Debt outstanding or available pursuant to clause (vi) below in respect of Debt previously Incurred pursuant to this clause (ii)) at any one time not to exceed the greater of (x) $500 million and (y) 1.5 times Consolidated Cash Flow Available for Fixed Charges of Parent and its Restricted Subsidiaries for the four full fiscal quarters next preceding the Incurrence of such Debt for which consolidated financial statements are available, which amount shall be permanently reduced by the amount of Net Available Proceeds used to repay Debt under the Credit Facilities (or any refinancing Debt in respect of the Credit Facilities Incurred pursuant to clause (viii) of paragraph (b) of the covenant described under "— Limitation on Consolidated Debt" or clause (vi) below), and not reinvested in Telecommunications/IS Assets or used to purchase Notes or repay other Debt, pursuant to and as permitted by the covenant described under "— Limitation on Asset Dispositions;"

(iii) Debt of the Issuer or any Issuer Restricted Subsidiary outstanding on the Measurement Date;

(iv) Debt owed by the Issuer to a Restricted Subsidiary, Debt owed by an Issuer Restricted Subsidiary to Parent or a Restricted Subsidiary (including Debt owed by an Issuer Restricted Subsidiary to another Issuer Restricted Subsidiary), and Debt with an aggregate principal amount not in excess of $10 million at any time outstanding owed by the Issuer to Parent or any Sister Restricted Subsidiary; *provided, however,* that (A) any Issuer Restricted Subsidiary that Incurs Debt owed to Parent or a Sister Restricted Subsidiary pursuant to this clause (iv) is a Guarantor and an Offering Proceeds Note Guarantor, (B) (x) upon the transfer, conveyance or other disposition by such Issuer Restricted Subsidiary or the Issuer of any Debt so permitted to a Person other than the Issuer or another Issuer Restricted Subsidiary or (y) if for any reason such Issuer Restricted Subsidiary ceases to be an Issuer Restricted Subsidiary, the provisions of this clause (iv) shall no longer be

applicable to such Debt and such Debt shall be deemed to have been Incurred by the issuer thereof at the time of such transfer, conveyance or other disposition or when such Issuer Restricted Subsidiary ceases to be an Issuer Restricted Subsidiary and (C) the payment obligation of such Debt (if clause (A) above applies) is expressly subordinated in any bankruptcy, liquidation or winding up proceeding of the obligor to the prior payment in full in cash of all obligations with respect to the Notes or the Offering Proceeds Note Guarantee of such Offering Proceeds Note Guarantor, respectively; and *provided further, however,* that a Foreign Restricted Subsidiary need not become a Guarantor or an Offering Proceeds Note Guarantor pursuant to clause (A) above until such time and only so long as such Foreign Restricted Subsidiary Guarantees any other Debt of Parent or any Domestic Restricted Subsidiary;

(v) Debt Incurred by a Person (other than Parent or any Sister Restricted Subsidiary) prior to the time (A) such Person became an Issuer Restricted Subsidiary, (B) such Person merges into or consolidates with an Issuer Restricted Subsidiary or (C) an Issuer Restricted Subsidiary merges into or consolidates with such Person (in a transaction in which such Person becomes an Issuer Restricted Subsidiary), which Debt was not Incurred in anticipation of such transaction and was outstanding prior to such transaction; *provided, however,* that after giving effect to the Incurrence of any Debt pursuant to this clause (v), the Issuer could Incur at least $1.00 of additional Debt pursuant to paragraph (a) above computed using "5.0 to 1.0" rather than "4.0 to 1.0" as it appears therein and such Person or the Issuer Restricted Subsidiary into which such Person merges or consolidates is a Guarantor and an Offering Proceeds Note Guarantor;

(vi) Debt of the Issuer or any Issuer Restricted Subsidiary Incurred to renew, extend, refinance, defease, repay, prepay, repurchase, redeem, retire, exchange or refund (each, a "refinancing") Debt of the Issuer or any Issuer Restricted Subsidiary Incurred pursuant to clause (i), (ii), (iii), (v) or (x) of this paragraph (b) or this clause (vi), in an aggregate principal amount (or if issued at a discount, the then-Accreted Value) not to exceed the aggregate principal amount (or if issued at a discount, the then-Accreted Value) of and accrued interest on the Debt so refinanced plus the amount of any premium required to be paid in connection with such refinancing pursuant to the terms of the Debt so refinanced or the amount of any premium reasonably determined by the board of directors of Parent as necessary to accomplish such refinancing by means of a tender offer or privately negotiated repurchase, plus the expenses of the Issuer Incurred in connection with such refinancing; *provided, however,* that (A) if the Person that originally Incurred the Debt to be refinanced became, or would have been required to become if not already, a Guarantor or an Offering Proceeds Note Guarantor as a result of the Incurrence of the Debt being refinanced in accordance with this covenant, (1) the Person that Incurs the refinancing Debt pursuant to this clause (vi) (if not the Issuer) shall be a Guarantor and an Offering Proceeds Note Guarantor and (2) if the Debt to be refinanced is subordinated to the Offering Proceeds Note Guarantee of such Offering Proceeds Note Guarantor, the refinancing Debt shall be subordinated to the same extent to the Offering Proceeds Note Guarantee of the Offering Proceeds Note Guarantor Incurring such refinancing Debt, (B) the refinancing Debt shall not be senior in right of payment to the Debt that is being refinanced and (C) in the case of any refinancing of Debt Incurred pursuant to clause (i), (v) or (x) or, if such Debt previously refinanced Debt Incurred pursuant to any such clause, this clause (vi), the refinancing Debt by its terms, or by the terms of any agreement or instrument pursuant to which such Debt is issued, (x) does not provide for payments of principal of such Debt at stated maturity or by way of a sinking fund applicable thereto or by way of any mandatory redemption, defeasance, retirement or repurchase thereof by the Issuer or any Issuer Restricted Subsidiary (including any redemption, retirement or repurchase which is contingent upon events or circumstances, but excluding any retirement required by virtue of the acceleration of any payment with respect to such Debt upon any event of default thereunder), in each case prior to the time the same are required by the terms of the Debt being refinanced and (y) does not permit redemption or other retirement (including pursuant to an offer to purchase made by the Issuer or an Issuer Restricted Subsidiary) of such Debt at the option of the holder thereof prior to the time the same are required by the terms of the Debt being refinanced, other than, in the case of clause (x) or (y), any such payment, redemption or other retirement (including pursuant to an offer to purchase made by the Issuer) which is conditioned upon a change of control pursuant to provisions substantially similar to those described under "— Change of Control Triggering Event;"

(vii) Debt of the Issuer or any Issuer Restricted Subsidiary (A) in respect of performance, surety or appeal bonds, Guarantees, letters of credit or reimbursement obligations Incurred or provided in the ordinary course of business securing the performance of contractual, franchise, lease, self-insurance or license

obligations and not in connection with the Incurrence of Debt or (B) in respect of customary agreements providing for indemnification, adjustment of purchase price after closing, or similar obligations, or from Guarantees or letters of credit, surety bonds or performance bonds securing any such obligations of the Issuer or any Issuer Restricted Subsidiary pursuant to such agreements, Incurred in connection with the disposition of any business, assets or Issuer Restricted Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Issuer Restricted Subsidiary for the purpose of financing such acquisition) and in an aggregate principal amount not to exceed the gross proceeds actually received by the Issuer or any Issuer Restricted Subsidiary in connection with such disposition;

(viii) Debt of the Issuer or any Issuer Restricted Subsidiary consisting of Permitted Interest Rate or Currency Protection Agreements;

(ix) Debt of any Foreign Restricted Subsidiary of the Issuer not otherwise permitted to be Incurred pursuant to clause (i) through (viii) above or clause (x) below, which, together with any other outstanding Debt Incurred pursuant to this clause (ix) has an aggregate principal amount not in excess of $100 million at any time outstanding; and

(x) Issue Date Purchase Money Debt initially Incurred by the Issuer or any Issuer Restricted Subsidiary or another Person that became an Issuer Restricted Subsidiary on or before the Issue Date.

Notwithstanding any other provision of this "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" covenant, the maximum amount of Debt the Issuer or any Issuer Restricted Subsidiary may Incur pursuant to this "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" covenant shall not be deemed to be exceeded due solely to the result of fluctuations in the exchange rates of currencies.

For purposes of determining any particular amount of Debt under this "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" covenant, (1) Guarantees (other than Guarantees of Debt of Parent or any Sister Restricted Subsidiary that are not Guarantees of Debt Incurred by Parent or any Sister Restricted Subsidiary pursuant to clause (ii) of paragraph (b) of the covenant described under "— Limitation on Consolidated Debt"), Liens or obligations with respect to letters of credit supporting Debt otherwise included in the determination of such particular amount shall not be included and (2) any Liens granted for the benefit of the Notes pursuant to the provisions referred to in the "— Limitation on Liens" covenant described below shall not be treated as Debt. For purposes of determining compliance with this "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" covenant, in the event that an item of Debt meets the criteria of more than one of the types of Debt described in the above clauses, the Issuer, in its sole discretion, shall classify such item of Debt and only be required to include the amount and type of such Debt in one of such clauses.

Limitation on Restricted Payments. (a) Parent (i) may not, and may not permit any Restricted Subsidiary to, directly or indirectly, declare or pay any dividend, or make any distribution, in respect of its Capital Stock or to the holders thereof, excluding any dividends or distributions which are made solely to Parent or a Restricted Subsidiary (and, if such Restricted Subsidiary is not a Wholly Owned Subsidiary, to the other stockholders of such Restricted Subsidiary on a pro rata basis or on a basis that results in the receipt by Parent or a Restricted Subsidiary of dividends or distributions of greater value than it would receive on a pro rata basis) or any dividends or distributions payable solely in shares of Capital Stock of Parent (other than Disqualified Stock) or in options, warrants or other rights to acquire Capital Stock of Parent (other than Disqualified Stock); (ii) may not, and may not permit any Restricted Subsidiary to, purchase, redeem, or otherwise retire or acquire for value (x) any Capital Stock of Parent or any Restricted Subsidiary of Parent or (y) any options, warrants or rights to purchase or acquire shares of Capital Stock of Parent or any Restricted Subsidiary or any securities convertible or exchangeable into shares of Capital Stock of Parent or any Restricted Subsidiary, except, in any such case, any such purchase, redemption or retirement or acquisition for value (A) paid to Parent or a Restricted Subsidiary (or, in the case of any such purchase, redemption or other retirement or acquisition for value with respect to a Restricted Subsidiary that is not a Wholly Owned Subsidiary, to the other stockholders of such Restricted Subsidiary on a pro rata basis or on a basis that results in the receipt by Parent or a Restricted Subsidiary of payments of greater value than it would receive on a pro rata basis) or (B) paid solely in shares of Capital Stock (other than Disqualified Stock) of Parent; (iii) may not make, or permit any Restricted Subsidiary to make, any Investment (other than an Investment in Parent or a Restricted Subsidiary or a Permitted Investment) in any Person, including the Designation of any Restricted Subsidiary as an

Unrestricted Subsidiary, or the Revocation of any such Designation, according to the covenant described under "— Limitation on Designations of Unrestricted Subsidiaries;" (iv) may not, and may not permit any Restricted Subsidiary to, redeem, defease, repurchase, retire or otherwise acquire or retire for value, prior to any scheduled maturity, repayment or sinking fund payment, Debt of Parent which is subordinate in right of payment to the Parent Guarantee or Debt of any Restricted Subsidiary which is subordinate in right of payment to the Notes (in the case of the Issuer) or the Note Guarantee (in the case of Restricted Subsidiaries other than the Issuer) of such Restricted Subsidiary (other than any redemption, defeasance, repurchase, retirement or other acquisition or retirement for value made in anticipation of satisfying a scheduled maturity, repayment or sinking fund obligation due within one year thereof); and (v) may not, and may not permit any Restricted Subsidiary to, issue, transfer, convey, sell or otherwise dispose of Capital Stock of any Restricted Subsidiary to a Person other than Parent or another Restricted Subsidiary if the result thereof is that such Restricted Subsidiary shall cease to be a Restricted Subsidiary, in which event the amount of such "Restricted Payment" shall be the Fair Market Value of the remaining interest, if any, in such former Restricted Subsidiary held by Parent and the other Restricted Subsidiaries (each of clauses (i) through (v) being a "Restricted Payment") if: (1) an Event of Default, or an event that with the passing of time or the giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, or (2) upon giving effect to such Restricted Payment, Parent could not Incur at least $1.00 of additional Debt pursuant to the terms of the Indenture described in paragraph (a) of "— Limitation on Consolidated Debt" above, or (3) upon giving effect to such Restricted Payment, the aggregate of all Restricted Payments made on or after the Measurement Date, including Restricted Payments made pursuant to clause (A) or (B) of the proviso at the end of this sentence, and Permitted Investments made on or after the Measurement Date pursuant to clause (i) or (j) of the definition thereof (the amount of any such Restricted Payment or Permitted Investment, if made other than in cash, to be based upon Fair Market Value) exceeds the sum of: (a) 50% of cumulative Consolidated Net Income of Parent and its Restricted Subsidiaries (or, in the case that Consolidated Net Income of Parent and its Restricted Subsidiaries shall be negative, 100% of such negative amount) since the end of the last full fiscal quarter prior to the Measurement Date through the last day of the last full fiscal quarter ending at least 45 days prior to the date of such Restricted Payment and (b) plus, in the case of any Revocation made after the Measurement Date, an amount equal to the lesser of the portion (proportionate to Parent's equity interest in the Subsidiary to which such Revocation relates) of the Fair Market Value of the net assets of such Subsidiary at the time of Revocation and the amount of Investments previously made (and treated as a Restricted Payment) by Parent or any Restricted Subsidiary in such Subsidiary; *provided, however* , that Parent or a Restricted Subsidiary of Parent may, without regard to the limitations in clause (3) but subject to clauses (1) and (2), make (A) Restricted Payments in an aggregate amount not to exceed the sum of $50 million and the aggregate net cash proceeds received after the Measurement Date (i) as capital contributions to Parent, from the issuance (other than to a Subsidiary or an employee stock ownership plan or trust established by Parent or any such Subsidiary for the benefit of their employees) of Capital Stock (other than Disqualified Stock) of Parent, and (ii) from the issuance or sale of Debt of Parent or any Restricted Subsidiary (other than to a Subsidiary, Parent or an employee stock ownership plan or trust established by Parent or any such Subsidiary for the benefit of their employees) that after the Measurement Date has been converted into or exchanged for Capital Stock (other than Disqualified Stock) of Parent and (B) Investments in Persons engaged in the Telecommunications/IS Business in an aggregate amount not to exceed the after-tax gain on the sale, after the Measurement Date, of Special Assets to the extent sold for cash, Cash Equivalents, Telecommunications/IS Assets or the assumption of Debt of Parent or any Restricted Subsidiary (other than Debt that is subordinated to the Notes, the Offering Proceeds Note or any applicable Note Guarantee or Offering Proceeds Note Guarantee) and release of Parent and all Restricted Subsidiaries from all liability on the Debt assumed. The aggregate net cash proceeds referred to in the immediately preceding clauses (A)(i) and (A)(ii) shall not be utilized to make Restricted Payments pursuant to such clauses to the extent such proceeds have been utilized to make Permitted Investments under clause (i) of the definition of "Permitted Investments."

(b) Notwithstanding the foregoing limitation, (i) Parent may pay any dividend on Capital Stock of any class of Parent within 60 days after the declaration thereof if, on the date when the dividend was declared, Parent could have paid such dividend in accordance with the foregoing provisions; *provided, however*, that at the time of such payment of such dividend, no other Event of Default shall have occurred and be continuing (or result therefrom); (ii) Parent may repurchase any shares of its Common Stock or options to acquire its Common Stock from Persons who were formerly directors, officers or employees of Parent or any of its Subsidiaries or other Affiliates in an amount not to exceed $3 million in any 12-month period; (iii) Parent and any Restricted Subsidiary may refinance any Debt otherwise permitted by clause (viii) of paragraph (b) under "— Limitation on Consolidated Debt" above or clause (vi) of paragraph (b) under "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" above; (iv)

Parent and any Restricted Subsidiary may retire or repurchase any Capital Stock of Parent or of any Restricted Subsidiary or any Subordinated Debt of Parent in exchange for, or out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of Parent or an employee stock ownership plan or trust established by Parent or any such Subsidiary for the benefit of their employees) of, Capital Stock (other than Disqualified Stock) of Parent; *provided, however,* that the proceeds from any such exchange or sale of Capital Stock shall be excluded from any calculation pursuant to clause (A)(i) in the proviso at the end of paragraph (a) above or pursuant to clause (b) of the definition of "Invested Capital"; and (v) Parent may pay cash dividends in any amount not in excess of $50 million in any 12-month period in respect of Preferred Stock of Parent (other than Disqualified Stock). The Restricted Payments described in the foregoing clauses (i), (ii) and (v) shall be included in the calculation of Restricted Payments; the Restricted Payments described in clauses (iii) and (iv) shall be excluded in the calculation of Restricted Payments.

(c) The Issuer may not, and may not permit any Issuer Restricted Subsidiary to, pay any dividend or make any distribution in respect of shares of its Capital Stock held by Parent or a Sister Restricted Subsidiary (whether in cash, securities or other Property) or any payment (whether in cash, securities or other Property) on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of Capital Stock (all such dividends, distributions and payments being referred to herein as "Parent Transfers"), other than (i) Parent Transfers at such times and in such amounts as shall be necessary to permit Parent to pay administrative expenses attributable to the operations of its Restricted Subsidiaries, (ii) Parent Transfers at such times and in such amounts as are sufficient for Parent to make the timely payment of interest, premium (if any) and principal (whether at stated maturity, by way of a sinking fund applicable thereto, by way of any mandatory redemption, defeasance, retirement or repurchase thereof, including upon the occurrence of designated events or circumstances or by virtue of acceleration upon an event of default, or by way of redemption or retirement at the option of the holder of the Debt of Parent, including pursuant to offers to purchase) according to the terms of any Debt of Parent, (iii) Parent Transfers (A) to permit Parent to satisfy its obligations in respect of stock option plans or other benefit plans for management or employees of Parent and its Subsidiaries, (B) to permit Parent to pay dividends on Preferred Stock of Parent in an amount not to exceed the aggregate net cash proceeds received by Parent (1) after September 30, 1999, from the issuance of Capital Stock, and (2) from the issuance or sale of Debt of Parent or any Restricted Subsidiary that after September 30, 1999, has been converted into or exchanged for Capital Stock of Parent, (C) in an annual amount not to exceed 50% of Parent's Consolidated Net Income for the prior fiscal year and (D) Parent Transfers in amounts not to exceed the amount required by Parent to pay accrued and unpaid interest on any Debt of Parent due upon the conversion, exchange or purchase of such Debt into, for or with Capital Stock of Parent and (iv) additional Parent Transfers in a principal amount not to exceed $50 million in the aggregate.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries. (a) Parent may not, and may not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction (other than pursuant to law or regulation) on the ability of any Restricted Subsidiary (i) to pay dividends (in cash or otherwise) or make any other distributions in respect of its Capital Stock owned by Parent or any other Restricted Subsidiary or pay any Debt or other obligation owed to Parent or any other Restricted Subsidiary, (ii) to make loans or advances to Parent or any other Restricted Subsidiary or (iii) to transfer any of its Property to Parent or any other Restricted Subsidiary.

(b) Notwithstanding the foregoing limitation, Parent may, and may permit any Restricted Subsidiary to, create or otherwise cause or suffer to exist (i) any encumbrance or restriction pursuant to any agreement in effect on the Measurement Date, (ii) any customary (as conclusively determined in good faith by the Chief Financial Officer of Parent) encumbrance or restriction applicable to a Restricted Subsidiary that is contained in an agreement or instrument governing or relating to Debt contained in any Qualified Credit Facility or Purchase Money Debt; *provided, however,* that such encumbrances and restrictions permit the distribution of funds to the Issuer in an amount sufficient for the Issuer to make the timely payment of interest, premium (if any) and principal (whether at stated maturity, by way of a sinking fund applicable thereto, by way of any mandatory redemption, defeasance, retirement or repurchase thereof, including upon the occurrence of designated events or circumstances or by virtue of acceleration upon an event of default, or by way of redemption or retirement at the option of the holder of the Debt, including pursuant to offers to purchase) according to the terms of the Indenture and the Notes and other Debt that is solely an obligation of the Issuer, but *provided further, however,* that such agreement may nevertheless contain customary (as so determined) net worth, leverage, invested capital and other financial covenants, customary (as so determined) covenants regarding the merger of or sale of all or any substantial part of the assets of Parent or

any Restricted Subsidiary, customary (as so determined) restrictions on transactions with affiliates and customary (as so determined) subordination provisions governing Debt owed to Parent or any Restricted Subsidiary, (iii) any encumbrance or restriction pursuant to an agreement relating to any Acquired Debt, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person so acquired, (iv) any encumbrance or restriction pursuant to an agreement effecting a refinancing of Debt Incurred pursuant to an agreement referred to in clause (i), (ii) or (iii) of this paragraph (b); *provided, however* , that the provisions contained in such agreement relating to such encumbrance or restriction are no more restrictive (as so determined) in any material respect than the provisions contained in the agreement the subject thereof, (v) in the case of clause (iii) of paragraph (a) above, any encumbrance or restriction contained in any security agreement (including a Capital Lease Obligation) securing Debt of Parent or a Restricted Subsidiary otherwise permitted under the Indenture, but only to the extent such restrictions restrict the transfer of the Property subject to such security agreement, (vi) in the case of clause (iii) of paragraph (a) above, customary provisions (A) that restrict the subletting, assignment or transfer of any Property that is a lease, license, conveyance or similar contract, (B) contained in asset sale or other asset disposition agreements limiting the transfer of the Property being sold or disposed of pending the closing of such sale or disposition or (C) arising or agreed to in the ordinary course of business, not relating to any Debt, and that do not, individually or in the aggregate, detract from the value of Property of Parent or any Restricted Subsidiary in any manner material to Parent or any Restricted Subsidiary, (vii) any encumbrance or restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement which has been entered into for the sale or disposition of all or substantially all of the Capital Stock or Property of such Restricted Subsidiary; *provided, however*, that the consummation of such transaction would not result in a Default or an Event of Default, that such restriction terminates if such transaction is abandoned and that the consummation or abandonment of such transaction occurs within one year of the date such agreement was entered into, and (viii) any encumbrance or restriction pursuant to the Indenture and the Notes.

Limitation on Liens. Parent may not, and may not permit any Restricted Subsidiary to, directly or indirectly, Incur or suffer to exist any Lien on or with respect to any Property now owned or acquired after the Issue Date to secure any Debt without making, or causing such Restricted Subsidiary to make, effective provision for securing the Notes (x) equally and ratably with such Debt as to such Property for so long as such Debt will be so secured or (y) in the event such Debt is Debt of the Issuer, Parent or a Restricted Subsidiary that is a Guarantor and such Debt is subordinate in right of payment to the Notes, the Parent Guarantee or the applicable Note Guarantee, prior to such Debt as to such Property for so long as such Debt will be so secured. The holders of such other secured Debt may exclusively control the disposition of the property subject to the Lien.

The foregoing restrictions shall not apply to: (i) Liens existing on the Issue Date and securing Debt outstanding on the Issue Date or Liens Incurred on or after the Issue Date pursuant to any Credit Facility to secure Debt permitted to be Incurred pursuant to clause (ii) of paragraph (b) under "— Limitation on Consolidated Debt" or clause (ii) of paragraph (b) under "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries"; (ii) Liens Incurred on or after the Measurement Date securing Debt of Parent or any Restricted Subsidiary (other than the Issuer or any Issuer Restricted Subsidiary) in an amount which, together with the aggregate amount of Debt then outstanding or available under all Credit Facilities (together with all refinancing Debt then outstanding or available pursuant to clause (viii) of paragraph (b) of "— Limitation on Consolidated Debt" or clause (vi) of paragraph (b) of "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" in respect of Debt previously Incurred under Credit Facilities), does not exceed 1.5 times Consolidated Cash Flow Available for Fixed Charges of Parent and its Restricted Subsidiaries for the four full fiscal quarters preceding the Incurrence of such Lien for which Parent's consolidated financial statements are available, determined on a pro forma basis as if such Debt had been Incurred and the proceeds thereof had been applied at the beginning of such four fiscal quarters; (iii) Liens in favor of Parent or any Restricted Subsidiary; *provided* , *however* , that any subsequent issue or transfer of Capital Stock or other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of the Debt secured by any such Lien (except to Parent or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Lien by the Issuer thereof; (iv) Liens outstanding on the Issue Date securing Purchase Money Debt and Liens to secure Purchase Money Debt Incurred after the Issue Date pursuant to clause (iii) of paragraph (b) under "— Limitation on Consolidated Debt," *provided* that any such Lien may not extend to any Property other than the Telecommunications/IS Assets installed, constructed, acquired, leased, developed or improved with the proceeds of such Purchase Money Debt and any improvements or accessions thereto (it being understood that all Debt to any single lender or group of related lenders or outstanding under any single credit facility, and in any case relating to the same group or collection of Telecommunications/IS Assets financed thereby,

shall be considered a single Purchase Money Debt, whether drawn at one time or from time to time); (v) Liens to secure Acquired Debt, *provided* that (a) such Lien attaches to the acquired Property prior to the time of the acquisition of such Property and (b) such Lien does not extend to or cover any other Property; (vi) Liens to secure Debt Incurred to refinance, in whole or in part, Debt secured by any Lien referred to in the foregoing clauses (i), (iv) and (v) or this clause (vi) so long as such Lien does not extend to any other Property (other than improvements and accessions to the original Property) and the principal amount of Debt so secured is not increased except as otherwise permitted under clause (viii) of paragraph (b) of "— Limitation on Consolidated Debt" or clause (vi) of paragraph (b) of "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" above; (vii) Liens Incurred on or after the Measurement Date not otherwise permitted by the foregoing clauses (i) through (vi) (but including in the computations of Liens permitted under this clause (vii) Liens existing on the Issue Date which remain existing at the time of computation which are otherwise permitted under clause (i)) securing Debt of Parent or any Restricted Subsidiary (other than the Issuer or any Issuer Restricted Subsidiary) in an aggregate amount not to exceed 5% of Parent's Consolidated Tangible Assets; (viii) Liens on Property of any Non-Telecommunications Subsidiary; *provided, however,* that the Incurrence of such Lien does not require the Person Incurring such Lien to secure any Debt of any Person other than a Non-Telecommunications Subsidiary; (ix) Liens granted after the Issue Date pursuant to "— Limitation on Liens" to secure the Notes; (x) Liens to secure Debt incurred pursuant to clause (viii) of paragraph (b) of "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" above; and (xi) Permitted Liens.

Limitation on Sale and Leaseback Transactions. Parent may not, and may not permit any Restricted Subsidiary to, directly or indirectly, enter into, assume, Guarantee or otherwise become liable with respect to any Sale and Leaseback Transaction, unless (i) Parent or such Restricted Subsidiary would be entitled to Incur (a) Debt in an amount equal to the Attributable Value of the Sale and Leaseback Transaction pursuant to the covenants described under "— Limitation on Consolidated Debt" above or "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" above and (b) a Lien pursuant to the covenant described under "— Limitation on Liens" above, equal in amount to the Attributable Value of the Sale and Leaseback Transaction, without also securing the Notes, and (ii) the Sale and Leaseback Transaction is treated as an Asset Disposition and all of the conditions of the Indenture described under "— Limitation on Asset Dispositions" below (including the provisions concerning the application of Net Available Proceeds) are satisfied with respect to such Sale and Leaseback Transaction, treating all of the consideration received in such Sale and Leaseback Transaction as Net Available Proceeds for purposes of such covenant.

Limitation on Asset Dispositions. Parent may not, and may not permit any Restricted Subsidiary to, make any Asset Disposition unless: (i) Parent or the Restricted Subsidiary, as the case may be, receives consideration for such disposition at least equal to the Fair Market Value for the Property sold or disposed of as determined by the board of directors of Parent in good faith and evidenced by a resolution of the board of directors of Parent filed with the Trustee; and (ii) at least 75% of the consideration for such disposition consists of cash or Cash Equivalents or the assumption of Debt of the Issuer or any Issuer Restricted Subsidiary (other than Debt of the Issuer that is subordinated to the Notes or Debt of any Issuer Restricted Subsidiary that is subordinated to the Note Guarantee or Offering Proceeds Note Guarantee of such Issuer Restricted Subsidiary) and release of the Issuer and all Issuer Restricted Subsidiaries from all liability on the Debt assumed (or if less than 75%, the remainder of such consideration consists of Telecommunications/IS Assets); *provided, however,* that, to the extent such disposition involves Special Assets, all or any portion of the consideration may, at Parent's election, consist of Property other than cash, Cash Equivalents, the assumption of Debt or Telecommunications/IS Assets.

The Net Available Proceeds (or any portion thereof) from Asset Dispositions may be applied by Parent or a Restricted Subsidiary, to the extent Parent or such Restricted Subsidiary elects (or is required by the terms of any Debt): (1) to the permanent repayment or reduction of Debt then outstanding under any Qualified Credit Facility, to the extent such Qualified Credit Facility would require such application or prohibit payments pursuant to the Offer to Purchase described in the following paragraph (other than Debt owed to Parent or any Affiliate of Parent); or (2) to reinvest in Telecommunications/IS Assets (including by means of an Investment in Telecommunications/IS Assets by a Restricted Subsidiary with Net Available Proceeds received by Parent or another Restricted Subsidiary).

Any Net Available Proceeds from an Asset Disposition not applied in accordance with the preceding paragraph within 360 days (or, in the case of a disposition of Special Assets identified in clause (a) of the definition thereof in which the Net Available Proceeds exceed $500 million, 540 days) from the date of the receipt of such Net

Available Proceeds shall constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $10 million, the Issuer (or, in the case of Debt of Parent required or permitted to be repurchased by Parent, Parent) will be required to make an Offer to Purchase with such Excess Proceeds on a pro rata basis according to principal amount (or, in the case of Debt issued at a discount, the then-Accreted Value) for (x) outstanding Notes at a price in cash equal to 100% of the principal amount of the Notes on the purchase date plus accrued and unpaid interest (if any) thereon (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) and (y) any other Debt of the Issuer that is *pari passu* with the Notes, any Debt of a Guarantor that is *pari passu* with such Guarantor's Note Guarantee or any Debt of a Restricted Subsidiary that is a subsidiary of the Issuer but not a Guarantor, at a price no greater than 100% of the principal amount thereof plus accrued and unpaid interest (if any) to the purchase date (or 100% of the then-Accreted Value plus accrued and unpaid interest (if any) to the purchase date in the case of original issue discount Debt), to the extent, in the case of this clause (y), required under the terms thereof (other than Debt owed to Parent or any Affiliate of Parent). To the extent there are any remaining Excess Proceeds following the completion of the Offer to Purchase, the Issuer shall apply such Excess Proceeds to the repayment of other Debt of the Issuer or any Restricted Subsidiary that is a subsidiary of the Issuer, to the extent permitted or required under the terms thereof. Any other remaining Excess Proceeds may be applied to any use as determined by Parent which is not otherwise prohibited by the Indenture, and the amount of Excess Proceeds shall be reset to zero.

The Issuer may not, and may not permit any Issuer Restricted Subsidiary to, sell, transfer, lease or otherwise dispose of any Property to Parent or any Sister Restricted Subsidiary unless (i) the Issuer or such Issuer Restricted Subsidiary receives consideration for such sale, transfer, lease or other disposition at least equal to the Fair Market Value of such Property (which, in the case of the Offering Proceeds Note, is the principal amount of the Offering Proceeds Note and any accrued and unpaid interest thereon) and (ii) the consideration consists of either (A) 100% in cash or Cash Equivalents or (B) Debt of Parent or the Restricted Subsidiary to which the Property was transferred that is secured by a Lien on such transferred Property. Parent or the Restricted Subsidiary to which Property was transferred for consideration consisting of Debt that is secured by a Lien on such Property in accordance with clause (ii)(B) of the prior sentence may substitute the Lien on such Property with a Lien on other Property (including any Property owned by the Issuer or an Issuer Restricted Subsidiary) that, as determined by the board of directors of Parent in good faith and evidenced by a resolution of the board of directors of Parent filed with the Trustee upon request of the Trustee, has a Fair Market Value of no less than the Fair Market Value of the Property for which the substitution is made at the time of the substitution. Any such Lien may be second in priority to any Lien on such Property in favor of the lenders under a Qualified Credit Facility. The provisions of this paragraph do not apply to (a) dividends and distributions (other than any dividend or distribution of the Offering Proceeds Note), (b) loans or advances and (c) purchases of services or goods.

Limitation on Issuance and Sales of Capital Stock of Restricted Subsidiaries. Parent shall at all times own all the issued and outstanding Capital Stock of the Issuer. The Issuer shall at all times own all the issued and outstanding Capital Stock of Level 3 LLC. Parent may not, and may not permit any Restricted Subsidiary to, issue, transfer, convey, sell or otherwise dispose of any shares of Capital Stock of a Restricted Subsidiary or securities convertible or exchangeable into, or options, warrants, rights or any other interest with respect to, Capital Stock of a Restricted Subsidiary to any Person other than Parent or a Restricted Subsidiary except (i) a sale of all of the Capital Stock of such Restricted Subsidiary owned by Parent and any Restricted Subsidiary that complies with the provisions described under "— Limitation on Asset Dispositions" above to the extent such provisions apply, (ii) in a transaction that results in such Restricted Subsidiary becoming a Joint Venture, *provided* (x) such transaction complies with the provisions described under "— Limitation on Asset Dispositions" above to the extent such provisions apply and (y) the remaining interest of Parent or any other Restricted Subsidiary in such Joint Venture would have been permitted as a new Restricted Payment or Permitted Investment under the provisions of "— Limitation on Restricted Payments" above, (iii) the issuance, transfer, conveyance, sale or other disposition of shares of such Restricted Subsidiary so long as after giving effect to such transaction such Restricted Subsidiary remains a Restricted Subsidiary and such transaction complies with the provisions described under "— Limitation on Asset Dispositions" to the extent such provisions apply, (iv) the transfer, conveyance, sale or other disposition of shares required by applicable law or regulation, (v) if required, the issuance, transfer, conveyance, sale or other disposition of directors' qualifying shares, (vi) Disqualified Stock issued in exchange for, or upon conversion of, or the proceeds of the issuance of which are used to refinance, shares of Disqualified Stock of such Restricted Subsidiary, *provided* that the amounts of the redemption obligations of such Disqualified Stock shall not exceed the amounts of the redemption obligations of, and such Disqualified Stock shall have redemption obligations no earlier than those

required by, the Disqualified Stock being exchanged, converted or refinanced, (vii) in a transaction where Parent or a Restricted Subsidiary acquires at the same time not less than its Proportionate Interest in such issuance of Capital Stock, (viii) Capital Stock issued and outstanding on the Measurement Date, (ix) Capital Stock of a Restricted Subsidiary issued and outstanding prior to the time that such Person becomes a Restricted Subsidiary so long as such Capital Stock was not issued in contemplation of such Person's becoming a Restricted Subsidiary or otherwise being acquired by Parent and (x) an issuance of Preferred Stock of a Restricted Subsidiary (other than Preferred Stock convertible or exchangeable into Common Stock of any Restricted Subsidiary) otherwise permitted by the Indenture.

Transactions with Affiliates. Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, sell, lease, transfer, or otherwise dispose of any of its Property to, or purchase any Property from, or enter into any contract, agreement, understanding, loan, advance, Guarantee or transaction (including the rendering of services) with or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction"), unless (a) such Affiliate Transaction or series of Affiliate Transactions is (i) in the best interest of Parent or such Restricted Subsidiary and (ii) on terms that are no less favorable to Parent or such Restricted Subsidiary than those that would have been obtained in a comparable arm's-length transaction by Parent or such Restricted Subsidiary with a Person that is not an Affiliate (or, in the event that there are no comparable transactions involving Persons who are not Affiliates of Parent or the relevant Restricted Subsidiary to apply for comparative purposes, is otherwise on terms that, taken as a whole, Parent has determined to be fair to Parent or the relevant Restricted Subsidiary) and (b) Parent delivers to the Trustee (i) with respect to any Affiliate Transaction or series of Affiliate Transactions involving aggregate payments in excess of $10 million but less than $15 million, a certificate of the chief executive, operating or financial officer of Parent evidencing such officer's determination that such Affiliate Transaction or series of Affiliate Transactions complies with clause (a) above and (ii) with respect to any Affiliate Transaction or series of Affiliate Transactions involving aggregate payments equal to or in excess of $15 million, a board resolution of Parent certifying that such Affiliate Transaction or series of Affiliate Transactions complies with clause (a) above and that such Affiliate Transaction or series of Affiliate Transactions has been approved by the board of directors of Parent, including a majority of the disinterested members of the board of directors; *provided, however,* that, in the event that there shall not be at least two disinterested members of the board of directors of Parent with respect to the Affiliate Transaction, Parent shall, in addition to such board resolution, file with the Trustee a written opinion from an investment banking firm of national standing in the United States which, in the good faith judgment of the board of directors of Parent, is independent with respect to Parent and its Affiliates and qualified to perform such task, which opinion shall be to the effect that the consideration to be paid or received in connection with such Affiliate Transaction is fair, from a financial point of view, to Parent or such Restricted Subsidiary.

Notwithstanding the foregoing, the following shall not be deemed Affiliate Transactions: (i) any employment agreement entered into by Parent or any of its Restricted Subsidiaries in the ordinary course of business and consistent with industry practice; (ii) any agreement or arrangement with respect to the compensation of a director or officer of Parent or any Restricted Subsidiary approved by a majority of the disinterested members of the board of directors of Parent and consistent with industry practice; (iii) transactions between or among Parent and its Restricted Subsidiaries; *provided, however,* that no more than 5% of the Voting Stock (on a fully diluted basis) of any such Restricted Subsidiary is owned by an Affiliate of Parent (other than a Restricted Subsidiary); (iv) Restricted Payments and Permitted Investments permitted by the covenant described under "— Limitation on Restricted Payments" (other than Investments in Affiliates that are not Parent or Restricted Subsidiaries); (v) transactions pursuant to the terms of any agreement or arrangement as in effect on the Measurement Date; and (vi) transactions with respect to wireline or wireless transmission capacity, the lease or sharing or other use of cable or fiber optic lines, equipment, rights-of-way or other access rights, between Parent (or any Restricted Subsidiary) and any other Person; *provided, however,* that, in the case of this clause (vi), such transaction complies with clause (a) in the immediately preceding paragraph.

Change of Control Triggering Event. Within 30 days of the occurrence of both a Change of Control and a Rating Decline with respect to the Notes (a "Change of Control Triggering Event"), the Issuer will be required to make an Offer to Purchase all outstanding Notes at a price in cash equal to 101% of the principal amount of the Notes on the purchase date plus any accrued and unpaid interest (if any) to such purchase date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

A “Change of Control” means the occurrence of any of the following events:

(A) if any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successor provisions to either of the foregoing), including any group acting for the purpose of acquiring, holding, voting or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act, other than any one or more of the Permitted Holders, becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act, except that a person will be deemed to have “beneficial ownership” of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 35% or more of the total voting power of the Voting Stock of Parent; *provided, however* , that the Permitted Holders are the “beneficial owners” (as defined in Rule 13d-3 under the Exchange Act, except that a person will be deemed to have “beneficial ownership” of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, in the aggregate of a lesser percentage of the total voting power of the Voting Stock of Parent than such other person or group (for purposes of this clause (A), such person or group shall be deemed to beneficially own any Voting Stock of a corporation (the “specified corporation”) held by any other corporation (the “parent corporation”) so long as such person or group beneficially owns, directly or indirectly, in the aggregate a majority of the total voting power of the Voting Stock of such parent corporation); or

(B) the sale, transfer, assignment, lease, conveyance or other disposition, directly or indirectly, of all or substantially all the assets of (i) Parent and the Restricted Subsidiaries, or (ii) the Issuer and the Issuer Restricted Subsidiaries, in each case considered as a whole (other than a disposition of such assets as an entirety or virtually as an entirety to a Wholly Owned Restricted Subsidiary of Parent or the Issuer, respectively, or one or more Permitted Holders) shall have occurred; or

(C) during any period of two consecutive years, individuals who at the beginning of such period constituted the board of directors of Parent (together with any new directors whose election or appointment by such board or whose nomination for election by the shareholders of Parent was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of Parent then in office; or

(D) the shareholders of Parent or the Issuer shall have approved any plan of liquidation or dissolution of Parent or the Issuer, respectively.

In the event that the Issuer makes an Offer to Purchase the Notes, the Issuer intends to comply with any applicable securities laws and regulations, including any applicable requirements of Section 14(e) of, and Rule 14e-1 under, the Exchange Act.

The existence of the holders’ right to require, subject to certain conditions, the Issuer to repurchase Notes upon a Change of Control Triggering Event may deter a third party from acquiring Parent or the Issuer in a transaction that constitutes a Change of Control. If an Offer to Purchase is made, there can be no assurance that the Issuer will have sufficient funds to pay the Purchase Price for all Notes tendered by holders seeking to accept the Offer to Purchase. In addition, instruments governing other Debt of Parent or the Issuer may prohibit the Issuer from purchasing any Notes prior to their Stated Maturity, including pursuant to an Offer to Purchase, or require that such Debt be repurchased upon a Change of Control. In the event that an Offer to Purchase occurs at a time when the Issuer does not have sufficient available funds to pay the Purchase Price for all Notes tendered pursuant to such Offer to Purchase or a time when the Issuer is prohibited from purchasing the Notes (and the Issuer is unable either to obtain the consent of the holders of the relevant Debt or to repay such Debt), an Event of Default would occur under the Indenture. In addition, one of the events that constitutes a Change of Control under the Indenture is a sale, transfer, assignment, lease, conveyance or other disposition of all or substantially all of the assets of Parent or the Issuer. The Indenture will be governed by New York law, and there is no established definition under New York law of “substantially all” of the assets of a corporation. Accordingly, if Parent or the Issuer were to engage in a transaction in which it disposed of less than all of its assets, a question of interpretation could arise as to whether such disposition was of “substantially all” of its assets and whether the Issuer was required to make an Offer to Purchase.

Except as described herein with respect to a Change of Control, the Indenture does not contain any other provisions that permit holders of Notes to require that the Issuer repurchase or redeem Notes in the event of a takeover, recapitalization or similar restructuring.

Reports . Whether or not Parent is subject to Section 13(a) or 15(d) of the Exchange Act, or any successor provision thereto, Parent shall file with the Commission the annual reports, quarterly reports and other documents which Parent would have been required to file with the Commission pursuant to such Section 13(a) or 15(d) or any successor provision thereto if Parent were subject thereto, such documents to be filed with the Commission on or prior to the respective dates (the "Required Filing Dates") by which Parent would have been required to file them. Parent or the Issuer shall also in any event (a) within 15 days of each Required Filing Date (i) transmit by mail to all holders, as their names and addresses appear in the Security Register, without cost to such holders, and (ii) file with the Trustee copies of the annual reports, quarterly reports and other documents (without exhibits) which Parent would have been required to file with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act or any successor provisions thereto if Parent were subject thereto and (b) if filing such documents by Parent with the Commission is not permitted under the Exchange Act, promptly upon written request, supply copies of such documents (without exhibits) to any prospective holder.

Limitation on Designations of Unrestricted Subsidiaries . The Indenture will provide that Parent will not designate (1) the Issuer or Level 3 LLC as an Unrestricted Subsidiary or (2) any other Subsidiary of Parent (other than a newly created Subsidiary in which no Investment has previously been made) as an "Unrestricted Subsidiary" under the Indenture (a "Designation") unless:

(a) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such Designation;

(b) immediately after giving effect to such Designation, Parent would be able to Incur $1.00 of Debt under paragraph (a) of "— Limitation on Consolidated Debt;" and

(c) Parent would not be prohibited under the Indenture from making an Investment at the time of Designation (assuming the effectiveness of such Designation) in an amount (the "Designation Amount") equal to the portion (proportionate to Parent's equity interest in such Restricted Subsidiary) of the Fair Market Value of the net assets of such Restricted Subsidiary on such date.

In the event of any such Designation, Parent shall be deemed to have made an Investment constituting a Restricted Payment pursuant to the covenant "— Limitation on Restricted Payments" for all purposes of the Indenture in the Designation Amount; *provided, however* , that, upon a Revocation of any such Designation of a Subsidiary, Parent shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary of an amount (if positive) equal to (i) Parent's "Investment" in such Subsidiary at the time of such Revocation less (ii) the portion (proportionate to Parent's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such Revocation. At the time of any Designation of any Subsidiary as an Unrestricted Subsidiary, such Subsidiary shall not own any Capital Stock of Parent or any Restricted Subsidiary. The Indenture will further provide that neither Parent nor any Restricted Subsidiary shall at any time (x) provide credit support for, or a Guarantee of, any Debt of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Debt); *provided, however* , that Parent or a Restricted Subsidiary may pledge Capital Stock or Debt of any Unrestricted Subsidiary on a nonrecourse basis such that the pledgee has no claim whatsoever against Parent other than to obtain such pledged Capital Stock or Debt, (y) be directly or indirectly liable for any Debt of any Unrestricted Subsidiary or (z) be directly or indirectly liable for any Debt which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Debt, Lien or other obligation of any Unrestricted Subsidiary (including any right to take enforcement action against such Unrestricted Subsidiary), except in the case of clause (x) or (y) to the extent permitted under "— Limitation on Restricted Payments" and "— Transactions with Affiliates."

Unless Designated as an Unrestricted Subsidiary, any Person that becomes a Subsidiary of Parent will be classified as a Restricted Subsidiary; *provided, however* , that such Subsidiary shall not be designated as a Restricted Subsidiary and shall be automatically classified as an Unrestricted Subsidiary if either of the requirements set forth

in clauses (a) and (b) of the immediately following paragraph will not be satisfied immediately following such classification. Except as provided in the first sentence of this "— Limitation on Designations of Unrestricted Subsidiaries," no Restricted Subsidiary may be redesignated as an Unrestricted Subsidiary.

The Indenture will further provide that a Designation may be revoked (a "Revocation") by a resolution of the board of directors of Parent delivered to the Trustee, provided that Parent will not make any Revocation unless:

(a) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and

(b) all Liens and Debt of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if Incurred at such time, have been permitted to be Incurred at such time for all purposes of the Indenture.

All Designations and Revocations must be evidenced by resolutions of the board of directors of Parent delivered to the Trustee (i) certifying compliance with the foregoing provisions and (ii) giving the effective date of such Designation or Revocation, such delivery to the Trustee to occur within 45 days after the end of the fiscal quarter of Parent in which such Designation or Revocation is made (or, in the case of a Designation or Revocation made during the last fiscal quarter of Parent's fiscal year, within 90 days after the end of such fiscal year).

Limitation on Actions with respect to Existing Intercompany Obligations . Without the consent of the holders of at least two-thirds in principal amount of the outstanding Notes:

(a) the Issuer may not forgive or waive or fail to enforce any of its rights under the Offering Proceeds Note, any Offering Proceeds Note Guarantee, the Subordination Agreement or any other agreement with Parent or any Restricted Subsidiary to subordinate a payment obligation on any Debt to the prior payment in full in cash of all obligations with respect to the Offering Proceeds Note or an Offering Proceeds Note Guarantee, and the Issuer and Level 3 LLC may not amend the Offering Proceeds Note in a manner adverse to the holders of the Notes; *provided*, *however* , that nothing in this covenant shall compel the Issuer to demand payment under the Offering Proceeds Note or any Offering Proceeds Note Guarantee except during a bankruptcy, insolvency or similar proceeding;

(b) in the event Level 3 LLC (or any successor obligor under the Offering Proceeds Note) repays all or a portion of the Offering Proceeds Note, the Issuer must (i) deposit an amount of cash equal to the principal amount of the Offering Proceeds Note then repaid in an escrow account with an unaffiliated financial institution for the benefit of the holders of the Notes, and as security for the prompt and complete payment and performance when due of the Issuer's obligations in respect of the Notes, until such time as the Notes are no longer outstanding or such cash is used pursuant to clause (ii) or (iii) of this paragraph, (ii) redeem Notes having a principal amount equal to the principal amount of the Offering Proceeds Note then repaid in accordance with, and if at such time permitted by, the first paragraph of the section entitled "— Optional Redemption," or (iii) purchase Notes in the open market having a principal amount equal to the principal amount of the Offering Proceeds Note then repaid; *provided*, *however* , that if at any time the principal amount of the Offering Proceeds Note is greater than the principal amount of Notes that remain outstanding, Level 3 LLC (or any successor obligor under the Offering Proceeds Note) may repay or forgive or waive an amount of the Offering Proceeds Note equal to such excess without complying with clause (i), (ii) or (iii) above;

(c) Parent may not, and may not permit any Restricted Subsidiary to, provide any Lien on its Property for the benefit of, or any Guarantee (other than a similarly subordinated Guarantee) or other form of credit enhancement in respect of, (i) the Parent Intercompany Note or (ii) any other intercompany note required by clause (vi) of paragraph (b) of the covenant described under "— Limitation on Consolidated Debt" or clause (iv) of paragraph (b) of the covenant described under "— Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" to be subordinated to the prior payment in full in cash of all obligations with respect to the Offering Proceeds Note or an Offering Proceeds Note Guarantee, or take any other action with the purpose or effect of making the Parent Intercompany Note senior to or equal in right of payment with the Offering Proceeds Note;

(d) Parent and Level 3 LLC may not amend the terms of the Parent Intercompany Note in a manner adverse to the holders of the Notes, the determination of which shall be made by the board of directors of Parent acting in good faith and shall be evidenced by a resolution of the board of directors of Parent except to permit subordination of Level 3 LLC's obligations under the Parent Intercompany Note to its obligations under a Qualified Credit Facility as described, and to the extent set forth, under "— Subordination of Existing Intercompany Obligations;" and

(e) Parent, the Issuer and Level 3 LLC may not amend the Subordination Agreement in a manner adverse to the holders of the Notes and Parent or any Restricted Subsidiary and the Issuer may not amend any other agreement between Parent or any Restricted Subsidiary and the Issuer to subordinate a payment obligation on any Debt of Parent or any Restricted Subsidiary to the prior payment in full in cash of all obligations with respect to the Offering Proceeds Note or any Offering Proceeds Note Guarantee, in each case, the determination of which shall be made by the board of directors of Parent acting in good faith and shall be evidenced by a resolution of the board of directors of Parent except to permit subordination of their respective obligations under the Offering Proceeds Note or any Offering Proceeds Note Guarantee to their respective obligations under a Qualified Credit Facility as described, and to the extent set forth, under "— Subordination of Existing Intercompany Obligations."

Mergers, Consolidations and Certain Sales of Assets

Parent may not, in a single transaction or a series of related transactions, (i) consolidate with or merge into any other Person or Persons or permit any other Person to consolidate with or merge into Parent or (ii) directly or indirectly, transfer, sell, lease, convey or otherwise dispose of all or substantially all its assets to any other Person or Persons unless: (a) in a transaction in which Parent is not the surviving Person or in which Parent transfers, sells, leases, conveys or otherwise disposes of all or substantially all of its assets to any other Person, the successor entity is organized under the laws of the United States of America or any State thereof or the District of Columbia and shall expressly assume, by a supplemental indenture executed and delivered to the Trustee in form satisfactory to the Trustee, all of Parent's obligations under the Indenture and the Parent Guarantee; (b) immediately before and after giving effect to such transaction and treating any Debt which becomes an obligation of Parent (or the successor entity) or a Restricted Subsidiary as a result of such transaction as having been Incurred by Parent or such Restricted Subsidiary at the time of the transaction, no Default or Event of Default shall have occurred and be continuing; (c) immediately after giving effect to such transaction, the Consolidated Net Worth of Parent (or the successor entity) is equal to or greater than that of Parent immediately prior to the transaction; (d) immediately after giving effect to such transaction and treating any Debt which becomes an obligation of Parent (or the successor entity) or a Restricted Subsidiary as a result of such transaction as having been Incurred by Parent or such Restricted Subsidiary at the time of the transaction, Parent (or the successor entity) could Incur at least $1.00 of additional Debt pursuant to the provisions of the Indenture described in paragraph (a) under "— Certain Covenants — Limitation on Consolidated Debt" above; (e) if, as a result of any such transaction, Property of Parent (or the successor entity) or any Restricted Subsidiary would become subject to a Lien prohibited by the provisions of the Indenture described under "— Certain Covenants — Limitation on Liens" above, Parent or the successor entity to Parent shall have secured the Notes as required by said covenant; (f) in the case of a transfer, sale, lease, conveyance or other disposition of all or substantially all of the assets of Parent, such assets shall have been transferred as an entirety or virtually as an entirety to one Person and such Person shall have complied with all the provisions of this paragraph; and (g) certain other conditions are met. The successor entity shall succeed to, and be substituted for, and may exercise every right and power of Parent under the Indenture and the Parent Guarantee, and the predecessor "Parent," except in the case of a lease, shall be released from all its obligations under the Indenture and the Parent Guarantee.

The Issuer may not, in a single transaction or a series of related transactions, (i) consolidate or merge into Parent or permit Parent to consolidate with or merge into the Issuer or (ii) except to the extent permitted under "— Certain Covenants — Limitation on Restricted Payments," directly or indirectly, transfer, sell, lease, convey or otherwise dispose of all or substantially all its assets to Parent. Additionally, the Issuer may not, in a single transaction or a series of related transactions, (i) consolidate with or merge into any other Person or Persons or permit any other Person to consolidate with or merge into the Issuer or (ii) (other than, to the extent permitted under "— Certain Covenants — Limitation on Restricted Payments," to a Restricted Subsidiary that is or becomes a Guarantor and an Offering Proceeds Note Guarantor or to Parent so long as Parent is a Guarantor) directly or

indirectly, transfer, sell, lease, convey or otherwise dispose of all or substantially all its assets to any other Person or Persons unless: (a) in a transaction in which the Issuer is not the surviving Person or in which the Issuer transfers, sells, leases, conveys or otherwise disposes of all or substantially all of its assets to any other Person, the successor entity is organized under the laws of the United States of America or any State thereof or the District of Columbia and shall expressly assume, by a supplemental indenture executed and delivered to the Trustee in form satisfactory to the Trustee, all of the Issuer's obligations under the Indenture; (b) immediately before and after giving effect to such transaction and treating any Debt which becomes an obligation of the Issuer (or the successor entity) or an Issuer Restricted Subsidiary as a result of such transaction as having been Incurred by the Issuer or such Issuer Restricted Subsidiary at the time of the transaction, no Default or Event of Default shall have occurred and be continuing; (c) immediately after giving effect to such transaction, the Consolidated Net Worth of the Issuer (or the successor entity) is equal to or greater than that of the Issuer immediately prior to the transaction; (d) immediately after giving effect to such transaction and treating any Debt which becomes an obligation of the Issuer (or the successor entity) or an Issuer Restricted Subsidiary as a result of such transaction as having been Incurred by the Issuer or such Issuer Restricted Subsidiary at the time of the transaction, the Issuer (or the successor entity) could Incur at least $1.00 of additional Debt pursuant to the provisions of the Indenture described in paragraph (a) under "— Certain Covenants — Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" above; (e) if, as a result of any such transaction, Property of the Issuer (or the successor entity) or any Issuer Restricted Subsidiary would become subject to a Lien prohibited by the provisions of the Indenture described under "— Certain Covenants —Limitation on Liens" above, the Issuer or the successor entity to the Issuer shall have secured the Notes as required by said covenant; (f) in the case of a transfer, sale, lease, conveyance or other disposition of all or substantially all of the assets of the Issuer, such assets shall have been transferred as an entirety or virtually as an entirety to one Person and such Person shall have complied with all the provisions of this paragraph; and (g) certain other conditions are met. The successor entity shall succeed to, and be substituted for, and may exercise every right and power of the Issuer under the Indenture, and the predecessor "Issuer," except in the case of a lease, shall be released from all its obligations under the Indenture.

A Guarantor (other than Parent) may not, in a single transaction or a series of related transactions, (i) consolidate with or merge into any other Person or Persons (other than, with respect to a Guarantor that is an Issuer Restricted Subsidiary, the Issuer or another Guarantor that is an Issuer Restricted Subsidiary, and with respect to a Guarantor that is a Sister Restricted Subsidiary, another Guarantor that is a Sister Restricted Subsidiary or Parent) or permit any other Person (other than, with respect to a Guarantor that is an Issuer Restricted Subsidiary, another Guarantor that is an Issuer Restricted Subsidiary, and with respect to a Guarantor that is a Sister Restricted Subsidiary, Parent or another Guarantor that is a Sister Restricted Subsidiary) to consolidate with or merge into such Guarantor or (ii) except to another Guarantor to the extent permitted under " — Certain Covenants — Limitation on Restricted Payments," directly or indirectly, transfer, sell, lease, convey or otherwise dispose of all or substantially all its assets to any other Person or Persons (other than, with respect to a Guarantor that is an Issuer Restricted Subsidiary, the Issuer or another Guarantor that is an Issuer Restricted Subsidiary, and with respect to a Guarantor that is a Sister Restricted Subsidiary, another Guarantor that is a Sister Restricted Subsidiary or Parent) unless (1) immediately before and after giving effect to such transaction and treating any Debt which becomes an obligation of such Guarantor as a result of such transaction as having been Incurred by such Guarantor at the time of the transaction, no Default or Event of Default shall have occurred and be continuing and (2) either (a) in a transaction in which such Guarantor is not the surviving Person or in which such Guarantor transfers, sells, leases, conveys or otherwise disposes of all or substantially all of its assets to any other Person, the resulting surviving or transferee Person is organized under the laws of the United States of America or any State thereof or the District of Columbia and shall expressly assume, by a supplemental indenture executed and delivered to the Trustee in form satisfactory to the Trustee, all of such Guarantor's obligations under the Indenture and its Note Guarantee; or (b) such transaction complies with the covenant described under " — Certain Covenants — Limitation on Asset Dispositions" (or Parent certifies in an Officers' Certificate to the Trustee that it will comply with the requirements of such covenant relating to application of the proceeds of such transaction).

An Offering Proceeds Note Guarantor may not, in a single transaction or a series of related transactions, (i) consolidate with or merge into any other Person or Persons (other than, with respect to an Offering Proceeds Note Guarantor that is an Issuer Restricted Subsidiary, the Issuer or another Offering Proceeds Note Guarantor that is an Issuer Restricted Subsidiary, and with respect to an Offering Proceeds Note Guarantor that is a Sister Restricted Subsidiary, another Offering Proceeds Note Guarantor that is a Sister Restricted Subsidiary or Parent) or permit any other Person (other than, with respect to an Offering Proceeds Note Guarantor that is an Issuer Restricted

Subsidiary, another Offering Proceeds Note Guarantor that is an Issuer Restricted Subsidiary, and with respect to an Offering Proceeds Note Guarantor that is a Sister Restricted Subsidiary, Parent or another Offering Proceeds Note Guarantor that is a Sister Restricted Subsidiary) to consolidate with or merge into such Offering Proceeds Note Guarantor or (ii) except to another Offering Proceeds Note Guarantor to the extent permitted under " — Certain Covenants — Limitation on Restricted Payments," directly or indirectly, transfer, sell, lease, convey or otherwise dispose of all or substantially all its assets to any other Person or Persons (other than, with respect to an Offering Proceeds Note Guarantor that is an Issuer Restricted Subsidiary, the Issuer or another Offering Proceeds Notes Guarantor that is an Issuer Restricted Subsidiary, and with respect to an Offering Proceeds Note Guarantor that is a Sister Restricted Subsidiary, another Offering Proceeds Note Guarantor that is a Sister Restricted Subsidiary or Parent) unless (1) immediately before and after giving effect to such transaction and treating any Debt which becomes an obligation of such Offering Proceeds Note Guarantor as a result of such transaction as having been Incurred by such Offering Proceeds Note Guarantor at the time of the transaction, no Default or Event of Default shall have occurred and be continuing and (2) either (a) in a transaction in which such Offering Proceeds Note Guarantor is not the surviving Person or in which such Offering Proceeds Note Guarantor transfers, sells, leases, conveys or otherwise disposes of all or substantially all of its assets to any other Person, the resulting surviving or transferee Person is organized under the laws of the United States of America or any State thereof or the District of Columbia and shall expressly assume all of such Offering Proceeds Note Guarantor's obligations under the Offering Proceeds Note Guarantee and any subordination agreement between the Issuer and such Offering Proceeds Note Guarantor relating to the Offering Proceeds Note; or (b) such transaction complies with the covenant described under " — Certain Covenants — Limitation on Asset Dispositions" (or Parent certifies in an Officers' Certificate to the Trustee that it will comply with the requirements of such covenant relating to application of the proceeds of such transaction).

Certain Definitions

Set forth below is a summary of certain of the defined terms used in the Indenture. Reference is made to the Indenture for the full definition of all such terms, as well as any other terms used herein for which no definition is provided.

"Accreted Value" of any Debt issued at a price less than the principal amount at stated maturity, means, as of any date of determination, an amount equal to the sum of (a) the issue price of such Debt as determined in accordance with Section 1273 of the Code or any successor provisions plus (b) the aggregate of the portions of the original issue discount (the excess of the amounts considered as part of the "stated redemption price at maturity" of such Debt within the meaning of Section 1273(a)(2) of the Code or any successor provisions, whether denominated as principal or interest, over the issue price of such Debt) that shall theretofore have accrued pursuant to Section 1272 of the Code (without regard to Section 1272(a)(7) of the Code) from the date of issue of such Debt to the date of determination, minus all amounts theretofore paid in respect of such Debt, which amounts are considered as part of the "stated redemption price at maturity" of such Debt within the meaning of Section 1273(a)(2) of the Code or any successor provisions (whether such amounts paid were denominated principal or interest).

"Acquired Debt" means, with respect to any specified Person, (i) Debt of any other Person existing at the time such Person merges with or into or consolidates with or becomes a Subsidiary of such specified Person and (ii) Debt secured by a Lien encumbering any Property acquired by such specified Person, which Debt was not incurred in anticipation of, and was outstanding prior to, such merger, consolidation or acquisition.

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For purposes of the covenants described under "— Certain Covenants — Transactions with Affiliates" and "— Limitation on Asset Dispositions" and the definition of "Telecommunications/IS Assets" only, "Affiliate" shall also mean any beneficial owner of shares representing 10% or more of the total voting power of the Voting Stock (on a fully diluted basis) of Parent or of rights or warrants to purchase such Voting Stock (whether or not currently exercisable) and any Person who would be an Affiliate of any such beneficial owner pursuant to the first sentence hereof.

"Asset Disposition" means any transfer, conveyance, sale, lease, issuance or other disposition by Parent or any Restricted Subsidiary in one or more related transactions (including a consolidation or merger or other sale of any such Restricted Subsidiary with, into or to another Person in a transaction in which such Restricted Subsidiary ceases to be a Restricted Subsidiary of Parent, but excluding a disposition by a Restricted Subsidiary to Parent or a Restricted Subsidiary or by Parent to a Restricted Subsidiary) of (i) shares of Capital Stock or other ownership interests of a Restricted Subsidiary (other than as permitted by clause (v), (vi), (vii) or (ix) of the covenant described under "— Certain Covenants — Limitation on Issuance and Sales of Capital Stock of Restricted Subsidiaries"), (ii) substantially all of the assets of Parent or any Restricted Subsidiary representing a division or line of business or (iii) other Property of Parent or any Restricted Subsidiary outside of the ordinary course of business (excluding any transfer, conveyance, sale, lease or other disposition of equipment that is obsolete or no longer used by or useful to Parent; *provided, however* , that Parent has delivered to the Trustee an Officers' Certificate stating that such criteria are satisfied); *provided* in each case that the aggregate consideration for such transfer, conveyance, sale, lease or other disposition is equal to $5 million or more in any 12-month period. The following shall not be Asset Dispositions: (i) Permitted Telecommunications Capital Asset Dispositions that comply with clause (i) of the first paragraph under "— Certain Covenants — Limitation on Asset Dispositions," (ii) when used with respect to Parent, any Asset Disposition permitted pursuant to "— Mergers, Consolidations and Certain Sales of Assets" which constitutes a disposition of all or substantially all of the assets of Parent and the Restricted Subsidiaries taken as a whole, (iii) Receivables sales constituting Debt under Qualified Receivable Facilities permitted to be Incurred pursuant to "— Certain Covenants — Limitation on Consolidated Debt" or "— Certain Covenants — Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" and (iv) any disposition that constitutes a Permitted Investment or a Restricted Payment permitted by the covenant described under "— Certain Covenants — Limitation on Restricted Payments."

"Attributable Value" means, as to any particular lease under which any Person is at the time liable other than a Capital Lease Obligation, and at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person under such lease during the remaining term thereof (including any period for which such lease has been extended) as determined in accordance with generally accepted accounting principles, discounted from the last date of such remaining term to the date of determination at a rate per annum equal to the discount rate which would be applicable to a Capital Lease Obligation with like term in accordance with generally accepted accounting principles. The net amount of rent required to be paid under any such lease for any such period shall be the aggregate amount of rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of insurance, taxes, assessments, utility, operating and labor costs and similar charges. In the case of any lease which is terminable by the lessee upon the payment of penalty, such net amount shall also include the lesser of the amount of such penalty (in which case no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) or the rent which would otherwise be required to be paid if such lease is not so terminated. "Attributable Value" means, as to a Capital Lease Obligation, the principal amount thereof.

"Capital Lease Obligation" of any Person means the obligation to pay rent or other payment amount under a lease of (or other Debt arrangements conveying the right to use) Property of such Person which is required to be classified and accounted for as a capital lease or a liability on the face of a balance sheet of such Person in accordance with generally accepted accounting principles (a "Capital Lease"). The stated maturity of such obligation shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. The principal amount of such obligation shall be the capitalized amount thereof that would appear on the face of a balance sheet of such Person in accordance with generally accepted accounting principles.

"Capital Stock" of any Person means any and all shares, interests, participations or other equivalents (however designated) of corporate stock or other equity participations, including partnership interests, whether general or limited, of such Person and any rights (other than debt securities convertible or exchangeable into an equity interest), warrants or options to acquire an equity interest in such Person.

"Cash Equivalents" means (i) Government Securities maturing, or subject to tender at the option of the holder thereof, within two years after the date of acquisition thereof, (ii) time deposits and certificates of deposit of any commercial bank organized in the United States having capital and surplus in excess of $500 million or a commercial bank organized under the law of any other country that is a member of the OECD having total assets in

excess of $500 million (or its foreign currency equivalent at the time) with a maturity date not more than one year from the date of acquisition, (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above entered into with (x) any bank meeting the qualifications specified in clause (ii) above or (y) any primary government securities dealer reporting to the Market Reports Division of the Federal Reserve Bank of New York, (iv) direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing, or subject to tender at the option of the holder thereof, within 90 days after the date of acquisition thereof; *provided, however* , that at the time of acquisition, the long-term debt of such state, political subdivision or public instrumentality has a rating of A (or higher) from S&P or A-2 (or higher) from Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, then an equivalent rating from such other nationally recognized rating service acceptable to the Trustee), (v) commercial paper issued by the parent corporation of any commercial bank organized in the United States having capital and surplus in excess of $500 million or a commercial bank organized under the laws of any other country that is a member of the OECD having total assets in excess of $500 million (or its foreign currency equivalent at the time), and commercial paper issued by others having one of the two highest ratings obtainable from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, then from such other nationally recognized rating service acceptable to the Trustee) and in each case maturing within one year after the date of acquisition, (vi) overnight bank deposits and bankers' acceptances at any commercial bank organized in the United States having capital and surplus in excess of $500 million or a commercial bank organized under the laws of any other country that is a member of the OECD having total assets in excess of $500 million (or its foreign currency equivalent at the time), (vii) deposits available for withdrawal on demand with a commercial bank organized in the United States having capital and surplus in excess of $500 million or a commercial bank organized under the laws of any other country that is a member of the OECD having total assets in excess of $500 million (or its foreign currency equivalent at the time) and (viii) investments in money market funds substantially all of whose assets comprise securities of the types described in clauses (i) through (vii).

"Change of Control" has the meaning set forth under "— Certain Covenants — Change of Control Triggering Event" above.

"Change of Control Triggering Event" has the meaning set forth under "— Certain Covenants — Change of Control Triggering Event" above.

"Common Stock" of any Person means Capital Stock of such Person that does not rank prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to shares of Capital Stock of any other class of such Person.

"Consolidated Capital Ratio" means as of the date of determination the ratio of (i) the aggregate amount of Debt of Parent and its Restricted Subsidiaries on a consolidated basis as at the date of determination to (ii) the sum of (a) $2.024 billion, (b) the aggregate net proceeds to Parent from the issuance or sale of any Capital Stock (including Preferred Stock) of Parent other than Disqualified Stock subsequent to the Measurement Date, (c) the aggregate net proceeds from the issuance or sale of Debt of Parent or any Restricted Subsidiary subsequent to the Measurement Date convertible or exchangeable into Capital Stock of Parent other than Disqualified Stock, in each case upon conversion or exchange thereof into Capital Stock of Parent subsequent to the Measurement Date and (d) the after-tax gain on the sale, subsequent to the Measurement Date, of Special Assets to the extent such Special Assets have been sold for cash, Cash Equivalents, Telecommunications/IS Assets or the assumption of Debt of Parent or any Restricted Subsidiary (other than Debt that is subordinated to the Notes or any applicable Note Guarantee or Offering Proceeds Note Guarantee) and release of Parent and all Restricted Subsidiaries from all liability on the Debt assumed; *provided, however* , that, for purposes of calculation of the Consolidated Capital Ratio, the net proceeds from the issuance or sale of Capital Stock or Debt described in clause (b) or (c) above shall not be included to the extent (x) such proceeds have been utilized to make a Permitted Investment under clause (i) of the definition thereof or a Restricted Payment or (y) such Capital Stock or Debt shall have been issued or sold to Parent, a Subsidiary of Parent or an employee stock ownership plan or trust established by Parent or any such Subsidiary for the benefit of their employees.

"Consolidated Cash Flow Available for Fixed Charges" for Parent and its Restricted Subsidiaries or for the Issuer and the Issuer Restricted Subsidiaries for any period means the Consolidated Net Income of Parent and its Restricted Subsidiaries or the Issuer and the Issuer Restricted Subsidiaries, as applicable, for such period increased

by the sum of, to the extent reducing such Consolidated Net Income for such period, (i) Consolidated Interest Expense of Parent and its Restricted Subsidiaries or the Issuer and the Issuer Restricted Subsidiaries, as applicable, for such period, plus (ii) Consolidated Income Tax Expense of Parent and its Restricted Subsidiaries or the Issuer and the Issuer Restricted Subsidiaries, as applicable, for such period, plus (iii) consolidated depreciation and amortization expense and any other non-cash items (other than any such non-cash item to the extent that it represents an accrual of or reserve for cash expenditures in any future period) for Parent and its Restricted Subsidiaries or the Issuer and the Issuer Restricted Subsidiaries, as applicable; *provided, however* , that there shall be excluded therefrom the Consolidated Cash Flow Available for Fixed Charges (if positive) of any Restricted Subsidiary or Issuer Restricted Subsidiary, as applicable (calculated separately for such Restricted Subsidiary or Issuer Restricted Subsidiary in the same manner as provided above for Parent or the Issuer, as applicable) that is subject to a restriction which prevents the payment of dividends or the making of distributions to Parent or another Restricted Subsidiary or to the Issuer or another Issuer Restricted Subsidiary, as applicable, to the extent of such restrictions.

"Consolidated Income Tax Expense" for Parent and its Restricted Subsidiaries or the Issuer and the Issuer Restricted Subsidiaries for any period means the aggregate amounts of the provisions for income taxes of Parent and its Restricted Subsidiaries or the Issuer and the Issuer Restricted Subsidiaries, as applicable, for such period calculated on a consolidated basis in accordance with generally accepted accounting principles.

"Consolidated Interest Expense" for Parent and its Restricted Subsidiaries or the Issuer and the Issuer Restricted Subsidiaries for any period means the interest expense included in a consolidated income statement (excluding interest income) of Parent and its Restricted Subsidiaries or the Issuer and the Issuer Restricted Subsidiaries, as applicable, for such period in accordance with generally accepted accounting principles, including without limitation or duplication (or, to the extent not so included, with the addition of), (i) the amortization of Debt discounts and issuance costs, including commitment fees; (ii) any payments or fees with respect to letters of credit, bankers' acceptances or similar facilities; (iii) net costs with respect to interest rate swap or similar agreements or foreign currency hedge, exchange or similar agreements (including fees); (iv) Preferred Stock Dividends (other than dividends paid in shares of Preferred Stock that is not Disqualified Stock) declared and paid or payable; (v) accrued Disqualified Stock Dividends, whether or not declared or paid; (vi) interest on Debt guaranteed by Parent and its Restricted Subsidiaries or the Issuer and the Issuer Restricted Subsidiaries, as applicable; (vii) the portion of any Capital Lease Obligation or Sale and Leaseback Transaction paid during such period that is allocable to interest expense; (viii) interest Incurred in connection with investments in discontinued operations; and (ix) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than Parent or a Restricted Subsidiary or the Issuer or an Issuer Restricted Subsidiary, as applicable) in connection with Debt Incurred by such plan or trust.

"Consolidated Net Income" for Parent and its Restricted Subsidiaries or the Issuer and the Issuer Restricted Subsidiaries for any period means the net income (or loss) of Parent and its Restricted Subsidiaries or the Issuer and the Issuer Restricted Subsidiaries, as applicable, for such period determined on a consolidated basis in accordance with generally accepted accounting principles; *provided, however* , that there shall be excluded therefrom (a) for purposes of the covenant described under "— Certain Covenants — Limitation on Restricted Payments" only, the net income (or loss) of any Person acquired by Parent or a Restricted Subsidiary or the Issuer or an Issuer Restricted Subsidiary, as applicable, in a pooling-of-interests transaction for any period prior to the date of such transaction, (b) the net income (or loss) of any Person that is not a Restricted Subsidiary or an Issuer Restricted Subsidiary, as applicable, except to the extent of the amount of dividends or other distributions actually paid to Parent or a Restricted Subsidiary or to the Issuer or an Issuer Restricted Subsidiary, as applicable, by such Person during such period (except, for purposes of the covenant described under "— Certain Covenants — Limitation on Restricted Payments" only, to the extent such dividends or distributions have been subtracted from the calculation of the amount of Investments to support the actual making of Investments), (c) gains or losses realized upon the sale or other disposition of any Property of Parent or its Restricted Subsidiaries or the Issuer or the Issuer Restricted Subsidiaries, as applicable, that is not sold or disposed of in the ordinary course of business (it being understood that Permitted Telecommunications Capital Asset Dispositions shall be considered to be in the ordinary course of business), (d) gains or losses realized upon the sale or other disposition of any Special Assets, (e) all extraordinary gains and extraordinary losses, determined in accordance with generally accepted accounting principles, (f) the cumulative effect of changes in accounting principles, (g) non-cash gains or losses resulting from fluctuations in currency exchange rates, (h) any non-cash expense related to the issuance to employees or directors of Parent or any

Restricted Subsidiary or the Issuer or any Issuer Restricted Subsidiary, as applicable, of (1) options to purchase Capital Stock of Parent or such Restricted Subsidiary or the Issuer or such Issuer Restricted Subsidiary, as applicable, or (2) other compensatory rights; *provided* , in either case, that such options or rights, by their terms can be redeemed at the option of the holder of such option or right only for Capital Stock, (i) with respect to a Restricted Subsidiary or an Issuer Restricted Subsidiary, as applicable, that is not a Wholly Owned Subsidiary any aggregate net income (or loss) in excess of Parent's or any Restricted Subsidiary's or the Issuer's or any Issuer Restricted Subsidiary's, as applicable, pro rata share of the net income (or loss) of such Restricted Subsidiary or Issuer Restricted Subsidiary, as applicable, that is not a Wholly Owned Subsidiary; *provided further* that there shall further be excluded therefrom the net income (but not net loss) of any Restricted Subsidiary or any Issuer Restricted Subsidiary, as applicable, that is subject to a restriction which prevents the payment of dividends or the making of distributions to Parent or another Restricted Subsidiary or to the Issuer or another Issuer Restricted Subsidiary, as applicable, to the extent of such restriction, and (j) if the period is the second, third or fourth fiscal quarter of 2003 or the first fiscal quarter of 2004, an aggregate of $293,686,650 for all such quarters (such amount relating to communications revenues recognized by Parent and its Subsidiaries in connection with the amendment in February 2003 of the 1998 Cost Sharing and IRU Agreement with XO Communications).

"Consolidated Net Worth" of any Person means the stockholders' equity of such Person, determined on a consolidated basis in accordance with generally accepted accounting principles, less amounts attributable to Disqualified Stock of such Person.

"Consolidated Tangible Assets" of any Person means the total amount of assets (less applicable reserves and other properly deductible items) which under generally accepted accounting principles would be included on a consolidated balance sheet of such Person and its Subsidiaries after deducting therefrom all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, which in each case under generally accepted accounting principles would be included on such consolidated balance sheet.

"Credit Facilities" means one or more credit agreements, loan agreements or similar facilities, secured or unsecured, providing for revolving credit loans, term loans and/or letters of credit, including any Qualified Receivable Facility, entered into from time to time by Parent and its Restricted Subsidiaries, or Purchase Money Debt, or Debt Incurred pursuant to Capital Lease Obligations, Sale and Leaseback Transactions, or senior secured note issuances, and including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, as the same may be amended, supplemented, modified, restated or replaced from time to time.

"Debt" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent, (i) every obligation of such Person for money borrowed, (ii) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of Property, (iii) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person, (iv) every obligation of such Person issued or assumed as the deferred purchase price of Property or services (including securities repurchase agreements but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business), (v) every Capital Lease Obligation of such Person and all Attributable Value in respect of Sale and Leaseback Transactions entered into by such Person, (vi) all obligations to redeem or repurchase Disqualified Stock issued by such Person, (vii) the liquidation preference of any Preferred Stock (other than Disqualified Stock, which is covered by the preceding clause (vi)) issued by any Restricted Subsidiary of such Person, (viii) every obligation under Interest Rate or Currency Protection Agreements of such Person and (ix) every obligation of the type referred to in clauses (i) through (viii) of another Person and all dividends of another Person the payment of which, in either case, such Person has Guaranteed. The "amount" or "principal amount" of Debt at any time of determination as used herein represented by (a) any Debt issued at a price that is less than the principal amount at maturity thereof, shall be, except as otherwise set forth herein, the Accreted Value of such Debt at such time or (b) in the case of any Receivables sale constituting Debt, the amount of the unrecovered purchase price (that is, the amount paid for Receivables that has not been actually recovered from the collection of such Receivables) paid by the purchaser (other than Parent or a Wholly Owned Restricted Subsidiary of Parent) thereof. The amount of Debt represented by an obligation under an Interest Rate or Currency Protection Agreement shall be equal to (x) zero if such obligation has been Incurred pursuant to clause (x) of paragraph (b) of the covenant described under "— Certain Covenants — Limitation on Consolidated Debt" or clause (viii) of paragraph (b) of the covenant described

under "— Certain Covenants — Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" or (y) the notional amount of such obligation if not Incurred pursuant to such clause.

"Default" means any event, act or condition the occurrence of which is, or after notice or the passage of time or both would be, an Event of Default.

"Disqualified Stock" of any Person means any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the final Stated Maturity of the Notes; *provided, however* , that any Preferred Stock which would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require Parent or the Issuer, respectively, to repurchase or redeem such Preferred Stock upon the occurrence of a change of control occurring prior to the final Stated Maturity of the Notes shall not constitute Disqualified Stock if the change of control provisions applicable to such Preferred Stock are no more favorable to the holders of such Preferred Stock than the provisions applicable to the Notes contained in the covenant described under "— Certain Covenants — Change of Control Triggering Event" and such Preferred Stock specifically provides that Parent or the Issuer, respectively, will not repurchase or redeem any such stock pursuant to such provisions prior to the Issuer's repurchase of such Notes as are required to be repurchased pursuant to the covenant described under "— Certain Covenants — Change of Control Triggering Event."

"Disqualified Stock Dividends" means all dividends with respect to Disqualified Stock of Parent held by Persons other than a Wholly Owned Restricted Subsidiary. The amount of any such dividend shall be equal to the quotient of such dividend divided by the difference between one and the maximum statutory federal income tax rate (expressed as a decimal number between 1 and 0) applicable to Parent for the period during which such dividends were paid.

"Domestic Restricted Subsidiary" means any Restricted Subsidiary other than (a) a Foreign Restricted Subsidiary or (b) a Subsidiary of a Foreign Restricted Subsidiary.

"Event of Default" has the meaning set forth under "— Events of Default" below.

"Exchange Act" means the Securities Exchange Act of 1934, as amended (or any successor act), and the rules and regulations thereunder (or respective successors thereto).

"Existing Notes" means Parent's 2 7/8% Convertible Senior Notes due 2010 in an aggregate principal amount not to exceed $373,750,000, 11% Senior Notes due 2008 in an aggregate principal amount not to exceed $800,000,000, 11¼% Senior Notes due 2010 in an aggregate principal amount not to exceed $250,000,000, 12 7/8% Senior Discount Notes due 2010 in an aggregate principal amount at maturity not to exceed $675,000,000, 10¾% Senior Notes due 2008 in an aggregate principal amount not to exceed €500,000,000, 11¼% Senior Notes due 2010 in an aggregate principal amount not to exceed €300,000,000, 9 1/8% Senior Notes due 2008 in an aggregate principal amount not to exceed $2,000,000,000, 10½% Senior Discount Notes due 2008 in an aggregate principal amount at maturity not to exceed $833,815,000, 6% Convertible Subordinated Notes due 2009 in an aggregate principal amount not to exceed $823,000,000 and 6% Convertible Subordinated Notes due 2010 in an aggregate principal amount not to exceed $862,500,000.

"Fair Market Value" means, with respect to any Property, the price that could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing buyer, neither of whom is under pressure or compulsion to complete the transaction. Unless otherwise specified in the Indenture, Fair Market Value shall be determined by the board of directors of Parent acting in good faith and shall be evidenced by a resolution of the board of directors of Parent (except in the case of the last paragraph under "— Certain Covenants — Limitation on Asset Dispositions") delivered to the Trustee.

"Foreign Restricted Subsidiary" means any Restricted Subsidiary that is not organized under the laws of the United States of America or any State thereof or the District of Columbia.

"Government Securities" means direct obligations of, or obligations fully and unconditionally guaranteed or insured by, the United States of America or any agency or instrumentality thereof for the payment of which obligations or guarantee the full faith and credit of the United States is pledged and which are not callable or redeemable at the issuer's option (unless, for purposes of the definition of "Cash Equivalents" only, the obligations are redeemable or callable at a price not less than the purchase price paid by Parent or the applicable Restricted Subsidiary, together with all accrued and unpaid interest (if any) on such Government Securities).

"Guarantee" by any Person means any obligation, direct or indirect, contingent or otherwise, of such Person guaranteeing, or having the economic effect of guaranteeing, any Debt of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Debt, including any such obligations arising by virtue of partnership arrangements or by agreements to keep-well, (ii) to purchase Property or services or to take-or-pay for the purpose of assuring the holder of such Debt of the payment of such Debt, (iii) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Debt or (iv) entered into for the purpose of assuring in any other manner the obligee against loss in respect thereof, in whole or in part (and "Guaranteed," "Guaranteeing" and "Guarantor" shall have meanings correlative to the foregoing); *provided, however* , that the Guarantee by any Person shall not include endorsements by such Person for collection or deposit, in either case, in the ordinary course of business.

"Guarantor" means (1) Parent and (2) any other Person that becomes a Guarantor pursuant to the covenants described under "— Certain Covenants—Limitation on Consolidated Debt," "— Certain Covenants — Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries," "— Mergers, Consolidations and Certain Sales of Assets" or any other provision of the Indenture.

"Incur" means, with respect to any Debt or other obligation of any Person, to create, issue, incur (by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Debt or other obligation including the recording, as required pursuant to generally accepted accounting principles or otherwise, of any such Debt or other obligation on the balance sheet of such Person (and "Incurrence," "Incurred," "Incurrable" and "Incurring" shall have meanings correlative to the foregoing); *provided, however* , that a change in generally accepted accounting principles that results in an obligation of such Person that exists at such time becoming Debt shall not be deemed an Incurrence of such Debt and that neither the accrual of interest nor the accretion of original issue discount shall be deemed an Incurrence of Debt. Debt otherwise incurred by a Person before it becomes a Subsidiary of Parent shall be deemed to have been Incurred at the time at which it becomes a Subsidiary.

"Interest Rate or Currency Protection Agreement" of any Person means any forward contract, futures contract, swap, option or other financial agreement or arrangement (including caps, floors, collars and similar agreements) relating to, or the value of which is dependent upon, interest rates or currency exchange rates or indices.

"Invested Capital" means the sum of (a) $500 million, (b) the aggregate net proceeds received by Parent from the issuance or sale of any Capital Stock, including Preferred Stock, of Parent but excluding Disqualified Stock, subsequent to the Measurement Date, and (c) the aggregate net proceeds from the issuance or sale of Debt of Parent or any Restricted Subsidiary subsequent to the Measurement Date convertible or exchangeable into Capital Stock of Parent other than Disqualified Stock, in each case upon conversion or exchange thereof into Capital Stock of Parent subsequent to the Measurement Date; *provided, however* , that the net proceeds from the issuance or sale of Capital Stock or Debt described in clause (b) or (c) shall be excluded from any computation of Invested Capital to the extent (i) utilized to make a Restricted Payment or (ii) such Capital Stock or Debt shall have been issued or sold to Parent, a Subsidiary of Parent or an employee stock ownership plan or trust established by Parent or any such Subsidiary for the benefit of their employees.

"Investment" by any Person means any direct or indirect loan, advance or other extension of credit or capital contribution (by means of transfers of cash or other Property to others or payments for Property or services for the account or use of others, or otherwise) to, purchase, redemption, retirement or acquisition of Capital Stock, bonds, notes, debentures or other securities or evidence of Debt issued by, or Incurrence of, or payment on, a Guarantee of any obligation of, any other Person; *provided, however* , that Investments shall exclude commercially reasonable extensions of trade credit. The amount, as of any date of determination, of any Investment shall be the original cost

of such Investment, plus the cost of all additions, as of such date, thereto and *minus* the amount, as of such date, of any portion of such Investment repaid to such Person in cash as a repayment of principal or a return of capital, as the case may be (except to the extent such repaid amount has been included in Consolidated Net Income of Parent and its Restricted Subsidiaries to support the actual making of Restricted Payments), but without any other adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment. In determining the amount of any Investment involving a transfer of any Property other than cash, such Property shall be valued at its Fair Market Value at the time of such transfer.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P.

"Issue Date" means the date on which the Original Notes are initially issued.

"Issue Date Purchase Money Debt" means Purchase Money Debt outstanding on the Issue Date; *provided, however* , that the amount of such Purchase Money Debt when Incurred did not exceed 100% of the cost of the construction, installation, acquisition, lease, development or improvement of the applicable Telecommunications/IS Assets.

"Issue Date Rating" means the respective ratings assigned to the Notes by the Rating Agencies on the Issue Date.

"Issuer Debt Ratio" means the ratio of (a) the aggregate consolidated principal amount (or, in the case of Debt issued at a discount, the then-Accreted Value) of Debt of the Issuer and the Issuer Restricted Subsidiaries (other than Debt owed to Parent or a Sister Restricted Subsidiary that is subordinated to the Offering Proceeds Note (if Level 3 LLC is the obligor on such Debt) or to an Offering Proceeds Note Guarantee of the obligor on such Debt), on a consolidated basis, outstanding as of the most recent available quarterly or annual balance sheet, after giving pro forma effect to the proposed Incurrence of Debt giving rise to such calculation and any other Debt Incurred or repaid since such balance sheet date and the receipt and application of the net proceeds thereof, to (b) the sum of, without duplication, (x) Consolidated Cash Flow Available for Fixed Charges of the Issuer and the Issuer Restricted Subsidiaries for the four full fiscal quarters next preceding such proposed Incurrence of Debt for which consolidated financial statements are available and (y) Consolidated Cash Flow Available for Fixed Charges of Parent and the Sister Restricted Subsidiaries to the extent attributable to Sister Restricted Subsidiaries that are Guarantors for such four full fiscal quarters.

"Issuer Restricted Subsidiaries" means the Subsidiaries of the Issuer that are Restricted Subsidiaries.

"Joint Venture" means a Person in which Parent or a Restricted Subsidiary holds not more than 50% of the shares of Voting Stock.

"Lien" means, with respect to any Property, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement (other than any easement not materially impairing usefulness), encumbrance, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such Property (including any Capital Lease Obligation, conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing and any Sale and Leaseback Transaction). For purposes of this definition the sale, lease, conveyance or other transfer by Parent or any of its Subsidiaries of, including the grant of indefeasible rights of use or equivalent arrangements with respect to, dark or lit communications fiber capacity or communications conduit shall not constitute a Lien. For the sake of clarity, subordination and setoff rights do not constitute Liens.

"Measurement Date" means April 28, 1998.

"Moody's" means Moody's Investors Service, Inc. or, if Moody's Investors Service, Inc. shall cease rating debt securities having a maturity at original issuance of at least one year and such ratings business shall have been transferred to a successor Person, such successor Person; *provided, however* , that if Moody's Investors Service, Inc. ceases rating debt securities having a maturity at original issuance of at least one year and its ratings business with

respect thereto shall not have been transferred to any successor Person, then "Moody's" shall mean any other national recognized rating agency (other than S&P) that rates debt securities having a maturity at original issuance of at least one year and that shall have been designated by the Trustee by a written notice given to the Issuer.

"Net Available Proceeds" from any Asset Disposition by any Person means cash or cash equivalents received (including amounts received by way of sale or discounting of any note, installment receivable or other receivable, but excluding any other consideration received in the form of assumption by the acquirer of Debt or other obligations relating to such Property) therefrom by such Person, net of (i) all legal, title and recording taxes, expenses and commissions and other fees and expenses (including appraisals, brokerage commissions and investment banking fees) Incurred and all federal, state, provincial, foreign and local taxes required to be accrued as a liability as a consequence of such Asset Disposition, (ii) all payments made by such Person or its Subsidiaries on any Debt which is secured by such Property in accordance with the terms of any Lien upon or with respect to such Property or which must by the terms of such Lien, or in order to obtain a necessary consent to such Asset Disposition or by applicable law, be repaid out of the proceeds from such Asset Disposition, (iii) all distributions and other payments required to be made to minority interest holders in Subsidiaries or Joint Ventures of such Person as a result of such Asset Disposition and (iv) appropriate amounts to be provided by such Person or any Subsidiary thereof, as the case may be, as a reserve in accordance with generally accepted accounting principles against any liabilities associated with such Property and retained by such Person or any Subsidiary thereof, as the case may be, after such Asset Disposition, including liabilities under any indemnification obligations and severance and other employee termination costs associated with such Asset Disposition, in each case as determined by the board of directors of such Person, in its reasonable good faith judgment evidenced by a resolution of the board of directors filed with the Trustee; *provided, however* , that any reduction in such reserve within twelve months following the consummation of such Asset Disposition will be, for all purposes of the Indenture and the Notes, treated as a new Asset Disposition at the time of such reduction with Net Available Proceeds equal to the amount of such reduction; provided further, however, that, in the event that any consideration for a transaction (which would otherwise constitute Net Available Proceeds) is required to be held in escrow pending determination of whether a purchase price adjustment will be made, at such time as such portion of the consideration is released to such Person or its Restricted Subsidiary from escrow, such portion shall be treated for all purposes of the Indenture and the Notes as a new Asset Disposition at the time of such release from escrow with Net Available Proceeds equal to the amount of such portion of consideration released from escrow.

"Non-Telecommunications Subsidiary" means any Issuer Restricted Subsidiary not engaged in any material respect in the Telecommunications/IS Business.

"Note Guarantee" means an unconditional Guarantee of the due and punctual payment of the principal of and premium, if any, and interest on the Notes, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and all other monetary obligations of the Issuer under the Indenture and the Notes, and the due and punctual performance of all covenants, agreements, obligations and liabilities of the Issuer under or pursuant to the Indenture and the Notes, including the Parent Guarantee.

"Offer to Purchase" means a written offer (the "Offer") sent by the Issuer by first-class mail, postage prepaid, to each holder of Notes at its address appearing in the Note Register on the date of the Offer offering to purchase up to the principal amount of Notes specified in such Offer at the purchase price specified in such Offer (as determined pursuant to the Indenture). Unless otherwise required by applicable law, the Offer shall specify an expiration date (the "Expiration Date") of the Offer to Purchase which shall be, subject to any contrary requirements of applicable law, not less than 30 days or more than 60 days after the date of such Offer and a settlement date (the "Purchase Date") for purchase of Notes within five Business Days after the Expiration Date. The Issuer shall notify the Trustee at least 15 Business Days (or such shorter period as is acceptable to the Trustee) prior to the mailing of the Offer of the obligation to make an Offer to Purchase, and the Offer shall be mailed by the Issuer or, at the Issuer's request, by the Trustee in the name and at the expense of the Issuer. The Offer shall contain information concerning the business of Parent and its Subsidiaries which the Issuer in good faith believes will enable such holders to make an informed decision with respect to the Offer to Purchase (which at a minimum will include (i) the most recent annual and quarterly financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the documents required to be filed with the Trustee pursuant to the Indenture (which requirements may be satisfied by delivery of such documents together with the Offer), (ii) a description of material developments in Parent's business subsequent to the date of the latest of such financial statements referred to in

clause (i) (including a description of the events requiring the Issuer to make the Offer to Purchase), (iii) if applicable, appropriate pro forma financial information concerning the Offer to Purchase and the events requiring the Issuer to make the Offer to Purchase and (iv) any other information required by applicable law to be included therein). The Offer shall contain all instructions and materials necessary to enable such holders to tender Notes pursuant to the Offer to Purchase. The Offer shall also state:

a. the Section of the Indenture pursuant to which the Offer to Purchase is being made;

b. the Expiration Date and the Purchase Date;

c. the aggregate principal amount of the outstanding Notes offered to be purchased by the Issuer pursuant to the Offer to Purchase (including, if less than 100%, the manner by which such has been determined pursuant to the section of the Indenture requiring the Offer to Purchase) (the "Purchase Amount");

d. the purchase price to be paid by the Issuer for $1,000 aggregate principal amount of Notes accepted for payment (as specified pursuant to the Indenture) (the "Purchase Price");

e. that the holder may tender all or any portion of the Notes registered in the name of such holder and that any portion of a Note tendered must be tendered in an integral multiple of $1,000 principal amount;

f. the place or places where Notes are to be surrendered for tender pursuant to the Offer to Purchase;

g. that any Notes not tendered or tendered but not purchased by the Issuer will continue to accrue interest;

h. that on the Purchase Date the Purchase Price will become due and payable upon each Note being accepted for payment pursuant to the Offer to Purchase and that interest thereon, if any, shall cease to accrue on and after the Purchase Date;

i. that each holder electing to tender a Note pursuant to the Offer to Purchase will be required to surrender such Note at the place or places specified in the Offer prior to the close of business on the Expiration Date (such Note being, if the Issuer or the Trustee so requires, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the holder thereof or his attorney duly authorized in writing);

j. that holders will be entitled to withdraw all or any portion of Notes tendered if the Issuer (or the Paying Agent) receives, not later than the close of business on the Expiration Date, a telegram, telex, facsimile transmission or letter setting forth the name of the holder, the principal amount of the Note the holder tendered, the certificate number of the Note the holder tendered and a statement that such holder is withdrawing all or a portion of his tender;

k. that (i) if Notes in an aggregate principal amount less than or equal to the Purchase Amount are duly tendered and not withdrawn pursuant to the Offer to Purchase, the Issuer shall purchase all such Notes and (ii) if Notes in an aggregate principal amount in excess of the Purchase Amount are tendered and not withdrawn pursuant to the Offer to Purchase, the Issuer shall purchase Notes having an aggregate principal amount equal to the Purchase Amount on a pro rata basis (with such adjustments as may be deemed appropriate so that only Notes in denominations of $1,000 or integral multiples thereof shall be purchased); and

l. that in the case of any holder whose Note is purchased only in part, the Issuer shall execute, and the Trustee shall authenticate and deliver to the holder of such Note without service charge, a new Note or Notes, of any authorized denomination as requested by such holder, in an aggregate principal amount equal to and in exchange for the unpurchased portion of the Note so tendered.

Any Offer to Purchase shall be governed by and effected in accordance with the Offer for such Offer to Purchase.

"Offering Proceeds Note Guarantee" means an unconditional Guarantee of the due and punctual payment of the principal of and premium, if any, and interest on the Offering Proceeds Note, when and as due, whether on demand, at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and all other monetary obligations of Level 3 LLC under the Offering Proceeds Note.

"Offering Proceeds Note Guarantor" means any Restricted Subsidiary that provides an Offering Proceeds Note Guarantee pursuant to the covenant described under "— Certain Covenants — Limitation on Consolidated Debt" and "— Certain Covenants — Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" or any other provision of the Indenture.

"Officers' Certificate" of any Person means a certificate signed by the Chairman of the board of directors of such Person, a Vice Chairman of the board of directors of such Person, the President or a Vice President, and by the Chief Financial Officer, the Chief Accounting Officer, the Treasurer, an Assistant Treasurer, the Controller, the Secretary or an Assistant Secretary of such Person and delivered to the Trustee, which shall comply with the Indenture.

"Opinion of Counsel" means an opinion of counsel acceptable to the Trustee (who may be counsel to Parent or the Issuer, including an employee of Parent or the Issuer).

"OECD" shall mean the Organization for Economic Cooperation and Development.

"Parent Guarantee" means the Note Guarantee of Parent.

"Permitted Holders" means the members of Parent's Board of Directors on the Measurement Date and their respective estates, spouses, ancestors, and lineal descendants, the legal representatives of any of the foregoing and the trustees of any bona fide trusts of which the foregoing are the sole beneficiaries or the grantors, or any Person of which the foregoing "beneficially owns" (as defined in Rule 13d-3 under the Exchange Act) at least 66 ^{2} /3% of the total voting power of the Voting Stock of such Person.

"Permitted Interest Rate or Currency Protection Agreement" of any Person means any Interest Rate or Currency Protection Agreement entered into with one or more financial institutions in the ordinary course of business that is designed to protect such Person against fluctuations in interest rates or currency exchange rates with respect to Debt Incurred and not for purposes of speculation and which, in the case of an interest rate agreement, shall have a notional amount no greater than the principal amount at maturity due with respect to the Debt being hedged thereby.

"Permitted Investments" means (a) Cash Equivalents; (b) investments in prepaid expenses; (c) negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits; (d) loans, advances or extensions of credit to employees and directors made in the ordinary course of business and consistent with past practice; (e) obligations under Permitted Interest Rate or Currency Protection Agreements; (f) bonds, notes, debentures and other securities received as a result of Asset Dispositions pursuant to and in compliance with "— Certain Covenants — Limitation on Asset Dispositions"; (g) Investments in any Person as a result of which such Person becomes a Restricted Subsidiary; (h) Investments made prior to the Measurement Date; (i) Investments made after the Measurement Date in Persons engaged in the Telecommunications/IS Business in an aggregate amount not to exceed Invested Capital; and (j) additional Investments in an aggregate amount not to exceed $200 million.

"Permitted Liens" means (a) Liens for taxes, assessments, governmental charges, levies or claims which are not yet delinquent or which are being contested in good faith by appropriate proceedings, if a reserve or other appropriate provision, if any, as shall be required in conformity with generally accepted accounting principles shall have been made therefor; (b) other Liens incidental to the conduct of Parent's and its Restricted Subsidiaries' businesses or the ownership of its Property not securing any Debt, and which do not in the aggregate materially detract from the value of Parent's and its Restricted Subsidiaries' Property when taken as a whole, or materially impair the use thereof in the operation of its business; (c) Liens, pledges and deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of statutory

obligations; (d) Liens, pledges or deposits made to secure the performance of tenders, bids, leases, public or statutory obligations, sureties, stays, appeals, indemnities, performance or other similar bonds and other obligations of like nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money, the obtaining of advances or credit or the payment of the deferred purchase price of Property and which do not in the aggregate materially impair the use of Property in the operation of the business of Parent and the Restricted Subsidiaries taken as a whole); (e) zoning restrictions, servitudes, easements, rights-of-way, restrictions and other similar charges or encumbrances incurred in the ordinary course of business which, in the aggregate, do not materially detract from the value of the Property subject thereto or materially interfere with the ordinary conduct of the business of Parent or its Restricted Subsidiaries; and (f) any interest or title of a lessor in the Property subject to any lease other than a Capital Lease.

"Permitted Telecommunications Capital Asset Disposition" means the transfer, conveyance, sale, lease or other disposition of optical fiber and/or conduit and any related equipment used in a Segment (as defined) of Parent's communications network that (i) constitute capital assets in accordance with generally accepted accounting principles and (ii) after giving effect to such disposition, would result in Parent retaining at least either (A) 24 optical fibers per route mile on such Segment as deployed at the time of such disposition or (B) 12 optical fibers and one empty conduit per route mile on such Segment as deployed at such time. "Segment" means (x) with respect to Parent's intercity network, the through-portion of such network between two local networks (i.e., Omaha to Denver) and (y) with respect to a local network of Parent (i.e., Dallas), the entire through-portion of such network, excluding the spurs which branch off the through-portion.

"Person" means any individual, corporation, company, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, government or agency or political subdivision thereof or any other entity.

"Preferred Stock" of any Person means Capital Stock of such Person of any class or classes (however designated) that ranks prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding-up of such Person, to shares of Capital Stock of any other class of such Person.

"Preferred Stock Dividends" means all dividends with respect to Preferred Stock of Restricted Subsidiaries held by Persons other than Parent or the Issuer or a Wholly Owned Restricted Subsidiary of Parent or the Issuer, respectively. The amount of any such dividend shall be equal to the quotient of such dividend divided by the difference between one and the maximum statutory federal income rate (expressed as a decimal number between 1 and 0) applicable to the issuer of such Preferred Stock for the period during which such dividends were paid.

"Property" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Capital Stock in, and other securities of, any other Person. For purposes of any calculation required pursuant to the Indenture, the value of any Property shall be its Fair Market Value.

"Proportionate Interest" in any issuance of Capital Stock of a Restricted Subsidiary means a ratio (i) the numerator of which is the aggregate amount of all Capital Stock of such Restricted Subsidiary beneficially owned by Parent and the Restricted Subsidiaries and (ii) the denominator of which is the aggregate amount of Capital Stock of such Restricted Subsidiary beneficially owned by all Persons (excluding, in the case of this clause (ii), any Investment made in connection with such issuance).

"Purchase Money Debt" means Debt (including Acquired Debt and Capital Lease Obligations, mortgage financings and purchase money obligations) incurred for the purpose of financing all or any part of the cost of construction, installation, acquisition, lease, development or improvement by Parent or any Restricted Subsidiary of any Telecommunications/IS Assets of Parent or any Restricted Subsidiary and including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, as the same may be amended, supplemented, modified or restated from time to time.

"Qualified Credit Facility" means one or more credit agreements, loan agreements, or similar facilities, secured or unsecured, providing for revolving credit loans, term loans and/or letters of credit, including any

Qualified Receivable Facility, entered into from time to time by Parent and its Restricted Subsidiaries, and including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, as the same may be amended, supplemented, modified, restated or replaced from time to time.

"Qualified Receivable Facility" means Debt of Parent or any Subsidiary Incurred from time to time pursuant to either (x) credit facilities secured by Receivables or (y) Receivables purchase facilities, and including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, as the same may be amended, supplemented, modified or restated from time to time.

"Rating Agencies" mean Moody's and S&P.

"Rating Date" means the earlier of the date of public notice of the occurrence of a Change of Control or of the intention of Parent to effect a Change of Control.

"Rating Decline" shall be deemed to have occurred if, no later than 90 days after the Rating Date (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies), either of the Rating Agencies assigns or reaffirms a rating to the Notes that is lower than the applicable Issue Date Rating (or the equivalent thereof). If, prior to the Rating Date, either of the ratings assigned to the Notes by the Rating Agencies is lower than the applicable Issue Date Rating, then a Rating Decline will be deemed to have occurred if such rating is not changed by the 90th day following the Rating Date. A downgrade within rating categories, as well as between rating categories, will be considered a Rating Decline. A "Rating Decline" also shall be deemed to have occurred if a Rating Decline (as defined in any indenture governing any of the Existing Notes) shall have occurred in respect of any of the Existing Notes.

"Receivables" means receivables, chattel paper, instruments, documents or intangibles evidencing or relating to the right to payment of money and proceeds and products thereof in each case generated in the ordinary course of business.

"Restricted Subsidiary" means (a) a Subsidiary of Parent or of a Restricted Subsidiary, including the Issuer, that has not been designated or classified as an Unrestricted Subsidiary pursuant to and in compliance with "—Certain Covenants — Limitation on Designations of Unrestricted Subsidiaries" and (b) an Unrestricted Subsidiary that is redesignated as a Restricted Subsidiary pursuant to such covenant.

"S&P" means Standard & Poor's Ratings Service or, if Standard & Poor's Ratings Service shall cease rating debt securities having a maturity at original issuance of at least one year and such ratings business shall have been transferred to a successor Person, such successor Person; *provided, however* , that if Standard & Poor's Ratings Service ceases rating debt securities having a maturity at original issuance of at least one year and its ratings business with respect thereto shall not have been transferred to any successor Person, then "S&P" shall mean any other nationally recognized rating agency (other than Moody's) that rates debt securities having a maturity at original issuance of at least one year and that shall have been designated by the Trustee by a written notice given to the Issuer.

"Sale and Leaseback Transaction" of any Person means any direct or indirect arrangement pursuant to which any Property is sold or transferred by such Person or a Restricted Subsidiary of such person and is thereafter leased back from the purchaser or transferee thereof by such Person or one of its Restricted Subsidiaries. The stated maturity of such arrangement shall be the date of the last payment of rent or any other amount due under such arrangement prior to the first date on which such arrangement may be terminated by the lessee without payment of a penalty.

"Significant Subsidiary" means any Subsidiary that would be a "Significant Subsidiary" of Parent within the meaning of Rule 1-02 under Regulation S-X promulgated by the Commission.

"Sister Restricted Subsidiary" means a Restricted Subsidiary that is not the Issuer or an Issuer Restricted Subsidiary.

"Special Assets" means (a) the Capital Stock or assets of RCN Corporation and Commonwealth Telephone Enterprises, Inc. (and any intermediate holding companies or other entities formed solely for the purpose of owning such Capital Stock or assets) owned, directly or indirectly, by Parent or any Restricted Subsidiary on the Measurement Date, and (b) any Property, other than cash, Cash Equivalents and Telecommunications/IS Assets, received as consideration for the disposition after the Measurement Date of Special Assets (as contemplated by the first proviso under "— Certain Covenants — Limitation on Asset Dispositions").

"Stated Maturity" when used with respect to a Note or any installment of interest thereon, means the date specified in such Note as the fixed date on which the principal of such Note or such installment of interest is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such Note at the option of the holder thereof upon the happening of any contingency beyond the control of the Issuer or such contingency has occurred).

"Subordinated Debt" means Debt of Parent (a) that is not secured by any Lien on or with respect to any Property now owned or acquired after the Measurement Date and (b) as to which the payment of principal of (and premium, if any) and interest and other payment obligations in respect of such Debt shall be subordinate to the prior payment in full in cash of the Parent Guarantee to at least the following extent: (i) no payments of principal of (or premium, if any) or interest on or otherwise due (including by acceleration or for additional amounts) in respect of, or repurchases, redemptions or other retirements of, such Debt (collectively, "payments of such Debt") may be permitted for so long as any default (after giving effect to any applicable grace periods) in the payment of principal (or premium, if any) or interest on the Notes exists, including as a result of acceleration; (ii) in the event that any other Default exists with respect to the Notes, upon notice by holders of 25% or more in aggregate principal amount of the Notes to the Trustee, the Trustee shall have the right to give notice to Parent and the holders of such Debt (or trustees or agents therefor) of a payment blockage, and thereafter no payments of such Debt may be made for a period of 179 days from the date of such notice; *provided, however* , that not more than one such payment blockage notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to the Notes during such period; (iii) if payment of such Debt is accelerated when any Notes are outstanding, no payments of such Debt may be made until three Business Days after the Trustee receives notice of such acceleration and, thereafter, such payments may only be made to the extent the terms of such Debt permit payment at that time; and (iv) such Debt may not (x) provide for payments of principal of such Debt at the stated maturity thereof or by way of a sinking fund applicable thereto or by way of any mandatory redemption, defeasance, retirement or repurchase thereof by Parent (including any redemption, retirement or repurchase which is contingent upon events or circumstances but excluding any retirement required by virtue of acceleration of such Debt upon an event of default thereunder), in each case prior to the final Stated Maturity of the Notes or (y) permit redemption or other retirement (including pursuant to an offer to purchase made by Parent) of such other Debt at the option of the holder thereof prior to the final Stated Maturity of the Notes, other than, in the case of clause (x) or (y), any such payment, redemption or other retirement (including pursuant to an offer to purchase made by Parent) which is conditioned upon (A) a change of control of Parent pursuant to provisions substantially similar to those described under "— Certain Covenants — Change of Control Triggering Event" (and which shall provide that such Debt will not be repurchased pursuant to such provisions prior to the Issuer's repurchase of the Notes required to be repurchased by the Issuer pursuant to the provisions described under "— Certain Covenants — Change of Control Triggering Event") or (B) a sale or other disposition of assets pursuant to provisions substantially similar to those described under "— Certain Covenants — Limitation on Asset Dispositions" (and which shall provide that such Debt will not be repurchased pursuant to such provisions prior to the Issuer's repurchase of the Notes required to be repurchased by the Issuer pursuant to the provision described under "— Certain Covenants — Limitation on Asset Dispositions").

"Subsidiary" of any Person means (i) a corporation more than 50% of the combined voting power of the outstanding Voting Stock of which is owned, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof or (ii) any other Person (other than a corporation) in which such Person, or one or more other Subsidiaries of such Person or such Person and one or more other Subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Telecommunications/IS Assets" means (a) any Property (other than cash, cash equivalents and securities) to be owned by Parent or any Restricted Subsidiary and used in the Telecommunications/IS Business; (b) for purposes

of the covenants described under "— Certain Covenants — Limitation on Consolidated Debt," "— Certain Covenants — Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries" and "— Certain Covenants — Limitation on Liens" only, Capital Stock of any Person; or (c) for all other purposes of the Indenture, Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by Parent or another Restricted Subsidiary from any Person other than an Affiliate of Parent; *provided, however* , that, in the case of clause (b) or (c), such Person is primarily engaged in the Telecommunications/IS Business.

"Telecommunications/IS Business" means the business of (i) transmitting, or providing services relating to the transmission of, voice, video or data through owned or leased transmission facilities, (ii) constructing, creating, developing or marketing communications networks, related network transmission equipment, software and other devices for use in a communications business, (iii) computer outsourcing, data center management, computer systems integration, reengineering of computer software for any purpose (including, without limitation, for the purposes of porting computer software from one operating environment or computer platform to another or to address issues commonly referred to as "Year 2000 issues") or (iv) evaluating, participating or pursuing any other activity or opportunity that is primarily related to those identified in (i), (ii) or (iii) above; *provided, however* , that the determination of what constitutes a Telecommunications/IS Business shall be made in good faith by the board of directors of Parent.

"Unrestricted Subsidiary" means (a) 91 Holding Corp. (the subsidiary that holds indirectly Parent's interests in the SR91 tollroad), Eldorado Funding LLC, SR 91 Holding LLC, SR91 Corp, SR LP, Express Lanes, Inc., California Private Transportation Company LP, CPTC LLC and 85 Tenth Avenue LLC; (b) any Subsidiary of an Unrestricted Subsidiary; and (c) any Subsidiary of Parent designated as such pursuant to and in compliance with "— Certain Covenants — Limitation on Designations of Unrestricted Subsidiaries" and not thereafter redesignated as a Restricted Subsidiary as permitted pursuant thereto. For the sake of clarity, actions taken by an Unrestricted Subsidiary will not be deemed to have been taken, directly or indirectly, by Parent or any Restricted Subsidiary.

"Voting Stock" of any Person means Capital Stock of such Person which ordinarily has voting power for the election of directors (or persons performing similar functions) of such Person, whether at all times or only for so long as no senior class of securities has such voting power by reason of any contingency.

"Wholly Owned Subsidiary" of any Person means a Subsidiary of such Person all of the outstanding Voting Stock or other ownership interests (other than directors' qualifying shares) of which shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

Events of Default

The following will be Events of Default under the Indenture: (a) failure to pay principal of (or premium, if any, on) any Note when due; (b) failure to pay any interest on any Note when due, continued for 30 days; (c) default in the payment of principal and interest on Notes required to be purchased pursuant to an Offer to Purchase as described under "— Certain Covenants — Change of Control Triggering Event" when due and payable; (d) failure to perform or comply with the provisions described under "— Mergers, Consolidations and Certain Sales of Assets" and "— Certain Covenants — Limitation on Asset Dispositions;" (e) failure to perform any other covenant or agreement of Parent, the Issuer or any Restricted Subsidiary under the Indenture or the Notes continued for 60 days after written notice to the Issuer by the Trustee or holders of at least 25% in aggregate principal amount of the outstanding Notes; (f) default under the terms of any instrument evidencing or securing Debt of Parent or any Restricted Subsidiary having an outstanding principal amount of not less than $25 million or its foreign currency equivalent at the time individually or in the aggregate which default results in the acceleration of the payment of such indebtedness or constitutes the failure to pay such indebtedness when due (after expiration of any applicable grace period); (g) the rendering of a judgment or judgments against Parent or any Restricted Subsidiary in an aggregate amount in excess of $25 million or its foreign currency equivalent at the time and shall not be waived, satisfied or discharged for any period of 45 consecutive days during which a stay of enforcement shall not be in effect; (h) any Note Guarantee ceases to be in full force and effect (other than in accordance with the terms of such Note Guarantee) or any Guarantor denies or disaffirms its obligations under its Note Guarantee; and (i) certain events of bankruptcy, insolvency or reorganization affecting Parent, the Issuer or any Significant Subsidiary. Subject to the provisions of the Indenture relating to the duties of the Trustee in case an Event of Default shall occur and be

continuing, the Trustee will not be under any obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders of Notes, unless such holders shall have offered to the Trustee reasonable indemnity. Subject to such provisions for the indemnification of the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

If any Event of Default (other than an Event of Default described in clause (i) above with respect to Parent or the Issuer) shall occur and be continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Notes may accelerate the maturity of all Notes; *provided, however* , that after such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of the outstanding Notes may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the non-payment of accelerated principal, have been cured or waived as provided in the Indenture. If an Event of Default specified in clause (i) above occurs with respect to Parent or the Issuer, the outstanding Notes will *ipso facto* become immediately due and payable without any declaration or other act on the part of the Trustee or any holder. For information as to waiver of defaults, see "— Amendment, Supplement and Waiver."

No holder of any Note will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless such holder shall have previously given to the Trustee written notice of a continuing Event of Default and unless also the holders of at least 25% in aggregate principal amount of the outstanding Notes shall have made written request and offered reasonable indemnity to the Trustee to institute such proceeding as trustee, and the Trustee shall not have received from the holders of a majority in aggregate principal amount of the outstanding Notes a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. However, such limitations do not apply to a suit instituted by a holder of a Note for enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note.

The Issuer shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event which with the giving of notice and the lapse of time would become an Event of Default, its status and what action the Issuer is taking or proposes to take with respect thereto. Parent and the Issuer also will be required to deliver to the Trustee annually a statement as to the performance by Parent and the Issuer of certain of their obligations under the Indenture and as to any default in such performance.

Amendment, Supplement and Waiver

The Issuer, the Guarantors and the Trustee may, at any time and from time to time, without notice to or consent of any holders of Notes, enter into one or more indentures supplemental to the Indenture (1) to evidence the succession of another Person to the Issuer, Parent or any other Guarantor and the assumption by such successor of the covenants of the Issuer, Parent or such other Guarantor, respectively, in the Indenture, the Notes and the applicable Note Guarantee; (2) to add to the covenants of Parent, the Issuer or any of their respective Subsidiaries, for the benefit of the holders, or to surrender any right or power conferred upon Parent, the Issuer or any other Guarantor by the Indenture; (3) to add any additional Events of Defaults; (4) to provide for uncertificated Notes in addition to or in place of certificated Notes; (5) to evidence and provide for the acceptance of appointment under the Indenture of a successor Trustee; (6) to secure the Notes; (7) to comply with the Trust Indenture Act or the Securities Act (including Regulation S promulgated thereunder); (8) to add additional Note Guarantees or to release any Guarantors from Note Guarantees as provided by the terms of the Indenture; or (9) to cure any ambiguity in the Indenture, to correct or supplement any provision in the Indenture which may be inconsistent with any other provision therein or to add any other provision with respect to matters or questions arising under the Indenture; *provided* such actions shall not adversely affect the interests of the holders in any material respect. The Issuer, a Guarantor and the Trustee may, at any time and from time to time, without notice to or consent of any holders of Notes, enter into one or more indentures supplemental to the Indenture, or amend one or more indentures supplemental to the Indenture, in each case as set forth in the fourth paragraph under the heading "— Note Guarantees."

With the consent of the holders of not less than a majority in principal amount of the outstanding Notes, the Issuer, the Guarantors and the Trustee may enter into one or more indentures supplemental to the Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or modifying in any manner the rights of the holders; *provided, however* , that no such supplemental indenture shall, without the consent of the holder of each outstanding Note (1) change the Stated Maturity of the principal of, or any installment of interest on, any Note, or reduce the principal amount thereof or the interest thereon that would be due and payable upon the Stated Maturity thereof, or change the place of payment where, or the coin or currency in which, any Note or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof; (2) reduce the percentage in principal amount of the outstanding Notes, the consent of whose holders is necessary for any such supplemental Indenture or required for any waiver of compliance with certain provisions of the Indenture or certain Defaults thereunder; (3) subordinate in right of payment, or otherwise subordinate, the Notes or any Note Guarantee to any other Debt (other than as set forth in the fourth paragraph under the heading "— Note Guarantees"); (4) except as otherwise required by the Indenture, release any security interest that may have been granted in favor of the holders of the Notes; (5) reduce the premium payable upon the redemption of any Note nor change the time at which any Note may be redeemed, as described under "— Optional Redemption"; (6) reduce the premium payable upon a Change of Control Triggering Event or, at any time after a Change of Control Triggering Event has occurred, change the time at which the Offer to Purchase relating thereto must be made or at which the Notes must be repurchased pursuant to such Offer to Purchase; (7) at any time after the Issuer is obligated to make an Offer to Purchase with the Net Available Proceeds from Asset Dispositions, change the time at which such Offer to Purchase must be made or at which the Notes must be repurchased pursuant thereto; (8) make any change in any Note Guarantee that would adversely affect the holders of the Notes (other than as set forth in the fourth paragraph under the heading "— Note Guarantees"); or (9) modify any provision of this paragraph (except to increase any percentage set forth herein); and *provided further, however* , that without the consent of at least two-thirds in principal amount of the outstanding Notes, no such supplemental indenture shall amend the covenant described under "— Certain Covenants —Limitations on Actions with respect to Existing Intercompany Obligations."

The holders of not less than a majority in principal amount of the outstanding Notes may, on behalf of the holders of all the Notes, waive any past Default under the Indenture and its consequences, except Default (1) in the payment of the principal of (or premium, if any) or interest on any Note, (2) in respect of a covenant or provision hereof which under the first proviso to the prior paragraph cannot be modified or amended without the consent of the holder of each outstanding Note affected, or (3) in respect of the covenant which under the second proviso to the prior paragraph cannot be modified or amended without the consent of at least two-thirds in principal amount of the outstanding Notes.

Satisfaction and Discharge of the Indenture, Defeasance

The Issuer and the Guarantors may terminate their obligations under the Indenture when (i) either (A) all outstanding Notes have been delivered to the Trustee for cancellation or (B) all such Notes not theretofore delivered to the Trustee for cancellation have become due and payable, will become due and payable within one year or are to be called for redemption within one year under irrevocable arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name and at the expense of the Issuer, and the Issuer has irrevocably deposited or caused to deposited with the Trustee funds in an amount sufficient to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of (or premium, if any, on), and interest on, the Notes; (ii) the Issuer has paid or caused to be paid all other sums payable by the Issuer under the Indenture; and (iii) the Issuer has delivered an Officers' Certificate and an Opinion of Counsel relating to compliance with the conditions set forth in the Indenture.

The Issuer, at its election, shall (a) be deemed to have paid and discharged its debt on the Notes and the Indenture shall cease to be of further effect as to all outstanding Notes (except as to (i) rights of registration of transfer, substitution and exchange of Notes and the Issuer's right of optional redemption, (ii) rights of holders to receive payment of principal of, premium, if any, and interest on such Notes (but not the Purchase Price referred to under "— Certain Covenants — Change of Control Triggering Event" or under "— Certain Covenants — Limitation on Asset Dispositions") and any rights of the holders with respect to such amount, (iii) the rights, obligations and immunities of the Trustee under the Indenture and (iv) certain other specified provisions in the Indenture) or (b) cease to be under any obligation to comply with certain restrictive covenants, including those

described under "— Certain Covenants," and terminate the operation of certain Events of Default, after the irrevocable deposit by the Issuer with the Trustee, in trust for the benefit of the holders of Notes, at any time prior to the maturity of the Notes, of (A) money in an amount, (B) Government Securities which through the payment of interest and principal will provide, not later than one day before the due date of payment in respect of the Notes, money in an amount, or (C) a combination thereof, sufficient to pay and discharge the principal of (premium, if any, on), and interest on, the Notes then outstanding on the dates on which any such payments are due in accordance with the terms of the Indenture and of the Notes. Such defeasance or covenant defeasance shall be deemed to occur only if certain conditions are satisfied, including among other things, delivery by the Issuer to the Trustee of an Opinion of Counsel acceptable to the Trustee to the effect that (i) such deposit, defeasance and discharge will not be deemed, or result in, a taxable event for federal income tax purposes with respect to the holders; and (ii) the Issuer's deposit will not result in the trust relating thereto or the Trustee being subject to regulation under the Investment Company Act of 1940.

Governing Law

The Indenture, the Notes and the Note Guarantees are governed by the laws of the State of New York, without reference to principles of conflicts of law.

The Trustee

The Bank of New York is the Trustee under the Indenture. The address of the Trustee is 101 Barclay Street, Floor 8 West, New York, New York 10286.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or the Guarantors, as such, shall have any liability for any obligations of the Issuer or the Guarantors, respectively, under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation, solely by reason of its status as director, officer, employee, incorporator or stockholder of such Person. By accepting a Note each holder waives and releases all such liability (but only such liability). The waiver and release are part of the consideration for issuance of the Notes. Nevertheless, such waiver may not be effective to waive liabilities under the federal securities laws and it has been the view of the Commission that such a waiver is against public policy.

Transfer and Exchange

A holder may transfer or exchange Notes in accordance with the Indenture. The Issuer, the Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a holder to pay any taxes and fees required by law or permitted by the Indenture.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of certain U.S. federal income tax considerations relevant to participants in the exchange offer and relating to the acquisition, ownership and disposition of the new notes. This discussion is based upon the Internal Revenue Code of 1986 (the "Code"), Treasury Regulations, Internal Revenue Service ("IRS") rulings, and judicial decisions now in effect, all of which are subject to change (possibly with retroactive effect) or different interpretations.

The following discussion is a summary of the material U.S. federal income tax consequences relevant to participants in the exchange offer and relating to the purchase, ownership and disposition of the notes, and does not purport to be a complete analysis of all potential tax effects. This discussion does not address all the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances or to holders subject to special rules, such as financial institutions, banks, partnerships and other pass-through entities, U.S. expatriates, controlled foreign corporations, passive foreign investment companies, insurance companies, dealers in securities or currencies, traders in securities, U.S. Holders (defined below) whose functional currency is not the U.S. dollar, tax-exempt organizations and persons holding the notes as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction. In addition, this discussion is limited to persons exchanging original notes purchased for cash. Moreover, the effect of any applicable state, local or foreign tax laws is not discussed.

The discussion deals only with notes held as "capital assets" within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"). The discussion is based on the provisions of the Code, U.S. Treasury regulations promulgated thereunder, published rulings and procedures of the Internal Revenue Service (the "IRS") and judicial decisions, all as in effect on the date of this offering circular and all of which are subject to change at any time. Any such change may be applied retroactively in a manner that could adversely affect a holder of the notes.

Neither the Issuer nor Parent has sought, nor will either of them seek, any rulings from the IRS with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the notes or that any such position would not be sustained.

Holders of original notes are urged to consult their own tax advisors regarding the federal, state, local and foreign tax consequences of their participation in the exchange offer and their acquisition, ownership and disposition of the new notes and the effect that their particular circumstances may have on such tax consequences.

U.S. Holders

As used herein, "U.S. Holder" means a beneficial owner of a note who or that is for U.S. federal income tax purposes:

- an individual that is a citizen or resident of the United States;
- a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or a political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source;
- a trust, if a U.S. court can exercise primary supervision over the administration of the trust and one or more U.S. persons can control all substantial trust decisions, or, if the trust was in existence on August 20, 1996, and has elected to continue to be treated as a U.S. person; or
- a person whose worldwide income or gain is otherwise subject to U.S. federal income tax on a net income basis.

Exchange Offer

The exchange of original notes for new notes pursuant to the exchange offer will not constitute a taxable event for U.S. federal income tax purposes. As a result:

- a U.S. Holder of original notes will not recognize taxable gain or loss as a result of the exchange of original notes for new notes pursuant to the exchange offer;
- the holding period of the new notes will include the holding period of the original notes surrendered in exchange therefor; and
- a U.S. Holder's adjusted tax basis in the new notes will be the same as such U.S. Holder's adjusted tax basis in the original notes surrendered in exchange therefor.

Interest

A U.S. Holder must generally include stated interest on a note as ordinary income at the time such interest is received or accrued in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes.

Sale or Other Taxable Disposition of the Notes

A U.S. Holder will generally recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a note equal to the difference between the amount realized upon the disposition and the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note generally will be the U.S. Holder's cost therefor. Such recognized gain or loss generally will be capital gain or loss, and if the U.S. Holder is an individual that has held the note for more than one year, such capital gain will generally be subject to tax at long-term capital gain rates (currently at a maximum rate of 15% but scheduled to increase to 20% for any taxable year beginning on or after January 1, 2009). A U.S. Holder's ability to deduct capital losses may be limited.

Notwithstanding the foregoing, any amounts realized in connection with any sale, exchange, redemption, retirement or other taxable disposition to the extent attributable to accrued interest not previously included in income will be treated as ordinary interest income.

Contingent Payments

In certain circumstances, the Issuer may be obligated to pay you amounts in excess of the stated interest and principal payable on the notes. The Issuer's obligation to make payments of additional interest upon a registration default, as well as certain payments upon a change of control or certain redemptions, may implicate the provisions of Treasury regulations relating to "contingent payment debt instruments." The Issuer intends to take the position that the notes should not be treated as contingent payment debt instruments because of these payments. Assuming such position is respected, a U.S. Holder would be required to include in income the amount of any such payments at the time such payments are received or accrued in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes. If the IRS successfully challenged this position, and the notes were treated as contingent payment debt instruments because of such payments, U.S. Holders might, among other things, be

required to accrue interest income at higher rates than the stated interest rates on the notes and to treat any gain recognized on the sale or other disposition of a note as ordinary income (currently subject to tax at the maximum rate of 35% for individuals) rather than as capital gain, which may be subject to tax at long-term capital gain rates (currently at a maximum rate of 15% for individuals but scheduled to increase to 20% for any taxable year beginning on or after January 1, 2009) if the U.S. Holder has held the note for more than one year. The regulations applicable to contingent payment debt instruments have not been the subject of authoritative interpretation and therefore the scope of the regulations is not certain. Purchasers of notes are urged to consult their tax advisors regarding the possible application of the contingent payment debt instrument rules to the notes.

Information Reporting and Backup Withholding

A U.S. Holder may be subject to a backup withholding tax (currently at a rate of 28%) when such holder receives "reportable payments," including interest and principal payments on the notes or proceeds upon the sale or other disposition of such notes. Certain holders (including, among others, corporations and certain tax-exempt organizations) are generally not subject to backup withholding. A U.S. Holder will be subject to backup withholding tax if such holder is not otherwise exempt and such holder:

- fails to furnish the Issuer or its paying agent with its taxpayer identification number, or TIN, which, for an individual, is ordinarily his or her social security number;
- furnishes an incorrect TIN and the Issuer or its paying agent have received notice from the IRS of such incorrect TIN;
- has failed to properly report payments of interest or dividends to the IRS and the Issuer or its paying agent have received notice from the IRS of such failure; or
- fails to certify, under penalties of perjury, that it has furnished the Issuer a correct TIN and that the IRS has not notified the U.S. Holder that it is subject to backup withholding.

U.S. Holders should consult their personal tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption, if applicable. The backup withholding tax is not an additional tax and taxpayers may use amounts withheld as a credit against their U.S. federal income tax liability or may claim a refund as long as they timely provide certain information to the IRS.

The Issuer, or its paying agent, generally will report to a U.S. Holder of notes and to the IRS the amount of any reportable payments made in respect of the notes for each calendar year and the amount of tax withheld, if any, with respect to such payments.

Non-U.S. Holders

The following discussion is limited to the U.S. federal income tax consequences relevant to a beneficial owner of a note that is not a U.S. Holder (a "Non-U.S. Holder").

Interest

Subject to the discussion of backup withholding below, interest paid to a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax, provided that:

- such holder does not directly or indirectly, actually or constructively, own 10% or more of the total combined voting power of all classes of the Issuer's stock entitled to vote;
- such holder is not a controlled foreign corporation that is related to the Issuer directly or constructively through stock ownership;

- such holder is not a bank receiving interest on a loan entered into in the ordinary course of its trade or business;
- such interest is not effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States; and
- the Issuer, or its paying agent, receive appropriate documentation establishing that the Non-U.S. Holder is not a U.S. person.

A Non-U.S. Holder that does not qualify for exemption from withholding under the preceding paragraph generally will be subject to withholding of U.S. federal income tax at a 30% rate (or lower applicable treaty rate) on payments of interest on the notes.

If interest on the notes is effectively connected with the conduct by a Non-U.S. Holder of a trade or business within the United States, such interest will be subject to U.S. federal income tax on a net income basis at the rate applicable to U.S. persons generally (and, with respect to corporate holders, may also be subject to a 30% branch profits tax). If interest is subject to U.S. federal income tax on a net income basis in accordance with these rules, such payments will not be subject to U.S. withholding tax so long as the Non-U.S. Holder provides the Issuer or its paying agent with the appropriate documentation.

Sale or Other Taxable Disposition of the Notes

Subject to the discussion of backup withholding below, any gain realized by a Non-U.S. Holder on the sale, exchange or redemption of a note generally will not be subject to U.S. federal income tax, unless:

- such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States;
- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are satisfied; or
- the Non-U.S. Holder is subject to tax pursuant to the provisions of U.S. federal income tax law applicable to certain expatriates.

Information Reporting and Backup Withholding

Backup withholding and information reporting generally will not apply to interest payments made to a Non-U.S. Holder in respect of the notes if such Non-U.S. Holder furnishes the Issuer or its paying agent with appropriate documentation of such holder's non-U.S. status. The payment of the proceeds from a Non-U.S. Holder's disposition of notes by or through the U.S. office of any broker, domestic or foreign, will be subject to information reporting and possible backup withholding unless such holder certifies as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption, provided that the broker does not have actual knowledge or reason to know that such holder is a U.S. person or that the conditions of an exemption are not, in fact, satisfied. The payment of the proceeds from a Non-U.S. Holder's disposition of a note by or through a non-U.S. office of either a U.S. broker or a non-U.S. broker that is a "U.S.-related person" as defined below, will be subject to information reporting, but not backup withholding, unless such broker has documentary evidence in its files that such Non-U.S. Holder is not a U.S. person and the broker has no knowledge to the contrary, or the Non-U.S. Holder establishes an exemption. For this purpose, a "U.S.-related person" is:

- a controlled foreign corporation for U.S. federal income tax purposes;
- a foreign person 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding payment (or for such part of the period that the broker has been in existence) is derived from activities that are effectively connected with the conduct of a U.S. trade or business; or

- a foreign partnership that is either engaged in the conduct of a trade or business in the U.S. or of which 50% or more of its income or capital interests are held by U.S. persons.

Neither information reporting nor backup withholding will apply to a payment of the proceeds of a Non-U.S. Holder's disposition of notes by or through a non-U.S. office of a non-U.S. broker that is not a U.S.-related person. Copies of any information returns filed with the IRS may be made available by the IRS, under the provisions of a specific treaty or agreement, to the taxing authorities of the country in which the Non-U.S. Holder resides.

Non-U.S. Holders should consult their own tax advisors regarding the application of withholding and backup withholding in their particular circumstances and the availability of and procedure for obtaining an exemption from withholding and backup withholding under current Treasury regulations. In this regard, the current Treasury Regulations provide that a certification may not be relied on if the Issuer or its paying agent knows or has reason to know that the certification may be false.

Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability or may entitle the holder to a refund, provided the required information is timely furnished to the IRS.

PLAN OF DISTRIBUTION

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for original notes where such original notes were acquired as a result of market-making activities or other trading activities. Each of the Issuer and Parent has agreed that, starting on the expiration date and ending on the close of business on the day that is 180 days following the expiration date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until , 2005, all dealers effecting transactions in the new notes may be required to deliver a prospectus.

None of the Issuer, Parent or Level 3 LLC will receive any proceeds from any sale of new notes by broker-dealers. New notes received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the new notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer and/or the purchasers of any such new notes. Any broker-dealer that resells new notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such new notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit of any such resale of new notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the expiration date, the Issuer and Parent will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Issuer and Parent have agreed to pay all expenses incident to the exchange offer (other than the expenses of counsel for the holders of the original notes) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the original notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Certain legal matters with respect to the legality of the new notes and related guarantees offered hereby will be passed upon for the Issuer by Willkie Farr & Gallagher LLP, New York, New York.

EXPERTS

The consolidated financial statements of Level 3 Communications, Inc. and subsidiaries as of December 31, 2004 and 2003, and for each of the years in the three-year period ended December 31, 2004, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2004, have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. The audit report covering the December 31, 2004 financial statements refers to a change in accounting for goodwill and other intangible assets in 2002 and for asset retirement obligations in 2003.

WHERE YOU CAN FIND MORE INFORMATION

Parent files annual, quarterly and current reports, proxy statements and other information with the SEC. Parent has also filed with the SEC a registration statement on Form S-4 to register the new notes being offered in this prospectus. This prospectus, which forms part of the registration statement, does not contain all of the information included in the registration statement. For further information about Level 3 and the new notes offered in this prospectus, you should refer to the registration statement and its exhibits. Parent's SEC filings are available to the public over the Internet at the SEC's web site at http://www.sec.gov. You may also read and copy any document Parent files at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. These documents are also available at the public reference rooms at the SEC's regional offices in New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available at the offices of The Nasdaq National Market, in Washington, D.C.

INCORPORATION OF DOCUMENTS BY REFERENCE

Information that Parent files with the SEC is incorporated by reference in this prospectus. This means that important information can be disclosed to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that is later filed with the SEC will automatically update and supersede this information. The documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 prior to the termination of this exchange offer are incorporated herein by reference.

- Annual Report on Form 10-K for the fiscal year ended December 31, 2004; and
- Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2005; and
- Current reports on Forms 8-K, filed on January 13, 2005, February 22, 2005, February 24, 2005, February 25, 2005, April 8, 2005, May 13, 2005, May 18, 2005, May 23, 2005 and May 27, 2005.

You may request a copy of these filings at no cost, by writing or telephoning us at the following address:

Senior Vice President, Investor Relations
Level 3 Communications, Inc.
1025 Eldorado Blvd.
Broomfield, CO 80021
(720) 888-2500

No separate financial statements of the Issuer or Level 3 LLC have been included herein. It is not expected that the Issuer or Level 3 LLC will file reports, proxy statements or other information under the Exchange Act with the Commission. However, Parent does provide condensed consolidating financial information in its quarterly and annual periodic filings with the Securities and Exchange Commission pursuant to SEC Regulation S-X Rule 3-10 "Financial statements of guarantors and affiliates whose securities collateralize an issue registered or being registered."

You should rely only on the information incorporated by reference or provided in this prospectus. No one else has been authorized to provide you with different information. The Issuer is not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of those documents.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers.

Level 3 Financing, Inc.

Section 145 of the Delaware General Corporation Law (the "DGCL") empowers a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. A corporation may, in advance of the final action of any civil, criminal, administrative or investigative action, suit or proceeding, pay the expenses (including attorneys' fees) incurred by any officer, director, employee or agent in defending such action, provided that the director or officer undertakes to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. A corporation may indemnify such person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

A Delaware corporation may indemnify officers and directors in an action by or in the right of the corporation to procure a judgment in its favor under the same conditions, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses (including attorneys' fees) which he or she actually and reasonably incurred in connection therewith. The indemnification provided is not deemed to be exclusive of any other rights to which an officer or director may be entitled under any corporation's by-law, agreement, vote or otherwise.

In accordance with Section 145 of the DGCL, Article Seventh of the Amended and Restated Certificate of Incorporation (the "Issuer Certificate") of Level 3 Financing, Inc. (the "Issuer") and the Issuer's By-Laws (the "Issuer By-Laws") provide that the Issuer shall indemnify each person who is or was a director, officer or employee of the Issuer (including the heirs, executors, administrators or estate of such person) to the fullest extent permitted under subsections 145(a), (b), and (c) of the DGCL or any successor statute. The indemnification provided by the Issuer Certificate shall not be deemed exclusive of any other rights to which any of those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or otherwise, as to action in his or her official capacity, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such a person. The Issuer Certificate further provides that a director of the Issuer shall not be personally liable to the Issuer or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Issuer or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Issuer shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

Officers and directors of Level 3 Communications, LLC are covered under the same liability insurance policies described under "—Level 3 Communications, Inc." below.

Level 3 Communications, Inc.

Section 145 of the DGCL empowers a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil,

criminal, administrative or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. A corporation may, in advance of the final action of any civil, criminal, administrative or investigative action, suit or proceeding, pay the expenses (including attorneys' fees) incurred by any officer, director, employee or agent in defending such action, provided that the director or officer undertakes to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. A corporation may indemnify such person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

A Delaware corporation may indemnify officers and directors in an action by or in the right of the corporation to procure a judgment in its favor under the same conditions, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses (including attorneys' fees) which he or she actually and reasonably incurred in connection therewith. The indemnification provided is not deemed to be exclusive of any other rights to which an officer or director may be entitled under any corporation's by-law, agreement, vote or otherwise.

In accordance with Section 145 of the DGCL, Article XI of the Restated Certificate of Incorporation (the "Certificate") of Level 3 Communications, Inc. ("Parent") and Parent's By-Laws (the "By-Laws") provide that Parent shall indemnify each person who is or was a director, officer or employee of Parent (including the heirs, executors, administrators or estate of such person) or is or was serving at the request of Parent as director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise, to the fullest extent permitted under subsections 145(a), (b), and (c) of the DGCL or any successor statute. The indemnification provided by the Certificate and the By-Laws shall not be deemed exclusive of any other rights to which any of those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person. Expenses (including attorneys' fees) incurred in defending a civil, criminal, administrative or investigative action, suit or proceeding upon receipt of an undertaking by or on behalf of the indemnified person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by Parent. The Certificate further provides that a director of Parent shall not be personally liable to Parent or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to Parent or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of Parent shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

The By-Laws provide that Parent may purchase and maintain insurance on behalf of its directors, officers, employees and agents against any liabilities asserted against such persons arising out of such capacities.

Level 3 Communications, LLC

Section 18-107 of the Delaware Limited Liability Company Act provides that, subject to such standards and restrictions in its limited liability company agreement, if any, a limited liability company may, and shall have the power to, indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever. The Operating Agreement (the "Operating Agreement") of Level 3 Communications, LLC's ("Level 3 LLC") provides no current or former member or manager of Level 3 LLC shall be liable, responsible or accountable for any actions taken in good faith and reasonably believed to be in the best interest of Level 3 LLC or in reliance on the provisions of the Operating Agreement, or for good faith errors of judgment, but shall only be liable for willful misconduct or gross negligence in the performance of his or her duties as a member or

manager. The Operating Agreement further provides that Level 3 LLC shall indemnify any current or former member, manager or officer against expenses actually and reasonably incurred in connection with the defense of a civil or criminal action, suit or proceeding in which he or she is made a party by reason of being a member, manager or officer of Level 3 LLC, except in respect of matters as to which he or she is adjudged to be liable for willful misconduct or gross negligence.

Managers, members and officers of Level 3 LLC are covered under the same liability insurance policies described under "—Level 3 Communications, Inc." above.

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Item 21. Exhibits and Financial Statement Schedules.

(a) Exhibits

Exhibit No.	Description
3.1.1	Amended and Restated Certificate of Incorporation of Level 3 Financing, Inc.
3.1.2	Certificate of Amendment of Restated Certificate of Incorporation of Level 3 Financing, Inc.
3.1.3	Certificate of Amendment of Restated Certificate of Incorporation of Level 3 Financing, Inc.
3.2	Amended and Restated By-laws of Level 3 Financing, Inc.
3.3	Restated Certificate of Incorporation of Level 3 Communications, Inc. (filed as Exhibit 3 to Level 3 Communications, Inc.'s Form 8-K filed on May 27, 2005).
3.4	Amended and Restated By-laws of Level 3 Communications, Inc. (filed as Exhibit 3 to Level 3 Communications, Inc.'s Current Report on Form 8-K filed on November 7, 2003).
3.5.1	Certificate of Formation of Level 3 Communications, LLC.
3.5.2	Certificate of Amendment to the Certificate of Formation of Level 3 Communications, LLC.
3.5.3	Certificate of Merger of XCOM Technologies, Inc. into Level 3 Communications, LLC.
3.5.4	Certificate of Merger of XCOM Technologies, Inc. into Level 3 Communications, LLC.
3.5.5	Certificate of Merger of Lodo Realty Co., LLC into Level 3 Communications, LLC.
3.5.6	Certificate of Merger of Lodo Holdings, Inc. into Level 3 Communications, LLC.
3.5.7	Certificate of Amendment to the Certificate of Formation of Level 3 Communications, LLC.
3.6	Operating Agreement of Level 3 Communications, LLC.
3.7	Amendment to the Operating Agreement of Level 3 Communications, LLC.
4.1	Indenture, dated as of October 1, 2003, between Level 3 Communications, Inc., Level 3 Financing, Inc. and The Bank of New York as trustee (filed as Exhibit 4.11 to Level 3 Communications, Inc.'s Annual Report on Form 10-K for the year ending December 31, 2003).
4.2	Supplemental Indenture, dated as of October 20, 2004, between the Level 3 Communications, Inc., Level 3 Financing, Inc., Level 3 Communications, LLC and The Bank of New York as trustee (filed as Exhibit 99.1 to Level 3 Communications, Inc.'s Current Report on Form 8-K filed on October 22, 2004).
4.3	Supplemental Indenture, dated as of December 1, 2004, between Level 3 Communications, Inc., Level 3 Financing, Inc., Level 3 Communications, LLC and The Bank of New York as trustee (filed as Exhibit 4.2 to Level 3 Communications, Inc.'s Current Report on Form 8-K filed on December 7, 2004).
4.4	Registration Agreement, dated October 1, 2003, between Level 3 Communications, Inc., Level 3 Financing, Inc. and the Initial Purchasers.
5	Opinion of Willkie Farr & Gallagher LLP.
12	Statement Regarding Computation of Ratio of Earnings to Fixed Charges (incorporate by reference to Exhibit 12.1 of Level 3 Communications, Inc.'s Registration Statement on Form S-3 filed on May 18, 2005).
23.1	Consent of KPMG LLP.
23.2	Consent of Willkie Farr & Gallagher LLP (included in their opinion filed as Exhibits 5).
24	Powers of Attorney. *
25	Form T-1 Statement of Eligibility of the Trustee under the Indenture.*

99.1 Form of Letter of Transmittal.

99.2 Form of Notice of Guaranteed Delivery.

99.3 Form of Letter to Clients.

99.4 Guidelines for Certification of Taxpayer Identification Number.

99.5 Form of Letter to Nominees.

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* Previously filed.

(b) Financial Statement Schedules:

All schedules have been omitted because they are not applicable or not required or the required information is included in the financial statements or notes thereto, which are incorporated herein by reference.

Item 22. Undertakings.

Each of the undersigned registrants hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of such registrant's annual report pursuant to section 13(a) or section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of registrants pursuant to the provisions described under Item 20 above, or otherwise, each registrant has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, such registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Each undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by such registrant pursuant to Rule 424(b)(1) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Each undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

Each undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in this Registration Statement when it became effective.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Broomfield, State of Colorado, on the 10th day of June, 2005.

LEVEL 3 FINANCING, INC.

By: /s/ Thomas C. Stortz
Name: Thomas C. Stortz
Title: Executive Vice President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Name	Title	Date
*	Chief Executive Officer and Director (Principal Executive Officer)	
James Q. Crowe		
*	Group Vice President and Chief Financial Officer (Principal Financial Officer)	
Sunit S. Patel		
*	President, Chief Operating Officer and Director	
Kevin J. O'Hara		
*	Executive Vice President, Chief Legal Officer, Secretary and Director	
Thomas C. Stortz		
*	Senior Vice President and Controller (Principal Accounting Officer)	
Eric J. Mortensen		

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SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Broomfield, State of Colorado, on the 10th day of June, 2005.

LEVEL 3 COMMUNICATIONS, INC.

By: /s/ Thomas C. Stortz
Name: Thomas C. Stortz
Title: Executive Vice President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Name	Title	Date
*	Chairman of the Board	
Walter Scott, Jr.		
*	Chief Executive Officer and Director	
James Q. Crowe		
*	Group Vice President and Chief Financial Officer (Principal Financial Officer)	
Sunit S. Patel		
*	Sr. Vice President and Controller (Principal Accounting Officer)	
Eric J. Mortensen		

*By: /s/ Neil J. Eckstein
Attorney-in-fact

*	Director
James O. Ellis, Jr.	
*	Director
Richard R. Jaros	
*	Director
Robert E. Julian	
*	Director
Arun Netravali	
*	Director
John T. Reed	
*	Director
Michael B. Yanney	
*	Director
Albert C. Yates	

*By: /s/ Neil J. Eckstein
Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Broomfield, State of Colorado, on the 10th day of June, 2005.

LEVEL 3 COMMUNICATIONS, LLC

By: LEVEL 3 FINANCING, INC., its Sole Member

By: /s/ Thomas C. Stortz
Name: Thomas C. Stortz
Title: Executive Vice President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Name	Title	Date
*	Chief Executive Officer	
James Q. Crowe		
*	Group Vice President and Chief Financial Officer (Principal Financial Officer)	
Sunit S. Patel		
*	Senior Vice President and Controller (Principal Accounting Officer)	
Eric J. Mortensen		
*	Manager	
Kevin J. O'Hara		
*	Manager	
Thomas C. Stortz		
*	Manager	
John F. Waters Jr.		

*By: /s/ Neil J. Eckstein
Attorney-in-fact

Exhibit 3.1.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

PKS INFORMATION SERVICES, INC.

ARTICLE FIRST

NAME

The name of the Corporation (which is hereinafter referred to as the "Corporation") is: PKS INFORMATION SERVICES, INC.

ARTICLE SECOND

REGISTERED OFFICE AND REGISTERED AGENT

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE THIRD

PURPOSES

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE FOURTH

CAPITAL STOCK

The total number of shares of all classes of stock which the Corporation shall have authority to issue is eighty thousand (80,000) shares; of which five thousand (5,000) shares shall be Cumulative Preferred Stock, with a par value of One Thousand Dollars ($1,000.00) per share (hereinafter referred to as the "Cumulative Preferred Stock"); and of which seventy-five thousand (75,000) shares shall be Common Stock, with a par value of One Dollar ($1.00) per

share (hereinafter referred to as the "Common Stock"). A description of the different classes of stock and a statement of the designations, powers, preferences, rights, qualifications, limitations, and restrictions of each of said classes of stock are as follows:

I.

CUMULATIVE PREFERRED STOCK

(A) Dividends . The holders of the Cumulative Preferred Stock shall be entitled to receive out of any assets of the Corporation available for dividends pursuant to the laws of the State of Delaware, preferential dividends per annum on the par value thereof at the annual rate of six percent (6%). such dividends shall be payable on the last day of each fiscal year of the Corporation to holders of record as of the third Thursday of December of each year when and as declared by the Board of Directors and before any dividends shall be declared or paid upon or set apart for any other class of stock. Such dividends upon the Cumulative Preferred Stock shall be cumulative from the date of issue thereof, so that if dividends for any past dividend period shall not have been paid thereon, or declared and a sum sufficient for payment thereof set apart, then the deficiency shall be fully paid or set apart, but without interest, before any dividend shall be paid upon or set apart for any other class of stock. Whenever the full dividends upon the Cumulative Preferred Stock for all past dividend periods shall have been paid and the full dividend thereon for the then current dividend period shall have been paid or declared and a sum sufficient for the payment thereof set apart, dividends upon the other classes of stock may be declared by the Board of Directors out of the remainder of the assets available therefor.

(B) Liquidation . Except as otherwise provided in paragraph (D)(3)(f) of ARTICLE SEVENTH, in the event of any liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary or involuntary, the holders of the Cumulative Preferred Stock shall be entitled, before any assets of the Corporation shall be distributed among or paid over to the holders of any other class of stock, to be paid One Thousand Dollars ($1,000.00) per share, together with a sum of money equivalent to the dividends at the annual rate per annum on the par value thereof from the date or dates on which the dividends on such Cumulative Preferred Stock became cumulative to the date of payment thereof, less the amount of dividends theretofore paid thereon. If, upon such liquidation, dissolution, or winding up, the assets of the Corporation

distributable as aforesaid among the holders of the Cumulative Preferred Stock shall be insufficient to permit the payment to them of said amount, then the entire assets shall be distributed ratably among the holders of the Cumulative Preferred Stock.

(C) Redemption . The Corporation may, when and as determined by the Board of Directors, redeem at any time all or any portion of the Cumulative Preferred Stock by making payment to the then holder or holders thereof the sum of One Thousand Dollars ($1,000.00) per share, together with a sum equal to the amount of the accumulated but unpaid dividends thereon at the date of such redemption.

II.

COMMON STOCK

(A) Dividends . After the dividend has been declared and set aside for payment or paid on the Cumulative Preferred Stock, the holders of the Common Stock shall be entitled to receive out of surplus and net profits of the Corporation, when and as declared by the Board of Directors, dividends per share in an amount which the Board of Directors may from time to time fix and determine.

(B) Liquidation . Except as otherwise provided in paragraph (D)(3)(f) of ARTICLE SEVENTH, upon the liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary or involuntary, the holders of the Common Stock shall be entitled, after the holders of the Cumulative Preferred Stock have received the full amount to which they are entitled, to the balance of the assets of the Corporation distributed among or paid over ratably and without preference to the holders of the Common Stock.

III.

VOTING RIGHTS

CHANGES IN CAPITAL STRUCTURE

(A) Voting Rights . The holders of the Cumulative Preferred Stock and the holders of the Common Stock shall possess voting power for the election of directors and for other

purposes; the holders of record of each such share of the Cumulative Preferred Stock or the Common Stock being entitled to one vote for each such share.

(B) Changes in Capital Structure . The Corporation reserves the right to create new classes of stock, to eliminate classes of stock, to increase or decrease the amount of authorized stock of any class or classes, and to otherwise change the rights, preferences, and limitations of any class or classes of stock by (i) the affirmative vote of the then holders of a majority of the total stock of the Corporation issued and outstanding having voting power at all times, given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the then holders of a majority of the total stock of the Corporation issued and outstanding having voting power at all times; provided, that if any such amendment adversely affects any class or classes of stock, each class so affected by the amendment shall be entitled to vote as a class upon such amendment; and (ii) by an affirmative vote of a majority of the Board of Directors given at a meeting of the Board of Directors duly called for that purpose, or when authorized by the written consent of a majority of the Board of Directors.

ARTICLE FIFTH

DURATION

The Corporation is to have perpetual existence.

ARTICLE SIXTH

DIRECTORS AND OFFICERS

(A) Number, Quorum, Required Votes . The number of directors of the Corporation which shall constitute the whole Board of Directors shall be fixed by, or in the manner provided in, the by-laws. A majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Unless this Certificate of Incorporation shall specifically require a vote of a greater number, the affirmative vote of a majority of the whole Board of Directors shall be required to constitute the act of the Board of Directors.

(B) Officers . The Corporation shall have such officers as the by-laws may provide; except, that the Corporation shall have an officer or officers who shall be empowered to sign instruments and stock certificates of the corporation and shall have an officer who shall have the

duty to record the proceedings of stockholders' meetings and meetings of the Board of Directors. Officers shall be chosen in such manner and shall hold their offices for such terms as the by-laws may prescribe or as shall be determined by the Board of Directors.

ARTICLE SEVENTH

POWERS OF THE CORPORATION AND OF THE

DIRECTORS AND STOCKHOLDERS

The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation, and in further creation, definition, limitation, and regulation of the powers of the Corporation, its directors, and stockholders:

(A) Indemnification . The Corporation shall indemnify each person who is or was a director, officer, or employee of the Corporation (including the heirs, executors, administrators, or estate of such person) to the fullest extent permitted under subsections 145(a), (b), and (c) of the Delaware General Corporation Law or any successor statute. The indemnification provided by this paragraph (A) of ARTICLE SEVENTH shall not be deemed exclusive of any other rights to which any of those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders, or otherwise, as to action in his official capacity and shall continue as to a person who has ceased to be a director, officer, or employee and shall inure to the benefit of the heirs, executors, and administrators of such a person.

(B) Powers of Board . In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

(1) By-Laws . To make, alter, and repeal the by-laws of the Corporation;

(2) Convertible Obligations . To create and issue obligations of the Corporation that shall confer upon the holders or owners thereof the right to convert the same into shares of the Common Stock of the Corporation and to fix the rate at which such obligations may be so converted and the period or periods of time during which any such right of conversion shall exist. Any shares of Common Stock issued upon the conversion of any such obligations shall be conclusively deemed to be fully paid Common Stock and not liable to any further call or

assessment; and the holders thereof shall not be liable for any further payment in respect thereof; and

(3) Offers of Stock to Employees . To offer Common Stock to employees of the Corporation.

The Corporation may in its by-laws confer powers upon its Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred by statute.

(C) Limitations On Powers of Board . The Board of Directors is authorized to change the Common Stock purchase price (as determined in accordance with paragraph (D)(4)(a) of this ARTICLE SEVENTH) at which Common Stock is purchased from or sold to the employees of the Corporation, only when and as authorized by the affirmative vote of the then holders of a majority of the total stock of the Corporation issued and outstanding having voting power at all times, given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the then holders of a majority of the total stock of the Corporation issued and outstanding having voting power at all times.

(D) Employee Stock Ownership and Transfer Restrictions . The following restrictions on the ownership and transfer of shares of Common Stock held by employees of the Corporation are hereby imposed:

(1) Ownership Restrictions . All shares of Common Stock now or in the future owned by employees of the Corporation shall be subject to a repurchase agreement, the terms of which shall be determined by the Board of Directors.

(2) Voluntary Sales to the Corporation . An employee of the Corporation may, at any time, sell all or part of such employee's shares of Common Stock to the Corporation by delivering to the Corporation the certificates representing the shares of Common Stock to be sold with a written notice stating such employee's desire to sell such stock. The Corporation shall purchase any such stock so offered and shall have the option to purchase all or part of the employee's remaining shares of Common Stock. The purchase price for the shares of Common Stock of an employee covered by this paragraph (D)(2) of ARTICLE SEVENTH shall be determined in accordance with paragraph (D)(4)(a) of this ARTICLE SEVENTH. Payment for

such stock shall be made within thirty (30) days after the date the Corporation receives such employee's written notice to sell such stock.

(3) Transfer Restrictions On Employee-Owned Common Stock .

(a) Restriction on Transfer of Shares . All shares of Common Stock now or in the future owned by employees of the Corporation shall not, directly or indirectly, be sold, transferred, given, assigned, pledged, hypothecated, or otherwise disposed of, except (i) in a sale to the Corporation, (ii) with the prior written consent of the then holders of a majority of the total stock of the Corporation issued and outstanding having voting power at all times, or (iii) as otherwise provided in paragraph (D)(3)(d) of this ARTICLE SEVENTH.

(b) Termination of Employment . (i) In the event that (1) an employee of the Corporation voluntarily terminates his employment with the Corporation, or (2) the employment of an employee of the Corporation is terminated by the Corporation for cause (as hereinafter defined), then such employee shall sell and deliver the Common Stock held by such employee at the time of such termination to the Corporation within ten (10) days after the date of a written notice from the Corporation to sell and deliver such stock. The Corporation shall give such notice to sell and deliver such stock within the period commencing on the day of such termination and ending on the thirtieth (30th) day after such termination. The term "cause" shall mean (w) confession or conviction of theft, fraud, embezzlement, or any other crime involving dishonesty with respect to the Corporation, (x) excessive absenteeism (other than by reason of physical injury, disease, or mental illness) without reasonable cause, (y) habitual negligence in the performance of duties for the Corporation, or (z) failure to abide by the lawful directives of the President of the Corporation or his representative. The purchase price for the shares of Common Stock of an employee covered by this paragraph (D)(3)(b)(i) of ARTICLE SEVENTH shall be determined in accordance with paragraph (D)(4)(a) of this ARTICLE SEVENTH. Payment for such stock shall be made within thirty (30) days after the date of such notice.

(ii) In the event that the employment of an employee of the Corporation is terminated by the Corporation for any reason other than as provided in paragraph (D)(3)(b)(i) of this ARTICLE SEVENTH, and other than the death or total disability of such employee, then such employee shall sell and deliver the Common Stock held by such employee at the time of

such termination to the Corporation within ten (10) days after the date of a written notice from the Corporation to sell and deliver such stock. The Corporation shall give such notice to sell and deliver such stock within the period commencing on the day of such termination and ending on the thirtieth (30th) day after such termination. The purchase price for the shares of Common Stock of an employee covered by this paragraph (D)(3)(b)(ii) of ARTICLE SEVENTH shall be determined in accordance with paragraph (D)(4)(a) of this ARTICLE SEVENTH. Payment for such stock shall be made within thirty (30) days after the date of such notice.

(c) Death or Disability of an Employee . (i) Upon the death of any employee of the Corporation, such employee's estate, successor, or personal representative shall sell and deliver the Common Stock owned by such employee at the time of such employee's death to the Corporation within ten (10) days after the date of a written notice from the Corporation to sell and deliver such stock. The Corporation shall give the notice to sell and deliver such stock within the period commencing on the date of death of such employee and ending on the thirtieth (30th) day after such date of death. The purchase price for the shares of Common Stock of an employee covered by this paragraph (D)(3)(c)(i) of ARTICLE SEVENTH shall be determined in accordance with paragraph (D)(4)(a) of this ARTICLE SEVENTH. Payment for such stock shall be made within thirty (30) days after the date of such notice. In the event of the death of an employee holding Common Stock on the day of such employee's death, such employee's estate, successor, or personal representative shall have the option to defer the purchase by the Corporation of such stock to a date or dates later than that provided for in this paragraph (3)(c)(i), but not later than the January 10th next succeeding the fiscal year end during which such employee's death occurred.

(ii) In the event of the total disability of an employee of the Corporation for a period of six (6) consecutive months, the Corporation shall purchase from such employee, and such employee shall sell to the Corporation, all of the shares of Common Stock owned by such employee at the time of the determination of such total disability. For purposes of this paragraph, "total disability" shall mean the continuous total disability to substantially perform on a full-time basis the principal duties which the employee regularly performed for the Corporation during the six (6) months immediately prior to the commencement of such total disability. The determination of whether an employee is totally disabled shall be made solely by the Board of

Directors. The Corporation shall give a notice to sell and deliver such shares of Common Stock within the period commencing on the date of determination of such total disability and ending on the thirtieth (30th) day after such date of determination. The purchase price for the shares of Common Stock covered by this paragraph (D)(3)(c)(ii) of ARTICLE SEVENTH shall be determined in accordance with paragraph (D)(4)(a) of this ARTICLE SEVENTH. Payment for such stock shall be made within thirty (30) days after the date of such notice.

(d) Pledges . Notwithstanding anything contained in paragraph (D)(3) of this ARTICLE SEVENTH to the contrary, an employee of the Corporation may pledge his Common Stock for loans in connection with the ownership of such Common Stock.

(e) Failures to Meet Time Limits . No failure by the Corporation, a stockholder, or the estate, successor, or personal representative of a stockholder to take any action within any time period prescribed by paragraph (D)(3) of this ARTICLE SEVENTH shall render the Common Stock transferable other than in conformance with the provisions of paragraph (D)(3) of this ARTICLE SEVENTH or preclude the Corporation from exercising its right to purchase any such stock.

(f) Change of Business; Liquidation . If at any time during the period commencing with the filing of this Certificate of Incorporation and continuing through and including December 31, 1995, the nature of the business of the Corporation materially changes (as determined by the Board of Directors) from the type of business being conducted by the Corporation on the date hereof (which materially change includes without limitation the cessation of offering non-affiliated third party computer outsourcing, or the liquidation, dissolution, or winding up of the affairs of the Corporation), then the Corporation shall purchase from the employees of the Corporation then holding shares of Common Stock, and such employees shall sell and deliver to the Corporation, all such shares of Common Stock then held by such employees of the Corporation within ten (10) days after the date of a written notice from the Corporation to sell and deliver such shares. The Corporation shall give such notice to sell and deliver such shares of Common Stock within thirty (30) days after the effective date of such material change. The purchase price for the shares of Common Stock of an employee covered by this paragraph (D)(3)(f) of ARTICLE SEVENTH shall be determined in accordance with

paragraph (D)(4)(a) of this ARTICLE SEVENTH. Payment for such shares of Common Stock shall be made within thirty (30) days after the date of such notice. On January 1, 1996, all of the provisions of this paragraph (D)(3)(f) of ARTICLE SEVENTH automatically shall terminate and be of no further force and effect.

(4) Common Stock Purchase Price .

(a) Purchase Price Determination. Notwithstanding any other provision to the contrary, if the event giving rise to the purchase and sale of the shares of Common Stock pursuant to paragraphs (D)(2), (D)(3)(b)(i), (D)(3)(b)(ii), (D)(3)(c)(i), or (D)(3)(c)(ii) occurs on or prior to December 31, 1992, then the purchase price for such shares of Common Stock shall be Seventy Dollars ($70.00) per share.

If the event giving rise to the purchase and sale of the shares of Common Stock pursuant to paragraphs (D)(2) or (D)(3)(b)(i) of this ARTICLE SEVENTH occurs on or after January 1, 1993, then the purchase price for such shares of Common Stock shall be equal to the Formula Purchase Price (as determined in accordance with subparagraph (b) below) (the “Formula Purchase Price”).

The purchase price for the shares of Common Stock purchased and sold pursuant to paragraphs (D)(3)(b)(ii), (D)(3)(c)(i), and (D)(3)(c)(ii) of this ARTICLE SEVENTH shall be determined as follows: (i) if the event giving rise to the purchase and sale of such shares of Common Stock occurs during the period commencing on or after January 1, 1993, and continuing through and including December 31, 1995, then the purchase price shall be equal to the greater of (x) the original purchase price paid by the employee for such shares of Common Stock, or (y) the Formula Purchase Price; or (2) if the event giving rise to the purchase and sale of such shares of Common Stock occurs on or after January 1, 1996, then the purchase price shall be equal to the Formula Purchase Price.

The purchase price for the shares of Common Stock purchased and sold pursuant to paragraph (D)(3)(f) of this ARTICLE SEVENTH shall be equal to the greater of (x) the original purchase price paid by the employee for such shares of Common Stock, or (y) the Formula Purchase Price.

(b) Formula Purchase Price . The "Formula Purchase Price" shall be equal to the total stockholders' equity as shown on the balance sheet contained in the audited financial statement of the Corporation and prepared in conformity with generally accepted accounting principles applied on a consistent basis for the Corporation as of the fiscal year end immediately preceding the purchase or sale of Common Stock, adjusted as follows:

(i) decreased by the total stockholders' equity attributable to the issued and outstanding Cumulative Preferred Stock as reflected on such balance sheet, and further decreased by any accrued and undeclared dividends thereon; and

(ii) increased by the face amount of the outstanding Convertible Debentures issued by the Corporation subsequent to December 31, 1991.

(c) Computation of Per Share Price . In order to compute the per share price of the Common Stock, such purchase price for the Common Stock shall be divided by the sum of (i) the total issued and outstanding shares of Common Stock, and (ii) the total number of shares of Common Stock reserved for the conversion of outstanding Convertible Debentures issued by the Corporation subsequent to December 31, 1991. The per share price of the Common Stock as so computed shall then be reduced by any dividends attributable to such Common Stock, declared during the fiscal year in which the purchase or sale occurred, which the employee received or was entitled to receive.

(d) Certification of Financial Statements . For purposes of paragraph (D)(4) of this ARTICLE SEVENTH, the financial statement of the Corporation shall be audited and certified by an independent firm of certified public accountants selected and engaged by the Board of Directors.

(E) Payments Where Stock Price Not Yet Computed . If the price at which the Corporation is to purchase Common Stock pursuant to any provision in this Certificate of Incorporation has not been computed within the time period prescribed for payment for such stock because the preparation of the audited financial statement of the Corporation has not yet been completed, then the Corporation shall, within the time period prescribed for payment for such stock, make an initial payment in an amount equal to the price that would have been paid

for such stock if it had been purchased by the Corporation during the next preceding fiscal year reduced by any anticipated losses of the Corporation in the current year as determined by the Board of Directors of the Corporation. The balance shall be paid within ten (10) days after the date on which the price at which the Corporation is to purchase such stock has been computed. If the finally determined price at which the corporation is to purchase such stock is less than the amount paid by the Corporation in the initial payment provided for in this paragraph (E), then the Corporation shall be entitled to recover the difference between the two amounts. Such difference shall be paid by the person or entity to whom the Corporation made the initial payment within ten (10) days of the date of a written notice from the Corporation to pay such amount.

(F) Ratification By Stockholders . Any contract, transaction, or act of the Corporation or of the directors, which shall be ratified by a majority of a quorum of the stockholders then entitled to vote an any annual meeting or at any special meeting called for such purpose, shall, so far as permitted by law and by this Certificate of Incorporation, be as valid and as binding as though ratified by every stockholder entitled to vote at such meeting.

(G) Meetings, Officers, and Books Outside State of Delaware . The stockholders and the Board of Directors may hold their meetings and the Corporation may have one or more offices outside of the State of Delaware, and subject to the provisions of the laws of said state, may keep the books of the Corporation outside of said state and at such places as may be from time to time designated by the Board of Directors.

(H) Removal of Directors . At any meeting of the stockholders called for the purpose, any one or more of the directors may, by a majority vote of the then stockholders having full voting powers, be removed from office, with or without cause, and another director or other directors be elected by such majority vote of said stockholders in the place or places of the person or persons so removed, to serve for the remainder of his or their term or terms, as the case may be.

(I) By-Law Provisions for Conduct of Business . The Corporation may in its by-laws make any other provisions or requirements for the conduct of the business of the Corporation, provided the same are not inconsistent with the provisions of this Certificate of Incorporation, or contrary to the laws of the State of Delaware.

(J) Requirements of Votes Greater Than Required By Law . Whenever this Certificate of Incorporation contains provisions requiring for any corporate action the vote of a larger portion of the stock or a larger portion of the directors than is required by the General Corporation Law of the State of Delaware, the provisions of this Certificate of Incorporation shall govern and control.

(K) Amendments of Certificate . Subject to any limitations herein contained, the Corporation reserves the right to amend, alter, change, or repeal any provision contained in this Certificate of Incorporation, or in any amendment thereto by an affirmative vote of the then holders of a majority of the total stock of the Corporation issued and outstanding having voting power at all times in the manner now or hereafter prescribed by law, and all rights conferred upon stockholders in this Certificate of Incorporation or any amendment thereto, are granted subject to this reservation.

ARTICLE EIGHTH

LIMITATION OF LIABILITY

A director of this Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this ARTICLE EIGHTH to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law as so amended. Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been duly executed by Raul Pupo, President of the Corporation, and attested by Allen R. Kearns, Secretary of the Corporation, as of the 8 th day of April 1992.

PKS Information Services, Inc.

By: /s/ Raul Pupo
Raul Pupo
President

ATTEST:

By: /s/ Allen R. Kearns
Allen R. Kearns
Secretary

Exhibit 3.1.2

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
PKS INFORMATION SERVICES, INC.

PKS Information Services, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation, by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Restated Certificate of Incorporation of said corporation:

RESOLVED, that the Amended and Restated Certificate of Incorporation of PKS Information Services, Inc. be amended by changing the First Article thereof so that, as amended, said Article shall be and read as follows:

"ARTICLE FIRST
NAME

The name of the Corporation (which is hereinafter referred to as the "Corporation") is: (i) Structure, Inc."

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders have given unanimous written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said PKS Information Services, Inc. has caused this certificate to be signed by Todd C. Coleman, its Secretary, this 17th day of May, 2000.

BY: /s/ Todd C. Coleman
NAME: Todd C. Coleman
TITLE: Secretary

Exhibit 3.1.3

STATE OF DELAWARE CERTIFICATE
OF
AMENDMENT OF RESTATED CERTIFICATE
OF
INCORPORATION OF
***(i)* STRUCTURE, INC.**

(i) Structure, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation, by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Restated Certificate of Incorporation of said corporation:

RESOLVED, that the Amended and Restated Certificate of Incorporation of *(i)* Structure, Inc. be amended by changing the First Article thereof so that, as amended, said Article shall be and read as follows:

"ARTICLE FIRST
NAME

The name of the Corporation (which is hereinafter referred to as the "Corporation") is:
Level 3 Financing, Inc."

SECOND: That in lieu of a meeting and vote of stockholders, the sole stockholder of said corporation has given written consent to the amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Section 242 and 228 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said corporation shall not be reduced under of by reason of said amendment.

IN WITNESS WHEREOF, said *(i)* Structure, Inc. has caused this certificate to be signed by Neil Eckstein, its Vice President and Assistant Secretary, this 22nd day of September, 2003.

BY: /s/ Neil Eckstein
TITLE: Vice President and Assistant Secretary
NAME: Neil Eckstein

Exhibit 3.2

AMENDED AND RESTATED
BY-LAWS
OF
PKS INFORMATION SERVICES, INC.

ARTICLE I.
OFFICES

Section 1.1. Registered Office and Agent . The registered office of the corporation is at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware. The registered agent at that address is the Corporation Trust Company.

Section 1.2. Other Offices . The corporation may have other offices from time to time as the directors may designate or as the business may require.

ARTICLE II.
SHAREHOLDERS

Section 2.1. Annual Meetings . The annual meeting of stockholders shall be held in such city and state and on such date at such time and place as may be designated by the Board of Directors. At this meeting, directors shall be elected and any other proper business may be transacted. If the annual meeting is not held on the designated date, the directors shall cause the meeting to be held as soon thereafter as convenient.

Section 2.2. Special Meetings . Except as provided in the following sentence, special meetings of the shareholders may be called by the President or by a majority of the directors. Special meetings will be called by the President at the request of holders of a majority of the shares entitled to vote at the meeting.

Section 2.3. Place of Meetings . Meeting of shareholders shall be held at Omaha, Nebraska, or such other place as may be designated by those calling the meeting.

Section 2.4. Notice of Meeting . A written notice shall be given to each shareholder entitled to vote at the meeting not less than 10 nor more than 60 days before each annual and special meeting. The notice shall state the place, date and hour of the meeting. Any business may be transacted and any corporate action may be taken at any regular or special meeting of the shareholders at which a quorum shall be present, whether such business or proposed action be stated in the notice of such meeting or not, unless special notice of such business or proposed action shall be required by statute.

Written notice may be given by either personal delivery or mail. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the shareholder at his address as it appears on the records of the corporation. No notice is required to be given to a shareholder to whom notices of two consecutive annual meetings (and any other written notices sent between those meetings) have been mailed addressed to that person at his address shown on the corporate records and have been returned undeliverable.

Section 2.5. Waiver of Notice . A written waiver, signed by a shareholder, whether before or after a meeting, shall be equivalent to the giving of such notice. Attendance by a shareholder, without objection to the notice, whether in person or by proxy, at a shareholders' meeting shall constitute waiver of notice of the meeting.

Section 2.6. Voting List . At least 10 days before each shareholders' meeting, the Secretary shall prepare a complete list of shareholders entitled to vote. Arranged in alphabetical order, the list shall show the name, address, and number of shares of each shareholder entitled to vote. For at least 10 days before the meeting, the list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, at (a) the meeting place, or (b) at another place within the city of the meeting which shall be specified in the notice of the meeting. The list shall also be available at the meeting for inspection by any shareholder present.

Section 2.7. Record Date . The board of directors may fix a record date to determine which shareholders are entitled to: (a) notice of a shareholders' meeting; (b) vote at a shareholders' meeting; (c) express consent to corporate action in writing without a meeting; (d) receive payment for dividend; (e) receive a distribution or allotment of rights; (f) exercise any rights in respect of any change, conversion, or exchange of stock; or (g) notice for the purpose of any other lawful action. The record date shall not be less than 10 nor more than 60 days before the date of the meeting, nor more than 60 days before any other action. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 2.8. Proxies . Each shareholder eligible to vote may authorize another person or persons to act for him by proxy. No proxy shall be valid after three years from its date, unless the proxy provides for a longer period.

Section 2.9. Voting Rights . Each shareholder eligible to vote shall have one vote for each share of common stock held by such shareholder.

Section 2.10. Quorum and Required Vote . A majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of shareholders. Unless otherwise required by the certificate of incorporation or by statute, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the shareholders. However, if less than a quorum but more than one-third of all shares eligible to vote is present at a scheduled meeting, a majority of the shares present may adjourn the scheduled meeting.

Section 2.11. Adjourned Meetings. No new notice is required if the time and place of the adjourned meeting is announced at the meeting at which the adjournment is taken and if the adjournment is for less than 31 days. At an adjourned meeting, the shareholders may transact any business which might have been transacted at the original meeting.

Section 2.12. Action Without a Meeting . Any action required or permitted at a shareholders' meeting may be taken without a meeting without a vote, if a consent in writing, setting forth the action so taken, is signed by all of the shareholders entitled to vote on the matter.

ARTICLE III.
DIRECTORS

Section 3.1. General Powers . The business and affairs of this corporation shall be managed by its board of directors.

Section 3.2. Qualifications and Number . Directors need not be shareholders. The number of directors which shall constitute the whole board shall be fixed by resolution of the board of directors from time to time.

Section 3.3. Election . At each annual meeting, the shareholders shall elect directors to hold office until the next succeeding annual meeting.

Section 3.4. Term . Each director shall hold office until his successor is elected and qualified or until his earlier resignation or removal. Any director may resign at any time upon written notice to the corporation.

Section 3.5. Vacancies . Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

Section 3.6. Annual Meeting . The annual meeting of directors shall be held without notice promptly after the annual meeting of the shareholders and at the same place.

Section 3.7. Regular Meetings . The board may provide by resolution for the time and place of regular meetings, without notice other than such resolution.

Section 3.8. Special Meetings . Special meetings shall be called by the President. Special meetings shall be called by the president or the secretary on the written request of two or more directors. The person calling the meeting may fix the specific time and place of the meeting.

Section 3.9. Notice . Notice of any special meeting shall be given at least three days in advance by written notice delivered personally or by overnight express mail, telegram, or proven telecopier facsimile transmission addressed to a director's business address. A written waiver, signed by the director, whether before or after the meeting, shall be equivalent to the giving of such notice. Attendance by a director, without objection to the notice, at a meeting shall constitute waiver of notice of the meeting. Any business may be transacted and any corporate action may be taken at any regular or special meeting of the directors at which a quorum shall be present, whether such business or proposed action be stated in the notice of such meeting or not, unless special notice of such business or proposed action shall be required by statute.

Section 3.10. Telephone Participation . Directors may participate in a meeting of the board by means of conference telephone or similar communications equipment if all persons participating in the meeting can hear each other. Participation in a meeting of this kind shall constitute presence in person at the meeting

Section 3.11. Quorum and Voting . A majority of the whole board of directors shall constitute a quorum for the transaction of business. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors unless the vote of a greater number is required by statute, the certificate of incorporation, or these by-laws.

Section 3.12. Action Without a Meeting . Any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by all directors.

Section 3.13. Compensation . By resolution of the board of directors, each director may be paid an annual retainer and/or a fixed sum, and any expenses, for attendance at board meetings. No such payment shall preclude a director from receiving compensation for serving the corporation in any other capacity.

ARTICLE IV.
OFFICERS

Section 4.1. Number . The officers of the corporation must include a President, a Secretary, and a Treasurer. The board of directors may elect additional officers and appoint agents as it determines necessary. Any two or more offices may be held by the same person, except that the offices of President and Secretary shall not both be held by the same person.

Section 4.2. Election . The President, Secretary, and Treasurer shall be elected at the annual meeting of the board of directors. Other officers may be elected by the board of directors from time to time.

Section 4.3. Term . Each officer shall hold office until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation.

Section 4.4. Removal . Any officer or agent may be removed from office, with or without cause, at any time by a majority of the whole board of directors, subject to the provisions of any written employment contract between the corporation and such person.

Section 4.5. Vacancy . Any vacancy in any office may be filled for the unexpired portion of the term by the board of directors.

Section 4.6. President . The President shall be the chief executive officer of the corporation, and shall supervise and manage the operations of the corporation, subject to the control of the board of directors.

Section 4.7. Secretary . The Secretary shall have the duties to: (a) record the proceedings of the meetings of the shareholders and directors in a book kept for that purpose; (b) maintain the stock ledger and shareholder voting list; (c) give proper notice of meetings; (d) attest to and sign instruments, stock certificates, and other certificates on behalf of the corporation; and (e) affix the corporate seal when proper.

Section 4.8. Treasurer . The Treasurer shall have the duties to: (a) maintain and be responsible for all funds of and interests in the corporation; (b) receive and give receipts for all securities and monies due and payable to the corporation from any source whatsoever; (c) deposit all such monies in the name of the corporation in such banks, trust companies, or in other depositories; and (d) in general perform the duties and have the powers as are usually incident to the office of Treasurer. If required by the board of directors, the Treasurer shall give bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the board of directors shall determine.

Section 4.9. Powers and Duties . The officers of the corporation shall have such additional powers and perform such duties as from time to time may be assigned them by the board of directors. The board of directors may from time to time delegate the powers and duties of any officer to any other officer, director, or other person whom it may select.

Section 4.10. Compensation . The compensation of all officers shall be fixed by the board of directors. An officer, who is also a director, may be compensated in both capacities.

Section 4.11. Bonding . Any officer, agent, or employee of the corporation, if so required by the board of directors, shall be bonded for the faithful performance of his duties, with such conditions, and security as the board may require.

ARTICLE V.
BOARD COMMITTEES

Section 5.1. General .

A. Formation . The shareholders or the board of directors, by resolution adopted by a two-thirds vote of the shareholders or the whole board, may create committees, each consisting of two or more directors. The board shall designate a chairman of each committee. Any committee member may be removed by the board at any time without cause, and shall automatically cease to be a committee member upon ceasing to be a director of the corporation.

B. Limitations . Except as provided in Section 5.2., no committee shall have the power to amend the certificate of incorporation, amend the by-laws, declare dividends, adopt an agreement of merger or consolidation, recommend to the shareholders the sale, lease, or exchange of all or substantially all of the corporation’s property and assets, recommend to the shareholders a dissolution of the corporation or a revocation of a dissolution, or authorize the issuance of stock. No committee shall act contrary to any action previously undertaken by the full board of directors. No committee shall have the specific powers conferred upon any other committee by these by-laws.

C. Procedures .

(1) The following provisions of these by-laws applicable to the board of directors shall also govern each board committee: Section 3.4. (term), Section 3.5. (vacancies), Section 3.9. (notice), Section 3.10. (telephone participation), Section 3.11. (quorum and voting), and Section 3.12. (action without a meeting).

(2) Each committee may adopt its own rules of procedure. These rules shall govern the call, time, place, and conduct of meetings.

(3) Each committee shall keep appropriate minutes of its proceedings and report all significant actions at regular meetings of the board of directors.

Section 5.2. Executive Committee . The executive committee, if established, shall have all the powers of the board of directors in the management of the normal and ordinary business and affairs of the corporation at all times when the board of directors is not in session. The executive committee shall not inaugurate radical reversals of, or departures from, fundamental policies and methods of conducting the business of the corporation, as prescribed by the board. The executive committee may declare dividends, authorize the issuance of stock, and adopt a certificate of ownership and merger under Section 253 of the Delaware General Business Corporation Law (pertaining to parent-subsidiary mergers).

ARTICLE VI.
STOCK

Section 6.1. Stock Certificates . The directors shall determine the form of certificates which represent ownership of shares of the corporation. Each certificate shall contain the holder's name and the number of shares issued. Each certificate shall be signed by the President and the Secretary. Each certificate shall be impressed with the corporate seal. Each certificate shall be consecutively numbered. The name and address of the person to whom the shares are issued, with the number of shares and date of issue, shall be entered in the stock ledger of the corporation.

Section 6.2. Transfer of Stock . Transfers of shares shall be made only on the stock transfer books of the corporation. On surrender to the corporation of a stock certificate properly endorsed by the holder of record or accompanied by proper evidence of authority to transfer, a new certificate shall be issued to the person entitled. However, the requirements of any applicable stock transfer restriction agreement must also be satisfied. The old certificate shall be canceled and the transaction recorded in the stock ledger.

Section 6.3. Lost Certificates . The corporation shall issue a new stock certificate in place of a certificate previously issued, if the holder: (a) claims by affidavit that the certificate has been lost, destroyed, or stolen, and (b) gives the corporation a bond or other indemnity as the directors determine appropriate.

Section 6.4. Registered Shareholders . The person in whose name shares are registered in the corporation's stock ledger shall be deemed by the corporation to be the owner of those shares for all purposes. The corporation shall not be required to recognize any equitable or

other claim or interest in such shares by any other person, whether or not it has actual or other notice of such claim.

ARTICLE VII.
MISCELLANEOUS

Section 7.1. Seal . The corporate seal shall contain the name of the corporation as well as the words “Corporate Seal” and “Delaware.”

Section 7.2. Fiscal Year . The fiscal year of the corporation shall end on the last Saturday of each December.

Section 7.3. Contracts, Etc. Unless otherwise ordered by the board of directors, all authorized contracts, deeds, guarantees and agreements may be executed in the name of the corporation by the Chairman, the President, or by any Vice President. The Secretary or any Assistant Secretary may also sign, with the Chairman, President, or any Vice President, such contracts, deeds, and agreements. The directors shall determine by resolution which other persons shall be empowered to sign contracts, bids, proposals, certificates, and other instruments of the corporation. Such authority may be general or confined to specific instances.

Section 7.4. Checks, Etc. All checks or demands for money, and notes of the corporation shall be signed by such officer or officers of such other person or persons as the board of directors may from time to time designate.

Section 7.5. Dividends . Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors or the executive committee of the board at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock.

Section 7.6. Reserves . Before payment of any dividend there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, determine proper as a reserve fund to meet contingencies, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may abolish any such reserve in the manner in which it was created.

Section 7.7. Voting on Subsidiary Matters . Unless otherwise ordered by the board of directors, the Chairman, the President, or any Vice President, shall have full power and authority on behalf of the corporation to attend, or appoint a proxy to attend, and act and to vote at any meeting of the shareholders of any corporation in which the corporation may hold stock or with respect to the stock of which the corporation may hold a proxy. At any such meeting such persons shall possess and may exercise any and all rights and powers incident to the ownership of such stock or to the holding of such proxy and which, as the owner thereof or as the holder of such proxy, the corporation might have possessed and exercised if present. With respect to such stock, any of the aforementioned officers shall have full power and authority on behalf of the corporation to consent to any action requiring shareholder approval. The board of directors, by resolution, from time to time may confer like powers upon any other person or persons.

ARTICLE VIII.
AMENDMENTS

These by-laws may be altered, amended, or repealed and new by-laws may be adopted by the board of directors or the shareholders.

ADOPTED on November 17, 1998.

/s/ J. Scott Searl
J. Scott Searl

Exhibit 3.5.1

CERTIFICATE OF FORMATION
OF
LEVEL 3 COMMUNICATIONS, LLC

I
NAME

The name of the company shall be Level 3 Communications, LLC ("Company").

II
REGISTERED AGENT AND OFFICE

The name and address of the Company's registered agent in Delaware is:

The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, DE 1980I (New Castle County)

IN WITNESS WHEREOF, the undersigned authorized person has caused this Certificate of Formation to be executed this 26th day of November, 1997.

PKS INFORMATION SERVICES, INC.

By: /s/ R. Douglas Bradbury
Title: Director

Exhibit 3.5.2

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF FORMATION
OF
LEVEL 3 COMMUNICATIONS, LLC

Pursuant to Section 18-202 of the Delaware Limited Liability Company Act, Level 3 Communications, LLC, a Delaware limited liability company ("Company"), hereby certifies as follows:

The name of the Company is Level 3 Communications, LLC. The original Certificate of Formation of the Company was filed with the Delaware Secretary of State on December 1, 1997. The sole member of the Company has authorized and adopted the following amendment to the Company's Certificate of Formation:

Article I is hereby deleted in its entirety and replaced with a new Article I as follows:

I

The name of the company shall be Level Three Communications, LLC ("Company").

IN WITNESS WHEREOF, the manager of the Company has caused this Certificate of Amendment to be executed in accordance with the Delaware Limited Liability Company Act.

Dated as of this 13 th day of January, 1998.

LEVEL 3 COMMUNICATIONS, LLC

By: /s/ Terrence J. Ferguson
Terrence J. Ferguson, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 13 day of January, 1998, by Terrence J. Ferguson, a Manager of Level 3 Communications, LLC, a Delaware limited liability company, on behalf of the company.

/s/ Diane L. Chaffee

[NOTARIAL SEAL]

Exhibit 3.5.3

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF FORMATION
OF
LEVEL THREE COMMUNICATIONS, LLC

Pursuant to Section 18-202 of the Delaware Limited Liability Company Act, Level Three Communications, LLC, a Delaware limited liability company ("Company"), hereby certifies as follows:

The name of the Company is Level Three Communications, LLC. The original Certificate of Formation of the Company was filed with the Delaware Secretary of State on December 1,1997. A Certificate of Amendment to the Certificate of Formation of the Company was filed with the Delaware Secretary of State on January 14, 1998. The sole member of the Company has authorized and adopted the following amendment to the Company's Certificate of Formation:

Article I is hereby deleted in its entirety and replaced with a new Article I as follows:

I

The name of the company shall be Level 3 Communications, LLC ("Company').

IN WITNESS WHEREOF, the manager of the Company has caused this Certificate of Amendment to be executed in accordance with the Delaware Limited Liability Company Act.

Dated as of this 16 th day of January, 1998.

LEVEL THREE COMMUNICATIONS, LLC

By: /s/ Terrence J. Ferguson
Terrence J. Ferguson, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 16th day of January, 1998, by Terrence J. Ferguson, a Manager of Level 3 Communications, LLC, a Delaware limited liability company, on behalf of the company.

/s/ Diane L. Chaffee

[NOTARIAL SEAL]

Exhibit 3.5.4

CERTIFICATE OF MERGER
OF
XCOM TECHNOLOGIES, INC.
INTO
LEVEL 3 COMMUNICATIONS, LLC

Pursuant to Sec. 18-209 of the Delaware Limited Liability Company Act, the undersigned surviving limited liability company submits the following Certificate of Merger for filing and certifies that:

1. The name and jurisdiction of formation or organization of the limited liability company or other business entity which are to merger are:

Name	Jurisdiction
Level 3 Communications, LLC	Delaware
XCOM Technologies, Inc.	Delaware

2. An agreement of merger has been approved and executed by the domestic limited liability company and the other business entity which are to merge.
3. The name of the surviving limited liability company is: Level 3 Communications, LLC.
4. The agreement of merger is on file at a place of business of the surviving limited liability company which is located at 1025 Eldorado Boulevard, Broomfield, Colorado 80021.
5. A copy of the agreement of merger will be furnished by the surviving limited liability company, on request and without cost, to any member of any domestic limited liability company or any person holding an interest in the other business entity which is to merge.

IN WITNESS WHEREOF, this Certificate of Merger has been duly executed as of the 14th day of December, 1999, and is being filed in accordance with Sec. 18-209 of the Act by an authorized person of the surviving limited liability company in the merger.

LEVEL 3 COMMUNICATIONS, LLC

By: /s/ Neil J. Eckstein
Name: Neil J. Eckstein
Title: Vice President and Assistant Secretary

Exhibit 3.5.5

CERTIFICATE OF MERGER
OF
LODO REALTY CO., LLC
INTO
LEVEL 3 COMMUNICATIONS, LLC

Pursuant to Title 6, Section 18-209 of the Delaware Limited Liability Act, Level 3 Communications, LLC, a Delaware limited liability company, has executed the following Certificate of Merger:

FIRST: The name of the surviving limited liability company is Level 3 Communications, LLC, and the name of the limited liability company being merged into this surviving limited liability company is Lodo Realty Co., LLC, a Delaware limited liability company.

SECOND: The Agreement of Merger has been approved, adopted, certified, executed and acknowledged by each of the constituent limited liability companies.

THIRD: The name of the surviving limited liability company is Level 3 Communications, LLC.

FOURTH: The merger is to become effective on filing of this Certificate.

FIFTH: The Agreement of Merger is on file at 1025 Eldorado Boulevard, Broomfield, Colorado 80021, the place of business of the surviving limited liability company.

SIXTH: A copy of the Agreement of Merger will be furnished by the surviving limited liability company on request, without cost, to any member of the constituent limited liability companies.

IN WITNESS WHEREOF, said surviving limited liability company has caused this certificate to be signed by an authorized person, the 19th day of December, 2000.

LEVEL 3 COMMUNICATIONS, LLC

/s/ R. Douglas Bradbury
Name: R. Douglas Bradbury, Manager
Title: Manager

Exhibit 3.5.6

CERTIFICATE OF MERGER
OF
LODO HOLDINGS, INC.
WITH AND INTO
LEVEL 3 COMMUNICATIONS, LLC

Pursuant to Title 8, Section 264(c) of the Delaware General Corporation Law and Title 6, Section 18-209 of the Limited Liability Company Act, the undersigned limited liability company executed the following Certificate of Merger:

FIRST: The name of the surviving limited liability company is Level 3 Communications, LLC and the name of the corporation being merged into this surviving limited liability company is Lodo Holdings, Inc., a Delaware corporation.

SECOND: The Agreement of Merger has been approved, adopted, certified, executed and acknowledged by the surviving limited liability company and the merging corporation.

THIRD: The name of the surviving limited liability company is Level 3 Communications, LLC, a Delaware limited liability company.

FOURTH: The merger is to become effective on filing of this Certificate of Merger.

FIFTH: The Agreement of Merger is on file at 1025 Eldorado Boulevard, Broomfield, Colorado 80021, the place of business of the surviving limited liability company.

SIXTH: A copy of the Agreement of Merger will be furnished by the surviving limited liability company on request, without cost, to any member of the constituent limited liability company or stockholder of any constituent corporation.

IN WITNESS WHEREOF, said surviving limited liability company has caused this certificate to be signed by an authorized person, the 30th day of January, 2001.

LEVEL 3 COMMUNICATIONS, LLC

By: /s/ Neil J. Eckstein
Name: Neil J. Eckstein
Title: Vice President

Exhibit 3.5.7

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF FORMATION
OF
LEVEL 3 COMMUNICATIONS, LLC

Pursuant to Section 18-202 of the Delaware Limited Liability Company Act, Level 3 Communications, LLC, a Delaware limited liability company ("Company"), hereby certifies as follows:

The name of the Company is Level 3 Communications, LLC. The original Certificate of Formation of the Company was filed with the Delaware Secretary of State on December 1, 1997. The sole member of the Company has authorized and adopted the following amendment to the Company's Certificate of Formation:

The Managers of the Company are:

Thomas C. Stortz
Kevin J. O'Hara
John F. Waters, Jr.

This Certificate of Amendment shall be effective on July 7, 2003.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment this 7th day of July, 2003.

LEVEL 3 COMMUNICATIONS, LLC

By: /s/ Thomas C. Stortz
Thomas C. Stortz, Manager

STATE OF COLORADO)
) ss.
COUNTY OF BROOMFIELD)

The foregoing instrument was acknowledged before me this 7th day of July, 2003, by Thomas C. Stortz, a Manager of Level 3 Communications, LLC, a Delaware limited liability company, on behalf of the company.

/s/ Kim Bartlett

[NOTARIAL SEAL]

Exhibit 3.6

OPERATING AGREEMENT OF
LEVEL 3 COMMUNICATIONS, LLC
a Delaware Limited Liability Company

The undersigned (the "Member"), being the sole member of Level 3 Communications, LLC (the "Company"), hereby agrees as follows:

ARTICLE I.
MANAGEMENT OF THE COMPANY

Section 1. Management Vested in Managers . The Member of the Company hereby vests the management of the Company with one or more Managers, who shall have sole power and authority to conduct the affairs of the Company except to the extent management powers are

expressly reserved to the Member by this Operating Agreement or the Delaware Limited Liability Company Act (the "Act"). Any act of the Managers shall only be taken upon the affirmative vote of a majority of the then serving Managers. The Managers may be elected at any meeting of the Member by the affirmative vote of a majority in interest of the Members. The Managers shall serve until their successors are duly elected or, if earlier, until any such Manager's death, resignation or removal. Any Manager may be removed at any time, with or without cause, by the affirmative vote of a majority in interest of the Members.

Section 2. Compensation . The Members shall have authority to approve reasonable compensation for any Member or Manager for services actually rendered to the Company.

Section 3. Transfers: Indebtedness . Real or personal property owned or purchased by the Company shall be held and owned, and conveyance or transfer thereof shall be made, in the name of the Company. Indebtedness of the Company shall be incurred in the name of the Company and not in the name of any Member or Manager. Instruments and documents providing for the acquisition, encumbrance, or disposition of property of the Company, including but not limited to leases, and instruments and agreements evidencing indebtedness of the Company, shall be valid and binding upon the Company when they are executed by the President, Vice President or any Member of the Company.

Section 4. Officers . The Company shall have such officers, including a president, vice president, secretary and treasurer as may be elected by the Managers from time to time.

ARTICLE II.
MEETINGS OF MEMBERS

Section 1. Meetings . Meetings of Members may be called by any Member.

Section 2. Place of Meeting . The person or persons calling any meeting of Members may designate the place for such meeting. If no such designation is made, then the place for such meeting shall be the principal place of business of the Company.

Section 3. Notice of Meeting . Written notice stating the place, day, and hour of a meeting of Members and the purpose or purposes for which the meeting is called shall be delivered not less than three nor more than sixty days before the date of the meeting, either

personally, by mail, or by next-business-day delivery service, at the direction of the personal calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears in the records of the Company, with postage prepaid. If sent by next-business-day delivery service, such notice shall be deemed to be delivered when deposited with the next-business-day delivery service in time for next-business-day delivery addressed to the Member at his or her street address as it appears in the records of the Company. Except when required by law, notice of any adjourned meeting of Members need not be given. Any Member, by a signed writing, may waive notice of any meeting of Members, either before or after such meeting. The attendance of a Member at such meeting shall constitute a waiver of notice of such meeting, except when a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum . The owners of a majority in amount of the then existing Capital Account Balances of all Members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Members.

Section 5. Manner of Acting . If a quorum is present at a meeting of Members, then the affirmative vote of the owners of a majority in amount of the then existing Capital Account Balances represented at the meeting and entitled to vote on the subject matter shall be the act of the Members, unless otherwise provided by applicable statute, this Agreement, or the Certificate of Formation of the Company. If a quorum is not present at a meeting of Members, then Members holding a majority in amount of the then existing Capital Account Balances represented at such meeting and entitled to vote may adjourn the meeting from time to time without further notice. At any adjourned meeting of Members at which a quorum is present, any business may be transacted which might have been transacted at the meeting if it had been held at the original time for which it was called.

Section 6. Proxies . At all meetings of Members, a Member may vote either in person or by a proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 7. Informal Action by Members . Any action required to be taken by the Members pursuant to this Agreement or pursuant to the Certificate of Formation of the Company or which may be taken at a meeting of Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by the owners of a majority in amount of the then existing Capital Account Balances of all Members entitled to vote with respect to the subject matter of such consent, unless otherwise provided by applicable statute, this Agreement, or the Certificate of Formation of the Company.

ARTICLE III.
MEETINGS OF MANAGERS

Section 1. Meetings . Meetings of the Managers may be called by any Manager or Member.

Section 2. Place of Meeting . The person or persons calling any meeting of Managers may designate the place for such meeting. If no such designation is made, then the place for such meeting shall be the principal place of business of the Company.

Section 3. Notice of Meeting . Written notice stating the place, day, and hour of a meeting of Managers and the purpose or purposes for which the meeting is called shall be delivered not less than three nor more than sixty days before the date of the meeting, either personally, by mail, or by next-business-day delivery service, at the direction of the personal calling the meeting, to each Manager entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Manager at his or her address as it appears in the records of the Company, with postage prepaid. If sent by next-business-day delivery service, such notice shall be deemed to be delivered when deposited with the next-business-day delivery service in time for next-business-day delivery addressed to the Manager at his or her street address as it appears in the records of the Company. Except when required by law, notice of any adjourned meeting of Managers need not be given. Any Manager, by a signed writing, may waive notice of any meeting of Managers, either before or after such meeting. The attendance of a Manager at such meeting shall constitute a waiver of notice of such meeting, except when a Manager attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum . A majority in number of the then serving Managers shall constitute a quorum at a meeting of Managers.

Section 5. Manner of Acting . If a quorum is present at a meeting of Managers, then the affirmative vote of a majority of the Managers present at the meeting and entitled to vote on the subject matter shall be the act of the Managers, unless otherwise provided by applicable statute, this Agreement, or the Certificate of Formation of the Company. If a quorum is not present at a meeting of Managers, then Managers constituting a majority of those present at such meeting and entitled to vote may adjourn the meeting from time to time without further notice. At any adjourned meeting of Managers at which a quorum is present, any business may be transacted which might have been transacted at the meeting if it had been held at the original time for which it was called.

Section 6. Informal Action by Managers . Any action required to be taken by the Managers pursuant to this Agreement or pursuant to the Certificate of Formation of the Company or which may be taken at a meeting of Managers may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by a majority of the then serving Managers entitled to vote with respect to such consent, unless otherwise provided by applicable statute, this Agreement, or the Certificate of Formation of the Company.

ARTICLE IV.
BOOKS OF ACCOUNT, FINANCIAL STATEMENTS, AND FISCAL MATTERS

Section 1. Books of Account . The Members shall keep complete and adequate books of account of the Company in which shall be recorded and reflected all of the capital contributions and withdrawals of the Members and all income, expenses, and other transactions of the Company. The books of account of the Company shall be maintained on a calendar year

basis. The books of account of the Company shall be kept at the principal place of business of the Company; and each Member and his or her authorized representative shall have, at reasonable times during normal business hours, free access to and the right to inspect and, at his or her expense, copy such books of account and all records of the Company. The ownership percentage of each current Member is listed on Exhibit A attached hereto.

Section 2. Bank Accounts, Funds, and Assets . The funds of the Company shall be deposited in the Company's name in such checking or other accounts as the Managers shall deem appropriate. Such funds shall be withdrawn only by such authorized persons as may be designated by the Managers.

Section 3. Tax Returns and Reports . The Company, at the Company's expense, shall cause income tax returns for the Company to be prepared and timely filed with the appropriate authorities. The Company also, at the Company's expense, shall cause to be prepared and timely filed with the appropriate authorities all reports required to be filed with such authorities under then applicable laws, rules and regulations. Any Member shall be provided with a copy of any such tax return or report upon request without expense to him or her.

Section 4. Reports and Financial Statements . The Company shall, at the Company's expense, provide to the Members as soon as practicable after the end of each calendar year a complete accounting of the affairs of the Company for such calendar year together with all information necessary for the preparation of a Member's federal and state income tax returns.

Section 5. Capital Accounts . An individual capital account shall be maintained on the books of the Company for each Member. Each Member's capital account shall consist of such Member's original capital contribution to the Company (a) increased by such Member's additional capital contributions to the Company and by such Member's share of Company profits and (b) decreased by such Member's share of Company losses and by distributions to such Member by the Company (the "Capital Account Balance"). No member shall have the right to receive out of the property of the Company any part of his or her contributions to the capital of the Company except as provided in the Articles of Organization of the Company or by applicable law. No Member shall be entitled or required to make any capital contributions to the Company other than as provided in this Agreement or in the Articles of Organization of the Company or as agreed to in writing by such Member with the approval or consent of Members holding a majority in amount of the then existing Capital Account Balances. No interest shall be paid on any Member's capital contributions to the Company. In the absence of consent of all of the Members, a Member, irrespective of the nature of his or her contributions to the capital of the Company, shall have only the right to demand and receive cash in return for his or her contributions to the capital of the Company.

Section 6. Profits and Losses . The net profits or net losses of the Company shall be allocated to the Members in proportion to their respective Capital Account Balances for, and pro rated to reflect any changes in their respective Capital Account Balances during, the accounting period to which such profits or losses are attributable.

Section 7. Loans . Any Member may, but shall not be required to, make loans to the Company in such amount, at such times, and on such terms as may be approved by the Members.

No such loan by a Member shall be considered a contribution to the capital of the Company. Except in the ordinary course of the Company's business, the Company shall not loan or advance funds to any Member, nor permit its assets to be encumbered to secure the obligations of a Member, without the prior consent of all of the other Members.

Section 8. Distributions . If the Members or Managers determine that the Company has cash available in excess of the reasonable needs of the Company for the conduct of its business (including but not limited to debt service and appropriate reserves), then such excess cash shall be distributed to the Members in proportion to their then respective Capital Account Balances, regardless of whether the Company has had a profit or loss for income tax or accounting purposes. Other distributions by the Company may be made in such manner and at such times as the Members or Managers may determine. Notwithstanding the foregoing, no distributions may be made by the Company to the Members unless, after the distributions are made, the assets of the Company will be in excess of all liabilities of the Company other than liabilities to Members on account of the Members' contributions to capital.

ARTICLE V.
ADDITIONAL MEMBERS AND TRANSFER OF INTERESTS

Section 1. Additional Members . Additional Members of the Company may be admitted to the Company by unanimous written consent of the Members. No new Member shall be entitled to any retroactive allocation of any item of income, gain, loss, deduction, or credit for income tax purposes. The Members, at their option at the time a Member is admitted, may close the Company books (as though the Company tax year had ended) or may make proportionate allocations of income, gains, losses, deductions, and credits for the Company's tax year in which the Member is admitted in accordance with the provisions of Section 706(d) of the Internal Revenue Code of 1986 and the Treasury Regulations promulgated thereunder.

Section 2. Transfer of Interests . Except as provided in Section 3 of this Article V, no Member shall transfer his or her interest in the Company, including but not limited to the Member's right to receive the share of profits or other compensation by way of income and return of contributions to capital to which the Member is entitled without the unanimous written consent of the Members. Any attempt by a Member to transfer his or her interest in the Company other than in compliance with the terms of this Agreement shall be null and void and of no force or effect, and the Company shall not recognize and shall give no effect to any such attempt by a Member to transfer his or her interest in the Company. For purposes of this Article V, "transfer" means to directly or indirectly sell, transfer, assign, pledge, mortgage, create a security interest in, or in any other way encumber or dispose of the Member's interest in the Company.

Section 3. Transfer to Affiliate . Any Member which is a corporation or other entity may transfer all or any portion of its interest in the Company to an affiliate upon written notice to the Company of such transfer.

Section 4. Specific Enforcement; Indemnification . Any transfer or attempted transfer by any Member in violation of this Agreement shall be null and void and of no effect whatsoever. Each Member hereby acknowledges the reasonableness of the restrictions on transfer imposed by this Agreement in view of the Company purposes and the relationship of the

Members. Accordingly, the restrictions on transfer contained herein shall be specifically enforceable. Each Member hereby further agrees to defend and hold the Company and each other Member wholly and completely harmless from any cost, liability or damage (including, without limitation, liabilities for income taxes and costs of enforcing this indemnity) incurred by any of such indemnified parties as a result of a transfer or an attempted transfer by such indemnifying Member in violation of this Agreement.

Section 5. Expenses . Except as otherwise expressly provided herein, all expenses of the Company incident to the admission of the transferee to the Company as a Member shall be charged to and paid by the transferring Member.

ARTICLE VI.
DISSOLUTION AND LIQUIDATION

The Company shall be dissolved only upon the unanimous written agreement of all Members. As soon as possible following an affirmative vote to dissolve the Company, the Members shall execute duplicate originals of a statement of intent to dissolve in the form prescribed by the Delaware Secretary of State, and such statement shall be delivered to the Delaware Secretary of State for filing. Upon the dissolution of the Company, the Members shall appoint a liquidated agent who, at the direction of the Members, shall proceed to make a full and general accounting of the assets and liabilities of the Company, liquidate the assets of the Company, discharge the liabilities of the Company, and otherwise wind up the affairs of the Company. When all debts, liabilities, and obligations of the Company have been paid and discharged or adequate provision has been made therefor and all of the remaining property and assets of the Company have been distributed to the Members in proportion to their then respective Capital Account Balances, a Certificate of Dissolution in the form required by the Delaware Limited Liability Company Act shall be executed in duplicate by the Members, verified by the Members. and delivered to the Delaware Secretary of State for filing.

ARTICLE VII.
MISCELLANEOUS

Section 1. Liability of Members and Managers . No Member or Manager of former Member or Manager shall be liable, responsible, or accountable in damages or otherwise to any other Member or to the Company for any actions taken in good faith and reasonably believed by the Member or Manager to be in the best interest of the Company or in reliance on the provisions of this Operating Agreement or the Articles, or for good faith errors of judgment, but shall only be liable for willful misconduct or gross negligence in the performance of his or her duties as a Member or Manager.

Section 2. Indemnification . The Company shall indemnify any Member, Manager or officer or former Member, Manager or officer against expenses actually and reasonably incurred by him or her in connection with the defense of a civil or criminal action, suit, or proceeding in which he or she is made a party by reason of being or having been a Member, Manager or officer of the Company, except in respect of matters as to which he or she is adjudged in the action, suit, or proceeding to be liable for willful misconduct or gross negligence.

Section 3. Waiver of Partition . Each of the Members of the Company irrevocably waives any right to maintain any action for partition with respect to the assets of the Company.

Section 4. Company Property . The legal title to any real or personal property or interest in real or personal property now or hereafter acquired by the Company shall be owned, held or operated in the name of the Company, and no Member, individually, shall have any ownership interest in such property.

Section 5. Contracts with Related Parties; Competition . Nothing in this Agreement or in law shall prevent or be construed to prevent any of the Members, or any person related to any Member, from dealing with the Company as to any matter whatever, provided the terms of this dealing are fair and reasonable to the Company as determined by the Members of the Company.

Section 6. No Partnership Intended for Nontax Purposes . The Members have formed the Company under the Act, and expressly do not intend hereby to form a partnership under Delaware law. The Members do not intend to be partners as to one another, or partners as to any third party. To the extent any Member, by word or action, represents to another person that any other Member is a partner or that the Company is a partnership, the Member making such wrongful representation shall be liable to any other Member who incurs personal liability by reason of such wrongful representation.

Section 7. Rights of Creditors and Third Parties under Agreement . This Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, its Members, and their successors and assigns. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other person. Except and only to the extent provided by applicable law, no such creditor or third party shall have any rights under this Agreement, or any agreement between the Company and any Member with respect to any capital contribution or otherwise.

Section 8. Non-Waiver . The failure of any Member to insist in any one or more instances upon performance of any of the terms or conditions of this Agreement shall not be construed as a waiver or a relinquishment of any right granted hereunder, or of the future performance of any such term, covenant or condition, but the obligations with respect thereto shall continue in full force and effect.

Section 9. Notices . All notices required or permitted under the terms of this Agreement shall be in writing and shall be delivered either personally, by certified mail, return receipt requested, or by prepaid nationally-recognized commercial overnight delivery service which maintains evidence of receipt (such as Federal Express), in care of the respective Members at their last known addresses. Any such notice shall be deemed to have been given when delivered or upon evidence of refusal of delivery.

Section 10. Acceptance of Prior Acts by New Members . Each person becoming a Member, by becoming a Member. ratifies all action duly taken by the Company, under the terms of this Agreement, prior to the date such person becomes a Member.

Section 11. Further Action . Each Member agrees to perform all further acts and execute, acknowledge, and deliver any additional documents which may be reasonably necessary, appropriate or desirable to carry out the provisions of this Agreement.

Section 12. Binding Provisions . The covenants and agreements contained in this Agreement shall be binding upon the parties to this Agreement, any new Members, and their respective heirs, personal representatives, successors, and permitted assigns.

Section 13. Separability of Provisions . Each provision of this Agreement shall be considered separable from the other provisions of this Agreement; and if for any reason any provision of this Agreement is determined to be invalid, such invalidity shall not impair the operation of or affect this portions of this Agreement that are valid.

Section 14. Entire Agreement; Amendment . This Agreement constitutes the entire understanding and agreement among the Members with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements and understandings, express or implied, oral or written, with respect to such subject matter. This Agreement may not be amended or modified except by written agreement of all Members.

Section 15. Applicable Law . This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

Section 16. Counterparts . This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which when taken together constitute one and the same instrument. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

Section 17. Titles . The titles of the various Articles and Sections of this Agreement are for convenient reference only and shall not be considered in the construction or interpretation of any provision of this Agreement.

IN WITNESS WHEREOF, the sole Member has executed this Agreement as of the 2nd day of December, 1997.

PKS INFORMATION SERVICES, INC.

By: /s/ Raul Pupo
Name: Raul Pupo
Title: President

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 2nd day of December, 1997, by Raul Pupo, the President of PKS Information Services, Inc., a Delaware corporation, on behalf of the corporation.

/s/ Timothy J. Wichita
Notary Public

[Notary Stamp & Logo]
GENERAL NOTARY-State of Nebraska
TIMOTHY J. WICHITA
My Comm. Exp. Feb. 28, 1998

EXHIBIT A

MEMBER OWNERSHIP

PKS Information Services. Inc.	100%

Exhibit 3.7

AMENDMENT
TO THE
OPERATING AGREEMENT
OF
LEVEL 3 COMMUNICATIONS, LLC

The undersigned (the "Member") being the sole member of Level 3 Communications, LLC (the "Company"), hereby agrees as follows:

1. Operating Agreement . The Member has previously adopted an operating agreement of the Company, dated December 2, 1997 (the "Operating Agreement"); terms used herein and not otherwise defined shall have the meaning ascribed to them in the Operating Agreement.

2. Amendment . Article I of the Operating Agreement is hereby amended by adding the following after the end of the existing Section 4:

Section 5. Agents; Administrative Functions . The Managers may also delegate to one or more Managers the right to implement the decisions of the Managers and administration of the day-to-day operational matters of the Company. The Managers may also authorize, in writing, one or more agents or officers (each, an "Administrator") to implement the management decisions of the Managers and to handle the day-to-day operational matters of the Company. Such authority may be general or limited to specific instances. The Managers shall determine the duties, compensation, term of service and other matters relating to any Administrator. The Managers may remove an Administrator at any time. The Administrator's expenses incurred on behalf of the Company shall be paid by, or reimbursed by, the Company.

3. Binding Effect . Except to the extent amended herein, the Operating Agreement shall remain in full force and effect and, to the extent not inconsistent therewith, this Amendment shall be governed and construed in accordance therewith.

IN WITNESS WHEREOF, the sole Member has executed this Amendment this 27th day of February, 1998.

PKS INFORMATION SERVICES, INC.

By: /s/ Raul Pupo
Name: Raul Pupo
Title: President

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 27th day of February, 1998, by Raul Pupo, the President of PKS Information Services, Inc., a Delaware corporation, on behalf of the corporation.

/s/ Beverly J. Jones
Notary Public

GENERAL NOTARY-State of Nebraska
BEVERLY J. JONES
My Comm. Exp. Dec. 10, 2001
[SEAL]

Exhibit 4.4

EXECUTION COPY

LEVEL 3 FINANCING, INC.

10.750 % Senior Notes due 2011

REGISTRATION AGREEMENT

New York, New York
October 1, 2003

Citigroup Global Markets Inc.
Credit Suisse First Boston LLC
J.P. Morgan Securities Inc.
Morgan Stanley & Co. Incorporated
UBS Securities LLC

c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

and

Credit Suisse First Boston LLC
11 Madison Avenue, 21st Floor
New York, New York 10010

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 September 26, 2003 (the "Purchase Agreement"), $500,000,000 aggregate principal amount of its 10.750% Senior Notes due 2011 (the "Original Securities") (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 Securities (including you and the other Purchasers) (each of the foregoing a "Holder" and together the "Holders"), as follows:

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 Securities 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 Securities acquired for its own account as a result of market-making activities or other trading activities for New Securities.

" Holder " has the meaning set forth in the preamble hereto.

" Indenture " means the Indenture relating to the Original Securities and the New Securities, dated as of October 1, 2003, 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 securities 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 Securities " means debt securities of the Issuer identical in all material respects to the Original Securities (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 Securities " 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 Securities or the New Securities, 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 Securities, a like principal amount of the New Securities.

" 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 Securities or the New Securities 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.

" 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 Securities or New Securities, 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 Securities and the New Securities 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 Securities by Exchanging Dealers; Private Exchange.

(a) The Issuer and Parent shall prepare and, not later than April 30, 2005, shall file with the Commission the Exchange Offer Registration Statement with respect to the Registered Exchange Offer. The Issuer and Parent shall use their best efforts to cause the Exchange Offer Registration Statement to become effective under the Securities Act by June 30, 2005.

(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 Securities for New Securities (assuming that such Original Securities 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 Securities in the ordinary course of its business and such Holder has no arrangements with any person to participate in the distribution of the New Securities) to trade such New Securities 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.

(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 30 days after the date notice thereof is mailed to the Holders (or longer if required by applicable law);

(iii) utilize the services of a depositary 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 Securities tendered and not validly withdrawn pursuant to the Registered Exchange Offer;

(ii) deliver to the Trustee for cancellation all Original Securities so accepted for exchange; and

(iii) cause the Trustee promptly to authenticate and deliver to each Holder of Original Securities, a principal amount of New Securities equal to the principal amount of the Original Securities 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 Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer in exchange for Original Securities 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

(ii) use their best 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 Securities 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 Securities 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 Securities registered under a Shelf Registration Statement as contemplated by Section 3 hereof from such Purchaser, in exchange for such Original Securities, a like principal amount of New Securities. The Issuer and Parent shall seek to

cause the CUSIP Service Bureau to issue the same CUSIP number for such New Securities as for New Securities issued pursuant to the Registered Exchange Offer.

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 June 30, 2005 or the Registered Exchange Offer is not consummated by July 31, 2005, or (iii) any Purchaser so requests with respect to Original Securities (or any New Securities received pursuant to Section 2(f)) not eligible to be exchanged for New Securities 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 Securities, 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 Securities 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 Securities acquired in exchange for such Original Securities shall result in such New Securities being not "freely tradeable" but (y) the requirement that an Exchanging Dealer deliver a Prospectus in connection with sales of New Securities acquired in the Registered Exchange Offer in exchange for Original Securities acquired as a result of market-making activities or other trading activities shall not result in such New Securities being not "freely tradeable"), the following provisions shall apply:

(a) The Issuer and Parent shall as promptly as practicable (but in no event more than the later of (i) April 30, 2005 or (ii) 45 days after so required or requested pursuant to this Section 3), file with the Commission and thereafter shall use their best efforts to cause to be declared effective under the Securities Act a Shelf Registration Statement relating to the offer and sale of the Original Securities or the New Securities, 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 Securities or New Securities, 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 Securities received by a Purchaser in exchange for Original Securities 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 its 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.

(b) The Issuer and Parent shall use their best 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 is declared effective by the Commission or such shorter period that will terminate when all the Original Securities or New Securities, 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 best 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.

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 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 best efforts to reflect in each such document, when so filed with the Commission, such comments as you reasonably may propose.

(ii) The Issuer and Parent shall furnish to you, prior to the filing 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 best efforts to reflect in each such document, when so filed 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, 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 with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective; and

(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 best efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement at the earliest possible time.

(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 Securities 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.

(j) The Issuer and Parent shall cooperate with the Holders of Original Securities to facilitate the timely preparation and delivery of certificates representing Original Securities 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 of any such Registration Statement hereunder, the Issuer and Parent shall provide a CUSIP number for the Original Securities or New Securities, as the case may be, registered under such Registration Statement, and provide the Trustee with printed certificates for such Original Securities or New Securities, 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 best 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 earnings statement (which need not be audited) covering a twelve-month period commencing after the effective date of the Registration Statement and ending not later than 15 months thereafter, as soon as practicable after the end of such period,

which consolidated earnings 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 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 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.

(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 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 Securities, 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.

(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; provided further , however , that such Holders or any such underwriter, attorney, accountant or agent may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of any transaction contemplated therein and all materials of any kind (including opinions or other tax analyses) that are provided to such Holders or any such underwriter, attorney, accountant or agent relating to such U.S. tax treatment and U.S. tax structure, other than any information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws; (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 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; provided further , however , that such Purchaser or any such attorney, accountant or agent may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of any transaction contemplated therein and all materials of any kind (including opinions or other tax analyses) that are provided to such Purchaser or any such attorney, accountant or agent relating to such U.S. tax treatment and U.S. tax structure, other than any information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws; (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.

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 ("Holders' Counsel"). 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 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; provided further , however , that the indemnity agreement contained in this Section 6(a) shall not inure to the benefit of any indemnified party to the extent that it is determined by a final, non-appealable judgment that (i) a preliminary Prospectus contained an untrue statement of a material fact or omitted to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the sale to the person asserting any such losses, claims, damages or liabilities was an initial resale of securities by any Holder, (iii) any such loss, claim, damage or liability of such indemnified party results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such securities to such person, a copy of any revised preliminary Prospectus, the related Prospectus or the related Prospectus as amended or supplemented in any case where such delivery is required by the Securities Act, and the Issuer and Parent had previously furnished copies thereof to such Holder and (iv) the revised preliminary Prospectus, the related Prospectus or the related Prospectus as amended or supplemented corrected such untrue statement or omission. 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 of Original Securities or New Securities 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 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 Security or New Security be responsible, in the aggregate, for any amount in excess of the purchase discount or commission applicable to such Security, or in the case of a New Security, applicable to the Security which was exchangeable into such New Security, 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 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 Securities or New Securities, 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 amount of Original Securities (or, after the consummation of any Exchange Offer in accordance with Section 2 hereof, of New Securities); 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 Citigroup Global Markets Inc. by facsimile (212-816-7912) and confirmed by mail to it at 388 Greenwich Street, New York, New York 10013, Attention: General 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 Securities and/or New Securities. The Issuer and Parent hereby agree to extend the benefits of this Agreement to any Holder of Original Securities and/or New Securities and any such Holder may specifically enforce the provisions of this Agreement as if an original party hereto.

(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 Securities or New Securities is required hereunder, Original Securities or New Securities, as applicable, held by the Issuer, Parent or their Affiliates (other than subsequent Holders of Original Securities or New Securities if such subsequent Holders are deemed to be Affiliates solely by reason of their holdings of such Original Securities or New

Securities) 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.

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 and Assistant Secretary

Level 3 Communications, Inc.

By: /s/ Thomas C. Stortz
Name: Thomas C. Stortz
Title: Group Vice President and Secretary

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

Citigroup Global Markets Inc.
Credit Suisse First Boston LLC
J.P. Morgan Securities
Morgan Stanley & Co. Incorporated
UBS Securities LLC

By: Citigroup Global Markets Inc.

By: /s/ D. Scott Miller
Name: D. Scott Miller
Title: Managing Director

By: Credit Suisse First Boston LLC

By: /s/ William L. Raincsuk, Jr.
Name: William L. Raincsuk, Jr.
Title: Managing Director

ANNEX A

Each broker-dealer that receives New Securities for its own account pursuant to the Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Securities received in exchange for Original Securities where such New Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Issuer and Parent have agreed that, starting on the date hereof (the "Expiration Date") and ending on the close of business on the day that is 180 days following the Expiration Date, it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

ANNEX B

Each broker-dealer that receives New Securities for its own account in exchange for Original Securities, where such Original Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such New Securities. See “Plan of Distribution.”

ANNEX C

PLAN OF DISTRIBUTION

Each broker-dealer that receives New Securities for its own account pursuant to the Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Securities. The Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Securities received in exchange for Original Securities where such Original Securities were acquired as a result of market-making activities or other trading activities. Each of the Issuer and Parent has agreed that, starting on the Expiration Date and ending on the close of business on the day that is 180 days following the Expiration Date, it will make this Prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until , 2005, all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.*

Neither the Issuer nor Parent will receive any proceeds from any sale of New Securities by broker-dealers. New Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the New Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer and/or the purchasers of any such New Securities. Any broker-dealer that resells New Securities that were received by it for its own account pursuant to the Registered Exchange Offer and any broker or dealer that participates in a distribution of such New Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit of any such resale of New Securities and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date, the Issuer and Parent will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Issuer and Parent have agreed to pay all expenses incident to the Exchange Offer (other than the expenses of counsel for the Holders of the Original Securities) other than commissions or concessions of any brokers or

* In addition, the legend required by Item 502(e) of Regulation S-K will appear on the back cover page of the Exchange Offer Prospectus.

dealers and will indemnify the Holders of the Original Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

[If applicable, add information required by Regulation S-K Items 507 and/or 508.]

ANNEX D

Rider A

0 CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: _____

Address: _____

_____

Rider B

If the undersigned is not a broker-dealer, the undersigned represents that it acquired the New Securities in the ordinary course of its business, it is not engaged in, and does not intend to engage in, a distribution of New Securities and it has no arrangements or understandings with any person to participate in a distribution of the New Securities. If the undersigned is a broker-dealer that will receive New Securities for its own account in exchange for Original Securities, it represents that the Original Securities to be exchanged for New Securities were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus in connection with any resale of such New Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

Exhibit 5

WILLKIE FARR & GALLAGHER LLP

787 Seventh Avenue
New York, NY 10019-6099
Tel: 212 728 8000
Fax: 212 728 8111

June 10, 2005

Level 3 Financing, Inc.
Level 3 Communications, Inc.
Level 3 Communications, LLC
1025 Eldorado Boulevard
Broomfield, Colorado 80021

Re: Registration Statement on Form S-4 (File No. 333-124436)

Ladies and Gentlemen:

We are counsel to Level 3 Financing, Inc., a Delaware corporation (the "Issuer"), Level 3 Communications, Inc., a Delaware corporation ("Parent"), and Level 3 Communications, LLC ("Level 3 LLC" and, together with Parent, the "Guarantors"), and have acted as such in connection with the filing of a Registration Statement on Form S-4, as amended (File No. 333-124436) (the "Registration Statement"), under the Securities Act of 1933, as amended (the "Securities Act"), covering up to $500,000,000 in aggregate principal amount of 10.750% Senior Notes due 2011 of the Issuer unconditionally guaranteed by the Guarantors (the "New Notes") to be offered in exchange for all outstanding 10.750% Senior Notes due 2011 of the Issuer unconditionally guaranteed by the Guarantors and originally issued and sold in reliance upon an exemption from registration under the Securities Act (the "Original Notes").

The Original Notes were issued under, and the New Notes will be issued under, the Indenture, dated as of October 1, 2003 (as supplemented, the "Indenture"), among the Issuer, Parent and The Bank of New York, as trustee (the "Trustee"), as amended by a Supplemental Indenture, dated as of October 20, 2004, by and among Parent, the Issuer, Level 3 LLC and the Trustee, and by a Supplemental Indenture, dated as of December 1, 2004, by and among Parent, the Issuer, Level 3 LLC and the Trustee. The exchange will be made pursuant to an exchange offer contemplated by the Registration Statement (the "Exchange Offer"). As used herein, the term "Registrants" refers to the Issuer, Parent and Level 3 LLC.

We have examined originals or copies, certified or otherwise, identified to our satisfaction, of (a) the forms of New Notes, (b) the Indenture and (c) the respective certificates of incorporation (or equivalent), as amended, and by-laws (or equivalent) of the Registrants.

We have also examined original, reproduced or certified copies of such records of the Registrants as we have deemed necessary or appropriate as a basis for the opinions hereinafter expressed. In our examination and in rendering our opinions contained herein, we have assumed (i) the genuineness of all signatures of all parties; (ii) the authenticity of all corporate records, agreements, documents, instruments and certificates of the Registrants submitted to us as originals, the conformity to original documents and agreements of all documents and agreements submitted to us as conformed, certified or photostatic copies; (iii) the due authorization, execution and delivery of all documents and agreements (including the Indenture) by all parties thereto (other than the Registrants) and the binding effect of such documents and agreements on all such parties (other then the Registrants); (iv) the legal rights and power of all such parties (other than the Registrants) under all applicable laws and regulations to enter into, execute and deliver such agreements and documents; and (v) the capacity of natural persons. As to all questions of fact material to such opinions, we have relied without independent check or verification upon certificates of the Registrants, and their respective officers, employees, agents and representatives; and certificates of public officials.

A. Based on the foregoing, we are of the opinion that:

1. The execution and delivery of the Indenture have been duly authorized by the Registrants, and the Indenture constitutes a legal, valid and binding obligation enforceable against the Registrants in accordance with the terms thereof.

2. The New Notes have been duly authorized by the Issuer and, when duly executed by the proper officers of the Issuer, duly authenticated by the Trustee and issued by the Issuer in accordance with the terms of the Indenture and the Exchange Offer, will constitute legal, valid and binding obligations of the Issuer, will be entitled to the benefits of the Indenture and will be enforceable against the Issuer in accordance with the terms thereof.

3. The guarantees of the New Notes by the Guarantors have been duly authorized by the Guarantors and, when the New Notes are duly executed by the proper officers of the Issuers, duly authenticated by the Trustee and issued by the Issuers in accordance with the terms of the Indenture and the Exchange Offer, the guarantees of the New Notes will constitute legal, valid and binding obligations of the Guarantors, will be entitled to the benefits of the Indenture and will be enforceable against the Guarantors in accordance with the terms thereof.

B. The foregoing opinions are subject to the following qualifications:

The opinions set forth in paragraphs A1 through and including A3 above are qualified in that the legality or enforceability of the documents referred to therein may be (a) subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, (b) limited insofar as the remedies of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and the discretion of the court before which any enforcement thereof may be brought and (c) subject to general principles of equity (regardless of whether enforceability is considered in a proceeding

at law or in equity) including principles of commercial reasonableness or conscionability and an implied covenant of good faith and fair dealing.

This opinion is limited to the matters stated herein and no opinion is implied or may be inferred beyond the matters expressly stated. We do not express an opinion as to matters arising under the laws of any jurisdiction, other than the laws of the State of New York, the Delaware General Corporation Law and the Delaware Limited Liability Company Act (and the applicable provisions of the Delaware Constitution and reported judicial decisions interpreting such law) and the Federal laws of the United States.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement referred to above and to the reference to our firm under the heading "Legal Matters" in the prospectus included in the Registration Statement. We do not admit by giving this consent that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

/s/ Willkie Farr & Gallagher LLP

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Level 3 Communications, Inc.:

We consent to the use of our reports dated March 14, 2005, with respect to the consolidated balance sheets of Level 3 Communications, Inc. and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of operations, cash flows, changes in stockholders' equity (deficit) and comprehensive loss for each of the years in the three-year period ended December 31, 2004, management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2004, and the effectiveness of internal control over financial reporting as of December 31, 2004, incorporated herein by reference and to the reference to our firm under the heading "Experts" in the prospectus.

Our report refers to a change in the method of accounting for goodwill and other intangible assets in 2002 and for asset retirement obligations in 2003.

/s/ KPMG LLP

Denver, Colorado
June 6, 2005

Exhibit 99.1

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON _____], 2005 UNLESS EXTENDED (THE "EXPIRATION DATE"). TENDERS MAY BE WITHDRAWN PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

Level 3 Financing, Inc.
1025 Eldorado Boulevard
Broomfield, Colorado 80021

LETTER OF TRANSMITTAL
For 10.750% Senior Notes of Level 3 Financing, Inc. due 2011
Guaranteed by Level 3 Communications, Inc. and Level 3 Communications, LLC

Exchange Agent:

The Bank of New York

By Facsimile:
(212) 298-1915

Confirm by Telephone:
(212) 815-2742

By Mail, Hand or Courier:
The Bank of New York
101 Barclay Street, 7E
Corporate Trust Organization
Reorganization Unit
New York, New York 10286

For information on other offices or agencies of the Exchange Agent where

Notes may be presented for exchange, please call the telephone number listed above.

Delivery of this instrument to an address other than as set forth above does not constitute a valid delivery.

PLEASE READ THE ENTIRE LETTER OF TRANSMITTAL, INCLUDING THE INSTRUCTIONS TO THIS LETTER, CAREFULLY BEFORE CHECKING ANY BOX BELOW

Capitalized terms used in this Letter of Transmittal and not defined herein shall have the respective meanings ascribed to them in the Prospectus.

List in Box 1 below the Original Notes of which you are the holder. If the space provided in Box 1 is inadequate, list the certificate numbers and principal amount at maturity of Original Notes on a separate signed schedule and affix that schedule to this Letter of Transmittal.

BOX 1

TO BE COMPLETED BY ALL TENDERING HOLDERS

Name(s) and Address(es) of Registered Holder(s) (Please fill in if blank)	Certificate Number(s)(1)	Principal Amount of Original Notes	Principal Amount of Original Notes Tendered (2)
Totals:			

(1) Need not be completed if Original Notes are being tendered by book-entry transfer.

(2) Unless otherwise indicated, the entire principal amount of Original Notes represented by a certificate or Book-Entry Confirmation delivered to the Exchange Agent will be deemed to have been tendered.

The undersigned acknowledges receipt of the Prospectus, dated [_____], 2005 (the "Prospectus"), of Level 3 Financing, Inc. (the "Issuer"), Level 3 Communications, Inc. ("Parent") and Level 3 Communications, LLC ("Level 3 LLC" and, together with Parent, the "Guarantors"), and this Letter of Transmittal for 10.750% Senior Notes due 2011, which may be amended from time to time (as amended, this "Letter"), which together constitute the offer of the Issuer and the Guarantors (the "Exchange Offer") to exchange, for each $1,000 in principal amount of the Issuer' outstanding 10.750% Senior Notes due 2011 (the "Original Notes") issued and sold in a transaction exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), $1,000 in principal amount of the Issuer's 10.750% Senior Notes due 2011 (the "New Notes").

The undersigned has completed, executed and delivered this Letter to indicate the action he or she desires to take with respect to the Exchange Offer.

All holders of Original Notes who wish to tender their Original Notes must, on or prior to the Expiration Date: (1) complete, sign, date and mail or otherwise deliver this Letter or a facsimile of this Letter to the Exchange Agent, in person or at the address set forth above; and (2) tender his or her Original Notes or, if a tender of Original Notes is to be made by book-entry transfer to the account maintained by the Exchange Agent at The Depository Trust Company (the "Book-Entry Transfer Facility"), confirm such book-entry transfer (a "Book-Entry Confirmation"), in accordance with the procedures for tendering described in the Instructions to this Letter. Holders of Original Notes whose certificates are not immediately available, or who are unable to deliver their certificates or Book-Entry Confirmation and all other documents required by this Letter to be delivered to the Exchange Agent on or prior to the Expiration Date, must tender their Original Notes according to the guaranteed delivery procedures set forth under the caption "The Exchange Offer – How to Tender" in the Prospectus. (See Instruction 1)

The Instructions included with this Letter must be followed in their entirety. Questions and requests for assistance or for additional copies of the Prospectus or this Letter may be directed to the Exchange Agent, at the address listed above, or Level 3 Communications, Inc., 1025 Eldorado Boulevard, Broomfield, CO 80021, Attention: Senior Vice President, Investor Relations (telephone (720) 888-2500).

Ladies and Gentlemen:

Upon the terms and subject to the conditions of the Exchange Offer, the undersigned tenders to the Issuer and the Guarantors the principal amount of Original Notes indicated above. Subject to, and effective upon, the acceptance for exchange of the Original Notes tendered with this Letter, the undersigned exchanges, assigns and transfers to, or upon the order of, the Issuer and the Guarantors all right, title and interest in and to the Original Notes tendered.

The undersigned constitutes and appoints the Exchange Agent as his or her agent and attorney-in-fact (with full knowledge that the Exchange Agent also acts as the agent of the Issuer and the Guarantors) with respect to the tendered Original Notes, with full power of substitution, to: (a) deliver certificates for such Original Notes; (b) deliver Original Notes and all accompanying evidence of transfer and authenticity to or upon the order of the Issuer upon receipt by the Exchange Agent, as the undersigned's agent, of the New Notes to which the undersigned is entitled upon the acceptance by the Issuer and the Guarantors of the Original Notes tendered under the Exchange Offer; and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of the Original Notes, all in accordance with the terms of the Exchange Offer. The power of attorney granted in this paragraph shall be deemed irrevocable and coupled with an interest.

The undersigned hereby represents and warrants that he or she has full power and authority to tender, exchange, assign and transfer the Original Notes tendered hereby and to acquire New Notes issuable upon exchange of the tendered Original Notes, and that, when the tendered Original Notes are accepted for exchange, the Issuer and the Guarantors will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Issuer to be necessary or desirable to complete the exchange, assignment and transfer of the Original Notes tendered.

The undersigned agrees that acceptance of any tendered Original Notes by the Issuer and the Guarantors and the issuance of New Notes in exchange therefor shall constitute performance in full by the Issuer and Parent, as guarantor, of their respective obligations under the registration agreement, dated as of October 1, 2003, that the Issuer and Parent entered into with the initial purchasers of the Original Notes (the "Registration Agreement") and that, upon the issuance of the New Notes, the Issuer and Parent will have no further obligations or liabilities under the Registration Agreement (except in certain limited circumstances). By tendering Original Notes, the undersigned certifies that (i) any New Notes received by it will be acquired in the ordinary course of its business, (ii) it has no arrangement or understanding with any person or entity to participate in a distribution (within the meaning of the Securities Act) of the New Notes, (iii) it is not an "affiliate" (within the meaning of Rule 405 under the Securities Act) of any of the Issuer or the Guarantors nor is it a broker-dealer that acquired Original Notes directly from such persons or, if it is an affiliate (as so defined) of such persons or a broker-dealer that acquired Original Notes directly from such persons, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, and (iv) if it is not a broker-dealer, it is not engaged in, and does not intend to engage in, a distribution of the New Notes.

The undersigned acknowledges that, if it is a broker-dealer that will receive New Notes in exchange for Original Notes that were acquired for its own account as a result of market-making activities or other trading activities, it will deliver a prospectus in connection with any resale of such New Notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

The undersigned understands that the Issuer and the Guarantors may accept the undersigned's tender by delivering written notice of acceptance to the Exchange Agent, at which time the undersigned's right to withdraw such tender will terminate.

All authority conferred or agreed to be conferred by this Letter shall survive the death or incapacity of the undersigned, and every obligation of the undersigned under this Letter shall be binding upon the undersigned's heirs, legal representatives, successors, assigns, executors and administrators of the undersigned. Tenders may be withdrawn only in accordance with the procedures set forth in the Instructions included with this Letter.

Unless otherwise indicated under "Special Delivery Instructions" below, the Exchange Agent will deliver New Notes (and, if applicable, a certificate for any Original Notes not tendered but represented by a certificate also encompassing Original Notes which are tendered) to the undersigned at the address set forth in Box 1.

The undersigned acknowledges that the Exchange Offer is subject to the more detailed terms set forth in the Prospectus and, in case of any conflict between the terms of the Prospectus and this Letter, the Prospectus shall prevail.

☐ **CHECK HERE IF TENDERED ORIGINAL NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:**

Name of Tendering Institution: _____

Account Number: _____

Transaction Code Number: _____

☐ **CHECK HERE IF TENDERED ORIGINAL NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING:**

Name(s) of Registered Owner(s): _____

Date of Execution of Notice of Guaranteed Delivery: _____

Window Ticket Number (if available): _____

Name of Institution which Guaranteed Delivery: _____

☐ **CHECK HERE IF YOU ARE AN "AFFILIATE" (WITHIN THE MEANING OF RULE 405 UNDER THE SECURITIES ACT) OF ANY OF THE ISSUERS OR THE GUARANTORS.**

Name: _____

☐ **CHECK HERE IF YOU ARE A BROKER-DEALER OR AN "AFFILIATE" (WITHIN THE MEANING OF RULE 405 UNDER THE SECURITIES ACT) OF ANY OF THE ISSUERS OR THE GUARANTORS AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.**

Name: _____

Address: _____

_____

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

BOX 2

PLEASE SIGN HERE
WHETHER OR NOT ORIGINAL NOTES ARE BEING
PHYSICALLY TENDERED HEREBY

X _____ _____

X _____ _____
(Signature(s) of Owner(s) or Authorized Signatory) (Date)

Area Code and Telephone Number: _____

This box must be signed by registered holder(s) of Original Notes as their name(s) appear(s) on certificate(s) for Original Notes, or by person (s) authorized to become registered holder(s) by endorsement and documents transmitted with this Letter. If signature is by a trustee, executor, administrator, guardian, officer or other person acting in a fiduciary or representative capacity, such person must set forth his or her full title below. (See Instruction 3)

Name(s): _____

_____
(Please Print)

Capacity: _____

Address(es): _____

_____
(Include Zip Code)

Signature(s) Guaranteed
by an Eligible Institution:
(If required by Instruction 3)

_____
(Authorized Signature)

_____
(Title)

_____
(Name of Firm)

BOX 3

TO BE COMPLETED BY ALL TENDERING HOLDERS

PAYOR'S NAME: The Bank of New York

	Part 1—PLEASE PROVIDE YOUR TIN IN THE BOX AT THE RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	Social Security Number or Employer Identification Number _____
SUBSTITUTE FORM W-9 Department of the Treasury Internal Revenue Service	Part 2—Check the box if you are NOT subject to back-up withholding because (1) you have not been notified by the Internal Revenue Service that you are subject to back-up withholding as a result of failure to report all interest or dividends, or (2) the Internal Revenue Service has notified you that you are no longer subject to back-up withholding, or (3) you are exempt from back-up withholding. ☐	
Payor's Request for Taxpayer Identification Number (TIN) and Certification	CERTIFICATION—UNDER THE PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT AND COMPLETE.	Part 3 Check if Awaiting TIN ☐

Signature: _____ Date: _____

BOX 4

SPECIAL ISSUANCE INSTRUCTIONS

(See Instructions 3 and 4)

To be completed ONLY if certificates for Original Notes in a principal amount not exchanged, or New Notes, are to be issued in the name of someone other than the person whose signature appears in Box 2, or if Original Notes delivered by book-entry transfer which are not accepted for exchange are to be returned by credit to an account maintained at the Book-Entry Transfer Facility other than the account indicated above.

Issue and deliver:

(check appropriate boxes)

☐ Original Notes not tendered

☐ New Notes, to:

Name(s): _____

(Please Print)

Address(es): _____

BOX 5

SPECIAL DELIVERY INSTRUCTIONS

(See Instructions 3 and 4)

To be completed ONLY if certificates for Original Notes in a principal amount not exchanged, or New Notes, are to be sent to someone other than the person whose signature appears in Box 2 or to an address other than that shown in Box 1.

Deliver:

(check appropriate boxes)

☐ Original Notes not Tendered

☐ New Notes, to:

Name(s): _____

(Please Print)

Address(es): _____

_____

Please complete the Substitute Form W-9 in Box 3
TIN or Social Security Number: _____

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. **Delivery of this Letter and Certificates.** Certificates for Original Notes or a Book-Entry Confirmation, as the case may be, as well as a properly completed and duly executed copy of this Letter and any other documents required by this Letter, must be received by the Exchange Agent at its address set forth herein on or before the Expiration Date. The method of delivery of this Letter, certificates for Original Notes or a Book-Entry Confirmation, as the case may be, and any other required documents is at the election and risk of the tendering holder, but except as otherwise provided below, the delivery will be deemed made when actually received by the Exchange Agent. If delivery is by mail, the use of registered mail with return receipt requested, properly insured, is suggested.

Holders whose Original Notes are not immediately available or who cannot deliver their Original Notes or a Book-Entry Confirmation, as the case may be, and all other required documents to the Exchange Agent on or before the Expiration Date may tender their Original Notes pursuant to the guaranteed delivery procedures set forth in the Prospectus. Pursuant to such procedure: (i) tender must be made by or through a firm that is a member of a recognized signature guarantee medallion program within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934 (an "Eligible Institution"); (ii) on or prior to the Expiration Date, the Exchange Agent must have received from the Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by telegram, facsimile transmission, mail or hand delivery) (x) setting forth the name and address of the holder, the names in which the Original Notes are registered, the principal amount of Original Notes tendered and, if possible, the certificate numbers of the Original Notes to be tendered, (y) stating that the tender is being made thereby and (z) guaranteeing that within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, the Original Notes, in proper form for transfer, will be delivered by the Eligible Institution together with this Letter, properly completed and duly executed, and any other required documents to the Exchange Agent; and (iii) the certificates for all tendered Original Notes or a Book-Entry Confirmation, as the case may be, as well as all other documents required by this Letter, must be received by the Exchange Agent within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided in the Prospectus under the caption "The Exchange Offer — How to Tender — Guaranteed Delivery Procedure."

All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of tendered Original Notes will be determined by the Issuer, whose determination will be final and binding. The Issuer reserve the absolute right to reject any or all tenders that are not in proper form or the acceptances for exchange of which may, in the opinion of counsel to the Issuer, be unlawful. The Issuer also reserve the right to waive any of the conditions of the Exchange Offer or any defect or irregularities in tenders of any particular holder of Original Notes whether or not similar defects or irregularities are waived in the cases of other holders of Original Notes. All tendering holders, by execution of this Letter, waive any right to receive notice of acceptance of their Original Notes.

None of the Issuer, the Exchange Agent nor any other person shall be obligated to give notice of defects or irregularities in any tender, nor shall any of them incur any liability for failure to give any such notice.

2. **Partial Tenders; Withdrawals.** If less than the entire principal amount of any Original Note evidenced by a submitted certificate or by a Book-Entry Confirmation is tendered, the tendering holder must fill in the principal amount tendered in the fourth column of Box 1 above. All of the Original Notes represented by a certificate or by a Book-Entry Confirmation delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated. A certificate for Original Notes not tendered will be sent to the holder, unless otherwise provided in Box 5, as soon as practicable after the Expiration Date, in the event that less than the entire principal amount of Original Notes represented by a submitted certificate is tendered (or, in the case of Original Notes tendered by book-entry transfer, such non-exchanged Original Notes will be credited to an account maintained by the holder with the Book-Entry Transfer Facility).

If not yet accepted, a tender pursuant to the Exchange Offer may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. To be effective with respect to the tender of Original Notes, a written or facsimile transmission notice of withdrawal must: (i) be received by the Exchange Agent at its address set forth above before 5:00 p.m., New York City time, on the Expiration Date; (ii) specify the person named in the applicable letter of transmittal as having tendered Original Notes to be withdrawn; (iii) specify the certificate numbers of Original Notes to be withdrawn; (iv) specify the principal amount of Original Notes to be withdrawn, which must be an authorized denomination; (v) state that the holder is withdrawing its election to have those Original Notes exchanged; (vi) state the name of the registered holder of those Original Notes; and (vii) be signed by the holder in the same manner as the original signature on the applicable letter of transmittal, including any required signature guarantees, or be accompanied by evidence satisfactory to the Issuer that the person withdrawing the tender has succeeded to the beneficial ownership of the Original Notes being withdrawn.

3. **Signatures on this Letter; Assignments; Guarantee of Signatures.** If this Letter is signed by the holder(s) of Original Notes tendered hereby, the signature must correspond with the name(s) as written on the face of the certificate(s) for such Original Notes, without alteration, enlargement or any change whatsoever.

If any of the Original Notes tendered hereby are owned by two or more joint owners, all owners must sign this Letter. If any tendered Original Notes are held in different names on several certificates, it will be necessary to complete, sign and submit as many separate copies of this Letter as there are names in which certificates are held.

If this Letter is signed by the holder of record and (i) the entire principal amount of the holder’s Original Notes are tendered; and/or (ii) untendered Original Notes, if any, are to be issued to the holder of record, then the holder of record need not endorse any certificates for tendered Original Notes, nor provide a separate bond power. If any other case, the holder of record must transmit a separate bond power with this Letter.

If this Letter or any certificate or assignment is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and proper evidence satisfactory to the Issuer of their authority to so act must be submitted, unless waived by the Issuer.

Signatures on this Letter must be guaranteed by an Eligible Institution, unless Original Notes are tendered: (i) by a holder who has not completed the Box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on this Letter; or (ii) for the account of an Eligible Institution. In the event that the signatures in this Letter or a notice of withdrawal, as the case may be, are required to be guaranteed, such guarantees must be by an eligible guarantor institution which is a member of The Securities Transfer Agents Medallion Program (STAMP), The New York Stock Exchanges Medallion Signature Program (MSP) or The Stock Exchanges Medallion Program (SEMP) (collectively, "Eligible Institutions"). If Original Notes are registered in the name of a person other than the signer of this Letter, the Original Notes surrendered for exchange must be endorsed by, or be accompanied by a written instrument or instruments of transfer or exchange, in satisfactory form as determined by the Issuer, in their sole discretion, duly executed by the registered holder with the signature thereon guaranteed by an Eligible Institution.

4. **Special Issuance and Delivery Instructions.** Tendering holders should indicate, in Box 4 or 5, as applicable, the name and address to which the New Notes or certificates for Original Notes not exchanged are to be issued or sent, if different from the name and address of the person signing this Letter. In the case of issuance in a different name, the tax identification number of the person named must also be indicated. Holders tendering Original Notes by book-entry transfer may request that Original Notes not exchanged be credited to such account maintained at the Book-Entry Transfer Facility as such holder may designate.

5. **Tax Identification Number.** Federal income tax law requires that a holder whose tendered Original Notes are accepted for exchange must provide the Exchange Agent (as payor) with his or her correct taxpayer identification number ("TIN"), which, in the case of a holder who is an individual, is his or her social security number. If the Exchange Agent is not provided with the correct TIN, the holder may be subject to a $50 penalty imposed by the Internal Revenue Service. In addition, delivery to the holder of the New Notes pursuant to the Exchange Offer may be subject to back-up withholding. (If withholding results in overpayment of taxes, a refund or credit may be obtained.) Exempt holders (including, among others, all corporations and certain foreign individuals) are not subject to these back-up withholding and reporting requirements. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 (the "Guidelines") for additional instructions.

Under federal income tax laws, payments that may be made by the Issuer and the Guarantors on account of New Notes issued pursuant to the Exchange Offer may be subject to back-up withholding. In order to avoid being subject to back-up withholding, each tendering holder must provide his or her correct TIN by completing the "Substitute Form W-9" referred to above, certifying that the TIN provided is correct (or that the holder is awaiting a TIN) and that: (i) the holder has not been notified by the Internal Revenue Service that he or she is subject to back-up withholding as a result of failure to report all interest or dividends; (ii) the Internal

Revenue Service has notified the holder that he or she is no longer subject to back-up withholding; or (iii) in accordance with the Guidelines, such holder is exempt from back-up withholding. If the Original Notes are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for information on which TIN to report.

6. **Transfer Taxes.** The Issuer and/or the Guarantors will pay all transfer taxes, if any, applicable to the transfer of Original Notes to them or their order pursuant to the Exchange Offer. If, however, the New Notes or certificates for Original Notes not exchanged are to be delivered to, or are to be issued in the name of, any person other than the record holder, or if tendered certificates are recorded in the name of any person other than the person signing this Letter, or if a transfer tax is imposed for any reason other than the transfer of Original Notes to the Issuer and the Guarantors or their order pursuant to the Exchange Offer, then the amount of such transfer taxes (whether imposed on the record holder or any other person) will be payable by the tendering holder. If satisfactory evidence of payment of taxes or exemption from taxes is not submitted with this Letter, the amount of transfer taxes will be billed directly to the tendering holder.

Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the certificates listed in this Letter.

7. **Waiver of Conditions.** The Issuer reserves the absolute right to amend or waive any of the specified conditions in the Exchange Offer in the case of any Original Notes tendered.

8. **Mutilated, Lost, Stolen or Destroyed Certificates.** Any holder whose certificates for Original Notes have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated above for further instructions.

9. **Requests for Assistance or Additional Copies** . Questions relating to the procedure for tendering, as well as requests for additional copies of the Prospectus or this Letter, may be directed to the Exchange Agent.

IMPORTANT: This Letter (together with certificates representing tendered Original Notes or a Book-Entry Confirmation and all other required documents) must be received by the Exchange Agent on or before the Expiration Date of the Exchange Offer (as described in the Prospectus).

Exhibit 99.2

LEVEL 3 FINANCING INC.

Exchange Offer
to holders of their
10.750% Senior Notes due 2011
NOTICE OF GUARANTEED DELIVERY

As set forth in the Prospectus, dated , 2005 (the "Prospectus"), of Level 3 Financing, Inc. (the "Issuer"), Level 3 Communications, Inc. ("Parent") and Level 3 Communications, LLC ("Level 3 LLC" and, together with Parent, the "Guarantors") under "The Exchange Offer—How to Tender—Guaranteed Delivery Procedures" and in the Letter of Transmittal (the "Letter of Transmittal") relating to the offer by the Issuer and the Guarantors to exchange up to $500,000,000 in aggregate principal amount of the Issuer's 10.750% Senior Notes due 2011 (the "Exchange Notes") for $500,000,000 in principal amount of the Issuer's 10.750% Senior Notes due 2011, issued and sold in a transaction exempt from registration under the Securities Act of 1933, as amended (the "Original Notes"), this form or one substantially equivalent hereto must be used to accept the offer of the Issuer and the Guarantors if: (i) certificates for the Original Notes are not immediately available; or (ii) time will not permit all required documents to reach the Exchange Agent (as defined below) on or prior to the expiration date of the Exchange Offer (as defined below and as described in the Prospectus). Such form may be delivered by telegram, facsimile transmission, mail or hand to the Exchange Agent.

To: The Bank of New York (the "Exchange Agent")

By Facsimile:
(212) 298-1915

Confirm by Telephone:
(212) 815-2742

By Mail, Hand or Courier:
The Bank of New York
101 Barclay Street, 7E
Corporate Trust Organization
Reorganization Unit
New York, New York 10286

For information on other offices or agencies of the Exchange Agent where Notes may be presented for exchange, please call the telephone number listed above.

Delivery of this instrument to an address other than as set forth above or as indicated upon contacting the Exchange Agent at the telephone number set forth above, or transmittal of this instrument to a facsimile number other than as set forth above or as indicated upon contacting the Exchange Agent at the telephone number set forth above, does not constitute a valid delivery.

Ladies and Gentlemen:

The undersigned hereby tenders to the Issuer and the Guarantors, upon the terms and conditions set forth in the Prospectus and the Letter of Transmittal (which together constitute the "Exchange Offer"), receipt of which are hereby acknowledged, the principal amount of Original Notes set forth below pursuant to the guaranteed delivery procedure described in the Prospectus and the Letter of Transmittal.

Sign Here

Principal Amount of Original Notes Tendered: _____

Signature(s): _____

_____

Certificate Nos. (if available):

_____

Please Print the Following Information

Name(s): _____

Total Principal Amount Represented by Original Notes Certificate (s):

_____

_____

Address(es):_____

Account Number:

_____

_____

Name(s) in which Original Notes Registered:

_____

Area Code and Tel. No(s).: _____

_____

Date: _____, 200 _

GUARANTEE

The undersigned, a member of a recognized signature guarantee medallion program within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, hereby guarantees delivery to the Exchange Agent of certificates tendered hereby, in proper form for transfer, or delivery of such certificates pursuant to the procedure for book-entry transfer, in either case with delivery of a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other required documents, is being made within three New York Stock Exchange trading days after the date of execution of a Notice of Guaranteed Delivery of the above-named person.

Name of Firm: _____

Authorized Signature:_____

Number and Street or P.O. Box: _____

_____

City:_____ State:_____ Zip Code:_____

Area Code and Tel. No.:_____

Dated: , 200 _

Exhibit 99.3

LEVEL 3 FINANCING, INC.
Offer to Exchange
Up to $500,000,000 in principal amount of
10.750% Senior Notes due 2011
for
$500,000,000 in principal amount of
10.750% Senior Notes due 2011

To Our Clients:

Enclosed for your consideration is a Prospectus, dated , 2005 (as the same may be amended or supplemented from time to time, the "Prospectus"), of Level 3 Financing, Inc. (the "Issuer"), Level 3 Communications, Inc. ("Parent") and Level 3 Communications, LLC ("Level 3 LLC" and, together with Parent, the "Guarantors") and a form of Letter of Transmittal (the "Letter of Transmittal") relating to the offer (the "Exchange Offer") by the Issuer and the Guarantors to exchange up to $500,000,000 in principal amount of the Issuer's 10.750% Senior Notes due 2011 (the "New Notes") for the outstanding $500,000,000 in principal amount of the Issuer's 10.750% Senior Notes due 2011, issued and sold in a transaction exempt from registration under the Securities Act of 1933, as amended (the "Original Notes").

The material is being forwarded to you as the beneficial owner of Original Notes held by us for your account or benefit but not registered in your name. A tender of any Original Notes may be made only by us as the registered holder and pursuant to your instructions. Therefore, the Issuer and the Guarantors urge beneficial owners of Original Notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee to contact such registered holder promptly if they wish to tender Original Notes in the Exchange Offer.

Accordingly, we request instructions as to whether you wish us to tender any or all of your Original Notes, pursuant to the terms and conditions set forth in the Prospectus and Letter of Transmittal. We urge you to read carefully the Prospectus and Letter of Transmittal before instructing us to tender your Original Notes.

Your instructions to us should be forwarded as promptly as possible in order to permit us to tender Original Notes on your behalf in accordance with the provisions of the Exchange Offer. The Exchange Offer will expire at 5:00 p.m., New York City Time, on , 2005, unless extended (the "Expiration Date"). Original Notes tendered pursuant to the Exchange Offer may be withdrawn, subject to the procedures described in the Prospectus, at any time prior to 5:00 p.m., New York City Time, on the Expiration Date.

If you wish to have us tender any or all of your Original Notes held by us for your account or benefit, please so instruct us by completing, executing and returning to us the instruction form that appears below. The accompanying Letter of Transmittal is furnished to you for informational purposes only and may not be used by you to tender Original Notes held by us and registered in our name for your account or benefit.

INSTRUCTIONS

The undersigned acknowledge(s) receipt of your letter and the enclosed material referred to therein relating to the Exchange Offer of the Issuer and the Guarantors.

This will instruct you to tender the principal amount of Original Notes indicated below held by you for the account or benefit of the undersigned, pursuant to the terms of and conditions set forth in the Prospectus and the Letter of Transmittal.

Box 1 ☐ Please tender my Original Notes held by you for my account or benefit. I have identified on a signed schedule attached hereto the principal amount of Original Notes to be tendered if I wish to tender less than all of my Original Notes.

Box 2 ☐ Please do not tender any Original Notes held by you for my account or benefit.

Date: , 200 _

Signature(s)

Please print name(s) here

Unless a specific contrary instruction is given in a signed Schedule attached hereto, your signature(s) hereon shall constitute an instruction to us to tender all of your Original Notes.

Exhibit 99.4

GUIDELINES FOR CERTIFICATION OF TAXPAYER
IDENTIFICATION NUMBER ON SUBSTITUTE
FORM W-9

Guidelines for Determining the Proper Taxpayer Identification Number to Give the Payor—Social Security Numbers have nine digits separated by two hyphens (i.e., 000-00-0000). Employer Identification Numbers have nine digits separated by only one hyphen (i.e., 00-0000000). The table below will help determine the type of number to give the payor.

For this type of account:	**Give the SOCIAL SECURITY NUMBER of—**
1. An individual's account	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Husband and wife (joint account)	The actual owner of the account or, if joint funds, the first individual on the account(1)
4. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
5. Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor(1)
6. Account in the name of guardian or committee for a designated ward, minor, or incompetent person	The ward, minor or incompetent person(3)
7. a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee(1)
b. So-called trust account that is not a legal or valid trust under State law	The actual owner(1)
8. Sole proprietorship account	The owner(4)
For this type of account:	**Give the EMPLOYER IDENTIFICATION NUMBER of—**
9. A valid trust, estate or pension trust	The legal entity (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title)(5)
10. Corporate account	The corporation
11. Religious, charitable, or educational organization account	The organization
12. Partnership account held in the name of the business	The partnership
13. Association, club, or other tax-exempt organization	The organization
14. A broker or registered nominee	The broker or nominee
15. Account with the Department of Agriculture in the name of a	The public entity

public entity (such as a State or local government, school district, or prison) that receives agricultural program payments

(1) List first and circle the name of the person whose social security number you furnish.

(2) Circle the minor's name and furnish the minor's social security number.

(3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.

(4) You must show owner's individual name, but you may also enter owner's business or "doing business" name. You may use either owner's Social Security Number or Employer Identification Number.

(5) List first and circle the name of the valid trust, estate, or pension trust.

Note: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

Obtaining a Number

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

Payees Exempt from Backup Withholding

Payees specifically exempted from backup withholding on ALL payments include the following:

- A corporation.
- A financial institution.
- An organization exempt from tax under section 501(a) of the Internal Revenue Code, or an individual retirement plan.
- The United States or any agency or instrumentality thereof.
- A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- An international organization or any agency, or instrumentality thereof.
- A registered dealer in securities or commodities registered in the United States or a possession of the United States.
- A real estate investment trust.
- A common trust fund operated by a bank under section 584(a) of the Internal Revenue Code.
- An exempt charitable remainder trust, or a non-exempt trust described in section 4947(a)(1) of the Internal Revenue Code.
- An entity registered at all times under the Investment Company Act of 1940.
- A foreign central bank of issue.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441 of the Internal Revenue Code.
- Payments to partnerships not engaged in a trade or business in the United States and which have at least one nonresident partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payments made by certain foreign organizations.
- Payments made to a nominee.

Payments of interest not generally subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals.
- Note: You may be subject to backup withholding if this interest is $600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payor.
- Payments of tax-exempt interest (including exempt-interest dividends under section 852 of the Internal Revenue Code).
- Payments described in section 6049(b)(5) of the Internal Revenue Code to non-resident aliens.
- Payments on tax-free covenant bonds under section 1451 of the Internal Revenue Code.
- Payments made by certain foreign organizations.
- Payments made to a nominee.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYOR, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, AND RETURN IT TO THE PAYOR. IF THE PAYMENTS ARE INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.

Certain payments other than interest, dividends, and patronage dividends, that are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under sections 6041, 6041A(a), 6045, and 6050A of the Internal Revenue Code. Privacy Act Notice. — Section 6109 of the Internal Revenue Code requires most recipients of dividends, interest, or other payments to give taxpayer identification numbers to payors who must report the payments to The Internal Revenue Service (the "IRS"). The IRS uses the numbers for identification purposes. Payors must be given the numbers whether or not recipients are required to file tax returns. For payments made in 2004 and 2005, payors must generally withhold 29% of taxable interest, dividends, and certain other payments to a payee who does not furnish a taxpayer identification number to a payor. Certain penalties may also apply.

Penalties

(1) Penalty for Failure to Furnish Taxpayer Identification Number. — If you fail to furnish your taxpayer identification number to a payor, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) Failure to Report Certain Dividend and Interest Payments. — If you fail to include any portion of an includible payment for interest, dividends, or patronage dividends in gross income, such failure will be treated as being due to negligence and will be subject to a penalty of 5% on any portion of an under-payment attributable to that failure unless there is clear and convincing evidence to the contrary.

(3) Civil Penalty for False Information With Respect to Withholding. — If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you will be subject to a penalty of $500.

(4) Criminal Penalty for Falsifying Information. — Falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

Exhibit 99.5

LEVEL 3 FINANCING, INC.

Offer to Exchange
Up to $500,000,000 in principal amount of
10.750% Senior Notes due 2011
for
$500,000,000 in principal amount of
10.750% Senior Notes due 2011

To Securities Dealers, Commercial Banks,
Trust Companies and Other Nominees:

Enclosed for your consideration is a Prospectus, dated , 2005 (as the same may be amended or supplemented from time to time, the "Prospectus"), of Level 3 Financing, Inc. (the "Issuer"), Level 3 Communications, Inc. ("Parent") and Level 3 Communications, LLC ("Level 3 LLC" and, together with Parent, the "Guarantors") and a form of Letter of Transmittal (the "Letter of Transmittal") relating to the offer (the "Exchange Offer") by the Issuer and the Guarantors to exchange up to $500,000,000 in principal amount of the Issuer's 10.750% Senior Notes due 2011 (the "New Notes") for the outstanding $500,000,000 in principal amount of the Issuer's 10.750% Senior Notes due 2011, issued and sold in a transaction exempt from registration under the Securities Act of 1933, as amended (the "Original Notes").

We are asking you to contact your clients for whom you hold Original Notes registered in your name or in the name of your nominee. In addition, we ask you to contact your clients who, to your knowledge, hold Original Notes registered in their own name. The Issuer and the Guarantors will not pay any fees or commissions to any broker, dealer or other person in connection with the solicitation of tenders pursuant to the Exchange Offer. You will, however, be reimbursed by the Issuer for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to your clients. The Issuer and/or Guarantors will pay all transfer taxes, if any, applicable to the tender of Original Notes to them or their order, except as otherwise provided in the Prospectus and the Letter of Transmittal.

Enclosed are copies of the following documents:

1. The Prospectus;
2. A Letter of Transmittal for your use in connection with the tender of Original Notes and for the information of your clients;
3. A form of letter that may be sent to your clients for whose accounts you hold Original Notes registered in your name or the name of your nominee, with space provided for obtaining the clients' instructions with regard to the Exchange Offer;
4. A form of Notice of Guaranteed Delivery; and
5. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

Your prompt action is requested. The Exchange Offer will expire at 5:00 p.m., New York City Time, on , 2005, unless extended (the "Expiration Date"). Original Notes tendered pursuant to the Exchange Offer may be withdrawn, subject to the procedures described in the Prospectus, at any time prior to 5:00 p.m., New York City Time, on the Expiration Date.

To tender Original Notes, certificates for Original Notes or a Book-Entry Confirmation, a duly executed and properly completed Letter of Transmittal or a facsimile thereof, and any other required documents, must be received by the Exchange Agent as provided in the Prospectus and the Letter of Transmittal.

Additional copies of the enclosed material may be obtained from The Bank of New York, the Exchange Agent, by calling (212) 815-2742.

NOTHING HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS AN AGENT OF THE ISSUERS, THE GUARANTORS OR THE EXCHANGE AGENT, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENTS ON BEHALF OF ANY OF THEM WITH RESPECT TO THE EXCHANGE OFFER, EXCEPT FOR STATEMENTS EXPRESSLY MADE IN THE PROSPECTUS AND THE LETTER OF TRANSMITTAL.