SMG Indium Resources Ltd.
Form 3
January 11, 2013

FORM 3

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

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Â Raging Capital Master Fund, Ltd.

(Last) (First) (Middle)

C/O OGIER FIDUCIARY SERVICES (CAYMAN),Â 89 NEXUS WAY

(Street)

CAMANA BAY, GRAND CAYMAN,Â E9Â KY 1-9007

(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
01/01/2013

3. Issuer Name **and** Ticker or Trading Symbol
SMG Indium Resources Ltd. [SMGI.OB]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock, par value $0.001	3,967,342	D (1) (2)	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security	4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership

	Date Exercisable	Expiration Date	(Instr. 4) Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	(Instr. 5)
Warrants (right to buy)	Â (3)	05/04/2016	Common Stock, par value $0.001	1,967,342	$ 5.75	D (1) (2)	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Raging Capital Master Fund, Ltd. C/O OGIER FIDUCIARY SERVICES (CAYMAN) 89 NEXUS WAY CAMANA BAY, GRAND CAYMAN,Â E9Â KY 1-9007	Â	Â X	Â	Â

Signatures

Raging Capital Master Fund, Ltd., By: Raging Capital Management, LLC, Investment Manager, By: /s/ Frederick C. Wasch, Chief Financial Officer	01/11/2013
**Signature of Reporting Person	Date

Explanation of Responses:

***** If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

****** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The securities of the Issuer reported in this Form 3 are owned directly by Raging Capital Master Fund, Ltd. ("Raging Master") as a result of the assignment of securities of the Issuer held by Raging Capital Fund, LP to Raging Capital Fund (QP), LP, and the contribution of securities of the Issuer held by Raging Capital Fund (QP), LP to Raging Master immediately thereafter. Such assignment and contribution were effected in connection with an internal restructuring implemented by such entities effective January 1, 2013.

(2) As the investment manager of Raging Master, Raging Capital Management, LLC ("Raging Capital") may be deemed to beneficially own the securities of the Issuer owned directly by Raging Master. As the managing member of Raging Capital, William C. Martin may be deemed to beneficially own the securities of the Issuer owned directly by Raging Master. Each of Raging Capital and Mr. Martin disclaims beneficial ownership of the securities reported herein except to the extent of his or its pecuniary interest therein.

(3) The Warrants are currently exercisable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. size="2" face="Times New Roman" style="font-size:1.0pt;">

14.80

13.35

11.49

8.90

3.08

$

15.00

10.37

10.58

9.19

7.40

4.97

$

17.50

7.91

8.05

Explanation of Responses:

6.82

5.27

3.30

$

20.00

6.27

6.40

5.35

4.06

2.51

$

22.50

Explanation of Responses:

5.12

5.25

4.36

3.30

2.07

$

25.00

4.26

4.42

3.67

2.78

1.78

Explanation of Responses:

$

27.50

3.61

3.79

3.15

2.40

1.57

$

30.00

3.10

3.29

2.74

2.11

Explanation of Responses:

1.40

$

32.50

2.68

2.88

2.41

1.87

1.26

$

35.00

2.33

2.55

Explanation of Responses:

2.14

1.67

1.15

$

37.50

2.04

2.27

1.91

1.51

1.04

$

40.00

Explanation of Responses:

1.80

2.02

1.72

1.36

0.95

$

42.50

1.59

1.82

1.55

1.24

0.87

Explanation of Responses:

$

45.00

1.40

1.64

1.40

1.13

0.81

$

47.50

1.24

1.48

1.27

1.03

Explanation of Responses:

0.74

$

50.00

1.10

1.34

1.15

0.94

0.69

The numbers of additional shares set forth in the table above are based on a closing sale price of $10.34 per common share on October 12, 2006.

The exact applicable price and effective date may not be as set forth in the table above, in which case:

- if the actual applicable price is between two applicable prices listed in the table above, or the actual effective date is between two dates listed in the table above, we will determine the number of additional shares by linear interpolation between the numbers of additional shares set forth for the two applicable prices, or for the two dates based on a 365-day year, as applicable;

- if the actual applicable price is greater than $50.00 per share (subject to adjustment), we will not increase the conversion rate; and

- if the actual applicable price is less than $10.34 per share (subject to adjustment), we will not increase the conversion rate.

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However, we will not increase the conversion rate as described above to the extent the increase will cause the conversion rate to exceed 96.7118 shares per $1,000 principal amount. We will adjust this maximum conversion rate in the same manner in which, and for the same events for which, we must adjust the conversion rate as described under Adjustments to the conversion rate.

Because we may not deliver the consideration due solely as a result of the increase in the conversion rate described above until after the effective date of the make-whole fundamental change, such consideration may not consist of common shares as a result of the provisions described above under the caption Change in the conversion right upon certain reclassifications, business combinations and asset sales. Accordingly, the shares, if any, due as a result of such increase may be paid in reference property.

Our obligation to increase the conversion rate as described above could be considered a penalty, in which case its enforceability would be subject to general principles of reasonableness of economic remedies.

REDEMPTION OF NOTES AT OUR OPTION

Prior to October 20, 2011, we cannot redeem the notes. We may redeem the notes at our option, in whole or in part, at any time, and from time to time, on or after October 20, 2011, on a date not less than 30 nor more than 60 days after the day we mail a redemption notice to each holder of notes to be redeemed at the address of the holder appearing in the security register, at a redemption price, payable in cash, equal to 100% of the principal amount of the notes we redeem plus any accrued and unpaid interest to, but excluding, the redemption date. However, if a redemption date is after a record date for the payment of an installment of interest and on or before the related interest payment date, then the payment of interest becoming due on that interest payment date will be payable, on that interest payment date, to the holder of record at the close of business on the record date, and the redemption price will not include any accrued and unpaid interest. The redemption date must be a business day. We will make at least 10 semi-annual interest payments on the notes before we may redeem the notes at our option.

For a discussion of certain tax consequences to a holder upon a redemption of notes, see Certain Federal Income Tax Considerations Tax consequences for US holders Tax treatment of notes Disposition of a note.

If the paying agent holds money sufficient to pay the redemption price due on a note on the redemption date in accordance with the terms of the indenture, then, on and after the redemption date, the note will cease to be outstanding and interest on the note will cease to accrue, whether or not the holder delivers the note to the paying agent. Thereafter, all other rights of the holder terminate, other than the right to receive the redemption price upon delivery of the note.

The conversion right with respect to any notes we have called for redemption will expire at the close of business on the third business day immediately preceding the redemption date, unless we default in the payment of the redemption price.

If we redeem less than all of the outstanding notes, the trustee will select the notes to be redeemed in integral multiples of $1,000 principal amount by lot, on a pro rata basis or in accordance with any other method the trustee considers fair and appropriate. However, we may redeem the notes only in integral multiples of $1,000 principal amount. If a portion of a holder s notes is selected for partial redemption and the holder converts a portion of the notes, the principal amount of the note that is subject to redemption will be reduced by the principal amount that the holder converted.

We will not redeem the notes on any date if the principal amount of the notes has been accelerated, and such acceleration has not been rescinded on or prior to such date.

PURCHASE OF NOTES BY US AT THE OPTION OF THE HOLDER

On each of October 15, 2013, October 15, 2016 and October 15, 2021 (each, a purchase date), a holder may require us to purchase all or a portion of the holder s outstanding notes, at a price in cash equal to 100% of the principal amount of the notes to be purchased, plus any accrued and unpaid interest to, but excluding, the purchase date, subject to certain additional conditions. However, we will, on the purchase date, pay the accrued and unpaid interest to, but excluding, the purchase date to the holder of record at the close of business on the immediately preceding record date. Accordingly, the

holder submitting the note for purchase will not receive this accrued and unpaid interest unless that holder was also the holder of record at the close of business on the immediately preceding record date.

On each purchase date, we will purchase all notes for which the holder has delivered and not withdrawn a written purchase notice. Holders may submit their written purchase notice to the paying agent at any time from the opening of business on the date that is 20 business days before the purchase date until the close of business on the business day immediately preceding the purchase date.

For a discussion of certain tax consequences to a holder upon a purchase of the notes at the holder s option, see Certain Federal Income Tax Considerations Tax consequences for US holders Tax treatment of notes Disposition of a note.

We will give notice on a date that is at least 20 business days before each purchase date to all holders at their addresses shown on the register of the registrar, and to beneficial owners as required by applicable law, stating, among other things:

- the amount of the purchase price;
- that notes with respect to which the holder has delivered a purchase notice may be converted only if the holder withdraws the purchase notice in accordance with the terms of the indenture; and
- the procedures that holders must follow to require us to purchase their notes, including the name and address of the paying agent.

To require us to purchase its notes, the holder must deliver a purchase notice that states:

- the certificate numbers of the holder s notes to be delivered for purchase, if they are in certificated form;
- the principal amount of the notes to be purchased, which must be an integral multiple of $1,000; and
- that the notes are to be purchased by us pursuant to the applicable provisions of the indenture.

A holder that has delivered a purchase notice may withdraw the purchase notice by delivering a written notice of withdrawal to the paying agent before the close of business on the business day before the purchase date. The notice of withdrawal must state:

- the name of the holder;
- a statement that the holder is withdrawing its election to require us to purchase its notes;
- the certificate numbers of the notes being withdrawn, if they are in certificated form;
- the principal amount being withdrawn, which must be an integral multiple of $1,000; and
- the principal amount, if any, of the notes that remain subject to the purchase notice, which must be an integral multiple of $1,000.

If the notes are not in certificated form, the above notices must comply with appropriate DTC procedures.

To receive payment of the purchase price for a note for which the holder has delivered and not withdrawn a purchase notice, the holder must deliver the note, together with necessary endorsements, to the paying agent at any time after delivery of the purchase notice. We will pay the purchase price for the note on the later of the purchase date and the time of delivery of the note, together with necessary endorsements.

Explanation of Responses:

If the paying agent holds on a purchase date money sufficient to pay the purchase price due on a note in accordance with the terms of the indenture, then, on and after that purchase date, the note will cease to be outstanding and interest on the note will cease to accrue, whether or not the holder delivers the note to the paying agent. Thereafter, all other rights of the holder terminate, other than the right to receive the purchase price upon delivery of the note.

We may not have the financial resources, and we may not be able to arrange for financing, to pay the purchase price for all notes holders have elected to have us purchase. Furthermore, financial covenants contained in our then outstanding existing indebtedness may limit our ability to pay the purchase price to purchase notes. We are currently the borrower under a secured revolving credit facility. If an event of default (as defined in the credit agreement) exists, we would not be permitted under this credit facility to make any payments of indebtedness and, therefore, may not be able effect any required repurchase of the notes. Events of default under our credit agreement include, among other things, failure to pay principal and interest when due, default under our other indebtedness, a change of control of us whereby more than 9.8% of the total voting power of our then outstanding shares is acquired, a change in our management whereby our then current directors cease to constitute a majority of our board of directors and failure to perform covenants under the credit agreement. See Risk factors Risks related to the Notes, the Subsidiary Guarantees and Our Common Shares We may not have the ability to raise the funds to purchase the notes on the purchase dates or upon a fundamental change. Our failure to purchase the notes when required would result in an event of default with respect to the notes.

No notes may be purchased by us at the option of holders on October 15, 2013, October 15, 2016 or October 15, 2021 if the principal amount of the notes has been accelerated, and such acceleration has not been rescinded, on or prior to such date.

In connection with any purchase offer, we will, to the extent applicable or required:

- comply with the provisions of Rule 13e-4 and Regulation 14E and all other applicable laws; and

- file a Schedule TO or any other required schedule under the Securities Exchange Act of 1934, as amended, or the Exchange Act, or other applicable laws.

HOLDERS MAY REQUIRE US TO REPURCHASE THEIR NOTES UPON A FUNDAMENTAL CHANGE

If a fundamental change, as described below, occurs, each holder will have the right, at its option, subject to the terms and conditions of the indenture, to require us to repurchase for cash all or any portion of the holder s notes in integral multiples of $1,000 principal amount, at a price equal to 100% of the principal amount of the notes to be repurchased, plus, except as described below, any accrued and unpaid interest to, but excluding, the fundamental change repurchase date, as described below.

However, if the fundamental change repurchase date is after a record date for the payment of an installment of interest and on or before the related interest payment date, then the payment of interest becoming due on that interest payment date will be payable, on that interest payment date, to the holder of record at the close of business on the record date, and the repurchase price will not include any accrued and unpaid interest.

We must repurchase the notes on a date of our choosing, which we refer to as the fundamental change repurchase date. However, the fundamental change repurchase date must be no later than 35 days, and no earlier than 20 days, after the date we have mailed a notice of the fundamental change, as described below.

Within 20 business days after the occurrence of a fundamental change, we must mail to all holders of notes at their addresses shown on the register of the registrar, and to beneficial owners as required by applicable law, a notice regarding the fundamental change. We must also publish the notice in The New York Times, the Wall Street Journal or another newspaper of national circulation. The notice must state, among other things:

- the events causing the fundamental change;

- the date of the fundamental change;

- the fundamental change repurchase date;
- the last date on which a holder may exercise the repurchase right;
- the fundamental change repurchase price;
- the names and addresses of the paying agent and the conversion agent;
- the procedures that holders must follow to exercise their repurchase right;
- the conversion rate and any adjustments to the conversion rate that will result from the fundamental change; and
- that notes with respect to which a holder has delivered a fundamental change repurchase notice may be converted only if the holder withdraws the fundamental change repurchase notice in accordance with the terms of the indenture.

To exercise the repurchase right, a holder must deliver a written fundamental change repurchase notice to the paying agent no later than the close of business on the business day immediately preceding the fundamental change repurchase date. This written notice must state:

- the certificate numbers of the notes that the holder will deliver for repurchase, if they are in certificated form;
- the principal amount of the notes to be repurchased, which must be an integral multiple of $1,000; and
- that the notes are to be repurchased by us pursuant to the fundamental change provisions of the indenture.

A holder may withdraw any fundamental change repurchase notice by delivering to the paying agent a written notice of withdrawal prior to the close of business on the business day immediately preceding the fundamental change repurchase date. The notice of withdrawal must state:

- the name of the holder;
- a statement that the holder is withdrawing its election to require us to repurchase its notes;
- the certificate numbers of the notes being withdrawn, if they are in certificated form;
- the principal amount of notes being withdrawn, which must be an integral multiple of $1,000; and
- the principal amount, if any, of the notes that remain subject to the fundamental change repurchase notice, which must be an integral multiple of $1,000.

If the notes are not in certificated form, the above notices must comply with appropriate DTC procedures.

To receive payment of the fundamental change repurchase price for a note for which the holder has delivered and not withdrawn a fundamental change repurchase notice, the holder must deliver the note, together with necessary endorsements, to the paying agent at any time after delivery of the fundamental change repurchase notice. We will pay the fundamental change repurchase price for the note on the later of the fundamental change repurchase date and the time of delivery of the note, together with necessary endorsements.

For a discussion of certain tax consequences to a holder upon the exercise of the repurchase right, see Certain Federal Income Tax Considerations Tax consequences for US holders Tax treatment of notes Disposition of a note.

If the paying agent holds on the fundamental change repurchase date money sufficient to pay the fundamental change repurchase price due on a note in accordance with the terms of the indenture, then, on and after the fundamental change

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Explanation of Responses:

repurchase date, the note will cease to be outstanding and interest on such note will cease to accrue, whether or not the holder delivers the note to the paying agent. Thereafter, all other rights of the holder terminate, other than the right to receive the fundamental change repurchase price upon delivery of the note.

A fundamental change generally will be deemed to occur upon the occurrence of a change in control or a termination of trading.

A change in control generally will be deemed to occur at such time as:

- any person or group (as those terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner (as that term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of 50% or more of the total outstanding voting power of all classes of our capital stock entitled to vote generally in the election of directors (voting stock);

- there occurs a sale (other than a sale and leaseback transaction (as defined below) relating to one or more senior living or other healthcare-related facilities), transfer, lease (as lessor, but not as lessee), conveyance or other disposition of all or substantially all of our property or assets, or of all or substantially all of the property or assets of us and our subsidiaries on a consolidated basis, to any person or group (as those terms are used in Sections 13(d) and 14(d) of the Exchange Act), 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;

- we consolidate with, or merge with or into, another person or any person consolidates with, or merges with or into, us, unless either:

- the persons that beneficially owned, directly or indirectly, the shares of our voting stock immediately prior to such consolidation or merger beneficially own, directly or indirectly, immediately after such consolidation or merger, shares of the surviving or continuing corporation s voting stock representing at least a majority of the total outstanding voting power of all outstanding classes of voting stock of the surviving or continuing corporation in substantially the same proportion as such ownership immediately prior to such consolidation or merger; or

- both of the following conditions are satisfied (we refer to such a transaction as a listed stock business combination):

- at least 90% of the consideration (other than cash payments for fractional shares or pursuant to statutory appraisal rights) in such consolidation or merger consists of common shares and any associated rights traded on a US national securities exchange (or which will be so traded when issued or exchanged in connection with such consolidation or merger); and

- as a result of such consolidation or merger, the notes become convertible solely into such common shares and, if applicable, associated rights;

- the following persons cease for any reason to constitute a majority of our board of directors:

- individuals who on the first issue date of the notes constituted our board of directors; and

- any new directors whose election to our board of directors or whose nomination for election by our shareholders was approved by at least a majority of our directors then still in office either who were directors on such first issue date of the notes or whose election or nomination for election was previously so approved; or

- we are liquidated or dissolved or holders of our capital stock approve any plan or proposal for our liquidation or dissolution.

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Explanation of Responses:

A sale and leaseback transaction means any arrangement, in the ordinary course of business and consistent with past practice, between us and/or any of our subsidiaries and a real estate investment trust, bank, commercial lender or other third party that finances real estate assets, providing for the leasing by us and/or any of our subsidiaries on a long-term basis of one or more senior living or other healthcare-related facilities being sold or transferred by us and/or any of our subsidiaries to such third party.

There is no precise, established definition of the phrase all or substantially all under applicable law. Accordingly, there may be uncertainty as to whether a sale, transfer, lease, conveyance or other disposition of less than all of our property or assets, or of less than all of the property or assets of us and our subsidiaries on a consolidated basis, would permit a holder to exercise its right to have us repurchase its notes in accordance with the fundamental change provisions described above.

A termination of trading is deemed to occur if our common shares (or other common shares into which the notes are then convertible) is neither listed for trading on a US national securities exchange nor approved for trading on an established automated over-the-counter trading market in the US.

We may not have the financial resources, and we may not be able to arrange for financing, to pay the fundamental change repurchase price for all notes holders have elected to have us repurchase. Furthermore, financial covenants contained in our then existing indebtedness may limit our ability to pay the fundamental change repurchase price to repurchase notes. We are currently the borrower under a secured revolving credit facility. If an event of default (as defined in the credit agreement) exists, we would not be permitted under this credit facility to make any payments of indebtedness and, therefore, may not be able effect any required repurchase of the notes. Events of default under our credit agreement include, among other things, certain events that could also constitute a fundamental change under the indenture relating to the notes, such as a change of control of us whereby more than 9.8% of the total voting power of our then outstanding shares is acquired and any changes in our management whereby our then current directors cease to constitute a majority of our board of directors. See Risk factors Risks related to the Notes, the Subsidiary Guarantees and Our Common Shares We may not have the ability to raise the funds to purchase the notes on the purchase dates or upon a fundamental change. Our failure to repurchase the notes when required would result in an event of default with respect to the notes.

We may in the future enter into transactions, including recapitalizations, that would not constitute a fundamental change but that would increase our debt or otherwise adversely affect holders. The indenture for the notes does not restrict our or our subsidiaries ability to incur indebtedness, including senior or secured indebtedness. Our incurrence of additional indebtedness could adversely affect our ability to service our indebtedness, including the notes.

In addition, the fundamental change repurchase feature of the notes would not necessarily afford holders of the notes protection in the event of highly leveraged or other transactions involving us that may adversely affect holders of the notes. Furthermore, the fundamental change repurchase feature of the notes may in certain circumstances deter or discourage a third party from acquiring us, even if the acquisition may be beneficial to you.

No notes may be repurchased by us at the option of the holders upon a fundamental change if the principal amount of the notes has been accelerated, and such acceleration has not been rescinded, on or prior to such date.

In connection with any fundamental change offer, we will, to the extent applicable or required:

- comply with the provisions of Rule 13e-4 and Regulation 14E and all other applicable laws; and
- file a Schedule TO or any other required schedule under the Exchange Act or other applicable laws.

CONSOLIDATION, MERGER AND SALE OF ASSETS

The indenture prohibits us from consolidating with or merging with or into, or selling, transferring, leasing, conveying or otherwise disposing of all or substantially all of our property or assets, or all or substantially all of the property or assets of us and our subsidiaries on a consolidated basis, to another person, whether in a single transaction or series of related transactions, unless, among other things:

- such other person is a corporation organized and existing under the laws of the United States, any state of the United States or the District of Columbia;

- such person assumes all of our obligations under the notes and the indenture; and

- no default or event of default exists immediately after giving effect to the transaction or series of transactions.

When the successor assumes all of our obligations under the indenture, except in the case of a lease, our obligations under the indenture will terminate.

Some of the transactions described above could constitute a fundamental change that permits holders to require us to repurchase their notes, as described under Holders may require us to repurchase their notes upon a fundamental change.

There is no precise, established definition of the phrase all or substantially all under applicable law. Accordingly, there may be uncertainty as to whether the provisions above would apply to a sale, transfer, lease, conveyance or other disposition of less than all of our property or assets, or of less than all of the property or assets of us and our subsidiaries on a consolidated basis.

EVENTS OF DEFAULT

The following are events of default under the indenture for the notes:

- our failure to pay the principal of or premium, if any, on any note when due, whether at maturity, upon redemption, on the purchase date with respect to a purchase at the option of the holder, on a fundamental change repurchase date with respect to a fundamental change or otherwise;

- our failure to pay an installment of interest or additional interest, if any, on any note when due, if the failure continues for 30 days after the date when due;

- our failure to satisfy our conversion obligations upon the exercise of a holder s conversion right;

- our failure to timely provide notice as described under Adjustment to the conversion rate upon the occurrence of a make-whole fundamental change, Purchase of notes by us at the option of the holder or Holders may require us to repurchase their notes upon a fundamental change ;

- our failure to comply with any other term, covenant or agreement contained in the notes, the guarantees or the indenture, if the failure is not cured within 60 days after notice to us by the trustee or to the trustee and us by holders of at least 25% in aggregate principal amount of the notes then outstanding, in accordance with the indenture;

- a default by us or any of our subsidiaries in the payment when due, after the expiration of any applicable grace period, of principal of, or premium, if any, or interest on, indebtedness for money borrowed in the aggregate principal amount then outstanding of $10.0 million or more, or acceleration of our or our subsidiaries indebtedness for money borrowed in such aggregate principal amount or more so that it becomes due and payable before the date on which it would otherwise have become due and payable, if such default is not cured or waived, or such acceleration is not rescinded, within 30 days after notice to us by the trustee or to us and the trustee by holders of at least 25% in aggregate principal amount of notes then outstanding, in accordance with the indenture;

- failure by us or any of our subsidiaries to pay final judgments, the aggregate uninsured portion of which is at least $10.0 million, if the judgments are not bonded, paid or discharged within 60 days; and

Explanation of Responses:

- certain events of bankruptcy, insolvency or reorganization with respect to us or any of our subsidiaries that is a significant subsidiary (as defined in Regulation S-X under the Exchange Act) or any group of our subsidiaries that in the aggregate would constitute a significant subsidiary.

If an event of default, other than an event of default referred to in the last bullet point above with respect to us (but including an event of default referred to in that bullet point solely with respect to a significant subsidiary, or group of subsidiaries that in the aggregate would constitute a significant subsidiary, of ours), has occurred and is continuing, either the trustee, by written notice to us, or the holders of at least 25% in aggregate principal amount of the notes then outstanding, by written notice to us and the trustee, may declare the principal of, and any accrued and unpaid interest, including additional interest, if any, and any premium on, all notes to be immediately due and payable. In the case of an event of default referred to in the last bullet point above with respect to us (and not solely with respect to a significant subsidiary, or group of subsidiaries that in the aggregate would constitute a significant subsidiary, of ours), the principal of, and accrued and unpaid interest, including additional interest, if any, and any premium on, all notes will automatically become immediately due and payable.

After any such acceleration, the holders of a majority in aggregate principal amount of the notes, by written notice to the trustee, may rescind or annul such acceleration in certain circumstances, if:

- the rescission would not conflict with any order or decree;

- all events of default, other than the non-payment of accelerated principal, premium or interest, have been cured or waived; and

- certain amounts due to the trustee are paid.

The indenture does not obligate the trustee to exercise any of its rights or powers at the request or demand of the holders, unless the holders have offered to the trustee security or indemnity that is reasonably satisfactory to the trustee against the costs, expenses and liabilities that the trustee may incur to comply with the request or demand. Subject to the indenture, applicable law and the trustee s rights to indemnification, 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.

No holder will have any right to institute any proceeding under the indenture, or for the appointment of a receiver or a trustee, or for any other remedy under the indenture, unless:

- the holder gives the trustee written notice of a continuing event of default;

- the holders of at least 25% in aggregate principal amount of the notes then outstanding make a written request to the trustee to pursue the remedy;

- the holder or holders offer and, if requested, provide the trustee indemnity reasonably satisfactory to the trustee against any loss, liability or expense; and

- the trustee fails to comply with the request within 60 days after the trustee receives the notice, request and offer of indemnity and does not receive, during those 60 days, from holders of a majority in aggregate principal amount of the notes then outstanding, a direction that is inconsistent with the request.

However, the above limitations do not apply to a suit by a holder to enforce:

- the payment of any amounts due to such holder on the notes or under the guarantees after the applicable due date; or

- the right to convert that holder s notes into common shares in accordance with the indenture.

Explanation of Responses:

Except as provided in the indenture, the holders of a majority of the aggregate principal amount of outstanding notes may, by notice to the trustee, waive any past default or event of default and its consequences, other than a default or event of default:

- in the payment of principal of, or premium, if any, or interest or additional interest, if any, on, any note or in the payment of the redemption price, purchase price or fundamental change repurchase price;
- arising from our failure to convert any note into common shares in accordance with the indenture; or
- in respect of any provision under the indenture that cannot be modified or amended without the consent of the holders of each outstanding note affected.

We will promptly notify the trustee if a default or event of default occurs. In addition, the indenture requires us to furnish to the trustee, on an annual basis, a statement by our officers stating whether they are aware of any default or event of default by us in performing any of our obligations under the indenture or the notes and describing any such default or event of default. If a default or event of default has occurred and the trustee has received notice of the default or event of default in accordance with the indenture, the trustee must mail to each holder a notice of the default or event of default within 30 days after it occurs. However, the trustee need not mail the notice if the default or event of default:

- has been cured or waived; or
- is not in the payment of any amounts due with respect to any note or any guarantees, and the trustee in good faith determines that withholding the notice is in the best interests of holders.

MODIFICATION AND WAIVER

We may amend or supplement the indenture or the notes with the consent of the holders of at least a majority in aggregate principal amount of the outstanding notes. In addition, subject to certain exceptions, the holders of a majority in aggregate principal amount of the outstanding notes may waive our compliance with any provision of the indenture or notes. However, without the consent of the holders of each outstanding note affected, no amendment, supplement or waiver may:

- change the stated maturity of the principal of, or the payment date of any installment of interest or additional interest or any premium on, any note;
- reduce the principal amount of, or any premium, interest or additional interest on, any note;
- change the place, manner or currency of payment of principal of, or any premium, interest or additional interest on, any note;
- impair the right to institute a suit for the enforcement of any payment on, or with respect to, or of the conversion of, any note;
- modify, in a manner adverse to the holders of the notes, the provisions of the indenture relating to the right of the holders to require us to purchase notes at their option or upon a fundamental change;
- modify the ranking provisions of the indenture in a manner adverse to the holders of notes;
- adversely affect the right of the holders of the notes to convert their notes in accordance with the indenture;
- reduce the percentage in aggregate principal amount of outstanding notes whose holders must consent to a modification or amendment of the indenture or the notes;

Explanation of Responses:

- reduce the percentage in aggregate principal amount of outstanding notes whose holders must consent to a waiver of compliance with any provision of the indenture or the notes or a waiver of any default or event of default;

- modify the provisions of the indenture with respect to modification and waiver (including waiver of a default or event of default), except to increase the percentage required for modification or waiver or to provide for the consent of each affected holder; or

- modify any subsidiary guarantee in any manner adverse to the holders of the notes, except removal of subsidiary guarantors as provided in the indenture or as described above under Ranking and subsidiary guarantees.

We may amend or supplement the indenture or the notes without notice to or the consent of any holder of the notes to:

- evidence the assumption of our obligations under the indenture and the notes by a successor upon our consolidation or merger or the sale, transfer, lease, conveyance or other disposition of all or substantially all of our property or assets, or of all or substantially all of the property or assets of us and our subsidiaries on a consolidated basis, in accordance with the indenture;

- make adjustments in accordance with the indenture to the right to convert the notes upon certain reclassifications or changes in our common shares and certain consolidations, mergers and binding share exchanges and upon the sale, transfer, lease, conveyance or other disposition of all or substantially all of our property or assets, or of all or substantially all of the property or assets of us and our subsidiaries on a consolidated basis;

- make any changes or modifications to the indenture necessary in connection with the registration of the public offer and sale of the notes under the Securities Act of 1933, as amended, or the Securities Act, pursuant to the registration rights agreement or the qualification of the indenture under the Trust Indenture Act of 1939;

- secure our obligations in respect of the notes;

- add to our covenants for the benefit of the holders of the notes or to surrender any right or power conferred upon us;

- make provision with respect to adjustments to the conversion rate as required by the indenture or to increase the conversion rate in accordance with the indenture; or

- add guarantees with respect to the notes, or remove guarantees as provided in the indenture.

In addition, we and the trustee may enter into a supplemental indenture without the consent of holders of the notes in order to cure any ambiguity, defect, omission or inconsistency in the indenture in a manner that does not, individually or in the aggregate with all other changes, adversely affect the rights of any holder.

Except as provided in the indenture, the holders of a majority in aggregate principal amount of the outstanding notes, by notice to the trustee, generally may:

- waive compliance by us with any provision of the indenture, the notes or the guarantees, as detailed in the indenture; and

- waive any past default or event of default and its consequences, except a default or event of default:

- in the payment of principal of, or premium, if any, or interest or additional interest on, any note or under the guarantees or in the payment of the redemption price, purchase price or fundamental change repurchase price;

- arising from our failure to convert any note in accordance with the indenture; or

- in respect of any provision under the indenture that cannot be modified or amended without the consent of the holders of each outstanding note affected.

Explanation of Responses: 29

DISCHARGE

We may generally satisfy and discharge our obligations under the indenture by:

- delivering all outstanding notes to the trustee for cancellation; or

- depositing with the trustee or the paying agent after the notes have become due and payable, whether at stated maturity or any redemption date, purchase date or fundamental change repurchase date, cash, and, if applicable as provided in the indenture, other consideration, sufficient to pay all amounts due on all outstanding notes and paying all other sums payable under the indenture.

In addition, in the case of a deposit, there must not exist a default or event of default on the date we make the deposit, and the deposit must not result in a breach or violation of, or constitute a default under, the indenture or any other agreement or instrument to which we are a party or by which we are bound.

CALCULATIONS IN RESPECT OF NOTES

We and our agents are responsible for making all calculations called for under the indenture and notes. These calculations include, but are not limited to the number of shares issuable upon conversion of the notes, amounts of interest and additional interest payable on the notes and adjustments to the conversion rate. We and our agents will make all of these calculations in good faith, and, absent manifest error, these calculations will be final and binding on all holders of notes. We will provide a copy of these calculations to the trustee, as required, and, absent manifest error, the trustee is entitled to rely on the accuracy of our calculations without independent verification.

RULE 144A INFORMATION; SEC REPORTING

If at any time we are not subject to the reporting requirements of the Exchange Act, we and the subsidiary guarantors will promptly furnish to the holders, beneficial owners and prospective purchasers of the notes or underlying common shares, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to facilitate the resale of those notes or shares pursuant to Rule 144A. In addition, we must provide the trustee with a copy of the reports required pursuant to Section 13 or 15(d) of the Exchange Act no later than the time those reports are required to be filed with the SEC, whether or not we are then subject to the reporting requirements of the Exchange Act.

REPORTS TO TRUSTEE

We will regularly furnish to the trustee copies of our annual report to shareholders, containing audited financial statements, and any other financial reports which we furnish to our shareholders.

UNCLAIMED MONEY

If money deposited with the trustee or paying agent for the payment of principal of, premium, if any, or accrued and unpaid interest or additional interest on, the notes remains unclaimed for two years, the trustee and paying agent will pay the money back to us upon our written request. However, the trustee and paying agent have the right to withhold paying the money back to us until they publish in a newspaper of general circulation in the City of New York, or mail to each holder, a notice stating that the money will be paid back to us if unclaimed after a date no less than 30 days from the publication or mailing. After the trustee or paying agent pays the money back to us, holders of notes entitled to the money must look to us for payment as general creditors, subject to applicable law, and all liability of the trustee and the paying agent with respect to the money will cease.

PURCHASE AND CANCELLATION

The registrar, paying agent and conversion agent will forward to the trustee any notes surrendered to them for transfer, exchange, payment or conversion, and the trustee will promptly cancel those notes in accordance with its customary procedures. We will not issue new notes to replace notes that we have paid or delivered to the trustee for cancellation or that any holder has converted.

Explanation of Responses:

We may, to the extent permitted by law, purchase notes in the open market or by tender offer at any price or by private agreement. We may, at our option and to the extent permitted by law, reissue, resell or surrender to the trustee for cancellation any notes we purchase in this manner. Notes surrendered to the trustee for cancellation may not be reissued or resold and will be promptly cancelled.

REPLACEMENT OF NOTES

We will replace mutilated, lost, destroyed or stolen notes at the holder s expense upon delivery to the trustee of the mutilated notes or evidence of the loss, destruction or theft of the notes satisfactory to the trustee and us. In the case of a lost, destroyed or stolen note, we or the trustee may require, at the expense of the holder, indemnity reasonably satisfactory to us and the trustee.

TRUSTEE AND TRANSFER AGENT

The trustee for the notes is U.S. Bank, and we have appointed the trustee as the paying agent, registrar, conversion agent and custodian with regard to the notes. The indenture permits the trustee to deal with us and any of our affiliates with the same rights the trustee would have if it were not trustee. However, under the Trust Indenture Act of 1939, if the trustee acquires any conflicting interest and there exists a default with respect to the notes, the trustee must eliminate the conflict or resign. U.S. Bank and its affiliates may from time to time in the future provide banking and other services to us in the ordinary course of their business.

The holders of a majority in aggregate principal amount of the notes then outstanding have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, subject to certain exceptions. If an event of default occurs and is continuing, the trustee must exercise its rights and powers under the indenture using the same degree of care and skill as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The indenture does not obligate the trustee to exercise any of its rights or powers at the request or demand of the holders, unless the holders have offered to the trustee security or indemnity that is reasonably satisfactory to the trustee against the costs, expenses and liabilities that the trustee may incur to comply with the request or demand.

The transfer agent for our common shares is Wells Fargo Bank, N.A.

LISTING AND TRADING

The notes are not listed on any securities exchange or included in any automated quotation system. The notes issued in the private placement are eligible for trading in The PORTAL Market of the National Association of Securities Dealers, Inc. The notes sold using this prospectus, however, will no longer be eligible for trading in The PORTAL Market. We do not intend to list the notes on any other national securities exchange or automated quotation system. No assurance can be given as to the liquidity of or trading market for the notes. Our common shares are listed on the AMEX under the ticker symbol FVE.

FORM, DENOMINATION AND REGISTRATION OF NOTES

General

The notes were issued in registered form, without interest coupons, in denominations of integral multiples of $1,000 principal amount, in the form of global securities, as further provided below. See Global securities below for more information. The trustee need not:

- register the transfer of or exchange any note for a period of 15 days before selecting notes to be redeemed;
- register the transfer of or exchange any note during the period beginning at the opening of business 15 days before the mailing of a notice of redemption of notes selected for redemption and ending at the close of business on the day of the mailing; or

- register the transfer of or exchange any note that has been selected for redemption or for which the holder has delivered, and not validly withdrawn, a purchase notice or fundamental change repurchase notice, except, in the case of a partial redemption, purchase or repurchase, that portion of the notes not being redeemed, purchased or repurchased.

See Global securities and Certificated securities for a description of additional transfer restrictions that apply to the notes.

We will not impose a service charge in connection with any transfer or exchange of any note, but we may in general require payment of a sum sufficient to cover any transfer tax or similar governmental charge imposed in connection with the transfer or exchange.

Global securities

Global securities have been deposited with the trustee as custodian for DTC and registered in the name of DTC or a nominee of DTC.

Except in the limited circumstances described below and in Certificated securities, holders of notes will not be entitled to receive notes in certificated form. Unless and until it is exchanged in whole or in part for certificated securities, each global security may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC.

The global securities are held by DTC in its book-entry settlement system. The custodian and DTC will electronically record the principal amount of notes represented by global securities held within DTC. Beneficial interests in the global securities will be shown on records maintained by DTC and its direct and indirect participants. So long as DTC or its nominee is the registered owner or holder of a global security, DTC or such nominee will be considered the sole owner or holder of the notes represented by such global security for all purposes under the indenture, the notes and the registration rights agreement. No owner of a beneficial interest in a global security will be able to transfer such interest except in accordance with DTC s applicable procedures and the applicable procedures of its direct and indirect participants. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. These limitations and requirements may impair the ability to transfer or pledge beneficial interests in a global security.

Payments of principal, premium, if any, and interest under each global security will be made to DTC or its nominee as the registered owner of such global security. We expect that DTC or its nominee, upon receipt of any such payment, will immediately credit DTC participants accounts with payments proportional to their respective beneficial interests in the principal amount of the relevant global security as shown on the records of DTC. We also expect that payments by DTC participants to owners of beneficial interests will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants, and none of us, the trustee, the custodian or any paying agent or registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in any global security or for maintaining or reviewing any records relating to such beneficial interests.

DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, 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 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, which eliminates the need for physical movement of securities certificates. DTC s participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own the depository. Access to DTC s book-entry system is also available to others, such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The ownership interest and transfer of ownership

interests of each beneficial owner or purchaser of each security held by or on behalf of DTC are recorded on the records of the direct and indirect participants.

Certificated securities

The trustee will exchange each beneficial interest in a global security for one or more certificated securities registered in the name of the owner of the beneficial interest, as identified by DTC, only if:

- DTC notifies us that it is unwilling or unable to continue as depositary for that global security or ceases to be a clearing agency registered under the Exchange Act and, in either case, we do not appoint a successor depositary within 90 days of such notice or cessation; or

- an event of default has occurred and is continuing and the trustee has received a request from DTC to issue certificated securities.

Same-day settlement and payment

We will make payments in respect of the notes by wire transfer of immediately available funds to the accounts specified by holders of the notes. If a holder of a certificated note does not specify an account, we will mail a check to that holder s registered address.

We expect the notes will trade in DTC s Same-Day Funds Settlement System, and DTC will require all permitted secondary market trading activity in the notes to be settled in immediately available funds. We expect that secondary trading in any certificated securities will also be settled in immediately available funds.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds.

Although DTC has agreed to the above procedures to facilitate transfers of interests in the global securities among DTC participants, DTC is under no obligation to perform or to continue those procedures, and those procedures may be discontinued at any time. None of us, the initial purchasers or the trustee will have any responsibility for the performance by DTC or its direct or indirect participants of their respective obligations under the rules and procedures governing their operations.

We have obtained the information we describe in this prospectus concerning DTC and its book-entry system from sources that we believe to be reliable, but neither we nor the initial purchasers take any responsibility for the accuracy of this information.

REGISTRATION RIGHTS, ADDITIONAL INTEREST

In connection with the private placement of the notes in October 2006, we and the initial purchasers entered into a registration rights agreement pursuant to which we agreed to file with the SEC a shelf registration statement, of which this prospectus forms a part, that covers resales of registrable securities (as described below) by the holders who satisfy certain conditions. In addition, we agreed to use our reasonable best efforts to keep the shelf registration statement continuously effective under the Securities Act until there are no registrable securities outstanding.

However, the registration rights agreement permits us to prohibit offers and sales of registrable securities pursuant to the shelf registration statement for a period not to exceed an aggregate of 45 days in any three-month period and not to exceed an aggregate of 90 days in any 12-month period, under certain circumstances and subject to certain conditions. We refer to such any period during which we may prohibit offers and sales as a suspension period.

Registrable securities generally means each note, including the subsidiary guarantees, and each common share issuable upon conversion, redemption, purchase or repurchase of the notes until the earlier of:

- the date the note or share has been effectively registered under the Securities Act and disposed of in accordance with the shelf registration statement;

- the date when the note or share has been publicly sold pursuant to Rule 144 under the Securities Act; or

- the second anniversary of the last date on which we issue notes to the initial purchasers.

Holders of registrable securities must deliver certain information to be used in connection with, and to be named as selling securityholders in, the shelf registration statement in order to have their registrable securities included in the shelf registration statement. Any holder that does not complete and deliver a questionnaire or provide the information it requires will not be named as a selling securityholder in the shelf registration statement, will not be permitted to sell any registrable securities held by that holder pursuant to the shelf registration statement, of which this prospectus forms a part, and will not be entitled to receive any of the additional interest described in the following paragraph. We cannot assure you that we will be able to maintain an effective and current shelf registration statement as required. The absence of an effective shelf registration statement may limit a holder s ability to sell its registrable securities or may adversely affect the price at which it may sell its registrable securities.

If:

- a holder supplies the questionnaire described above after the effective date of the shelf registration statement, and we fail to supplement or amend the shelf registration statement, or file a new registration statement, in accordance with the terms of the registration rights agreement, in order to add such holder as a selling securityholder;

- the shelf registration statement ceases to be effective (without being succeeded immediately by an additional registration statement that is filed and immediately becomes effective) or usable for the offer and sale of registrable securities for a period of time (including any suspension period) that exceeds an aggregate of 45 days in any three-month period or an aggregate of 90 days in any 12-month period; or

- we fail to name as a selling securityholder, in the shelf registration statement or any amendment to the shelf registration statement or in any prospectus relating to the shelf registration statement, at the time we file the prospectus or, if later, the time the related shelf registration statement or amendment becomes effective under the Securities Act, any holder that is entitled to be so named as a selling securityholder,

then we will pay additional interest to each holder of registrable securities who has provided to us the required selling securityholder information (or, in the case of the first or third bullet points above, the applicable holder or holders). We refer to each event described in the bullet points above as a registration default.

The additional interest we must pay while there is a continuing registration default accrues at a rate per year equal to 0.25% for the 90-day period beginning on, and including, the date of the registration default, and thereafter at a rate per year equal to 0.50%, of the aggregate principal amount of the applicable notes.

Additional interest will not accrue on any note after it has been converted into common shares or on any common shares that we issue as payment of any portion of a make-whole payment. If a note ceases to be outstanding during a registration default, we will prorate the additional interest to be paid with respect to that note. In no event will additional interest be payable with respect to any registration default relating to a failure to register the common shares underlying the notes. For avoidance of doubt, if we fail to register both the notes and the underlying common shares, then additional interest will be payable in connection with the registration default relating to the failure to register notes.

So long as a registration default continues, we will pay additional interest in cash on April 15 and October 15 of each year to each holder who is entitled to receive additional interest in respect of a note of which the holder was the holder of record at the close of business on the immediately preceding April 1 and October 1, respectively. If we call a note for redemption, purchase a note pursuant to a purchase at the holder s option or repurchase a note upon a fundamental change, and the redemption date, purchase date or fundamental change repurchase date is after the close of business on a

Explanation of Responses:

record date and before the related additional interest payment date, we will instead pay the additional interest to the holder that submitted the note for redemption, purchase or repurchase.

Following the cure of a registration default, additional interest will cease to accrue with respect to that registration default. In addition, no additional interest will accrue after the period we must keep the shelf registration statement effective under the Securities Act or on any security that ceases to be a registrable security. However, we will remain liable for any previously accrued additional interest.

A holder of registrable securities that did not provide us with a completed questionnaire or the information called for by it before effectiveness of the initial shelf registration statement, of which this prospectus form a part, will not have been named as a selling securityholder in the shelf registration statement when it became effective and will not able to use the shelf registration statement to resell registrable securities. However, such a holder of registrable securities may thereafter provide us with a completed questionnaire, following which we will, as promptly as reasonably practicable after the date we receive the completed questionnaire, but in any event within ten business days after that date (except as described below), file a supplement to this prospectus or, if required, file a post-effective amendment or a new shelf registration statement in order to permit resales of such holder s registrable securities. However, if we receive the questionnaire during a suspension period, or we initiate a suspension period within ten business days after we receive the questionnaire, then we will, except as described below, make the filing within ten business days after the end of the suspension period. If we file a post-effective amendment or a new registration statement, then we will use our reasonable best efforts to cause the post-effective amendment or new registration statement to become effective under the Securities Act as promptly as practicable, but in any event by the 90th day after the date the registration rights agreement requires us to file the post-effective amendment or new registration statement. However, if a post-effective amendment or a new registration statement is required in order to permit resales by holders seeking to include registrable securities in the shelf registration statement after the effectiveness of the original shelf registration statement, we will not be required to file more than one post-effective amendment or new registration statement for such purpose in any 90-day period.

To the extent that any holder of registrable securities identified in the shelf registration statement, of which this prospectus form a part, is a broker-dealer, or is an affiliate of a broker-dealer that did not acquire its registrable securities in the ordinary course of its business or that at the time of its purchase of registrable securities had an agreement or understanding, directly or indirectly, with any person to distribute the registrable securities, we understand that the SEC takes the view that such holder is, under the SEC s interpretations, an underwriter within the meaning of the Securities Act. Any holder, whether or not it is an underwriter, who sells securities by means of the prospectus relating to the shelf registration statement will be subject to certain potential liabilities arising under the Securities Act for material misstatements or omissions contained in the prospectus. However, a holder of registrable securities that is deemed to be an underwriter within the meaning of the Securities Act may be subject to additional liabilities under the federal securities laws for misstatements and omissions contained in the shelf registration statement.

The above summary of certain provisions of the registration rights agreement does not purport to be complete and is subject, and is qualified in its entirety by reference, to the provisions of the registration rights agreement, which is filed as Exhibit 4.2 to our Current Report on Form 8-K dated October 24, 2006.

GOVERNING LAW

The indenture, the notes, the guarantees and the registration rights agreement are governed by and construed in accordance with the laws of the State of New York, without giving effect to such state s conflicts of laws principles.

Description of Other Indebtedness and Other Obligations

REVOLVING CREDIT FACILITY

We entered into a new revolving credit facility with Wachovia Bank, National Association, or Wachovia, in May 2005. The interest rate on borrowings under our revolving credit facility is LIBOR plus a premium. The maximum amount available under this facility is $25.0 million, and is subject to limitations based upon qualifying collateral. Amounts borrowed under the revolving credit facility may be borrowed, repaid and reborrowed until the termination date described below. We are the borrower under this revolving credit facility. Certain of our subsidiaries guarantee our obligations under the facility, including several of our subsidiaries that are not guarantors of the notes. The facility is secured by our and our guarantor subsidiaries accounts receivable, deposit accounts and related assets. The facility is available for acquisitions, working capital and general business purposes. The facility contains covenants requiring us to maintain collateral, minimum net worth and certain other financial ratios, places limits on our ability to incur or assume debt or create liens with respect to certain of our properties and contains other customary provisions. Events of default under the facility include, among other things, failure to pay principal and interest when due, default under our other indebtedness, a change of control of us whereby more than 9.8% of the total voting power of our then outstanding shares is acquired, certain changes in the identity of our directors and failure to perform covenants under the credit agreement. Due to the debt limitations contained in the credit facility, we were required to obtain Wachovia s consent before we issued the notes. We obtained such consent on October 11, 2006. In certain circumstances and subject to available collateral and lender approvals, the maximum amounts which we may draw under this credit facility may be increased to $50.0 million. In July 2006, we entered into an amendment to the facility to lower the interest paid on drawings under the facility from LIBOR plus 250 basis points to LIBOR plus 150 basis points and to extend the termination date to May 8, 2008. The termination date may be extended twice, in each case by twelve months, subject to lender approval, our payment of extension fees and other conditions. At September 30, 2006 and February 12, 2007, no amounts were outstanding under this credit facility. As of February 12, 2007, we believe we are in compliance with all applicable covenants under this revolving credit agreement.

The foregoing description of our revolving credit facility, as amended, may not include all of the information that is important to you and is subject to, and qualified in its entirety by reference to, the Credit and Security Agreement, which is filed as Exhibit 10.1 to our Current Report on Form 8-K dated May 13, 2005, the First Amendment to Credit and Security Agreement, which is filed as Exhibit 10.1 to our Current Report on Form 8-K dated August 23, 2005, the Second Amendment to Credit and Security Agreement, which is filed as Exhibit 10.2 to our Current Report on Form 8-K dated August 23, 2005, and the Third Amendment to Credit and Security Agreement, which is filed as Exhibit 10.1 to our Current Report on Form 8-K dated July 17, 2006.

MORTGAGES PAYABLE

At September 30, 2006, nine of our communities were encumbered by 11 Department of Housing and Urban Development, or HUD, insured mortgage loans totaling $44.9 million. The obligors on these loans are subsidiaries of us that are not guarantors of the notes. The weighted average interest rate on these loans was 7.0%. Payments of principal and interest are due monthly until maturity at varying dates ranging from February 2032 to June 2039. These mortgages contain standard HUD mortgage covenants and events of default. The events of default under our HUD insured mortgage loans include, among other things, failure to pay principal and interest when due, failure to comply with Federal, State or local laws prohibiting discrimination in housing on the grounds of race, color, religion or creed, sex or national origin and conveying, transferring or encumbering the mortgaged property. As of February 12, 2007, we believe we are in compliance with all covenants of these mortgages. We recorded mortgage premiums in connection with some of these HUD mortgages in order to record assumed mortgages at their estimated fair value. The mortgage premiums are being amortized as a reduction of interest expense until the maturity of the mortgages. The mortgage premium balance included in mortgage notes payable as of September 30, 2006 was $6.2 million. The mortgages require monthly payments into escrow for taxes, insurance and property replacement funds. Withdrawals from escrow require HUD approval.

The following table is a summary of the mortgage notes payable as of September 30, 2006:

Principal balance	Monthly payment	Cash interest rate	Effective interest rate	Maturity date	Fair value premium adjustment	Total mortgage payable
$ 658	$ 5	8.50 %	5.60 %	February 2032	$ 199	$ 857
4,118	32	8.13 %	5.60 %	February 2032	1,077	5,195
3,427	19	5.25 %	5.25 %	June 2035		3,427
5,319	35	7.00 %	5.60 %	June 2036	840	6,159
994	7	7.50 %	5.60 %	October 2036	217	1,211
5,239	34	7.00 %	5.60 %	October 2036	855	6,094
1,176	9	8.45 %	5.60 %	November 2037	403	1,579
1,350	10	8.00 %	5.60 %	January 2038	385	1,735
5,747	38	7.15 %	5.60 %	November 2038	1,060	6,807
4,903	27	5.55 %	5.55 %	May 2039		4,903
5,790	39	7.25 %	5.60 %	June 2039	1,155	6,945
$ 38,721	$ 255	6.96 %(1)			$ 6,191	$ 44,912

(1) Weighted average interest rate

Principal payments due under the terms of these mortgages are as follows:

2006	$ 96
2007	402
2008	429
2009	459
2010	492
Thereafter	36,843
	$ 38,721

OTHER OBLIGATIONS

In addition to the indebtedness described above, we have significant lease and other obligations, as described in the sections titled Properties Our Senior Housing Leases and Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Contractual Obligations in our Annual Report on Form 10-K for the year ended December 31, 2005 and our historical financial statements incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2005 and our Quarterly Report on Form 10-Q for the quarter September 30, 2006.

Description of Capital Stock

As of February 12, 2007, our charter authorizes us to issue up to an aggregate of 51,000,000 shares of capital stock, including 50,000,000 common shares, par value $.01 per share, and 1,000,000 shares of preferred stock, par value $.01 per share, or preferred shares, and authorizes our board of directors to determine, at any time and from time to time, to increase or decrease the number of authorized shares of stock, as described below. As of February 12, 2007, we had 31,682,134 common shares issued and outstanding, and 1,000,000 preferred shares authorized but unissued as described below under Description of preferred shares. In connection with the adoption of our shareholders rights plan, our board of directors designated an authorized but unissued class of 100,000 preferred shares, par value $.01 per share, described more fully below under Description of preferred shares Junior participating preferred shares. As of the date of this prospectus, no other class or series of preferred shares had been established.

The following is a summary of the material terms of our capital stock. Because it is a summary, it does not contain all of the information that may be important to you. If you want more information, you should read our charter and bylaws, copies of which have been filed with the SEC. See Where You Can Find More Information.

Our charter contains provisions permitting our board of directors, without any action by our shareholders, to amend the charter to increase or decrease the total number of shares of our stock, to issue new and different classes of shares in any amount or to reclassify any unissued common shares into other classes or series of classes that we choose. We believe that giving these powers to our board of directors will provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other business needs which might arise. Although our board of directors has no intention at the present time of doing so, it could authorize us to issue a class or series that could, depending upon the terms of the class or series, delay or prevent a change in control.

DESCRIPTION OF COMMON SHARES

The holders of our common shares are entitled to one vote for each share held of record on our books for the election of directors and on all matters submitted to a vote of shareholders. The holders of our common shares are entitled to receive ratably dividends, if any, when, as and if authorized by our board of directors and declared by us out of assets legally available therefor, subject to any preferential dividend rights of any outstanding preferred shares. Upon our dissolution, liquidation or winding up, the holders of common shares are entitled to receive ratably our net assets available after the payment of all debts and other liabilities, subject to the preferential rights of any outstanding preferred shares. Holders of common shares have no preemptive, subscription, redemption, conversion or, if our common shares are listed on a national securities exchange, appraisal rights. The rights, preferences and privileges of holders of common shares are subject to, and may be adversely affected by, the rights of the holders of shares of any class or series of preferred shares that we may designate and issue in the future. Our charter authorizes our board of directors to reclassify any unissued common shares into other classes or series of stock and to establish the number of shares in each class or series and to set the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption for each such class or series. Our charter and our bylaws contain certain provisions that could have the effect of delaying, deferring or preventing a change of control of us. See Description of Certain Provisions of Maryland Law and of our Charter and Bylaws below for a description of these provisions.

DESCRIPTION OF PREFERRED SHARES

Preferred shares

We have 1,000,000 preferred shares authorized, of which 100,000 have been designated as junior participating preferred shares described below. Our charter contains a provision permitting our board of directors, without any action by our shareholders, to amend the charter at any time to increase or decrease the aggregate number of our authorized preferred shares. Our board of directors is authorized, without further vote or action by the shareholders, to issue from time to time preferred shares in one or more series and to classify or reclassify any unissued preferred shares and to reclassify any previously classified but unissued preferred shares of any series into other classes or series of classes that we choose. Prior to issuance of preferred shares in any series, our board of directors is required by Maryland law and our charter to set, subject to the provisions of our charter regarding the restrictions on transfer of shares, the terms, preferences,

conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each such series.

The issuance of preferred shares could adversely affect the voting power of holders of common shares and the likelihood that such holders will receive dividend payments or payments upon liquidation and could have the effect of delaying, deferring or preventing a change in control. We believe that the ability of our board of directors to issue one or more series of preferred shares provides us with flexibility in structuring possible future financings and acquisitions, and in meeting other business needs that may arise.

Junior participating preferred shares

The following is a summary of the material terms of the junior participating preferred shares. Because it is a summary, it does not contain all of the information that may be important to you. If you want more information, you should read our charter and bylaws, copies of which have been filed with the SEC. See Where You Can Find More Information.

In connection with the adoption of our shareholders rights plan described below, our board of directors has established an authorized but unissued class of 100,000 preferred shares. See Description of Certain Provisions of Maryland Law and of our Charter and Bylaws Rights plan, for a summary of our shareholders rights plan. Certain preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption of our junior participating preferred shares, when and if issued, are described below.

If issued, the holder of each junior participating preferred share is entitled to quarterly dividends in the greater amount of $5.00 or 1,000 times the per share amount of all dividends, whether cash or otherwise, other than dividends payable in common shares, declared upon our common shares. Dividends on the junior participating preferred shares are cumulative. Whenever dividends on the junior participating preferred shares are in arrears, we may not declare or pay dividends, make other distributions on, or redeem or repurchase our common shares or other shares ranking on a parity with or junior to the junior participating preferred shares. If we fail to pay such dividends for six quarters, the holders of the junior participating preferred shares will be entitled to elect two directors.

If issued, the holder of each junior participating preferred share is entitled to 1,000 votes on all matters submitted to a vote of the shareholders, voting (unless otherwise provided in our charter or bylaws) together with holders of our common shares as one class. The junior participating preferred shares are not redeemable. Upon our liquidation, dissolution or winding up, the holders of our junior participating preferred shares are entitled to a liquidation preference of $1,000 per share plus the amount of any accrued and unpaid dividends, prior to payment of any distribution in respect of our common shares or any other shares ranking junior to the junior participating preferred shares. Following payment of this liquidation preference, the holders of junior participating preferred shares are not entitled to further distributions until the holders of our common shares have received an amount per common share equal to the liquidation preference paid on the junior participating preferred shares divided by 1,000, adjusted to reflect events such as share splits, share dividends and recapitalizations affecting our common shares. Following the full payment of this amount to the common shareholders, holders of junior participating preferred shares are entitled to participate proportionately on a per share basis with holders of our common shares in the distribution of the remaining assets to be distributed in respect of shares in the ratio of one one thousandth of the liquidation preference to one, respectively. The preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption of the junior participating preferred shares are subject to the superior preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption of any senior series or class of our preferred shares which our board of directors may, from time to time, authorize and issue.

Description of Certain Provisions of Maryland Law and of our Charter and Bylaws

We are organized as a Maryland corporation. The following is a summary of our charter and bylaws and several provisions of Maryland law. Because it is a summary, it does not contain all the information that may be important to you. If you want more information, you should read our entire charter and bylaws, copies of which we have previously filed with the SEC, or refer to the provisions of applicable Maryland corporate law summarized below.

RESTRICTIONS ON SHARE OWNERSHIP AND TRANSFER

Our charter restricts the amount of shares that shareholders may own. These restrictions are intended to assist Senior Housing, a publicly owned REIT, with REIT compliance under the IRC and otherwise to promote our orderly governance. All certificates representing our common shares and preferred shares will bear a legend referring to these restrictions.

Our charter provides that no person or group of persons acting in concert may own, or be deemed to own by virtue of the attribution provisions of the IRC, more than 9.8% of the number or value, whichever is more restrictive, of any class or series of our outstanding shares of capital stock. For example, under the attribution provisions of the IRC, securities which are convertible into common shares, such as the notes, are for purposes of this limitation treated the same as the number of common shares into which the securities may be converted. Any person who acquires, or attempts or intends to acquire, actual or constructive ownership of shares of our capital stock that will or may violate this 9.8% ownership limitation must give notice to us and provide us with other information that we may request.

The ownership limitations in our charter are effective against all of our shareholders. However, with the written consent of Senior Housing, our board of directors may grant an exemption from the ownership limitation if it is satisfied that: (1) the shareholder s ownership will not cause us or any of our subsidiaries that are tenants of Senior Housing to be deemed a related party tenant under the IRC rules applicable to REITs; (2) the shareholder s ownership will not cause a default under any lease we have outstanding; and (3) the shareholder s ownership is otherwise in our best interests as determined by our board of directors in the exercise of its business judgment.

If a person attempts a transfer of our shares in violation of the ownership limitations described above, then that number of shares which would cause the violation will be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries designated by us. The prohibited owner will not acquire any rights in the shares held in trust, will not benefit economically from ownership of the shares held in trust, will have no rights to distributions and will not possess any rights to vote the shares held in trust. This automatic transfer will be deemed to be effective as of the close of business on the business day prior to the date of the violative transfer.

Within 20 days after receiving notice from us that shares have been transferred to the trust, the trustee will sell the shares held in the trust to a person selected by the trustee whose ownership of the shares will not violate the ownership limitations. Upon this sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the prohibited owner and to the charitable beneficiary as follows:

The prohibited owner will receive the lesser of:

- the net price paid by the prohibited owner for the shares or, if the prohibited owner did not give value for the shares in connection with the event causing the shares to be held in the trust (e.g., a gift, devise or other similar transaction), the market price of the shares on the day of the event causing the shares to be transferred to the trust; and

- the net price received by the trustee from the sale of the shares held in the trust.

Any net sale proceeds in excess of the amount payable to the prohibited owner shall be paid to the charitable beneficiary.

If, prior to our discovery that shares of our capital stock have been transferred to the trust, a prohibited owner sells those shares, then:

- those shares will be deemed to have been sold on behalf of the trust; and

- to the extent that the prohibited owner received an amount for those shares that exceeds the amount that the prohibited owner was entitled to receive from a sale by the trustee, the prohibited owner must pay the excess to the trustee upon demand.

Also, shares of capital stock held in the trust will be offered for sale to us, or our designee, at a price per share equal to the lesser of:

- the price per share in the transaction that resulted in the transfer to the trust or, in the case of a devise or gift, the market price at the time of the devise or gift; and

- the market price on the date we or our designee accepts the offer.

We will have the right to accept the offer until the trustee has sold the shares held in the trust. The net proceeds of the sale to us will be distributed similar to any other sale by the trustee.

Every owner of 5% or more of any class or series of our shares may be required to give written notice to us within 30 days after the end of each taxable year stating the name and address of the owner, the number of shares of each class and series of our shares which the owner beneficially owns, and a description of the manner in which those shares are held. In addition, each shareholder is required to provide us upon demand with any additional information that we may request in order to assist us and Senior Housing in its determination of its status as a REIT and to determine and ensure compliance with the foregoing share ownership limitations.

The restrictions described above will not preclude the settlement of any transaction entered into through the facilities of the AMEX or any other national securities exchange or automated inter-dealer quotation system. Our charter provides, however, that the fact that the settlement of any transaction occurs will not negate the effect of any of the foregoing limitations and any transferee in this kind of transaction will be subject to all of the provisions and limitations described above.

These ownership limitations could have the effect of delaying, deferring or preventing a takeover or other transaction in which holders of some, or a majority, of our common shares might receive a premium for their shares over the then prevailing market price or which such holders might believe to be otherwise in their best interest.

POSSIBLE LIABILITY OF SHAREHOLDERS FOR BREACH OF RESTRICTIONS ON OWNERSHIP

Our community leases and our shared services agreement are terminable by Senior Housing and RMR, the investment manager for Senior Housing (from whom we purchase various services pursuant to a shared services agreement), respectively, in the event that any shareholder or group of shareholders acting in concert becomes the owner of more than 9.8% of our voting stock without Senior Housing s consent. If a breach of the ownership limitations results in a lease default, the shareholders causing the default may become liable to us or to our other shareholders for damages. These damages may be in addition to the loss of beneficial ownership and voting rights, the transfer to a trust and the forced sale of excess shares described above. These damages may be for material amounts.

DIRECTORS

Our charter and bylaws provide that our board of directors has the exclusive power to establish the number of directors. However, there may not be less than the minimum number required by Maryland law nor more than seven directors. In the event of a vacancy, a majority of the remaining directors will fill the vacancy and the director elected to fill the vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred.

Our charter divides our board of directors into three classes. Shareholders elect directors of each class for three-year terms upon the expiration of their current terms. Shareholders will elect only one class of directors each year. There is no

cumulative voting in the election of directors. Consequently, at each annual meeting of shareholders, a majority of the votes entitled to be cast will be able to elect all of the successors of the class of directors whose term expires at that meeting.

We believe that classification of our board of directors helps to assure the continuity of our business strategies and policies. However, our classified board of directors also has the effect of making the replacement of our incumbent directors more time consuming and difficult. At least two annual meetings of shareholders are generally required to effect a change in a majority of our board of directors.

Our charter provides that a director may be removed only for cause by the affirmative vote of at least 75% of the shares entitled to vote in the election of directors. This provision precludes shareholders from removing incumbent directors unless they can obtain a substantial affirmative vote of shares.

ADVANCE NOTICE OF DIRECTOR NOMINATIONS AND OTHER BUSINESS

Our bylaws provide that nominations of persons for election to our board of directors and other business may only be considered at our shareholders meetings if the nominations or other business are included in the notice of the meeting, made or proposed by our board of directors or made or proposed by a shareholder who:

- is a shareholder of record at the time of giving notice of the nomination or the business to be considered;
- is a shareholder of record entitled to vote at the meeting at which the nomination or business is to be considered and at the time of the meeting; and
- has complied in all respects with the advance notice provisions for shareholder nominations and other business set forth in our bylaws.

It is the policy of our nominating and governance committee to consider candidates for election as directors who are recommended by our shareholders pursuant to the procedures set forth below. If a shareholder who is entitled to do so under our bylaws desires to recommend an individual for membership on the board of directors, then that shareholder must provide a written notice to the chair of the nominating and governance committee and to our secretary. In order for a recommendation to be considered by the nominating and governance committee, this notice must be received within the 30-day period ending on the last date on which shareholders may give timely notice for director nominations under our bylaws and applicable state and federal law, and must be made pursuant to the procedures set forth below.

Under our bylaws, a shareholder s notice of nominations for director or business to be transacted at an annual meeting of shareholders must be delivered to our secretary at our principal office not later than the close of business on the 90th day and not earlier than the 120th day prior to the first anniversary of the date of mailing of our notice for the preceding year s annual meeting. In the event that the date of mailing of our notice of the annual meeting is advanced or delayed by more than 30 days from the anniversary date of the mailing of our notice for the preceding year s annual meeting, a shareholder s notice must be delivered to us not earlier than the 120th day prior to the mailing of notice of such annual meeting and not later than the close of business on the later of: (1) the 90th day prior to the date of mailing of the notice for an annual meeting, or (2) the 10th day following the day on which we first make a public announcement of the date of mailing of our notice for such meeting. The public announcement of a postponement of the mailing of the notice for an annual meeting or of an adjournment or postponement of an annual meeting to a later date or time will not commence a new time period for the giving of a shareholder s notice. If the number of directors to be elected to our board of directors at a shareholders meeting is increased and we make no public announcement of such action at least 130 days prior to the first anniversary of the date of mailing of notice for our preceding year s annual meeting, a shareholder s notice also will be considered timely, but only with respect to nominees for any new positions created by such increase, if the notice is delivered to our secretary at our principal office not later than the close of business on the 10th day following the day on which such public announcement is made. This provision does not apply to new directors who are elected by the board of directors to fill a vacancy, including a vacancy created by board of directors action which increases the number of directors.

For special meetings of shareholders, our bylaws require a shareholder who is nominating a person for election to our board of directors at a special meeting at which directors are to be elected to give notice of such nomination to our secretary at our principal office not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of: (1) the 90th day prior to such special meeting or (2) the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the directors to be elected at such meeting. The public announcement of a postponement or adjournment of a special meeting to a later date or time will not commence a new time period for the giving of a shareholder s notice as described above.

Any notice from a shareholder of a nomination or a recommendation for nomination for election to our board of directors or a proposal of business to be transacted at a shareholders meeting must be in writing and include the following:

- as to each person whom the shareholder proposes to nominate or recommends to be nominated for election or reelection as a director, (1) the nominee s or recommended nominee s name, age, business and residence addresses, (2) the class, series and number of shares of capital stock that are beneficially owned or owned of record by the nominee or the recommended nominee, (3) the date the nominee s or recommended nominee s securities were acquired and the investment intent of such acquisition, (4) the record of all purchases and sales of our securities by the nominee or recommended nominee during the previous 12 month period, including the date of the transactions, the class, series and number of securities involved in the transactions and the consideration involved, and (5) all other information relating to the nominee or recommended nominee that is required to be disclosed in solicitations of proxies for election of directors or otherwise required by Regulation 14A or any successor provision under the Exchange Act, together with the nominee s or recommended nominee s written consent to being named in the proxy statement as a nominee and to serving as a director if elected;

- as to any other business that the shareholder proposes to bring before the meeting, a description of the business, the reasons for proposing the business at the meeting and any material interest in the business of the shareholder and any Stockholder Associated Person (as defined below), including any anticipated benefit therefrom;

- as to the shareholder giving the notice and any Stockholder Associated Person, the class, series and number of shares which are owned of record by the shareholder and any Stockholder Associated Person, and the class, series and number of, and the nominee holder for, shares owned beneficially, but not of record by the shareholder and any Stockholder Associated Person ;

- as to the shareholder giving the notice and any Stockholder Associated Person, the name and address of the shareholder, as they appear on our share ledger and the current name and address, if different, of such Stockholder Associated Person ;

- as to the shareholder giving the notice and any Stockholder Associated Person, the record of all purchases and sales of our securities by the shareholder or Stockholder Associated Person during the previous 12-month period including the date of the transactions, the class, series and number of securities involved in the transactions and the consideration involved; and

- to the extent known by the shareholder giving the notice, the name and address of any other shareholder supporting the nominee or recommended nominee for election or reelection or the proposal of other business on the date of the shareholder s notice.

A Stockholder Associated Person of any shareholder shall mean (1) any person controlling, directly or indirectly, or acting in concert with, the shareholder, (2) any beneficial owner of shares of beneficial interest owned of record or beneficially by the shareholder and (3) any person controlling, controlled by or under common control with the shareholder or Stockholder Associated Person.

Explanation of Responses:

If any shareholder nomination or proposal would cause us to be in breach of any covenant in any of our existing or proposed debt instruments or agreements, the proponent shareholder must submit to our secretary evidence satisfactory to our board of directors of the lender s or contracting party s willingness to waive the breach of covenant or a plan for repayment of the indebtedness to the lender or correcting the contractual default, specifically identifying the actions to be taken or the source of funds to be used in the repayment, which plan must be satisfactory to our board of directors. If any shareholder nomination or proposal could not be implemented by us without notifying or obtaining the consent or approval of any federal, state, municipal or other regulatory body, the proponent shareholder must submit to our secretary evidence satisfactory to our board of directors that any and all required notices, consents or approvals have been given or obtained or a plan for making the requisite notices or obtaining the requisite consents or approvals prior to the implementation of the proposal or election, which plan must be satisfactory to our board of directors.

We may request that any shareholder proposing a nominee for election to our board of directors provide, within three business days of such request, written verification of the accuracy of the information submitted by the shareholder. Our board of directors may also require any nominee to agree in writing with regard to matters of business ethics and confidentiality while such nominee serves as a director.

MEETINGS OF SHAREHOLDERS

The board of directors determines the place and time of the annual meeting of shareholders. Special meetings of shareholders may only be called by the majority of the board of directors, the chairman of the board of directors, if any, or the president, or, if permitted under Maryland law and our charter and bylaws, upon the written request of shareholders entitled to cast not less than a majority of all the votes entitled to be cast at that meeting (or such greater proportion we are permitted to specify under Maryland law).

LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Maryland General Corporate Law, or MGCL, permits a Maryland corporation to include in its charter a provision eliminating the liability of its directors and officers to the corporation and its shareholders for money damages except for liability resulting from (1) actual receipt of an improper benefit or profit in money, property or services or (2) acts committed in bad faith or active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our charter contains such a provision which eliminates such liability to the maximum extent permitted by the MGCL.

In accordance with the MGCL, our charter authorizes us, to the maximum extent permitted by the MGCL, to obligate ourselves to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (1) any present or former director or officer or (2) any individual who, while a director and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise, from and against any claim or liability to which he or she may become subject or which he or she may incur by reason of his or her service in any such capacity. Our bylaws obligate us, to the maximum extent permitted by the MGCL, to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any present or former director or officer who is made or is threatened to be made party to the proceeding by reason of his or her service in that capacity or (b) any individual who, while a director, at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, partner or trustee of such corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made or is threatened to be made a party to the proceeding by reason of his or her service in that capacity. Our charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and to any employee or agent of ours or a predecessor of ours.

The MGCL requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made or threatened to be made a party by reason of his or her service in that capacity. The MGCL permits a corporation to indemnify its directors and officers, among others, against judgments, penalties, fines, settlements and

reasonable expenses actually incurred by them in connection with any proceedings to which they may be made or are threatened to be made a party by reason of their service in those or other capacities unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceedings and (a) was committed in bad faith or (b) was the result of active and deliberate dishonesty;

- the director or officer actually received an improper personal benefit in money, property or services; or

- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In accordance with the MGCL, our bylaws require us, as a condition to advancing expenses, to obtain:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by us as authorized by our bylaws; and

- a written statement by him or her or on his or her behalf to repay the amount paid or reimbursed by us if it shall ultimately be determined that the standard of conduct was not met.

In addition, we have entered into indemnification agreements with each of our directors and executive officers that provide procedures and remedies to give contractual assurance that the indemnification protection under the MGCL as in effect on the dates of such agreements will be available.

The SEC has expressed the opinion that indemnification of directors, officers or persons otherwise controlling a company for liabilities arising under the Securities Act is against public policy and is therefore unenforceable.

CHARTER AMENDMENTS AND EXTRAORDINARY TRANSACTIONS

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business unless the transaction or amendment is declared advisable by the board of directors and then approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation s charter. Our charter provides for approval of such matters when they are first declared advisable by our board of directors and then approved by the affirmative vote of stockholders entitled to cast a majority of the votes entitled to be cast on the matter (or such lesser proportion, as is permitted by the MGCL).

BYLAW AMENDMENTS

As permitted under the MGCL, our bylaws provide that our board of directors has the exclusive power to amend the bylaws.

BUSINESS COMBINATIONS

The MGCL contains a provision which regulates business combinations with interested shareholders. Under the MGCL, business combinations such as mergers, consolidations, share exchanges and the like between a Maryland corporation and an interested shareholder or an affiliate of the interested shareholder are prohibited for five years after the most recent date on which the shareholder becomes an interested shareholder. Under the statute, the following persons are deemed to be interested shareholders:

- any person who beneficially owns 10% or more of the voting power of the corporation s shares of capital stock; or

- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting shares of the corporation.

A person is not an interested shareholder under the statute if the board of directors approved in advance the transaction by which the person otherwise would have become an interested shareholder. The board of directors may provide that its approval is subject to compliance with any terms and conditions determined by the board of directors.

After the five-year prohibition period has ended, a business combination between a corporation and an interested shareholder or an affiliate of the interested shareholder must be recommended by the board of directors of the corporation and must receive the following shareholder approvals:

- the affirmative vote of at least 80% of the votes entitled to be cast by the corporation s outstanding voting shares; and

- the affirmative vote of at least two-thirds of the votes entitled to be cast by holders of voting shares other than voting shares held by the interested shareholder with whom or with whose affiliate the business combination is to be effected or by an affiliate or associate of the interested shareholder.

The shareholder approvals discussed above are not required if the corporation s shareholders receive the minimum price set forth in the MGCL for their shares of capital stock and the consideration is received in cash or in the same form as previously paid by the interested shareholder for its shares of capital stock.

The foregoing provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by the board of directors of the corporation prior to the time that the interested shareholder becomes an interested shareholder. Our board of directors has adopted a resolution that any business combination between us and any other person is exempted from the provisions of the MGCL described in the preceding paragraph, provided that the business combination is first approved by our board of directors, including the approval of a majority of the members of our board of directors who are not affiliates or associates of such person. This resolution, however, may be altered or repealed in whole or in part at any time.

CONTROL SHARE ACQUISITIONS

The MGCL provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent that the acquisition is approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares of capital stock owned by the acquiror, by employees who are also directors of the corporation or by officers of the corporation. Control shares are voting shares of capital stock which, if aggregated with all other shares of capital stock previously acquired by the acquiror, or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;

- one-third or more but less than a majority; or

- a majority or more of all voting power.

Control shares do not include shares which the acquiring person is entitled to vote as a result of having previously obtained shareholder approval. A control share acquisition means the acquisition of control shares.

A person who has made or proposes to make a control share acquisition, may compel our board of directors to call a special meeting of shareholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at a shareholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the MGCL, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control shares is subject to conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of shareholders at which the voting rights of those shares are considered and not approved. If voting rights for control shares are approved at a shareholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute of the MGCL does not apply to the following:

- shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction; or

- acquisitions approved or exempted by a provision in the charter or bylaws of the corporation adopted before the acquisition of shares.

Our bylaws contain a provision exempting any and all acquisitions by any person of our shares of capital stock from the control share acquisition statute. However, this provision may be amended or eliminated at any time in the future.

ANTI-TAKEOVER EFFECT OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS

The following provisions in our charter and bylaws and in the MGCL could delay or prevent a change in our control:

- the limitation on ownership and acquisition of more than 9.8% of our shares of capital stock;

- the power of our board of directors to, without a shareholders vote, amend our charter to increase or decrease the aggregate number of authorized shares or the number of shares of any class or series and to issue additional shares, including additional classes of shares with rights defined at the time of issuance;

- the classification of our board of directors into classes and the election of each class for three year staggered terms;

- the requirement of cause and a 75% vote of shareholders for removal of our directors;

- the provision that the number of our directors may be fixed only by vote of our board of directors and that a vacancy on our board of directors may be filled by a majority of our remaining directors for the remainder of the full term of the directorship in which the vacancy occurred;

- the advance notice requirements for shareholder nominations for directors and other proposals;

- the business combination provisions of the MGCL, if the applicable resolution of our board of directors is rescinded or if our board of directors approval of a combination is not obtained; and

- the provisions of the control share acquisition statute if the applicable bylaw provision is amended.

RIGHTS PLAN

In addition to the anti-takeover effect of the MGCL and of our charter and bylaws as noted above, we have adopted a rights plan which may have a similar effect.

On March 10, 2004, our board of directors authorized a dividend distribution of one right for each of our outstanding common shares, to holders of record of our common shares at the close of business on April 10, 2004. Each right entitles the holder to buy one one thousandth of a junior participating preferred share (or in certain circumstances, to receive cash, property, common shares or our other securities) at an exercise price of $25 per one one thousandth of a junior participating preferred share. The preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption of the junior participating preferred shares are summarized above under Description of Preferred Shares-Junior Participating Preferred Shares.

Initially, the rights are attached to common shares. The rights will separate from the common shares upon a rights distribution date which is the earlier of (1) 10 business days following a public announcement by us that a person or group of persons has acquired, or has obtained the right to acquire, beneficial ownership of 10% or more of the outstanding common shares or (2) 10 business days following the commencement of a tender offer or exchange offer that would result in a person acquiring beneficial ownership of 10% or more of the outstanding common shares. In each instance, our board of directors may determine that the distribution date will be a date later than 10 days following the triggering event.

Until they become exercisable, the rights will be evidenced by the certificates, if any, for common shares and will be transferred with and only with such common shares. The surrender for transfer of any certificates for common shares outstanding will also constitute the transfer of the rights associated with the common shares evidenced by such certificates.

The rights are not exercisable until a rights distribution date and will expire at the close of business on April 10, 2014, unless earlier redeemed or exchanged by us as described below. Until a right is exercised, the holder thereof, as such, has no rights as a shareholder of us, including, without limitation, the right to vote or to receive dividends.

Upon the occurrence of a flip-in event, each holder of a right will have the ability to exercise it for a number of common shares (or, in certain circumstances, other property) having a current market price equal to two times the exercise price of the right. Notwithstanding the foregoing, following the occurrence of a flip-in event, all rights that are, or were, held by beneficial owners of 10% or more of our common shares will be void in several circumstances described in the rights agreement. Rights will not be exercisable following the occurrence of any flip-in event until the rights are no longer redeemable by us as set forth below. A flip-in event occurs when a person or group of persons acquires more than 10% of the beneficial ownership of the outstanding common shares pursuant to any transaction other than a tender or exchange offer for all outstanding common shares on terms which a majority of our outside directors determines to be fair to and otherwise in the best interests of us and our shareholders.

A flip-over event occurs when, at any time on or after the announcement of a share acquisition which will result in a person becoming the beneficial owner of more than 10% of our outstanding common shares, we take part in a merger or other business combination transaction (other than certain mergers that follow a fair offer) in which we are not the surviving entity or the common shares are changed or exchanged or 50% or more of our assets or earning power is sold or transferred. Upon the occurrence of a flip-over event each holder of a right (except rights which

previously have been voided, as set forth above) will have the option to exchange their right for a number of shares of common stock of the acquiring company having a current market price equal to two times the exercise price of the right.

The purchase price and the number of junior participating preferred shares issuable upon exercise of the rights are subject to adjustment from time to time to prevent dilution. With certain exceptions, no adjustment in the purchase price will be required until cumulative adjustments amount to at least 1% of the purchase price. We will make a cash payment in lieu of any fractional shares resulting from the exercise of any right. We have 10 days from the date of an announcement of a share acquisition which will result in a person becoming the beneficial owner of more than 10% of our outstanding common shares to redeem the rights in whole, but not in part, at a price of $.01 per right, payable at our option in cash, common shares or other consideration as our board of directors may determine. Immediately upon the effectiveness of the action of the board of directors ordering redemption of the rights, the rights will terminate and the only right of the holders of rights will be to receive the redemption price.

The terms of the rights may be amended by the board of directors prior to the distribution date. After the distribution date, the provisions of the rights agreement may be amended by the board of directors only in order to:

- cure ambiguities, defects or inconsistencies;

- make changes which do not adversely affect the interests of holders of rights (other than the rights of a person that has obtained beneficial ownership of more than 10% of our outstanding shares and certain other related parties); or

- shorten or lengthen any time period under the rights agreement.

However, no amendment to lengthen the time period governing redemption is permitted to be made at such time as the rights are not redeemable.

Certain Federal Income Tax Considerations

INTERNAL REVENUE SERVICE CIRCULAR 230 NOTICE. TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, EACH PERSON RECEIVING THIS PROSPECTUS IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY US IN CONNECTION WITH THE PROMOTION, MARKETING, AND RECOMMENDATION (WITHIN THE MEANING OF INTERNAL REVENUE SERVICE CIRCULAR 230) OF THE TRANSACTIONS AND MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE PURCHASERS ARE ENCOURAGED TO SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

IN GENERAL

The following summary of federal income tax considerations is based upon the IRC, Treasury regulations issued thereunder, and rulings and decisions now in effect, all of which are subject to change, possibly with retroactive effect, or possible differing interpretations. We have not sought a ruling from the Internal Revenue Service, or the IRS, with respect to any matter described in this summary, and we cannot provide any assurance that the IRS or a court will agree with the statements made in this summary. The summary applies to you only if you hold our notes as a capital asset and you purchased the notes in the initial offering for the original issue price as defined in Section 1273 of the IRC. The summary does not discuss the particular tax consequences that might be relevant to you if you are subject to special rules under the federal income tax law, for example, if you are:

- a bank, life insurance company, regulated investment company or other financial institution,
- a broker or dealer in securities or foreign currency,
- a person that has a functional currency other than the US dollar,
- a person who acquires our notes in connection with employment or other performance of services,
- a person who owns our notes as part of a straddle, hedging transaction, conversion transaction or constructive sale transaction,
- a tax-exempt entity, or
- an expatriate.

In addition, the following summary does not address all possible tax considerations relating to the acquisition, ownership and disposition of our notes, and in particular does not discuss any estate, gift, generation-skipping transfer, state, local or foreign tax considerations. For all these reasons, we urge you to consult with your tax advisor about the federal income tax and other tax consequences of your acquisition, ownership and disposition of our notes.

For purposes of this summary, you are a US holder if you are a beneficial owner of our notes and for federal income tax purposes are:

- a citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or meets the substantial presence residency test under the federal income tax laws,
- a corporation or other entity treated as a corporation for federal income tax purposes, that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia,

- an estate the income of which is subject to federal income taxation regardless of its source, or

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- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or an electing trust in existence on August 20, 1996 to the extent provided in Treasury regulations,

and if your status as a US holder is not overridden pursuant to the provisions of an applicable tax treaty. Conversely, you are a non-US holder if you are a beneficial owner of our notes and are not a US holder.

If a partnership (including any entity treated as a partnership for federal income tax purposes) is a beneficial owner of our notes, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A beneficial owner that is a partnership and partners in such a partnership should consult their tax advisors about the federal income tax consequences of the acquisition, ownership and disposition of our notes.

We believe the notes will be treated as indebtedness for federal income tax purposes, and will not be treated as contingent payment debt instruments. This summary discussion assumes that the IRS will respect this classification.

TAX CONSEQUENCES FOR US HOLDERS

Tax treatment of notes

If you are a US holder:

Payments of interest. Interest on a note will generally be taxable to you as ordinary income:

- when you receive it, if you use the cash method of accounting for federal income tax purposes, or
- when it accrues, if you use an accrual method of accounting for federal income tax purposes.

Purchase price for a note that is allocable to prior accrued interest may be treated as offsetting a portion of the interest income from the next scheduled interest payment on the note, and any interest income so offset is not taxable.

We may be required to pay additional amounts to you in the event of a registration default. Because we believe the likelihood that we will be obligated to make any such additional payments on the notes is remote, we intend to take the position (and this discussion assumes) that the notes will not be treated as contingent payment debt instruments under the applicable Treasury regulations. Assuming our position is respected, you would be required to treat such additional amounts as ordinary interest income and include such additional amounts in income at the time payments are received or accrued, in accordance with your method of accounting for federal income tax purposes.

Our determination that the notes are not contingent payment debt instruments is not binding on the IRS. If the IRS were to challenge successfully our determination and the notes were treated as contingent payment debt instruments, you would be required, among other things, to accrue interest income (regardless of your method of accounting for federal income tax purposes) at a rate higher than the stated interest rate on the notes, treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption of a note, and treat the entire amount of recognized gain upon a conversion of notes as taxable. Our determination that the notes are not contingent payment debt instruments is binding on you unless you disclose your contrary position to the IRS in the manner that is required by applicable Treasury regulations.

Disposition of a note. Upon the sale, exchange, redemption, retirement or other disposition of a note, you generally will recognize taxable gain or loss in an amount equal to the difference, if any, between (1) the amount you receive in cash or in property, valued at its fair market value, upon this sale, exchange, redemption, retirement or other disposition, other than amounts representing accrued and unpaid interest which will be taxable as interest income, and (2) your adjusted tax basis in the note. Your tax basis in the note will, in general, equal your acquisition cost for the note exclusive of any amount paid allocable to prior accrued stated interest. Your gain or loss will be capital gain or loss, and will be long-term capital gain or loss if your holding period in the note is more than one year at the time of disposition. If you are not

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a corporation, the long-term capital gain will generally be subject to US federal income tax at a maximum rate of 20% (15% for gains properly taken into account through the temporary period ending with the end of your taxable year that begins in 2010). Your ability to deduct capital losses may be limited. If you sell notes at a loss that meets certain thresholds, you may be required to file a disclosure statement with the IRS under applicable Treasury regulations.

Conversion of a note in exchange for common shares. You generally will not recognize any income, gain or loss upon conversion of a note into common shares except with respect to cash, if any, you received in lieu of a fractional common share. Your income tax basis in the common shares that you receive on the conversion of your note generally will be the same as your adjusted tax basis in the note just prior to the time of conversion, reduced by any basis allocable to a fractional share interest for which you receive a cash payment. Your holding period for the common shares you receive on conversion will generally include the holding period of the note converted. However, if a conversion is accompanied by a change in the conversion rate, as may occur with a make-whole fundamental change, you may have taxable income, as discussed below under Constructive Distributions. If, in addition to common shares, upon conversion you receive rights or warrants to acquire our common shares or other of our securities, then the receipt of the rights or warrants may be taxable, and we encourage you to consult your tax advisor as to the consequences of the receipt of rights or warrants upon conversion.

Any cash you receive in lieu of fractional common shares upon conversion generally will be treated as a payment in exchange for the fractional common shares. Accordingly, your receipt of cash in lieu of fractional shares generally will result in capital gain or loss, measured by the difference between the cash you receive for the fractional shares and your adjusted tax basis attributable to the fractional shares.

Tax treatment of common shares

Distributions. A distribution you receive from us with respect to your common shares will constitute a dividend to the extent paid out of our current or accumulated earnings and profits as determined for US federal income tax purposes. To the extent that a distribution exceeds our available earnings and profits, it will be treated as a nontaxable return of capital to the extent of your adjusted tax basis in the common shares and thereafter as capital gain.

For a temporary period ending with the end of your taxable year that begins in 2010, qualified dividend income will generally be subject to a maximum federal income tax rate of 15% if you are a noncorporate US holder. Any dividends we pay to you during that period should constitute qualified dividend income to you, provided that you meet the minimum holding period requirement. You generally will meet the holding period requirement if you held a common share for more than 60 days during the 121 day period that begins 60 days before the ex-dividend date; the ex-dividend date is the first date following the declaration of the dividend on which the buyer of a common share will not receive the next dividend payment.

Sale or other taxable disposition of common shares. Upon the sale, exchange or other taxable disposition of a common share, you will recognize gain or loss for federal income tax purposes in an amount equal to the difference between the fair market value of property you receive in exchange for the common shares and your adjusted tax basis in the common shares. This gain or loss will be a capital gain or loss, and will be long-term capital gain or loss if your holding period in the common shares is more than one year at the time of disposition. If you are not a corporation, the long-term capital gain will generally be subject to US federal income tax at a maximum rate of 20% (15% for gains properly taken into account through the temporary period ending with the end of your taxable year that begins in 2010). Your ability to deduct capital losses may be limited. If you sell common shares at a loss that meets certain thresholds, you may be required to file a disclosure statement with the IRS under applicable Treasury regulations.

Constructive distributions

Your rights to convert your notes into common shares allow for the conversion rate to be adjusted under a number of circumstances, generally to ensure that you receive an economically equivalent number of shares from a conversion following stock splits and stock dividends of our common shares, and also following cash distributions on common shares. Adjustments also may include changes in the type or amount of consideration you receive upon conversion. Adjustments (or failures to make adjustments) that have the effect of increasing your proportionate interest in our assets or earnings and profits may in some circumstances result in a deemed distribution to you for federal income tax

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purposes. Adjustments made pursuant to a bona fide reasonable adjustment formula that have the effect of preventing the dilution of the interest of the holders of the notes, however, will generally not be considered to result in a deemed distribution to you. Certain of the possible conversion adjustments provided in the notes (including, without limitation, adjustments in respect of taxable dividends to holders of our common shares) will not qualify as being made pursuant to a bona fide reasonable adjustment formula. If such nonqualifying adjustments are made, you generally will be deemed to have received a distribution even if you have not received any cash or property as a result of such adjustments. Any deemed distributions will be taxable as a dividend, return of capital, or capital gain in accordance with the description above under Tax Treatment of Common Shares Distributions. It is not clear whether a constructive dividend deemed paid to a US holder would be eligible for the preferential rates of federal income tax applicable in respect of certain dividends received. It is also unclear whether corporate holders would be entitled to claim the dividends received deduction with respect to any such constructive dividends. If you are subject to backup withholding, then a withholding agent may be required to withhold the appropriate amount with respect to a constructive distribution even though there is no related receipt of cash from which to satisfy the withholding obligation. To satisfy this withholding obligation, the withholding agent may reduce to cash for remittance to the IRS a sufficient portion of your notes, common shares, or other property. You may be responsible for the brokerage commissions and other costs relating to the generation of sufficient cash to remit to the IRS.

TAX CONSEQUENCES FOR NON-US HOLDERS

If you are a non-US holder:

In general. You will not be subject to federal income and withholding taxes on payments of interest on a note, or upon the sale, exchange, redemption, retirement or other disposition of a note or common shares, if:

- you do not own directly or indirectly 10% or more of the total combined voting power of all classes of our voting shares,

- your income and gain in respect of the note or common shares, as the case may be, are not effectively connected with the conduct of a United States trade or business (and, if required by an applicable tax treaty, are not attributable to a United States permanent establishment),

- you are not a controlled foreign corporation that is related to us (actually or constructively) or under common control with us,

- either we or the applicable paying agent, acting as the withholding agent, have received from you a properly executed, applicable IRS Form W-8 or substantially similar form in the year in which a payment of interest occurs or in a previous calendar year to the extent provided for in the instructions to the applicable IRS Form W-8,

- in the case of gain upon the sale, exchange, redemption, retirement or other disposition of a note or common shares recognized by an individual non-US holder, you were present in the United States for less than 183 days during the taxable year of the sale, exchange, redemption, retirement or other disposition and certain other conditions are met, and

- Section 897 of the IRC, discussed below, does not apply to you.

The IRS Form W-8 or a substantially similar form must be signed by you under penalties of perjury certifying that you are a non-US holder and providing your name and address, and you must inform the withholding agent of any change in the information on the statement within 30 days of the change. If you hold a note through a securities clearing organization or other qualified financial institution, the organization or institution may provide a signed statement to the withholding agent. However, in that case, the signed statement must generally be accompanied by a statement containing the relevant information from the executed IRS Form W-8 or substantially similar form that you provided to the organization or institution. If you hold the notes through certain foreign intermediaries or certain foreign partnerships, you and the foreign intermediary or foreign partnership must satisfy the certification requirements of applicable Treasury regulations.

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Except in the case of income or gain in respect of a note or common share that is effectively connected with the conduct of a United States trade or business, discussed below, interest received or gain recognized by you that does not qualify for exemption from taxation (as described above) will be subject to US tax at a rate of 30% (and in the case of interest, withholding) unless reduced or eliminated by an applicable tax treaty. You must generally use an applicable IRS Form W-8, or a substantially similar form, to claim tax treaty benefits. If you are a non-US holder claiming benefits under a tax treaty, you should be aware that you may be required to obtain a taxpayer identification number and to certify your eligibility under the applicable treaty s limitations on benefits article in order to comply with the applicable certification requirements of the Treasury regulations.

Dividends and constructive distributions. Any dividends paid to you with respect to common shares (and any deemed dividends resulting from certain adjustments, or failure to make adjustments, to the conversion formula, see Tax Consequences for US Holders Constructive Distributions above) will be subject to withholding tax at a rate of 30% or such lower rate as may be specified by an applicable tax treaty unless they are effectively connected with your conduct of a trade or business in the United States and, where a tax treaty applies, are attributable to a United States permanent establishment. A withholding agent may be required to withhold the appropriate amount with respect to a constructive distribution even though there is no related receipt of cash from which to satisfy the withholding obligation. To satisfy this withholding obligation, the withholding agent may reduce to cash for remittance to the IRS a sufficient portion of your notes, common shares, or other property. You may be responsible for the brokerage commissions and other costs relating to the generation of sufficient cash to remit to the IRS.

Conversion. A non-US holder generally will not be subject to federal income tax to the extent a note is converted into our common shares. However, if a conversion is accompanied by a change in the conversion rate, as may occur with a make-whole fundamental change, you may have taxable income, as discussed above under Dividends and Constructive Distributions. If, in addition to common shares, upon conversion you receive rights or warrants to acquire our common shares or other of our securities, then the receipt of the rights or warrants may be taxable, and we encourage you to consult your tax advisor as to the consequences of the receipt of rights or warrants upon conversion.

Effectively connected income and gain. If you are a non-US holder whose income and gain in respect of a note or common shares is effectively connected with the conduct of a United States trade or business, and, if required by an applicable tax treaty, is attributable to a United States permanent establishment, then you will be subject to regular federal income tax on this income and gain in generally the same manner as US holders, and general federal income tax return filing requirements will apply. In addition, if you are a corporation, you may be subject to a branch profits tax equal to 30% of your effectively connected adjusted earnings and profits for the taxable year, unless you qualify for a lower rate under an applicable tax treaty. To obtain an exemption from withholding on interest on the notes, dividends on common shares, or constructive distributions that are effectively connected with the conduct of a United States trade or business, you must generally supply to the withholding agent an applicable IRS Form W-8, or a substantially similar form.

If we are or have been a United States real property holding corporation for federal income tax purposes at any time during the five year period ending on the date of disposition of the notes or common shares, as the case may be, section 897 of the IRC and the applicable Treasury regulations would potentially cause any gain or loss you realize upon a disposition of your notes or common shares to be treated as effectively connected with the conduct of a trade or business in the United States, and thus taxable as effectively connected gain in the manner described above. As long as our common shares continue to be regularly traded on the AMEX, you will not recognize taxable gain or loss under section 897 on a disposition of notes or common shares if

- you have not directly or indirectly owned, at any time during such five-year period, more than 5% of the total outstanding notes;

- you have not directly or indirectly owned, at any time during such five-year period, more than 5% of the total outstanding common shares; and

- upon the date of your acquisition of any of the notes or any other interests in our company not regularly traded on an established securities market, the aggregate fair market value of your directly and indirectly owned notes, plus

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any of your other directly or indirectly owned interests in our company not regularly traded on an established securities market, does not exceed 5% of the aggregate value of our outstanding common shares.

We urge you to consult with your tax advisor to determine whether you meet these requirements, or whether you otherwise qualify for exemption from section 897 of the IRC.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Information reporting and backup withholding may apply to interest, dividend and other payments to you under the circumstances discussed below. Amounts withheld under backup withholding are generally not an additional tax and may be refunded or credited against your federal income tax liability, provided that you furnish the required information to the IRS. The backup withholding rate is currently 28%.

If you are a US holder. You may be subject to backup withholding when you receive interest payments on notes, constructive distributions on notes, dividends on common shares, or proceeds upon the sale, exchange, redemption, retirement or other disposition of notes or common shares. In general, you can avoid this backup withholding if you properly execute under penalties of perjury an IRS Form W-9 or a substantially similar form on which you:

- provide your correct taxpayer identification number, and

- certify that you are exempt from backup withholding because (a) you are a corporation or come within another enumerated exempt category, (b) you have not been notified by the IRS that you are subject to backup withholding as a result of a failure to report all interest and dividends, or (c) you have been notified by the IRS that you are no longer subject to backup withholding.

If you do not provide your correct taxpayer identification number on the IRS Form W-9 or a substantially similar form, you may be subject to penalties imposed by the IRS.

Unless you have established on a properly executed IRS Form W-9 or a substantially similar form that you are a corporation or come within another enumerated exempt category, interest and other payments on the notes paid to you during the calendar year, constructive distributions on the notes, distributions paid to you on common shares, proceeds of a sale of notes or common shares paid to you, and the amount of tax withheld, if any, will be reported to you and to the IRS.

Special rule for US holders beneficially owned by non-US holders. As stated above, we may be or become a United States real property holding corporation under section 897 of the IRC. Sections 1445 and 1446 of the IRC govern income tax withholding for gains taxable to non-US holders under section 897. They provide that upon a disposition of notes or common shares, income tax withholding may be required of disposing US holders that are partnerships, trusts, estates, and other entities because of their beneficial ownership by non-US holders. We believe that, provided our common shares continue to be regularly traded on the AMEX, you will not have to withhold upon a disposition of the notes or common shares under sections 1445 and 1446 of the IRC if you meet the 5% thresholds discussed above that are applicable to non-US holders on the disposition of the notes and common shares. We urge you to consult with your tax advisor to determine whether you meet these standards, or whether you otherwise qualify for exemption from sections 897, 1445, and 1446 of the IRC.

If you are a non-US holder. The amount of interest paid to you on notes during each calendar year, the amount of constructive distributions on notes, the amount of distributions paid to you on common shares, and the amount of tax withheld, if any, will generally be reported to you and to the IRS. This information reporting requirement applies regardless of whether you were subject to withholding or whether withholding was reduced or eliminated by an applicable tax treaty. Copies of the information returns reporting such interest, distributions and amounts of tax withheld may also be made available to the tax authorities in the country in which a non-US holder resides under the provisions of the applicable tax treaty. Also, interest paid to you on notes, constructive distributions paid to you on notes, and distributions paid on common shares may be subject to backup withholding unless you properly certify

your non-US holder status on an IRS Form W-8 or a substantially similar form in the manner described above, under Tax Consequences for Non-US Holders In General. Similarly, information reporting and backup withholding will not

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apply to proceeds you receive upon the sale, exchange, redemption, retirement or other disposition of notes or common shares if you properly certify that you are a non-US holder on an IRS Form W-8 or a substantially similar form. Even without having executed an IRS Form W-8 or a substantially similar form, however, in some cases information reporting and backup withholding may not apply to proceeds you receive upon the sale, exchange, redemption, retirement or other disposition of notes or common shares, if you receive those proceeds through a broker s foreign office.

Selling Securityholders

We originally issued the notes in a private placement in October 2006 to UBS Securities LLC, RBC Capital Markets Corporation, Wachovia Capital Markets, LLC, Stifel, Nicolaus & Company, Incorporated, Davenport & Company LLC and Ferris, Baker Watts, Incorporated. The initial purchasers resold the notes to purchasers in transactions exempt from registration pursuant to Rule 144A under the Securities Act.

The table below, which has been prepared based on information furnished to us by or on behalf of the selling securityholders named therein, sets forth the name of each selling securityholder, the principal amount of notes that each selling securityholder owns and may offer pursuant to this prospectus and the number of common shares into which those notes are convertible. Unless set forth below, to our knowledge, none of the selling securityholders has, or within the past three years has had, any material relationship with us or any of our predecessors or affiliates or beneficially owns in excess of 1% of our outstanding common shares. One of the selling securityholders, UBS Securities LLC, is a registered broker-dealer, as set forth in Note 36 below and, therefore, it is deemed to be, under interpretations of the SEC, an underwriter within the meaning of the Securities Act. Any profits realized by this selling securityholder may be deemed to be underwriting commissions.

We have prepared the table below based on information received from the selling securityholders on or prior to February 12, 2007. However, any or all of the notes or common shares listed below may be offered for sale pursuant to this prospectus by the selling securityholders from time to time. Accordingly, no estimate can be given as to the amounts of notes or number of common shares that will be held by the selling securityholders upon consummation of any sales. In addition, the selling securityholders listed in the table below may have acquired, sold or transferred, in transactions exempt from the registration requirements of the Securities Act, some or all of their notes since the date as of which the information in the table is presented.

Information about the selling securityholders may change over time, and we may not be made aware of changes in the ownership of our notes. Any changed information that is provided to us by selling securityholders will be set forth in prospectus supplements to this prospectus.

Name	Principal Amount of Notes Beneficially Owned Prior to the Offering	Principal Amount of Notes Being Offered Hereby	Principal Amount (and Percentage) of Notes to be Owned After Completion of the Offering(1)	Number of Common Shares Beneficially Owned Prior to the Offering	Number of Common Shares Being Offered Hereby(2)	Number of Common Shares to be Owned After Completion of the Offering	Percentage of Common Shares Outstanding(1)
ACE Tempest Reinsurance Ltd.(3)	$ 965,000	$ 965,000	0	0	74,230	0	0
AHFP Context(4)	$ 280,000	$ 280,000	0	0	21,538	0	0
Alexandra Global Master Fund Ltd.(5)	$ 5,000,000	$ 5,000,000	0	0	384,615	0	0
Altma Fund Sicav PLC in respect of the Grafton Sub Fund(6)	$ 490,000	$ 490,000	0	0	37,692	0	0
CALAMOS Market Neutral Income Fund CALAMOS Investment Trust(7)	$ 4,000,000	$ 4,000,000	0	0	307,692	0	0
Citadel Equity Fund, Ltd.(8)	$ 3,000,000	$ 3,000,000	0	0	230,769	0	0
CNH CA Master Account, L.P.(9)	$ 6,000,000	$ 6,000,000	0	0	461,538	0	0
Context Advantage Master Fund, L.P.(10)	$ 1,290,000	$ 1,290,000	0	0	99,230	0	0
D.E. Shaw Valence Portfolios, L.L.C.(11)	$ 13,000,000	$ 13,000,000	0	0	1,000,000	0	0
Delaware Public Employees Retirement System(12)	$ 1,260,000	$ 1,260,000	0	0	96,923	0	0
F.M. Kirby Foundation, Inc.(13)	$ 550,000	$ 550,000	0	0	42,307	0	0
	$ 70,000	$ 70,000	0	0	5,384	0	0

Finch Tactical Plus Class B(14)								
Grace Convertible Arbitrage Fund, Ltd.(15)	$ 4,500,000	$ 4,500,000	0	0	346,153	0	0	
HFR CA Select Master Trust(16)	$ 1,750,000	$ 1,750,000	0	0	134,615	0	0	
Highbridge International LLC(17)	$ 15,000,000	$ 15,000,000	0	0	1,153,846	0	0	

Institutional Benchmarks Series (Master Feeder) Limited in respect of Alcor Series(18)	$ 100,000	$ 100,000	0	0	7,692	0	0		
Institutional Benchmarks Series (Master Feeder) Ltd. (19)	$ 1,250,000	$ 1,250,000	0	0	96,153	0	0		
International Truck & Engine Corporation Non-Contributory Retirement Plan Trust(20)	$ 300,000	$ 300,000	0	0	23,076	0	0		
International Truck & Engine Corporation Retiree Health Benefit Trust(21)	$ 180,000	$ 180,000	0	0	13,846	0	0		
International Truck & Engine Corporation Retirement Plan for Salaried Employees Trust(22)	$ 165,000	$ 165,000	0	0	12,692	0	0		
Lord Abbett America s Value Fund(23)	$ 2,000,000	$ 2,000,000	0	0	153,846	0	0		
Lord Abbett Series Fund America s Value Porfolio(24)	$ 200,000	$ 200,000	0	0	15,384	0	0		
Lyxor/Context Fund Ltd.(25)	$ 600,000	$ 600,000	0	0	46,153	0	0		
Met Investor Series Trust America s Value(26)	$ 200,000	$ 200,000	0	0	15,384	0	0		
Microsoft Capital Group, L.P.(27)	$ 310,000	$ 310,000	0	0	23,846	0	0		
National Railroad Retirement Investment Trust(28)	$ 1,330,000	$ 1,330,000	0	0	102,307	0	0		
OCM Convertible Trust(29)	$ 940,000	$ 940,000	0	0	72,307	0	0		
OCM Global Convertible Securities Fund(30)	$ 330,000	$ 330,000	0	0	25,384	0	0		
Partner Reinsurance Company Ltd.(31)	$ 675,000	$ 675,000	0	0	51,923	0	0		
Qwest Occupational Health Trust(32)	$ 220,000	$ 220,000	0	0	16,923	0	0		
Qwest Pension Trust(33)	$ 900,000	$ 900,000	0	0	69,230	0	0		
San Diego County Employees Retirement Association(34)	$ 2,375,000	$ 2,375,000	0	0	182,692	0	0		
Satellite Convertible Arbitrage MasterFund LLC(35)	$ 7,500,000	$ 7,500,000	0	0	576,923	0	0		
UBS Securities LLC(36)	$ 13,100,000	$ 13,100,000	0	463,001	(37) 1,007,692	463,001	(37) 1.5	%	
UnumProvident Corporation(38)	$ 445,000	$ 445,000	0	0	34,230	0	0		
Vanguard Convertible Securities Fund, Inc.(39)	$ 5,500,000	$ 5,500,000	0	0	423,077	0	0		
Vicis Capital Master Fund(40)	$ 4,000,000	$ 4,000,000	0	0	307,692	0	0		

Explanation of Responses:

Virginia Retirement System(41)	$ 3,430,000	$ 3,430,000	0	0	263,846	0	0

Explanation of Responses:

Wolverine Convertible Arbitrage Fund Trading Limited(42)	$ 1,300,000	$ 1,300,000	0	0	100,000	0	0	
Worldwide Transactions Limited(43)	$ 170,000	$ 170,000	0	0	13,076	0	0	
Zazove Convertible Arbitrage Fund, L.P.(44)	$ 5,250,000	$ 5,250,000	0	0	403,846	0	0	
Zazove Hedged Convertible Fund, L.P.(45)	$ 2,625,000	$ 2,625,000	0	0	201,923	0	0	
All other holders of the notes and future transferees of such holders(46)	$ 13,950,000	$ 13,950,000	0	0	(47) 1,073,077	0	0	
Total	**$ 126,500,000**	**$ 126,500,000**	**0**	**463,001**	**(37) 9,730,769**	**463,001**	**(37) 1.5**	**%**

(1) Assumes the sale of all securities offered hereby (and only the securities offered hereby) on behalf of each holder by each such holder.

(2) Represents common shares issuable upon conversion of our 3.75% Convertible Senior Notes due 2026 at an initial conversion rate of 76.9231 common shares per $1,000 principal amount of notes (subject to adjustment under certain circumstances).

(3) Oaktree Capital Management LLC is the investment manager of ACE Tempest Reinsurance Ltd. Oaktree Capital Management LLC makes the investment decision on behalf of ACE Tempest Reinsurance Ltd. and has voting control over the securities beneficially owned by ACE Tempest Reinsurance Ltd. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for ACE Tempest Reinsurance Ltd. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by ACE Tempest Reinsurance Ltd., except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(4) Michael S. Rosen and William D. Fertig make the investment decision on behalf of AHFP Context and have voting control over the securities beneficially owned by AHFP Context.

(5) Alexandra Investment Management, LLC, a Delaware limited liability company, serves as investment advisor to Alexandra Global Master Fund Ltd. By reason of such relationship, Alexandra Investment Management, LLC may be deemed to make the investment decision on behalf of Alexandra Global Master Fund Ltd. and share voting control over the securities stated as beneficially owned by Alexandra Global Master Fund Ltd. Alexandra Investment Management, LLC disclaims beneficial ownership of such securities. Mikhail A. Filimonov is a managing member of Alexandra Investment Management, LLC. By reason of such relationship, Mr. Filimonov may be deemed to make the investment decision on behalf of Alexandra Global Master Fund Ltd. and share voting control over the securities stated as beneficially owned by Alexandra Global Master Fund Ltd. Mr. Filimonov disclaims beneficial ownership of such securities.

(6) Michael S. Rosen and William D. Fertig make the investment decision on behalf of Altma Fund Sicav PLC in respect of the Grafton Sub Fund and have voting control over the securities beneficially owned by Altma Fund Sicav PLC in respect of the Grafton Sub Fund.

(7) Nick Calamos makes the investment decision on behalf of CALAMOS Market Neutral Income Fund CALAMOS Investment Trust and has voting control over the securities beneficially owned by CALAMOS Market Neutral Income Fund CALAMOS Investment Trust. Mr. Calamos disclaims beneficial ownership of the securities held by CALAMOS Market Neutral Income Fund CALAMOS Investment Trust.

(8) Citadel Limited Partnership is the trading manager of Citadel Equity Fund Ltd. and consequently has investment discretion over securities held by Citadel Equity Fund Ltd. Citadel Investment Group, L.L.C. controls Citadel Limited Partnership. Kenneth C. Griffin controls Citadel Investment Group, L.L.C. and therefore has ultimate investment discretion over securities held by Citadel Equity Fund Ltd. Citadel Limited Partnership, Citadel Investment Group, L.L.C. and Mr. Griffin each disclaim beneficial ownership of the securities held by Citadel Equity Fund Ltd. Citadel Equity Fund Ltd., an affiliate of Aragon Investments Ltd., Palofax Trading LLC, Citadel Trading Group, LLC and Citadel Derivatives Group, LLC, which are registered broker-dealers, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(9) Robert Krail, Mark Mitchell and Todd Pulvino make the investment decision on behalf of CNH CA Master Account, L.P. and have voting control over the securities beneficially owned by CNH CA Master Account, L.P.

(10) Michael S. Rosen and William D. Fertig make the investment decision on behalf of Context Advantage Master Fund, L.P. and have voting control over the securities beneficially owned by Context Advantage Master Fund, L.P.

(11) D.E. Shaw & Co. L.P., as either managing member or investment adviser, has voting and investment control over any common shares issuable upon conversion of the notes owned by D.E. Shaw Valence Portfolios, L.L.C. Julius Gaudio, Eric Wepsic and Anne Dinning, or their designees, exercise voting and investment control over the notes or the underlying common shares on D.E. Shaw & Co. L.P. s behalf. D.E. Shaw & Co. L.P., an affiliate of D.E. Shaw Valence, L.L.C. and D.E. Shaw Securities, L.L.C., which are registered broker-dealers, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

Explanation of Responses:

(12) Oaktree Capital Management LLC is the investment manager of the Delaware Public Employees Retirement System. Oaktree Capital Management LLC makes the investment decision on behalf of the Delaware Public Employees Retirement System and has voting control over the securities beneficially owned by the Delaware Public Employees Retirement System. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for the Delaware Public Employees Retirement System. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by the Delaware Public Employees Retirement System, except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(13) Oaktree Capital Management LLC is the investment manager of F.M. Kirby Foundation, Inc. Oaktree Capital Management LLC makes the investment decision on behalf of F.M. Kirby Foundation, Inc. and has voting control over the securities beneficially owned by F.M. Kirby Foundation, Inc. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for F.M. Kirby Foundation, Inc. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by F.M. Kirby Foundation, Inc., except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(14) Michael S. Rosen and William D. Fertig make the investment decision on behalf of Finch Tactical Plus Class B and have voting control over the securities beneficially owned by Finch Tactical Plus Class B.

(15) Michael Brailov makes the investment decision on behalf of Grace Convertible Arbitrage Fund, Ltd. and has voting control over the securities beneficially owned by Grace Convertible Arbitrage Fund, Ltd.

(16) Gene Pretti makes the investment decision on behalf of HFR CA Select Master Trust and has voting control over the securities beneficially owned by HFR CA Select Master Trust.

(17) Highbridge Capital Management, LLC is the trading manager of Highbridge International LLC and has voting control and investment discretion over the securities held by Highbridge International LLC. Glenn Dubin and Henry Swieca control Highbridge Capital Management, LLC and have voting control and investment discretion over the securities held by Highbridge International LLC. Each of Highbridge Capital Management, LLC, Mr. Dubin and Mr. Swieca disclaims beneficial ownership of the securities held by Highbridge International LLC.

(18) Michael S. Rosen and William D. Fertig make the investment decision on behalf of Institutional Benchmarks Series (Master Feeder) Limited in respect of Alcor Series and have voting control over the securities beneficially owned by Institutional Benchmarks Series (Master Feeder) Limited in respect of Alcor Series.

(19) Gene Pretti makes the investment decision on behalf of Institutional Benchmarks Series (Master Feeder) Ltd. and has voting control over the securities beneficially owned by Institutional Benchmarks Series (Master Feeder) Ltd.

(20) Oaktree Capital Management LLC is the investment manager of International Truck & Engine Corporation Non-Contributory Retirement Plan Trust. Oaktree Capital Management LLC makes the investment decision on behalf of International Truck & Engine Corporation Non-Contributory Retirement Plan Trust and has voting control over the securities beneficially owned by International Truck & Engine Corporation Non-Contributory Retirement Plan Trust. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for International Truck & Engine Corporation Non-Contributory Retirement Plan Trust. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by International Truck & Engine Corporation Non-Contributory Retirement Plan Trust, except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(21) Oaktree Capital Management LLC is the investment manager of International Truck & Engine Corporation Retiree Health Benefit Trust. Oaktree Capital Management LLC makes the investment decision on behalf of International Truck & Engine Corporation Retiree Health Benefit Trust and has voting control over the securities beneficially owned by International Truck & Engine Corporation Retiree Health Benefit Trust. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for International Truck & Engine Corporation Retiree Health Benefit Trust. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by International Truck & Engine Corporation Retiree Health Benefit Trust, except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(22) Oaktree Capital Management LLC is the investment manager of International Truck & Engine Corporation Retirement Plan for Salaried Employees Trust. Oaktree Capital Management LLC makes the investment decision on behalf of International Truck & Engine Corporation Retirement Plan for Salaried Employees Trust and has voting control over the securities beneficially owned by International Truck & Engine Corporation Retirement Plan for Salaried Employees Trust. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for International Truck & Engine Corporation Retirement Plan for Salaried Employees Trust. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by International Truck & Engine Corporation Retirement Plan for Salaried Employees Trust, except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC,

which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(23) Maren Lindstrom makes the investment decision on behalf of Lord Abbett America s Value Fund and has voting control over the securities beneficially owned by Lord Abbett America s Value Fund.

(24) Maren Lindstrom makes the investment decision on behalf of Lord Abbett Series Fund America s Value Porfolio and has voting control over the securities beneficially owned by Lord Abbett Series Fund America s Value Porfolio.

(25) Michael S. Rosen and William D. Fertig make the investment decision on behalf of Lyxor/Context Fund Ltd. and have voting control over the securities beneficially owned by Lyxor/Context Fund Ltd. Lyxor/Context Fund Ltd., an affiliate of Société Générale, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

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(26) Maren Lindstrom makes the investment decision on behalf of Met Investor Series Trust America s Value and has voting control over the securities beneficially owned by Met Investor Series Trust America s Value.

(27) Oaktree Capital Management LLC is the investment manager of Microsoft Capital Group, L.P. Oaktree Capital Management LLC makes the investment decision on behalf of Microsoft Capital Group, L.P. and has voting control over the securities beneficially owned by Microsoft Capital Group, L.P. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for Microsoft Capital Group, L.P. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by Microsoft Capital Group, L.P., except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(28) Oaktree Capital Management LLC is the investment manager of National Railroad Retirement Investment Trust . Oaktree Capital Management LLC makes the investment decision on behalf of National Railroad Retirement Investment Trust and has voting control over the securities beneficially owned by National Railroad Retirement Investment Trust. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for National Railroad Retirement Investment Trust. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by National Railroad Retirement Investment Trust, except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(29) Oaktree Capital Management LLC is the investment manager of OCM Convertible Trust. Oaktree Capital Management LLC makes the investment decision on behalf of OCM Convertible Trust and has voting control over the securities beneficially owned by OCM Convertible Trust. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for OCM Convertible Trust. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by OCM Convertible Trust, except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(30) Oaktree Capital Management LLC is the investment manager of OCM Global Convertible Securities Fund. Oaktree Capital Management LLC makes the investment decision on behalf of OCM Global Convertible Securities Fund and has voting control over the securities beneficially owned by OCM Global Convertible Securities Fund. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for OCM Global Convertible Securities Fund. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by OCM Global Convertible Securities Fund, except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(31) Oaktree Capital Management LLC is the investment manager of Partner Reinsurance Company Ltd. Oaktree Capital Management LLC makes the investment decision on behalf of Partner Reinsurance Company Ltd. and has voting control over the securities beneficially owned by Partner Reinsurance Company Ltd. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for Partner Reinsurance Company Ltd. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by Partner Reinsurance Company Ltd., except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(32) Oaktree Capital Management LLC is the investment manager of Qwest Occupational Health Trust. Oaktree Capital Management LLC makes the investment decision on behalf of Qwest Occupational Health Trust and has voting control over the securities beneficially owned by Qwest Occupational Health Trust. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for Qwest Occupational Health Trust. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by Qwest Occupational Health Trust, except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(33) Oaktree Capital Management LLC is the investment manager of Qwest Pension Trust. Oaktree Capital Management LLC makes the investment decision on behalf of Qwest Pension Trust and has voting control over the securities beneficially owned by Qwest Pension Trust. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for Qwest Pension Trust. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by Qwest Pension Trust, except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(34) Gene Pretti makes the investment decision on behalf of the San Diego County Employees Retirement Association and has voting control over the securities beneficially owned by the San Diego County Employees Retirement Association.

(35) Satellite Asset Management, L.P. is the discretionary investment manager of Satellite Convertible Arbitrage MasterFund LLC. Satellite Asset Management, L.P. makes the investment decision on behalf of Satellite Convertible Arbitrage MasterFund LLC and has voting control over the securities beneficially owned by Satellite Convertible Arbitrage MasterFund LLC. The controlling entity of Satellite Asset Management, L.P. is Satellite Fund Management, LLC. The managing members of Satellite Fund Management, LLC are Lief Rosenblatt, Mark Sonnino and Gabe Nechamkin. Each of Satellite Asset Management, L.P., Satellite Fund Management, LLC and the above named individuals disclaims beneficial ownership of the securities held by Satellite Convertible Arbitrage MasterFund LLC.

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(36) John DiBacco makes the investment decision on behalf of UBS Securities LLC and has voting control over the securities beneficially owned by UBS Securities LLC. UBS Securities LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any person to distribute the notes or the underlying common shares.

(37) The number of common shares does not include fixed income positions and equity options.

(38) Oaktree Capital Management LLC is the investment manager of UnumProvident Corporation. Oaktree Capital Management LLC makes the investment decision on behalf of UnumProvident Corporation and has voting control over the securities beneficially owned by UnumProvident Corporation. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for UnumProvident Corporation. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by UnumProvident Corporation, except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(39) Oaktree Capital Management LLC is the investment manager of Vanguard Convertible Securities Fund, Inc. Oaktree Capital Management LLC makes the investment decision on behalf of Vanguard Convertible Securities Fund, Inc. and has voting control over the securities beneficially owned by Vanguard Convertible Securities Fund, Inc. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for Vanguard Convertible Securities Fund, Inc. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by Vanguard Convertible Securities Fund, Inc., except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(40) John Succo, Shad Stastney and Sky Lucas make the investment decision on behalf of Vicis Capital Master Fund and have voting control over the securities beneficially owned by Vicis Capital Master Fund.

(41) Oaktree Capital Management LLC is the investment manager of the Virginia Retirement System. Oaktree Capital Management LLC makes the investment decision on behalf of the Virginia Retirement System and has voting control over the securities beneficially owned by the Virginia Retirement System. Lawrence Keele is a principal of Oaktree Capital Management LLC and is the portfolio manager for the Virginia Retirement System. Mr. Keele, Oaktree Capital Management LLC and all employees and members of Oaktree Capital Management LLC disclaim beneficial ownership of the securities held by the Virginia Retirement System, except for their pecuniary interest therein. Oaktree Capital Management LLC, an affiliate of OCM Investments, LLC, which is a registered broker-dealer, has informed us that it acquired its notes in the ordinary course of business and, at the time of the acquisition thereof, it had no agreements or understandings, directly or indirectly, with any other person to distribute the notes or the underlying common shares.

(42) Rob Bellick makes the investment decision on behalf of Wolverine Convertible Arbitrage Fund Trading Limited and has voting control over the securities beneficially owned by Wolverine Convertible Arbitrage Fund Trading Limited.

(43) Michael S. Rosen and William D. Fertig make the investment decision on behalf of Worldwide Transactions Limited and have voting control over the securities beneficially owned by Worldwide Transactions Limited.

(44) Gene Pretti makes the investment decision on behalf of Zazove Convertible Arbitrage Fund, L.P. and has voting control over the securities beneficially owned by Zazove Convertible Arbitrage Fund, L.P.

(45) Gene Pretti makes the investment decision on behalf of Zazove Hedged Convertible Fund, L.P. and has voting control over the securities beneficially owned by Zazove Hedged Convertible Fund, L.P.

(46) Information concerning other selling securityholders will be set forth in prospectus supplements to this prospectus, if required.

(47) Assumes that all other holders of notes or future transferees do not beneficially own any common shares other than the shares issuable upon conversion of the notes.

Plan of Distribution

We will not receive any of the proceeds of the sale of the notes or the common shares issued upon conversion of the notes offered by this prospectus. The notes and the underlying common shares may be sold from time to time to purchasers:

- directly by the selling securityholders or their pledgees, donees, transferees or any successors in interest (all of whom may be selling securityholders); or

- through underwriters, broker-dealers or agents who may receive compensation in the form of discounts, concessions or commissions from the selling securityholders or the purchasers of the notes and underlying common shares.

The selling securityholders and any such broker-dealers or agents who participate in the distribution of the notes and the underlying common shares may be deemed to be, under interpretations of the SEC, underwriters within the meaning of the Securities Act. As a result, any profits on the sale of the notes and the underlying common shares by selling securityholders and any discounts, commissions or concessions received by any such broker-dealers or agents might be deemed to be underwriting discounts and commissions under the Securities Act. If the selling securityholders were to be deemed underwriters, the selling securityholders may be subject to certain statutory liabilities of, including, but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Exchange Act. These securityholders purchased their notes in the open market or from the initial purchasers, not directly from us, and we are not aware of any underwriting plan or agreement, underwriters or dealers compensation, or passive market-making or stabilization transactions involving the purchase or distribution of these securities by these securityholders. To our knowledge, none of the selling securityholders who are affiliates of broker-dealers purchased the notes outside of the ordinary course of business or, at the time of the purchase of the notes, had any agreement or understanding, directly or indirectly, with any person to distribute the securities.

If the notes and the underlying common shares are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts or commissions or agent s commissions.

The notes and the underlying common shares may be sold in one or more transactions at:

- fixed prices;

- prevailing market prices at the time of sale;

- varying prices determined at the time of sale; or

- negotiated prices.

These sales may be effected in transactions:

- on any national securities exchange or quotation service on which the notes and underlying common shares may be listed or quoted at the time of the sale, including the AMEX in the case of the common shares;

- in the over-the-counter market;

- in transactions otherwise than on such exchanges or services or in the over-the-counter market; or

- through the writing of options.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

In connection with sales of the notes and the underlying common shares, the selling securityholders may enter into hedging transactions with broker-dealers. These broker-dealers may in turn engage in short sales of the notes and the underlying common shares in the course of hedging their positions. The selling securityholders may also sell the notes

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and the underlying common shares short and deliver notes and the underlying common shares to close out short positions, or loan or pledge notes and the underlying common shares to broker-dealers that in turn may sell the notes and the underlying common shares. We understand that SEC interpretations currently limit the ability of securityholders to settle short sales entered into prior to the effectiveness of the registration statement, of which this prospectus forms a part, with the securities offered herein following such effectiveness.

To our knowledge, there are currently no plans, arrangements or understandings between any selling securityholders and any underwriter, broker-dealer or agent regarding the sale of the notes and the underlying common shares by the selling securityholders. There can be no assurance that any selling securityholder will sell any or all of the notes and the underlying common shares pursuant to this prospectus. In addition, any notes and the underlying common shares covered by this prospectus that qualify for sale pursuant to Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than pursuant to this prospectus. We cannot assure you that any such selling securityholder will not transfer, devise or gift the notes and the underlying common shares by other means not described in this prospectus.

Although the notes issued in the initial placement are eligible for trading on the PORTAL Market, notes sold using this prospectus will no longer be eligible for trading in the PORTAL system. We have not listed, and do not intend to list, the notes on any securities exchange or automated quotation system. The initial purchasers advised us that they intended to make a market in the notes. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure you that any market for the notes will develop or be sustained. If an active market is not developed or sustained, the market price and liquidity of the notes may be adversely affected.

Our common shares are quoted on the AMEX under the symbol FVE.

The selling securityholders and any other person participating in such distribution will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the notes and the underlying common shares by the selling securityholders and any other such person. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the notes and the underlying common shares to engage in market-making activities with respect to the particular notes and the underlying common shares being distributed for a period of up to five business days prior to the commencement of such distribution. This may affect the marketability of the notes and the underlying common shares and the ability of any person or entity to engage in market-making activities with respect to the notes and the underlying common shares.

Pursuant to the registration rights agreement, we and the selling securityholders will be indemnified by the other against certain liabilities, including certain liabilities under the Securities Act or will be entitled to contribution in connection with these liabilities.

We have agreed to pay the expenses incidental to the registration, offering and sale of the notes and the underlying common shares to the public other than commissions, fees and discounts of underwriters, brokers, dealers and agents.

Legal Matters

Sullivan & Worcester LLP, as to certain matters of New York law, and Venable LLP, as to certain matters of Maryland law, will pass upon the validity of the offered securities for us. Sullivan & Worcester LLP and Venable LLP represent Senior Housing and certain of its affiliates on various matters. Sullivan & Worcester LLP also represents RMR and certain of its affiliates on various matters.

Independent Registered Public Accounting Firm

The consolidated financial statements of Five Star Quality Care, Inc. appearing in Five Star Quality Care, Inc. s Annual Report (Form 10-K) for the year ended December 31, 2005, and Five Star Quality Care, Inc. management s assessment of the effectiveness of internal control over financial reporting as of December 31, 2005 included therein, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon included therein, and incorporated herein by reference. Such consolidated financial statements and management s assessment are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Gordon Health Ventures, LLC and Subsidiaries as of December 31, 2004 appearing in Five Star Quality Care, Inc. s Current Report (Form 8-K/A), dated July 28, 2005, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Where You Can Find More Information

We are subject to the information and reporting requirements of the Exchange Act, and, in accordance therewith, file periodic reports, proxy statements and other information with the SEC. You may read and copy information on file at the SEC s Public Reference Room at 100 F Street, N.E., Washington D.C. 20549. You can request copies of those documents upon payment of a duplicating fee to the SEC. Information filed by us with the SEC can be copied at the SEC s Public Reference Room. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. You can review our SEC filings by accessing the SEC s Internet site at http://www.sec.gov.

Incorporation of Certain Documents by Reference

We have incorporated by reference information we have filed with the SEC, which means that we are disclosing important information to you by referring you to those documents previously filed with the SEC. The information incorporated by reference is considered to be part of this prospectus, and information that we subsequently file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2005;

- our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006, June 30, 2006 and September 30, 2006;

- our Current Reports on Form 8-K dated July 28, 2005 (filed on Form 8-K/A), January 4, 2006, March 6, 2006, March 27, 2006 (Item 9.01 only), March 31, 2006 (Items 5.03, 8.01 and 9.01 only), April 7, 2006, May 25, 2006, June 6, 2006, July 7, 2006, July 17, 2006, August 17, 2006, October 5, 2006, October 11, 2006 (as amended by our current Report on Form 8-K/A dated October 11, 2006 and filed on November 22, 2006), October 12, 2006, October 24, 2006, November 14, 2006 and November 22, 2006;

- the description of our common shares contained in our registration statement on Form 8-A dated December 7, 2001; and

- the description of our junior participating preferred shares contained in our registration statement on Form 8-A dated March 19, 2004.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus but before the termination of the offering:

- Reports filed under Sections 13(a) and (c) of the Exchange Act;

- Definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent shareholders' meetings; and

- Any reports filed under Section 15(d) of the Exchange Act.

We will provide you with a copy of the information we have incorporated by reference, excluding exhibits other than those which we specifically incorporate by reference in this prospectus. You may obtain this information at no cost by writing or telephoning us at: 400 Centre Street, Newton, Massachusetts 02458, (617) 796-8387, Attention: Investor Relations.