PLY GEM INDUSTRIES INC
Form 424B3
September 24, 2008

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-153262

PROSPECTUS

Ply Gem Industries, Inc.
Exchange Offer for $700,000,000
11.75% Senior Secured Notes due 2013

The Notes and the Guarantees

· We are offering to exchange $700,000,000 of our outstanding 11.75% Senior Secured Notes due 2013, which were issued on June 9, 2008 and which we refer to as the initial notes, for a like aggregate amount of our registered 11.75% Senior Secured Notes due 2013, which we refer to as the exchange notes. The initial notes were issued, and the exchange notes will be issued, under an indenture dated as of June 9, 2008.

· We will pay interest on the exchange notes semi-annually on June 15 and December 15 of each year, beginning on December 15, 2008, at a rate of 11.75% per annum. The exchange notes will mature on June 15, 2013.

· The exchange notes will be guaranteed on a senior secured basis by our parent, Ply Gem Holdings, Inc., and substantially all of our subsidiaries located in the United States.

· The exchange notes and the related guarantees will be secured on a first-priority lien basis by substantially all of the assets (other than the assets securing our obligations under our senior secured asset-based revolving credit facility, or ABL Facility, which consist primarily of accounts receivable and inventory) of Ply Gem Industries, Inc. and the guarantors and on a second-priority lien basis by the assets that secure our ABL Facility, in each case as described in this prospectus. The exchange notes will rank equally with all of our existing and future senior indebtedness.

Terms of the exchange offer

· It will expire at 5:00 p.m., New York City time, on October 28, 2008, unless we extend it.

· If all the conditions to this exchange offer are satisfied, we will exchange all of our initial notes that are validly tendered and not withdrawn for the exchange notes.

· You may withdraw your tender of initial notes at any time before the expiration of this exchange offer.

· The exchange notes that we will issue you in exchange for your initial notes will be substantially identical to your initial notes except that, unlike your initial notes, the exchange notes will have no transfer restrictions or registration rights.

· The exchange notes that we will issue you in exchange for your initial notes are new securities with no established market for trading.

Before participating in this exchange offer, please refer to the section in this prospectus entitled "Risk Factors" commencing on page 19.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange securities received in exchange for initial notes where those initial notes were acquired by that broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

The date of this prospectus is September 24, 2008.

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MARKET AND INDUSTRY DATA

Market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data are also based on good faith estimates by our management, which are derived from their review of internal surveys, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

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PROSPECTUS SUMMARY

This summary may not contain all of the information that may be important to you. You should read this prospectus carefully in its entirety before making an investment decision. In particular, you should read the section entitled "Risk Factors" included elsewhere in this prospectus and the consolidated financial statements and notes thereto included elsewhere in this prospectus.

The term "initial notes" refers to the 11.75 % Senior Secured Notes due 2013 that were issued on June 9, 2008 in a private offering, and the term "exchange notes" refers to the 11.75% Senior Secured Notes due 2013 offered with this prospectus. The term "notes" refers to the initial notes and the exchange notes, collectively. Unless otherwise specified or the context requires otherwise, (i) the term "Ply Gem Holdings" refers to Ply Gem Holdings, Inc.; (ii) the term "Ply Gem Industries" refers to Ply Gem Industries, Inc., our principal operating subsidiary, and (iii) the terms "we," "us," "our," "Ply Gem" and the "Company" refer collectively to Ply Gem Holdings and its subsidiaries. "Adjusted EBITDA" has the meaning set forth in the footnotes to "— Summary Historical Financial Information."

Our Company

We are a leading manufacturer of residential exterior building products in North America. We offer a comprehensive product line of vinyl siding and skirting, vinyl windows and doors, and vinyl and composite fencing and railing that serves both the home repair and remodeling and new home construction sectors in all 50 states and Western Canada. Vinyl building products have the leading share of sales by volume in siding and windows, and a fast growing share of sales by volume in fencing in the United States. We also manufacture vinyl and aluminum soffit and siding accessories, aluminum trim coil, wood and aluminum windows and steel and fiberglass doors, enabling us to bundle complementary and color-matched products and accessories with our core vinyl products. We believe our broad product offering and geographically diverse manufacturing base allow us to better serve our customers and provide us with a competitive advantage over other vinyl building products suppliers. We have two reportable segments: (i) siding, fencing and railing and (ii) windows and doors.

We market our products using several leading brands across multiple price points, which enables us to diversify our sales across distribution channels with minimal channel conflict and reach the greatest number of end customers. We believe we are able to compete on favorable terms and conditions and maintain a strong customer base as a result of our extensive distribution coverage, high quality, innovative and comprehensive product line, proprietary vendor managed inventory program and production efficiency.

Ply Gem Holdings is a holding company with no operations or assets of our own other than the capital stock of our subsidiaries. For the six months ended June 28, 2008, we had net sales of $597.7 million, Adjusted EBITDA of $45.4 million and a net loss of $41.3 million. For the year ended December 31, 2007, we had net sales of $1,363.5 million, Adjusted EBITDA of $173.5 million and net income of $5.6 million.

Our Competitive Strengths

We believe we are well-positioned in our industry and that our key competitive strengths are:

- Leading Sector Positions. We maintain leadership positions across the siding, fencing, railing, windows and door market sectors. We believe we are the No. 2 supplier of vinyl siding and designer accents, the No. 1 supplier of related aluminum accessories and a leader and innovator in the vinyl fencing and railing products. Additionally, we believe we are among the top three producers of vinyl windows in North America. We believe we hold the No. 1 position in the manufactured housing channel and hold a strong position in both the retail and one-step distribution channels. We believe these market leading positions enable us to outperform the industry in unit volumes, increase our market share, launch new products and maintain profitability.

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- Diverse, High-Quality Product Portfolio. We offer a comprehensive range of exterior building products including vinyl siding and skirting, vinyl windows and patio doors and vinyl fencing and railing among others. Particularly, our window product platform offers a wide spectrum of aluminum, vinyl and wood clad windows at multiple price points. The breadth of our product offering meets many of the needs of our diverse customer base and allows us to reduce the potential impact of a decline in demand that might result from reliance on a single product.

- Strong Brand Equity. Our brands are well-recognized for innovation and quality in the building trade, and we believe that they are a distinguishing factor in customer selection. We sell our high-quality products under several brand names: MW, Patriot, Alenco, Great Lakes, Insulate, Mastic, Alcoa Home Exteriors, Variform, Georgia-Pacific, Napco, Kroy and CWD, among others. We believe there are significant opportunities to leverage our existing brands by targeting cross-selling opportunities.

- Multi-Channel Distribution Network and Diversified Sales Base. We have a multi-channel distribution network in the U.S. and Western Canada that serves both the home repair and remodeling and new home construction sectors, which exhibit different, but often counter-balancing, demand characteristics. Our multiple brand and multi-channel distribution strategy has increased our sales and penetration within these sectors. Our customer base includes distributors, retail home centers, lumberyards, remodeling dealers and builders. We believe our strategy enables us to minimize channel conflict, reduce our reliance on any one channel and reach the greatest number of end customers, and provides us with greater ability to sustain our financial performance through economic fluctuations.

- Efficient Manufacturing. We are a low-cost manufacturer of high-quality vinyl siding, windows and patio doors. We continue to achieve manufacturing efficiencies across our product categories through vertical integration, strategic sourcing, process-based reductions in material, production and warranty costs, and control of selling, general and administrative expense. We are committed to continuous improvement across product categories and have made approximately $55.1 million in capital expenditures, including upgrades to equipment, facilities and technology, over the three years ended December 31, 2007. We believe our low cost production allows us to maintain attractive operating margins while offering a compelling value proposition to our customers.

- Proven Ability to Realize Cost Savings. We continue to demonstrate our ability to right size our manufacturing capacity to the scale of the market including closing two vinyl siding plants and one window plant within the past 24 months, which generated savings of over $16.0 million. Additionally, we have reduced our headcount by approximately 30% since 2006 and have identified additional cost saving initiatives to take place in 2008. We have also been able to realize significant synergies and cost savings from the acquisitions of MW, Alenco and AHE's siding business.

- Large Polyvinyl Chloride Resin Purchaser. We are one of the largest procurers of polyvinyl chloride resin (PVC) in North America. As such, we are able to capitalize on our established relationships with key suppliers as a result of our purchasing scale and to strategically manage our sourcing to secure the best available prices, terms and input availability through various cycles. We believe our position helped us secure supply during the resin shortage caused by Hurricane Katrina in 2005.

    - Strong Operating Cash Flow. We have historically generated strong operating cash flow before debt service due to (i) our efficient manufacturing processes, (ii) our ability to pass increases in raw materials and freight costs through to our customers, (iii) economies of scale, (iv) low maintenance capital expenditures and (v) modest working capital needs.

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- Strong Management Team with Significant Ownership. We are led by an experienced and committed senior management team with an average of over approximately 20 years of relevant industry experience. We have successfully increased our share of sales by volume within the residential exterior building products industry and have continuously improved our manufacturing operations to develop a low-cost manufacturing platform. As of June 28, 2008, members of our management held stock and stock awards representing approximately 15% of the shares of common stock of Ply Gem Prime Holdings, Inc., the sole stockholder of Ply Gem Investment Holdings, Inc., our sole stockholder.

Business Strategy

- Continued Market Share Gains. We intend to increase our market share both in our siding, fencing and railing products in the United States and in our window and door products by utilizing the breadth of our broad geographical footprint to serve customers across the United States. Additionally, our continued investments in product innovation and quality coupled with strong customer service further enhance our ability to capture market share in each of our markets. Furthermore, we believe there is substantial opportunity across our product families to cross-sell and bundle products to further leverage our channel partners and exclusive industry relationships. We believe our broad geographical footprint allows us to better serve our customers across the United States and provides a competitive advantage over some of our competitors.

We have integrated our siding businesses into one operating company and have placed all of our siding, fencing and railing businesses under common leadership to improve strategic focus, reduce cost and better serve our customers. We have organized our United States window businesses under one common leadership team to enhance our strategic focus. With our extensive manufacturing capabilities, product breadth and national distribution capabilities, we believe that we can provide our customers with a cost-effective, single source from which to purchase their residential exterior building product needs.

- Expand Brand Coverage and Product Innovation. We intend to leverage the reputation of our brands for innovation and quality to fill in our product offerings and price points. In addition, we plan to maximize the value of our new product innovations and technologies by deploying best practices and manufacturing techniques across our product categories. Our vertical integration in producing aluminum windows has positioned us to introduce a new aluminum and wood clad window. As of June 28, 2008, we employed 39 research and development professionals dedicated to new product development, reformulation, product redesign and other manufacturing and product improvements.

- Further Improve Operating Efficiencies. While we have significantly improved our vinyl siding manufacturing cost structure over the last several years, we believe that there are further opportunities for improvement. We have expanded our efforts to vertically integrate certain raw materials used in window lineal production, including PVC compound, as well as expanding our in-house window lineal production. In addition, we implemented manufacturing improvements and best practices across all of our product categories, including, for example, expansion of our virtual plant strategy in our vinyl siding facilities and further vertical integration in our window product lines which was demonstrated with the introduction of our new aluminum clad window line in early 2008. We also plan to optimize product development, sales and marketing, materials procurement, operations and administrative functions across all of our product categories. We believe that significant opportunities remain as we further leverage our buying power across raw materials as well as spending for non-raw material items by obtaining volume discounts and minimizing costs. In addition, the integration of our sales and marketing efforts across our product categories provides an ongoing opportunity to significantly improve sector penetration.

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Ownership Structure

The chart below summarizes our ownership and corporate structure.

Our Equity Sponsor

CI Capital Partners (formerly Caxton-Iseman Capital) is a leading private equity investment firm specializing in leveraged buyouts of middle-market companies located primarily in North America. The firm was founded in 1993 to invest private capital on behalf of Caxton Associates, a New York investment management firm.

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Since its inception, the CI Capital's investment activities have been managed by Frederick Iseman and Steven Lefkowitz who have invested together for 15 years. The CI Capital senior investment professionals consist of Messrs. Iseman and Lefkowitz, Timothy Hall, Thomas Ritchie and Joost Thesseling, who have worked together as a team for a combined 49 years at CI Capital.

In addition to Ply Gem, CI Capital's portfolio companies include Valley National Gases, a leading distributor of industrial gases and propane; KIK Custom Products, Inc., the largest North American contract manufacturer of branded and retailer-branded consumer products; Electrograph Systems, Inc., a leading national distributor of display technology solutions; American Residential Services, LLC, a leading provider of HVAC and plumbing services; Prodigy Health Group, Inc., a rapidly expanding health care services company; and Conney Safety Products, LLC, a full-service distributor of safety products.

Ply Gem Industries, Inc. is incorporated under the laws of the State of Delaware. Our principal executive offices are located at 5020 Weston Parkway, Suite 400, Cary, North Carolina 27513. Our telephone number is (919) 677-3900.

The following table describes the guarantors. All of their principal offices are located at 5020 Weston Parkway, Suite 400, Cary North Carolina 27513, telephone number (919) 677-3900.

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Name of Guarantor	Jurisdiction of Formation	Year of Formation
Ply Gem Holdings, Inc.	Delaware	2004
Kroy Building Products, Inc. (“Kroy”)	Delaware	1994
Napco, Inc. (“Napco”)	Delaware	1989
MWM Holding, Inc. (“MWM Holding”)	Delaware	2002
MW Manufacturers Inc. (“MW”)	Delaware	1999
AWC Holding Company (“AWC,” and together with its subsidiaries, “Alenco”)	Delaware	2004
Alenco Holding Corporation	Delaware	2000
AWC Arizona, Inc.	Delaware	2005
Alenco Interests, L.L.C.	Delaware	2001
Alenco Extrusion Management, L.L.C.	Delaware	2001
Alenco Building Products Management, L.L.C.	Delaware	2001
Alenco Trans, Inc.	Delaware	2000
Glazing Industries Management, L.L.C.	Delaware	2001
Alenco Extrusion GA, L.L.C.	Delaware	2001
Aluminum Scrap Recycle, L.L.C.	Delaware	2001
Alenco Window GA, L.L.C.	Delaware	2001
Ply Gem Pacific Windows Corporation (“Pacific Windows”)	Delaware	2006
Great Lakes Window, Inc. (“Great Lakes”)	Ohio	1986
Alcoa Home Exteriors, Inc. (“AHE”)	Ohio	1928
Variform, Inc. (“Variform”)	Missouri	1964
New Alenco Extrusion, Ltd.	Texas	2001
New Alenco Window, Ltd.	Texas	2001
New Glazing Industries, Ltd.	Texas	2001

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Summary of the Exchange Offer

In this subsection, "we," "us" and "our" refer only to Ply Gem Industries, Inc., as issuer of the notes, exclusive of Ply Gem Holdings and our subsidiaries.

Exchange Offer	We are offering to exchange $700,000,000 aggregate principal amount of our exchange notes for a like aggregate principal amount of our initial notes. In order to exchange your initial notes, you must properly tender them and we must accept your tender. We will exchange all outstanding initial notes that are properly tendered and not validly withdrawn.
Expiration Date	This exchange offer will expire at 5:00 p.m., New York City time, on October 28, 2008, unless we decide to extend it.
Conditions to the Exchange Offer	We will complete this exchange offer only if: · there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer; · there is no change in the current interpretation of the staff of the Securities and Exchange Commission (the "SEC") permitting resales of the exchange notes; · there is no stop order issued by the SEC that would suspend the effectiveness of the registration statement which includes this prospectus or the qualification of the exchange notes under the Trust Indenture Act of 1939; · there is no litigation or threatened litigation that would impair our ability to proceed with this exchange offer; and · we obtain all the governmental approvals we deem necessary to complete this exchange offer. Please refer to the section in this prospectus entitled "The Exchange Offer—Conditions to the Exchange Offer."
Procedures for Tendering Initial Notes	To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to U.S. Bank National Association, as exchange agent, at its address indicated under "The Exchange Offer—Exchange Agent." In the alternative, you can tender your initial notes by book-entry delivery

following the procedures described in this prospectus. For more information on tendering your notes, please refer to the section in this prospectus entitled "The Exchange Offer—Procedures for Tendering Initial Notes."

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Special Procedures for Beneficial Owners	If you are a beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes in the exchange offer, you should contact the registered holder promptly and instruct that person to tender on your behalf.
Guaranteed Delivery Procedures	If you wish to tender your initial notes and you cannot get the required documents to the exchange agent on time, you may tender your notes by using the guaranteed delivery procedures described under the section of this prospectus entitled “The Exchange Offer—Procedures for Tendering Initial Notes—Guaranteed Delivery Procedure.”
Withdrawal Rights	You may withdraw the tender of your initial notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. To withdraw, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated under “The Exchange Offer—Exchange Agent” before 5:00 p.m., New York City time, on the expiration date of the exchange offer.
Acceptance of Initial Notes and Delivery of Exchange Notes	If all the conditions to the completion of this exchange offer are satisfied, we will accept any and all initial notes that are properly tendered in this exchange offer on or before 5:00 p.m., New York City time, on the expiration date. We will return any initial note that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes to you promptly after the expiration date and acceptance of your initial notes for exchange. Please refer to the section in this prospectus entitled “The Exchange Offer—Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes.”
Federal Income Tax Considerations Relating to the Exchange Offer	Exchanging your initial notes for exchange notes will not be a taxable event to you for United States federal income tax purposes. Please refer to the section of this prospectus entitled “Federal Income Tax Considerations.”
Exchange Agent	U.S. Bank National Association is serving as exchange agent in the exchange offer.
Fees and Expenses	We will pay the expenses related to this exchange offer. Please refer to the section of this prospectus entitled “The Exchange Offer—Fees and Expenses.”
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely

to satisfy certain of our obligations under our registration rights agreement entered into in connection with the offering of the initial notes.

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Consequences to Holders Who Do Not Participate in the Exchange Offer	If you do not participate in this exchange offer: · except as set forth in the next paragraph, you will not necessarily be able to require us to register your initial notes under the Securities Act; · you will not be able to resell, offer to resell or otherwise transfer your initial notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them in a transaction not subject to registration under the Securities Act; and · the trading market for your initial notes will become more limited to the extent other holders of initial notes participate in the exchange offer. You will not be able to require us to register your initial notes under the Securities Act unless: · the initial purchasers request us to register initial notes that are not eligible to be exchanged for exchange notes in the exchange offer; or · you are not eligible to participate in the exchange offer or receive exchange notes in the exchange offer that are not freely tradeable. In these cases, the registration rights agreement requires us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this paragraph. We do not currently anticipate that we will register under the Securities Act any notes that remain outstanding after completion of the exchange offer. Please refer to the section of this prospectus entitled “The Exchange Offer—Your Failure to Participate in the Exchange Offer Will Have Adverse Consequences.”
Resales	It may be possible for you to resell the notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to the conditions described under “—Obligations of Broker-Dealers” below. To tender your initial notes in this exchange offer and resell the exchange notes without compliance with the

registration and prospectus delivery requirements of the Securities Act, you must make the following representations:

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· you are authorized to tender the initial notes and to acquire exchange notes, and that we will acquire good and unencumbered title thereto;

· the exchange notes acquired by you are being acquired in the ordinary course of business;

· you have no arrangement or understanding with any person to participate in a distribution of the exchange notes and are not participating in, and do not intend to participate in, the distribution of such exchange notes;

· you are not an "affiliate," as defined in Rule 405 under the Securities Act, of ours, or you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;

· if you are not a broker-dealer, you are not engaging in, and do not intend to engage in, a distribution of exchange notes; and

· if you are a broker-dealer, initial notes to be exchanged were acquired by you as a result of market-making or other trading activities and you will deliver a prospectus in connection with any resale, offer to resell or other transfer of such exchange notes.

Please refer to the sections of this prospectus entitled "The Exchange Offer—Procedure for Tendering Initial Notes—Proper Execution and Delivery of Letters of Transmittal," "Risk Factors—Risks Relating to the Exchange Offer—Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes" and "Plan of Distribution."

Obligations of Broker-Dealers

If you are a broker-dealer (1) who receives exchange notes, you must acknowledge that you will deliver a prospectus in connection with any resales of the exchange notes, (2) who acquired the initial notes as a result of market making or other trading activities, you may use the exchange offer prospectus as supplemented or amended, in connection with resales of the exchange notes, or (3) who acquired the initial notes directly from the issuers in the initial offering and not as a result of market making and trading activities, you must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with resales of the exchange notes.

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Summary of Terms of the Exchange Notes

Issuer	Ply Gem Industries, Inc., a Delaware corporation.
Exchange Notes	$700.0 million aggregate principal amount of 11.75% Senior Secured Notes due 2013. The forms and terms of the exchange notes are the same as the form and terms of the initial notes except that the issuance of the exchange notes is registered under the Securities Act, the exchange notes will not bear legends restricting their transfer and the exchange notes will not be entitled to registration rights under our registration rights agreement. The exchange notes will evidence the same debt as the initial notes, and both the initial notes and the exchange notes will be governed by the same indenture.
Interest	The exchange notes will bear interest at a rate per annum equal to 11.75%, payable semi-annually, on June 15 and December 15 of each year, commencing on December 15, 2008.
Maturity Date	June 15, 2013.
Guarantees	The exchange notes will be fully and unconditionally guaranteed on a senior secured and joint and several basis, subject to certain limitations described herein, by our parent company, Ply Gem Holdings, and all of our subsidiaries located in the United States (other than Unrestricted Subsidiaries as such term is defined in "Description of the Notes"). Under certain circumstances, subsidiaries may be released from these guarantees without the consent of the holders of the exchange notes. See "Description of the Notes — Note Guarantees."
Collateral	The exchange notes and the guarantees will be secured by a first-priority lien (subject to certain exceptions and permitted liens) on substantially all the tangible and intangible assets of Ply Gem Industries and the guarantors (other than accounts receivable, inventory, cash, deposit accounts, securities accounts, chattel paper and proceeds of the foregoing and certain assets such as contract rights, instruments and documents related thereto in each case held by us and the guarantors, which secure the senior secured asset-based revolving credit facility, or ABL Facility, entered into concurrently with the offering of the initial notes, on a first-priority lien basis and the notes and the guarantees on a second-priority lien basis), including the capital stock of Ply Gem Industries and of any subsidiary held by Ply Gem Industries and any guarantor

(which, in the case of any first-tier foreign subsidiary, will be limited to 66% of the voting stock and 100% of the non-voting stock of such first-tier foreign subsidiary).

The collateral securing the exchange notes on a first-priority lien basis does not include (i) the collateral securing the ABL Facility on a first-priority lien basis, (ii) certain excluded assets, (iii) those assets as to which the collateral agent representing the holders of the notes offered hereby reasonably determines that the costs of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby and (iv) any released collateral.

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	The exchange notes and the guarantees will also be secured by a second-priority lien (subject to certain exceptions and permitted liens) on all accounts receivable, inventory, cash and proceeds of the foregoing and certain assets such as contract rights, instruments and documents related thereto, in each case held by Ply Gem Industries and the guarantors. See "Description of the Notes — Security for the Notes."
Ranking	The exchange notes and guarantees will be our and the guarantors' senior secured obligations. The indebtedness evidenced by the notes and the guarantees will rank: · equally with all of Ply Gem Industries' and the guarantors' existing and future senior indebtedness; · junior in priority as to collateral that secures the ABL Facility on a first-priority lien basis with respect to our and the guarantors' obligations under the ABL Facility, any other debt incurred after the issue date that has a priority security interest relative to the notes in the collateral that secures the ABL Facility, any permitted hedging obligations and all cash management obligations incurred with any lender or any of its affiliates under the ABL Facility; · equal in priority as to collateral that secures the notes and the guarantees on a first-priority lien basis with respect to Ply Gem Industries' and the guarantors' obligations under any other pari passu lien obligations incurred after the issue date; and · senior to all of Ply Gem Industries' and the guarantors' existing and future subordinated indebtedness. The notes will also be effectively junior to the liabilities of the non-guarantor subsidiaries. As of June 28, 2008, we and the guarantors had $40.0 million in aggregate principal amount of senior indebtedness (excluding the notes and the guarantees) outstanding (excluding unused commitments). See "Description of the Notes — Ranking."
Optional Redemption	Prior to April 1, 2011, we may redeem up to 35% of the aggregate principal amount of the exchange notes with the net cash proceeds from certain equity offerings at a redemption price equal to 111.75% of the aggregate

principal amount of the exchange notes, plus accrued and unpaid interest, if any, provided that at least 65% of the original aggregate principal amount of the exchange notes remains outstanding after the redemption.

In addition, not more than once during any twelve-month period we may redeem up to $70.0 million of the exchange notes at a redemption price equal to 103% of the aggregate amount of the notes, plus accrued and unpaid interest, if any.

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	At any time on or after April 1, 2011, we may redeem the exchange notes, in whole or in part, at the redemption prices listed in "Description of the Notes — Optional Redemption."
Change of Control	If we experience a change of control, we may be required to offer to purchase the exchange notes at a purchase price equal to 101% of the aggregate principal amount, plus accrued and unpaid interest, if any. Following any such offer to purchase, under certain circumstances, prior to April 1, 2011, we may redeem all, but not less than all, of the exchange notes not tendered in such offer at a price equal to 101% of the principal amount, plus accrued and unpaid interest, if any. In addition, if we experience a change of control prior to April 1, 2011, we may redeem all, but not less than all, of the exchange notes at a redemption price equal to 100% of the principal amount plus a "make-whole" premium.
Certain Covenants	The indenture governing the exchange notes contains covenants that limit the ability of Ply Gem Industries and its subsidiaries to, among other things: · incur additional indebtedness; · pay dividends or make other distributions or repurchase or redeem our stock; · make loans and investments; · sell assets; · incur certain liens; · enter into agreements restricting our subsidiaries' ability to pay dividends; · enter into transactions with affiliates; and · consolidate, merge or sell all or substantially all of our assets. The restrictive covenants generally do not restrict our parent company, Ply Gem Holdings, or any of its subsidiaries that are not our subsidiaries.
Use of Proceeds	

We will not receive any proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. We are making this exchange solely to satisfy our obligations under the registration rights agreement entered into in connection with the offering of the initial notes.

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Absence of a Public Market for the Exchange Notes	The exchange notes are new securities with no established market for them. We cannot assure you that a market for these exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled "Risk Factors—Risks Related to Our Substantial Indebtedness and the Notes—There is no established trading market for the exchange notes, and you may not be able to sell them quickly or at the price that you paid."
Form of the Exchange Notes	The exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company with U.S. Bank National Association, as custodian. You will not receive exchange notes in certificated form unless one of the events described in the section of this prospectus entitled "Description of Notes—Book Entry; Delivery and Form—Exchange of Book Entry Notes for Certificated Notes" occurs. Instead, beneficial interests in the exchange notes will be shown on, and transfers of these exchange notes will be effected only through, records maintained in book-entry form by The Depository Trust Company with respect to its participants.
Risk Factors	See "Risk Factors" beginning on page 19 for a discussion of factors you should carefully consider before deciding to invest in the notes.

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Summary Historical Financial Information

The summary historical financial data presented below for each of the years in the three-year period ended December 31, 2007 have been derived from, and should be read together with, our audited consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

The summary historical financial data presented below for the six months ended June 30, 2007 and June 28, 2008 have been derived from, and should be read together with, our unaudited condensed consolidated financial statements and the accompanying notes included elsewhere in this prospectus. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of the operating results that may be expected for the entire year or any future period.

This summary historical financial data are qualified in their entirety by the more detailed information appearing in our financial statements and the related notes, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Selected Historical Financial Information," "Use of Proceeds," "Capitalization" and other financial information included elsewhere in this prospectus.

	Fiscal Year Ended December 31,			Six Months Ended	
	2007	2006	2005	June 28, 2008 (Unaudited)	June 30, 2007
			(in thousands)		
Statement of operations data:					
Net sales	$ 1,363,546	$ 1,054,468	$ 838,868	$ 597,653	$ 675,969
Costs and expenses:					
Cost of products sold	1,075,507	831,418	647,576	495,359	530,980
Selling, general and administrative expense	162,609	125,619	92,738	85,879	79,294
Intangible asset impairment	4,150	782	—	—	—
Amortization of intangible assets	17,631	11,942	9,761	9,826	8,936
Total costs and expenses	1,259,897	969,761	750,075	591,064	619,210
Operating earnings	103,649	84,707	88,793	6,589	56,759
Foreign currency gain (loss)	3,961	77	1,010	(495)	2,208
Interest expense	(98,496)	(72,218)	(57,657)	(74,139)	(51,089)
Investment income	1,704	1,205	730	310	822
Other expense	(1,202)	(4,462)	—	—	—
Income (loss) before provision (benefit) for income taxes and cumulative effect of accounting change	9,616	9,309	32,876	(67,735)	8,700
Provision (benefit) for income taxes	4,002	3,502	12,651	(26,400)	2,294
Income (loss) before cumulative effect of accounting change	5,614	5,807	20,225	(41,335)	6,406
Cumulative effect of accounting change, net of income tax benefit of $57	—	(86)	—	—	—
Net income (loss)	$ 5,614	$ 5,721	$ 20,225	$ (41,335)	$ 6,406

Other financial data:					
Adjusted EBITDA(1)	$ 173,510	$ 125,629	$ 114,918	$ 45,386	$ 84,403
Capital expenditures	20,017	20,318	14,742	7,039	7,201
Depreciation and amortization	54,067	33,816	26,125	30,680	25,552
Net cash provided by (used in):					
Operating activities	82,545	57,878	63,910	(65,108)	(13,428)
Investing activities	(56,407)	(432,168)	(14,362)	1,637	(7,409)
Financing activities	(15,068)	405,396	(34,334)	59,958	11,538
Ratio of earnings to fixed charges(2), (3)	1.1x	1.1x	1.5x	—	1.2x
Balance sheet data (at period end):					
Cash and cash equivalents	$ 65,207	$ 53,274	$ 22,173	$ 61,480	$ 44,265
Total assets	1,625,607	1,649,721	1049,998	1,663,633	1,659,277
Total debt	1,038,096	1,048,764	637,468	1,093,729	1,065,554
Stockholders' equity	239,544	227,716	215,514	226,847	235,446

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The following table presents our calculation of Adjusted EBITDA reconciled to net income (loss).

	Fiscal Year Ended December 31,			Six Months Ended	
	2007	2006	2005	June 28, 2008 (Unaudited)	June 30,2007
			(in thousands)		
Net income (loss)	$ 5,614	$ 5,721	$ 20,225	$ (41,335)	$ 6,406
Interest expense, net of interest income	96,792	71,013	56,927	73,829	50,267
Provision (benefit) for income taxes	4,002	3,502	12,651	(26,400)	2,294
Depreciation and amortization	54,067	33,816	26,125	30,680	25,552
(Gain) /loss on currency transaction	(3,961)	(77)	(1,010)	495	(2,208)
Non cash charge of purchase price allocated to inventories	1,289	3,266	—	—	—
Restructuring/integration expense	10,356	1,395	—	8,117	2,092
Intangible asset impairment	4,150	782	—	—	—
Other expense	1,201	6,125	—	—	-
Cumulative effect of accounting change	—	86	—	—	—
Adjusted EBITDA(4)	$ 173,510	$ 125,629	$ 114,918	$ 45,386	$ 84,403

(1) Adjusted EBITDA means net income (loss) plus interest expense (net of interest income), provision (benefit) for income taxes, depreciation and amortization, foreign currency gain/(loss), amortization of non-cash write-off of the portion of excess purchase price from acquisitions allocated to inventories, third-party charges associated with business combination financing costs (“other expense”), impairment charges to intangible assets, other expense includes third party financing charges and one-time costs related to the amendment of the Company’s phantom stock plan, restructuring and integration costs associated with acquisitions, and cumulative effect of accounting changes. Other companies may define Adjusted EBITDA differently and, as a result, our measure of Adjusted EBITDA may not be directly comparable to Adjusted EBITDA of other companies. Management believes that the presentation of Adjusted EBITDA included in this prospectus provides useful information to investors regarding our results of operations because it assists both investors and management in analyzing and benchmarking the performance and value of our business. Although we use Adjusted EBITDA as a financial measure to assess the performance of our business, the use of Adjusted EBITDA is limited because it does not include certain material costs, such as depreciation, amortization, interest and taxes, necessary to operate our business. Adjusted EBITDA included in this prospectus should be considered in addition to, and not as a substitute for, net earnings in accordance with GAAP as a measure of performance in accordance with GAAP. You are cautioned not to place undue reliance on Adjusted EBITDA.

(2) For the purposes of calculating the ratio of earnings to fixed charges, earnings represent net income (loss) before provision (benefit) for income taxes plus fixed charges. Fixed charges consist of interest expense, net plus amortization of deferred financing expense and our estimate of the interest within rental expense.

(3) Due to the Company's loss in the first six months of 2008, the ratio coverage was less than 1:1. The Company would need to generate additional earnings of approximately $67.7 million to achieve a coverage ratio of 1:1. The loss incurred for the six months ended June 28, 2008 included interest expense of approximately $27.6 million for financing costs incurred in the second quarter 2008.

(4) Adjusted EBITDA has not been adjusted to include approximately $9.9 million of unrealized synergies and cost savings that we expect in the future, which is comprised of approximately $9.6 million future expected savings

from the February 2008 closure of a Denison, Texas plan, and future expected savings related to a plant conversion in 2007, each of which is forward looking in nature and may or may not materialize.

Certain statements in this footnote (4) are forward-looking statements. See "Note Regarding Forward-Looking Statements."

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RISK FACTORS

Investing in the notes involves a high degree of risk. You should carefully consider the following factors in addition to the other information set forth in this prospectus before you decide to invest in the notes. The following risks could materially and adversely affect our ability to make payments with respect to the notes, our business or our financial condition or results of operations. Additional risks and uncertainties not currently known to us or those we currently deem to be immaterial may also materially and adversely affect us. In any such case, you may lose all or part of your original investment.

Risks Related to Our Substantial Indebtedness and the Notes

Our substantial debt could negatively impact our business, prevent us from fulfilling our outstanding debt obligations and adversely affect our financial condition.

We have a substantial amount of debt. As of June 28, 2008, we had approximately $1,093.7 million of total debt outstanding and a debt to equity ratio of approximately 4.82 to 1.0. The terms of our outstanding debt, including the notes, our 9% senior subordinated notes due 2012 and the ABL Facility, limit, but do not prohibit, us from incurring additional debt. If additional debt is added to current debt levels, the related risks described below could intensify. See also the discussion in "Description of Other Indebtedness" and "Description of the Notes" concerning the terms and conditions of our debt covenants.

The substantial amount of our debt could have important consequences, including the following:

- our ability to obtain additional financing for working capital, capital expenditures, acquisitions, refinancing indebtedness or other purposes could be impaired;
- a substantial portion of our cash flow from operations will be dedicated to paying principal and interest on our debt, thereby reducing funds available for expansion or other purposes;
- we may be more leveraged than some of our competitors, which may result in a competitive disadvantage;
- we may be vulnerable to interest rate increases, as certain of our borrowings, including those under the ABL Facility, are at variable rates;
- our failure to comply with the restrictions in our financing agreements would have a material adverse effect on us;
- our significant amount of debt could make us more vulnerable to changes in general economic conditions;
- we may be restricted from making strategic acquisitions, investing in new products or capital assets or taking advantage of business opportunities; and
- we may be limited in our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate.

We believe that we will need to access the capital markets in the future to raise the funds to repay our substantial debts. We have no assurance that we will be able to complete a refinancing or that we will be able to raise any additional financing, particularly in view of our anticipated high levels of debt and the restrictions under our debt agreements. If we are unable to satisfy or refinance our indebtedness as it comes due, we may default on our debt obligations. If we default on our debt obligations and any of our indebtedness is accelerated, such acceleration will have a material adverse effect on our financial condition and cash flows.

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Despite our current indebtedness levels, we may still be able to incur substantially more debt. This could exacerbate further the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness, including additional secured indebtedness, in the future. The terms of the indenture and the ABL facility restrict, but do not completely prohibit, us from doing so. In addition, the indenture allows us to issue additional notes under certain circumstances, which will also be guaranteed by the guarantors and will share in the collateral that secures the notes and guarantees. The indenture also allows us to incur certain other additional secured debt and allows our foreign subsidiaries to incur additional debt, which would be effectively senior to the notes. In addition, the indenture does not prevent us from incurring other liabilities that do not constitute indebtedness. See "Description of the Notes." If new debt or other liabilities are added to our current debt levels, the related risks that we now face could intensify.

We must refinance existing indebtedness prior to the maturity of the notes. Failure to do so could have a material adverse effect upon us.

The maturity of our senior subordinated notes is February 15, 2012, which is before the maturity of the notes, and all outstanding loans under the ABL Facility will be due and payable on June 9, 2013, which is before the maturity date of the notes. Further, if the senior subordinated notes shall not have been refinanced in full on or prior to October 15, 2011, then the ABL Facility will become due and fully payable and the commitments thereunder will terminate on October 15, 2011. While we expect to refinance this indebtedness, we cannot assure you that we will be able to refinance this indebtedness, or whether any refinancing will be on commercially reasonable terms. There can be no assurance that the financial terms or covenants of any new credit facility and/or other indebtedness will be the same or as favorable as those under our ABL Facility and our senior subordinated notes.

Our ability to complete a refinancing of our ABL Facility and our senior subordinated notes prior to their respective maturities is subject to a number of conditions beyond our control. For example, if a disruption in the financial markets were to occur at the time that we intended to refinance this indebtedness, we might be restricted in our ability to access the financial markets. If we are unable to refinance this indebtedness, our alternatives would consist of negotiating an extension of our ABL Facility with the lenders and seeking or raising new capital. If we were unsuccessful, the lenders under our ABL Facility and the holders of our senior subordinated notes could demand repayment of the indebtedness owed to them on the relevant maturity date. As a result, our ability to pay the principal of and interest on the notes would be adversely affected.

The terms of our debt covenants could limit how we conduct our business and our ability to raise additional funds.

The agreements that govern the terms of our debt, including the indenture that governs the notes, the indenture that governs our senior subordinated notes and the credit agreement that governs our ABL Facility, contain covenants that restrict our ability and the ability of our subsidiaries to:

- incur and guarantee indebtedness or issue equity interests of restricted subsidiaries;
- repay subordinated indebtedness prior to its stated maturity;
- pay dividends or make other distributions on or redeem or repurchase our stock;

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- issue capital stock;
- make certain investments or acquisitions;
- create liens;
- sell certain assets or merge with or into other companies;
- enter into certain transactions with stockholders and affiliates;
- make capital expenditures; and
- restrict dividends, distributions or other payments from our subsidiaries.

There are limitations on our ability to incur the full $150.0 million of commitments under the ABL Facility, which may be increased to $200.0 million, subject to certain terms and conditions. Borrowings under our ABL Facility will be subject to limits on debt incurrence imposed by our senior subordinated notes due 2012 and to the lesser of the borrowing base and $150.0 million.

In addition, under the ABL Facility, if our borrowing availability falls below 15% of the borrowing base, we will be required to satisfy and maintain a fixed charge coverage ratio not less than 1.0 to 1.0. Our ability to meet the required fixed charge coverage ratio can be affected by events beyond our control, and we cannot assure you that we will meet this ratio. A breach of any of these covenants could result in a default under the ABL Facility.

Moreover, the ABL Facility provides the lenders considerable discretion to impose reserves or availability blocks, which could materially impair the amount of borrowings that would otherwise be available to us. There can be no assurance that the lenders under the ABL Facility will not impose such actions during the term of the ABL Facility and further, were they to do so, the resulting impact of this action could materially and adversely impair our ability to make interest payments on the notes.

A breach of the covenants under the indenture that governs the notes, the indenture that governs our senior subordinated notes or under the credit agreement that governs our new ABL Facility could result in an event of default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under our ABL Facility would permit the lenders under our ABL Facility to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our ABL Facility, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we cannot assure that we and our subsidiaries would have sufficient assets to repay such indebtedness. As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

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

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

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay or refinance our indebtedness, including the notes, our senior subordinated notes or our indebtedness under our new ABL Facility. If our cash flows and capital resources are insufficient to fund our debt service obligations, we and our subsidiaries could face substantial liquidity problems and may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness, including the notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

We may not be able to satisfy our obligations to holders of the notes upon a change of control.

Upon the occurrence of a "change of control," as defined in the indenture that governs the notes, each holder of the notes will have the right to require us to purchase the notes at a price equal to 101% of the principal amount thereof. Our failure to purchase, or give notice of purchase of, the notes would be a default under the indenture. In addition, a change of control may constitute an event of default under our ABL Facility and would also require us to offer to purchase our senior subordinated notes at 101% of the principal amount thereof, together with accrued and unpaid interest. A default under our ABL Facility would result in an event of default under the indenture that governs the notes and under the indenture governing our senior subordinated notes if the lenders accelerate the debt under our ABL Facility.

If a change of control occurs, we may not have enough assets to satisfy all obligations under our ABL Facility, the indenture that governs our senior subordinated notes and the indenture that governs the notes. Upon the occurrence of a change of control, we could seek to refinance the indebtedness under our ABL Facility, our senior subordinated notes and the notes or obtain a waiver from the lenders under our ABL Facility, the holders of our senior subordinated notes and you as a holder of the notes. We cannot assure you, however, that we would be able to obtain a waiver or refinance our indebtedness on commercially reasonable terms, if at all.

Federal and state statutes allow courts, under specific circumstances, to void the notes, guarantees and security interests and may require holders of the notes to return payments received from us.

Under the federal bankruptcy laws and comparable provisions of state fraudulent transfer laws, the notes could be voided, or claims in respect of the notes could be subordinated to all of our other debt if the issuance of the notes was found to have been intended to hinder, delay or defraud any existing or future creditor or contemplated insolvency with a design to prefer one or more creditors to the exclusions in whole or in part of others or to have been made for less than their reasonable equivalent value and we, at the time we incurred the indebtedness evidenced by the notes:

- were insolvent or rendered insolvent by reason of such indebtedness;
- were engaged in, or about to engage in, a business or transaction for which our remaining assets constituted unreasonably small capital; or

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- intended to incur, or believed that we would incur, debts beyond our ability to pay such debts as they mature.

A court might also void an issuance of notes, a guaranty or grant of security, without regard to the above factors, if the court found that we issued the notes or the guarantors entered into their respective guaranty or security agreements with actual intent to hinder, delay or defraud our or their respective creditors.

A court would likely find that we or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or the guarantees and security agreements, respectively, if we or a guarantor did not substantially benefit directly or indirectly from the issuance of the notes. If a court were to void an issuance of the notes, the guarantees or the related security agreements, you would no longer have a claim against us or the guarantors or, in the case of the security agreements, a claim with respect to the related collateral. Sufficient funds to repay the notes may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from us or the guarantors or, with respect to the notes, any guarantee or the collateral.

In addition, any payment by us pursuant to the notes made at a time we were found to be insolvent could be voided and required to be returned to us or to a fund for the benefit of our creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give the creditors more than such creditors would have received in a distribution under the bankruptcy code.

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

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

On the basis of historical financial information, recent operating history and other factors, we believe that, after giving effect to the indebtedness evidenced by the notes and the application of the proceeds therefrom, we will not be insolvent, will not have unreasonably small capital for the business in which we are engaged and will not have incurred debts beyond our ability to pay such debts as they mature. There can be no assurance, however, as to what standard a court would apply in making such determinations or that a court would agree with our conclusions in this regard.

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There is no established trading market for the exchange notes, and you may not be able to sell them quickly or at the price that you paid.

The exchange notes are a new issue of securities for which there is no established trading market. We do not intend to apply for exchange notes to be listed on any securities exchange or to arrange for their quotation on any automated dealer quotation system. The initial purchasers of the initial notes were Credit Suisse Securities (USA) LLC, UBS Securities LLC, J.P. Morgan Securities Inc. and Goldman, Sachs & Co. Although the initial purchasers have advised us that as of the issuance date of the initial notes that they intended to make a market in the exchange notes, they are not obligated to do so and may discontinue any market making in the exchange notes at any time, in their sole discretion. As a result, we cannot assure you as to the liquidity of any trading market for the exchange notes.

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

- our operating performance and financial condition;
- the interest of securities dealers in making a market; and
- the market for similar securities.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the exchange notes will be subject to disruptions. Any disruptions may have a negative effect on noteholders, regardless of our prospects and financial performance.

Our Canadian subsidiary and our other future foreign subsidiaries will not be guarantors, and your claims will be subordinated to all of the creditors of the non-guarantor subsidiaries.

Our Canadian subsidiary, CWD Windows and Doors, Inc. ("CWD"), is not a guarantor of the notes or the ABL Facility. This non-guarantor subsidiary generated approximately 7.0% of our net sales and 84.0% of our operating earnings, for the six months ended June 28, 2008. In addition, it held approximately 4.5% of our consolidated assets as of June 28, 2008. Any right of ours to receive the assets of any of our non-guarantor subsidiaries upon their bankruptcy, liquidation or reorganization (and the consequent right of the holders of the notes to participate in those assets) will be subject to the claims of that subsidiary's creditors, including trade creditors. To the extent that we are recognized as a creditor of that subsidiary, we may have such claim, but we would still be subordinate to any security interests in the assets of that subsidiary and any indebtedness and other liabilities of that subsidiary senior to that held by us. As of June 28, 2008, the notes were effectively junior to approximately $9.8 million of liabilities (including trade payables) of our non-guarantor subsidiary.

There are circumstances other than repayment or discharge of the notes under which the collateral securing the notes and guarantees will be released automatically, without your consent or the consent of the trustee.

Under various circumstances, all or a portion of the collateral securing the notes will be released automatically, including:

- a sale, transfer or other disposal of such collateral in a transaction not prohibited under the indenture;
- with respect to collateral held by a guarantor, upon the release of such guarantor from its guarantee;

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- with respect to collateral that is capital stock, upon the dissolution of the issuer of such capital stock in accordance with the indenture; and
- with respect to any collateral in which the notes have a second-priority lien, upon any release by the lenders under our ABL facility of their first-priority security interest in such collateral (other than any such release granted following the discharge of the obligations with respect to the ABL Facility).

In addition, the guarantee of a subsidiary guarantor will be automatically released in connection with a sale of such subsidiary guarantor in a transaction not prohibited by the indenture.

The indenture also permits us to designate one or more of our restricted subsidiaries that is a guarantor of the notes as an unrestricted subsidiary. If we designate a subsidiary guarantor as an unrestricted subsidiary, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the notes by such subsidiary or any of its subsidiaries will be released under the indenture but not under the ABL Facility. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of the unrestricted subsidiary and its subsidiaries will have a senior claim on the assets of such unrestricted subsidiary and its subsidiaries. See “Description of the Notes.”

The imposition of certain permitted liens will cause the assets on which such liens are imposed to be excluded from the collateral securing the notes and the guarantees. There are also certain other categories of property that are also excluded from the collateral.

The indenture permits liens in favor of third parties to secure purchase money indebtedness and capital lease obligations, and assets subject to such liens will in certain circumstances be excluded from the collateral securing the notes and the guarantees. Our ability to incur purchase money indebtedness and capital lease obligations is subject to limitations as described in “Description of the Notes.” In addition, certain categories of assets are excluded from the collateral securing the notes and the guarantees. Excluded assets include certain contracts, certain equipment, the assets of our non-guarantor subsidiaries and equity investees and certain capital stock and other securities of our subsidiaries and equity investees. See “Description of the Notes.” If an event of default occurs and the notes are accelerated, the notes and the guarantees will rank equally with the holders of other unsubordinated and unsecured indebtedness of the relevant entity with respect to such excluded property.

The pledge of the capital stock, other securities and similar items of Ply Gem Industries, Inc. and its subsidiaries that secure the notes will automatically be released from the lien on them and no longer constitute collateral when the pledge of such capital stock or such other securities would require the filing of separate financial statements with the SEC for that subsidiary.

The notes and the guarantees are secured by a pledge of the stock of Ply Gem Industries, Inc. and some of its subsidiaries. Under the SEC regulations in effect as of the issue date of the notes, if the par value, book value as carried by us or market value (whichever is greatest) of the capital stock, other securities or similar items of a subsidiary pledged as part of the collateral is greater than or equal to 20% of the aggregate principal amount of the notes then outstanding, such a subsidiary would be required to provide separate financial statements to the SEC. Therefore, the indenture and the collateral documents provide that any capital stock and other securities of Ply Gem Industries, Inc. or any of its subsidiaries will be excluded from the collateral to the extent that the pledge of such capital stock or other securities to secure the notes would cause such companies to be required to file separate financial statements with the SEC pursuant to Rule 3-16 of Regulation S-X (as in effect from time to time).

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As a result, holders of the notes could lose a portion or all of their security interest in the capital stock or other securities of those subsidiaries. It may be more difficult, costly and time-consuming for holders of the notes to foreclose on the assets of a subsidiary than to foreclose on its capital stock or other securities, so the proceeds realized upon any such foreclosure could be significantly less than those that would have been received upon any sale of the capital stock or other securities of such subsidiary. See "Description of the Notes."

The collateral may not be valuable enough to satisfy all the obligations secured by such collateral.

We secured our obligations under the notes by the pledge of certain of our assets. This pledge is also for the benefit of the lenders under our ABL Facility.

The notes are secured on a first-priority lien basis (subject to certain exceptions) by substantially all of our and the guarantors' assets (other than accounts receivable, inventory and cash and proceeds of the foregoing and certain assets related thereto), which we refer to as the "Notes Collateral," and such collateral may be shared with our future creditors. The actual value of the Notes Collateral at any time depends upon market and other economic conditions.

The notes are also secured on a second-priority lien basis (subject to certain exceptions) by our and each guarantor's accounts receivable, inventory and cash and proceeds of the foregoing and certain assets related thereto, which we refer to as the "ABL Collateral." The ABL Collateral is subject to a first-priority security interest for the benefit of the lenders under the ABL Facility, and may be shared with our future creditors. Although the holders of obligations secured by first-priority liens on the ABL Collateral and the holders of obligations secured by second-priority liens on the ABL Collateral, including the notes, will share in the proceeds of the ABL Collateral, the holders of obligations secured by first-priority liens in the ABL Collateral will be entitled to receive proceeds from any realization of the ABL Collateral to repay the obligations held by then, in full before the holders of the notes and the holders of other obligations secured by second-priority liens in the ABL Collateral receive any such proceeds.

In addition, the asset sale covenant and the definition of asset sale, each in the indenture governing the notes, have a number of significant exceptions pursuant to which we will be able to sell Notes Collateral without being required to reinvest the proceeds of such sale into assets that will comprise Notes Collateral or to make an offer to the holders of the notes to repurchase the notes.

As of June 28, 2008, we had $40.0 million of indebtedness outstanding under the ABL Facility, with approximately $35.0 million of additional availability under the ABL Facility (subject to a borrowing base and before consideration of $3.9 million of letters of credit). All indebtedness under the ABL facility is secured by first-priority liens on the ABL Collateral (subject to certain exceptions). In addition, under the terms of the indenture governing the notes, we may grant an additional lien on any property or asset that constitutes ABL Collateral in order to secure any obligation permitted to be incurred pursuant to the indenture. Any such additional lien may be a lien that is senior to the lien securing the notes or may be a second-priority lien that ranks pari passu with the lien securing the notes. In either case, any grant of additional liens on the ABL Collateral would further dilute the value of the second-priority lien on the ABL Collateral securing the notes. Further, as discussed above, we are permitted under the terms of the indenture governing the notes to sell all assets that constitute ABL Collateral and not apply the proceeds to invest in additional assets that secures the notes or repay outstanding indebtedness.

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The value of the pledged assets in the event of a liquidation depends upon market and economic conditions, the availability of buyers and similar factors. No independent appraisals of any of the pledged property were prepared by or on behalf of us in connection with this offering of the initial notes. Accordingly, we cannot assure holders of the notes that the proceeds of any sale of the pledged assets following an acceleration to maturity with respect to the notes would be sufficient to satisfy, or would not be substantially less than, amounts due on the notes and the other debt secured thereby.

If the proceeds of any sale of the pledged assets were not sufficient to repay all amounts due on the notes, the holder of the notes (to the extent their notes were not repaid from the proceeds of the sale of the pledged assets) would have only an unsecured claim against our remaining assets. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure holders of the notes that the pledged assets will be saleable or, if saleable, that there will not be substantial delays in their liquidation. To the extent that liens, rights and easements granted to third parties encumber assets located on property owned by us or constitute subordinate liens on the pledged assets, those third parties may have or may exercise rights and remedies with respect to the property subject to such encumbrances (including rights to require marshalling of assets) that could adversely affect the value of the pledged assets located at that site and the ability of the collateral agent to realize or foreclose on the pledged assets at that site.

In addition, the indenture governing the notes permits us, subject to compliance with certain financial tests, to issue additional secured debt, including debt secured equally and ratably by the same assets pledged for the benefit of the holders of the notes. This would reduce amounts payable to holders of the notes from the proceeds of any sale of the collateral.

The rights of holders of the notes with respect to the ABL Collateral are substantially limited by the terms of the intercreditor agreement.

Under the terms of the intercreditor agreement entered into in connection with the ABL Facility, at any time that obligations that have the benefit of the first-priority liens on the ABL Collateral are outstanding, any actions that may be taken in respect of the ABL Collateral, including the ability to cause the commencement of enforcement proceedings against the ABL Collateral and to control the conduct of such proceedings, and the approval of amendments to, releases of ABL Collateral from the lien of, and waivers of past defaults under, the security documents, will be at the direction of the holders of the obligations secured by the first-priority liens and neither the trustee nor the collateral agent, on behalf of the holders of the notes, will have the ability to control or direct such actions, even if the rights of the holders of the notes are adversely affected, subject to certain exceptions. See "Description of the Notes — Security for the Notes" and "Description of the Notes — Amendment, Supplement and Waiver." Under the terms of the intercreditor agreement, at any time that obligations that have the benefit of the first-priority liens on the ABL Collateral are outstanding, if the holders of such indebtedness release the ABL Collateral for any reason whatsoever (other than any such release granted following the discharge of obligations with respect to the ABL Facility), including, without limitation, in connection with any sale of assets, the second-priority security interest in such ABL Collateral securing the notes will be automatically and simultaneously released without any consent or action by the holders of the notes, subject to certain exceptions. The ABL Collateral so released will no longer secure our and the guarantors' obligations under the notes. In addition, because the holders of the indebtedness secured by first-priority liens in the ABL Collateral control the disposition of the ABL Collateral, such holders could decide not to proceed against the ABL Collateral, regardless of whether there is a default under the documents governing such indebtedness or under the indenture governing the notes. In such event, the only remedy available to the holders of the notes would be to sue for payment on the notes and the related guarantees. In addition, the intercreditor agreement gives the holders of first-priority liens on the ABL Collateral the right to access and use the collateral that secures the notes to allow those holders to protect the ABL Collateral and to process, store and dispose of the ABL Collateral.

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The waiver in the intercreditor agreement of rights of marshaling may adversely affect the recovery rates of holders of the notes in a bankruptcy or foreclosure scenario.

The notes and the guarantees are secured on a second-priority lien basis by the ABL Collateral. The intercreditor agreement provides that, at any time that obligations that have the benefit of the first-priority liens on the ABL Collateral are outstanding, the holders of the notes, the trustee under the indenture governing the notes and the collateral agent may not assert or enforce any right of marshaling accorded to a junior lienholder, as against the holders of such indebtedness secured by first-priority liens in the ABL Collateral. Without this waiver of the right of marshaling, holders of such indebtedness secured by first-priority liens in the ABL Collateral would likely be required to liquidate collateral on which the notes did not have a lien, if any, prior to liquidating the ABL Collateral, thereby maximizing the proceeds of the ABL Collateral that would be available to repay our obligations under the notes. As a result of this waiver, the proceeds of sales of the ABL Collateral could be applied to repay any indebtedness secured by first-priority liens in the ABL Collateral before applying proceeds of other collateral securing indebtedness, and the holders of notes may recover less than they would have if such proceeds were applied in the order most favorable to the holders of the notes.

In the event of a bankruptcy of us or any of the guarantors, holders of the notes may be deemed to have an unsecured claim to the extent that our obligations in respect of the notes exceed the fair market value of the collateral securing the notes.

In any bankruptcy proceeding with respect to us or any of the guarantors, it is possible that the bankruptcy trustee, the debtor-in-possession or competing creditors will assert that the fair market value of the collateral with respect to the notes on the bankruptcy filing date was less than the then-current principal amount of the notes. Upon a finding by the bankruptcy court that the notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the notes would be bifurcated between a secured claim and an unsecured claim, and the unsecured claim would not be entitled to the benefits of security in the collateral. Other consequences of a finding of under-collateralization would be, among other things, a lack of entitlement on the part of the notes to receive post-petition interest and a lack of entitlement on the part of the unsecured portion of the notes to receive other “adequate protection” under federal bankruptcy laws. In addition, if any payments of post-petition interest had been made at the time of such a finding of under-collateralization, those payments could be recharacterized by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to the notes.

Because each guarantor’s liability under its guarantees may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from some or all of the guarantors.

You have the benefit of the guarantees of the guarantors. However, the guarantees by the guarantors are limited to the maximum amount that the guarantors are permitted to guarantee under applicable law. As a result, a guarantor’s liability under its guarantee could be reduced to zero, depending upon the amount of other obligations of such guarantor. Further, under the circumstances discussed more fully above, a court under federal and state fraudulent conveyance and transfer statutes could void the obligations under a guarantee or further subordinate it to all other obligations of the guarantor. See “— Federal and state statutes allow courts, under specific circumstances, to void notes, guarantees and security interests and may require holders of the notes to return payments received from us.” In addition, you will lose the benefit of a particular guarantee if it is released under certain circumstances described under “Description of the Notes — Note Guarantees.”

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Bankruptcy laws may limit the ability of holders of the notes to realize value from the collateral.

The right of the collateral agent to repossess and dispose of the pledged assets upon the occurrence of an event of default under the indenture governing the notes is likely to be significantly impaired by applicable bankruptcy law if a bankruptcy case were to be commenced by or against us before the collateral agent repossessed and disposed of the pledged assets. For example, under Title 11 of the United States Code (the “United States Bankruptcy Code”), pursuant to the automatic stay imposed upon the bankruptcy filing, a secured creditor is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from such debtor, or taking other actions to levy against a debtor, without bankruptcy court approval. Moreover, the United States Bankruptcy Code permits the debtor to continue to retain and to use collateral even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given “adequate protection.” The meaning of the term “adequate protection” may vary according to circumstances (and is within the discretion of the bankruptcy court), but it is intended in general to protect the value of the secured creditor’s interest in the collateral and may include cash payments or the granting of additional security, if and at such times as the court in its discretion determines, for any diminution in the value of the collateral as a result of the automatic stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. Generally, adequate protection payments, in the form of interest or otherwise, are not required to be paid by a debtor to a secured creditor unless the bankruptcy court determines that the value of the secured creditor’s interest in the collateral is declining during the pendency of the bankruptcy case. Due to the imposition of the automatic stay, the lack of a precise definition of the term “adequate protection” and the broad discretionary powers of a bankruptcy court, it is impossible to predict (1) how long payments under the notes could be delayed following commencement of a bankruptcy case, (2) whether or when the collateral agent could repossess or dispose of the pledged assets or (3) whether or to what extent holders of the notes would be compensated for any delay in payment or loss of value of the pledged assets through the requirement of “adequate protection.”

The value of the collateral securing the notes may not be sufficient to secure post-petition interest.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us, holders of the notes will only be entitled to post-petition interest under the United States Bankruptcy Code to the extent that the value of their security interest in the collateral is greater than their pre-bankruptcy claim. Holders of the notes that have a security interest in collateral with a value equal or less than their pre-bankruptcy claim will not be entitled to post-petition interest under the United States Bankruptcy Code. No appraisal of the fair market value of the collateral was prepared in connection with the offering of the initial notes or this exchange offer and we therefore cannot assure you that the value of the noteholders’ interest in the collateral equals or exceeds the principal amount of the notes.

The collateral is subject to casualty risks.

We are obligated under our ABL Facility to at all times cause all the pledged assets to be properly insured and kept insured against loss or damage by fire or other hazards to the extent that such properties are usually insured by corporations operating properties of a similar nature in the same or similar localities. There are, however, some losses, including losses resulting from terrorist acts, that may be either uninsurable or not economically insurable, in whole or in part. As a result, we cannot assure holders of notes that the insurance proceeds will compensate us fully for our losses. If there is a total or partial loss of any of the pledged assets, we cannot assure holders of the notes that the proceeds received by us in respect thereof will be sufficient to satisfy all the secured obligations, including the notes.

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In the event of a total or partial loss to any of the mortgaged facilities, certain items of equipment and inventory may not be easily replaced. Accordingly, even though there may be insurance coverage, the extended period needed to manufacture replacement units or inventory could cause significant delays.

Rights of holders of the notes in the collateral may be adversely affected by the failure to perfect security interests in collateral.

Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens in the collateral securing the notes may not be perfected with respect to the claims of the notes if the collateral agent was not able to take the actions necessary to perfect any of these liens on or prior to the date of the indenture governing the notes. There can be no assurance that the lenders under our ABL Facility have taken all actions necessary to create properly perfected security interests, which may result in the loss of the priority of the security interest in favor of the holders of the notes to which they would otherwise have been entitled. Specifically, the collateral agent or the lenders under our new ABL Facility may not complete all the actions necessary to perfect the liens in any real property by the time of completion of this offering. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate of title and certain proceeds, can only be perfected at the time such property and rights are acquired and identified. We and the guarantors have limited obligations to perfect the security interest of the holders of the notes in specified collateral. There can be no assurance that the trustee or the collateral agent for the notes will monitor, or that we will inform such trustee or collateral agent of, the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. Neither the trustee nor the collateral agent for the notes has an obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of any security interest. Such failure may result in the loss of the security interest in the collateral or the priority of the security interest in favor of the notes against third parties.

Any future pledge of collateral in favor of the holders of the notes might be voidable in bankruptcy.

Any future pledge of collateral in favor of the holders of the notes, including pursuant to security documents delivered after the date of the indenture governing the notes, might be voidable by the pledgor (as debtor-in-possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, under the United States Bankruptcy Code, if the pledgor is insolvent at the time of the pledge, the pledge permits the holders of the notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced with 90 days following the pledge, or, in certain circumstances, a longer period.

We will in most cases have control over the collateral, and the sale of particular assets by us could reduce the pool of assets securing the notes and the guarantees.

The collateral documents allow us to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the collateral securing the notes and the guarantees.

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In addition, we will not be required to comply with all or any portion of Section 314(d) of the Trust Indenture Act of 1939 if we determine, in good faith based on advice of counsel, that, under the terms of that Section and/or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including "no action" letters or exemptive orders, all or such portion of Section 314(d) of the Trust Indenture Act is inapplicable to the released collateral. For example, so long as no default or event of default under the indenture would result therefrom and such transaction would not violate the Trust Indenture Act, we may, among other things, without any release or consent by the indenture trustee, conduct ordinary course activities with respect to collateral, such as selling, factoring, abandoning or otherwise disposing of collateral and making ordinary course cash payments (including repayments of indebtedness). With respect to such releases, we must deliver to the collateral agent, from time to time, an officers' certificate to the effect that all releases and withdrawals during the preceding six-month period in which no release or consent of the collateral agent was obtained in the ordinary course of our business were not prohibited by the indenture. See "Description of the Notes."

The collateral securing the notes will be substantially different from the collateral securing the ABL Facility.

The collateral securing the notes is substantially different from the collateral securing the ABL Facility. The collateral securing the notes does not include: (i) the assets or capital stock of our Canadian subsidiary and (ii) the capital stock of Ply Gem Industries, Inc. or its subsidiaries if the book value (or market value, if greater) of any such company's capital stock exceeds 20% of the principal amount of the notes, all of which will continue to secure the ABL Facility on a first-priority basis. See "— The pledge of capital stock, other securities and similar items of Ply Gem Industries, Inc. and its subsidiaries that secure the notes will automatically be released from the lien on them and no longer constitute collateral when the pledge of such capital stock or such other securities would require the filing of separate financial statements with the SEC for that subsidiary," "Description of the Notes — Security for the Notes" and "Description of Other Indebtedness."

Risks Related to the Exchange Offer

The issuance of the exchange notes may adversely affect the market for the initial notes.

To the extent the initial notes are tendered and accepted in the exchange offer, the trading market for the untendered and tendered but unaccepted initial notes could be adversely affected. Because we anticipate that most holders of the initial notes will elect to exchange their initial notes for exchange notes due to the absence of restrictions on the resale of exchange notes under the Securities Act, we anticipate that the liquidity of the market for any initial notes remaining after the completion of this exchange offer may be substantially limited. Please refer to the section in this prospectus entitled "The Exchange Offer—Your Failure to Participate in the Exchange Offer Will Have Adverse Consequences."

Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the SEC contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1983), we believe that you may offer for resale, resell or otherwise transfer the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under "Plan of Distribution," you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes under the Securities Act, you may incur liability under this act. We do not and will not assume, or indemnify you against, this liability.

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Risks Associated with Our Business

We face competition from other vinyl exterior building products manufacturers and alternative building materials. If we are unable to compete successfully, we could lose customers and our sales could decline.

We compete with other national and regional manufacturers of vinyl exterior building products. Some of these companies are larger and have greater financial resources than we do. Accordingly, these competitors may be better able to withstand changes in conditions within the industries in which we operate and may have significantly greater operating and financial flexibility than we do. These competitors could take a greater share of sales and cause us to lose business from our customers. Additionally, our products face competition from alternative materials: wood, metal, fiber cement and masonry in siding, and wood in windows. An increase in competition from other vinyl exterior building products manufacturers and alternative building materials could cause us to lose our customers and lead to decreases in net sales.

Downturns in the home repair and remodeling and new home construction sectors or the economy could lower the demand for, and pricing of, our products, which in turn could cause our net sales and net income to decrease.

Our performance is dependent to a significant extent upon the levels of home repair and remodeling and new home construction spending, all of which are affected by such factors as interest rates, inflation, consumer confidence, unemployment, and the availability of consumer credit. According to the National Association of Home Builders (“NAHB”), second quarter 2008 single family housing starts are estimated to show a decline of approximately 28.1% from actual levels achieved in the second quarter of 2007. The new construction sector of the market is expected to continue to be negatively impacted during the balance of 2008 according to the NAHB’s July 8, 2008 forecast. Additionally, according to the NAHB’s July 2008 forecast, single family housing starts are expected to decline in 2008 by 35.4% as compared to their full year estimate for 2007. In April 2008, we revised our 2008 forecast in response to market wide increases in raw material prices and fuel costs, as well as continued declines in both the residential new construction and repair/remodeling markets. Under the revised forecast, we currently expect to report significantly lower Adjusted EBITDA.

Changes in the costs and availability of raw materials, especially PVC resin and aluminum, can decrease our profit margin by increasing our costs.

Our principal raw materials, PVC resin and aluminum, have been subject to rapid price changes in the past. Over the past four years, PVC resin prices have more than doubled, primarily due to the increased cost of oil and natural gas, increases in natural gas and crude oil prices and demand in the broader economy, resin prices increased to an all time high level. These significantly higher resin costs have impacted our profitability throughout 2008, 2007 and 2006. In addition, in April 2008, we revised our 2008 forecast in response to market wide increases in raw material prices and fuel costs, as well as continued declines in both the residential new construction and repair/remodeling markets. Under the revised forecast, we currently expect to report significantly lower Adjusted EBITDA. While we have historically been able to substantially pass on significant PVC resin and aluminum cost increases through price increases to our customers, our results of operations for individual quarters can be and have been hurt by a delay between the time of PVC resin and aluminum cost increases and price increases in our products. While we expect that any significant future PVC resin and aluminum cost increases will be offset in part or whole over time by price increases to our customers, we may not be able to pass on any future price increases.

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Because we depend on a core group of significant customers, our sales, cash flows from operations and results of operations may decline if our key customers reduce the amount of products they purchase from us.

Our top ten customers accounted for approximately 35.5% of our net sales in the year ended December 31, 2007. Our largest customer, BlueLinx, distributes our vinyl siding and accessories through multiple channels within its building products distribution business, and accounted for approximately 10.2% of our 2007 net sales. We expect a small number of customers to continue to account for a substantial portion of our net sales for the foreseeable future.

The loss of or a significant adverse change in our relationships with BlueLinx or any other major customer could cause a material decrease in our net sales. We expect our relationship with BlueLinx to continue.

The loss of, or a reduction in orders from, any significant customers, losses arising from customers' disputes regarding shipments, fees, merchandise condition or related matters or our inability to collect accounts receivable from any major retail customer could cause a decrease in our net income and our cash flow. In addition, revenue from customers that have accounted for significant revenue in past periods, individually or as a group, may not continue, or if continued, may not reach or exceed historical levels in any period.

Our business is seasonal and can be affected by inclement weather conditions which could affect the timing of the demand for our products and cause reduced profit margins when such conditions exist.

Markets for our products are seasonal and can be affected by inclement weather conditions. Historically, our business has experienced increased sales in the second and third quarters of the year due to increased construction during those periods. Because much of our overhead and expense are fixed throughout the year, our operating profits tend to be lower in the first and fourth quarters. Inclement weather conditions can affect the timing of when our products are applied or installed, causing reduced profit margins when such conditions exist.

If we are unable to meet future capital requirements our product offering may become dated, our productivity may decrease and the quality of our products may decline, which, in turn, could reduce our sales and profitability.

We periodically make capital investments to, among other things, maintain and upgrade our facilities and enhance our production processes. As we grow our businesses, we may have to incur significant capital expenditures. If we do not have, or are unable to obtain adequate funds to make all necessary capital expenditures when required, or if the amount of future capital expenditures are materially in excess of our anticipated or current expenditures, our product offering may become dated, our productivity may decrease and the quality of our products may decline, which, in turn, could reduce our sales and profitability.

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Increases in the cost of labor, union organizing activity and work stoppages at our facilities or the facilities of our suppliers could delay or impede our production, reduce sales of our products and increase our costs.

Our financial performance is affected by the availability of qualified personnel and the cost of labor. As of June 28, 2008, approximately 14.0% of our employees were represented by labor unions. We are subject to the risk that strikes or other types of conflicts with personnel may arise or that we may become a subject of union organizing activity. Furthermore, some of our direct and indirect suppliers have unionized work forces. Strikes, work stoppages or slowdowns experienced by these suppliers could result in slowdowns or closures of facilities where components of our products are manufactured. Any interruption in the production or delivery of our products could reduce sales of our products and increase our costs.

We may be subject to claims arising from the operations of our subsidiaries, including Ply Gem Industries, MW, Alenco, AHE, and Pacific Windows prior to our acquisitions. Our ability to seek indemnification from the former owners of our subsidiaries may be limited, in which case, we would be liable for these claims.

We have acquired all of our subsidiaries in the last several years, including Ply Gem Industries, MW, Alenco, AHE and Pacific Windows. We may be subject to claims or liabilities arising from the ownership or operation of our subsidiaries prior to our acquisition of them. Our ability to seek indemnification from the former owners of our subsidiaries is limited by various factors, including the specific limitations contained in the respective acquisition agreement and the financial ability of the former owners.

Under the terms of the stock purchase agreement governing the acquisition of Ply Gem Industries, Nortek, Inc. (“Nortek”) has agreed to indemnify us for liabilities arising from its former ownership or operations of subsidiaries or properties where such ownership or operation ceased prior to the completion of the Ply Gem acquisition, including environmental liabilities, liabilities arising in connection with certain leases, product liability and other litigations, benefit plans, and for certain other liabilities. Our ability to seek indemnification from Nortek is, however, limited by the strength of Nortek’s financial condition, which could change in the future. These liabilities could be significant, and if we are unable to enforce the Nortek indemnification rights, could make it difficult to pay the interest or principal amount of the notes when due. Nortek has covenanted to use their reasonable commercial efforts to novate certain sale and lease contracts relating to discontinued operations, thereby removing us and our affiliates from certain indemnification obligations thereunder, which obligations we retained in connection with the sales of certain of our businesses. Accordingly, during 2004, Nortek successfully novated four sale contracts relating to our discontinued operations, including our disposition of Hoover Treated Wood Products, Inc., Sagebrush Sales, Peachtree Doors and Windows and SNE Enterprises. As a consequence, we are no longer responsible for any indemnification obligations to the buyers of these former operations. Nortek has also covenanted that after the Ply Gem acquisition, it will not dispose of all or substantially all of its property and assets in a single transaction or series of related transactions, unless the acquirer of either its residential building products segment or HVAC segment (whichever is sold first) assumes all of Nortek’s obligations (including Nortek’s indemnification obligations) under the stock purchase agreement.

We completed the acquisition of MW during 2004. Our ability to seek indemnification from the selling stockholders of MWM Holding is restricted to breaches of a limited amount of corporate representations and warranties, and for the first $250,000 in costs of compliance by MW with the New Jersey Industrial Site Recovery Act at an MW facility in Hammonton, New Jersey and for 75% of any such costs between $250,000 and $5.5 million resulting from the compliance by MW with that same act.

We completed the acquisition of Alenco in February of 2006. Our ability to seek indemnification from the selling stockholders of AWC for specified matters is subject to limitations, including the periods to submit claims, minimum amount of losses suffered and aggregate amounts of recovery.

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We completed the acquisition of AHE in October of 2006. Our ability to seek indemnification from the selling stockholders of AHE for specified matters is subject to limitations, including the periods to submit claims, minimum amount of losses suffered and aggregate amounts of recovery.

We completed the acquisition of Pacific Windows in September of 2007. Our ability to seek indemnification from the selling stockholders of Pacific Windows for specified matters is subject to limitations, including the periods to submit claims, minimum amount of losses suffered and aggregate amounts of recovery.

We could face potential product liability claims relating to products we manufacture.

Our historical product liability claims have not been material and while management is not aware of any material product liability issues, we do face an inherent business risk of exposure to product liability claims in the event that the use of any of our products results in personal injury or property damage. In the event that any of our products proves to be defective, among other things, we may be responsible for damages related to any defective products and we may be required to recall or redesign such products. Because of the long useful life of our products, it is possible that latent defects might not appear for several years. Any insurance we maintain may not continue to be available on terms acceptable to us or such coverage may not be adequate for liabilities actually incurred. Further, any claim or product recall could result in adverse publicity against us, which could cause our sales to decline or increase our costs.

We are dependent on certain key personnel, the loss of whom could materially affect our financial performance and prospects.

Our continued success depends to a large extent upon the continued services of our senior management and certain key employees. Each member of our senior management team has substantial experience and expertise in our industry and has made significant contributions to our growth and success. We do face the risk, however, that members of our senior management may not continue in their current positions and the loss of the services of any of these individuals could cause us to lose customers and reduce our net sales, lead to employee morale problems and/or the loss of key employees, or cause disruptions to our production. Also, we may be unable to find qualified individuals to replace any of the senior executive officers who leave our company. To encourage the retention of certain key executives in the past, we have entered into various equity-based agreements with our senior executives, including Messrs. Robinette, Poe, Wayne, Sveinson and Veach designed to encourage their retention. However, for 2008, we have eliminated our management incentive bonus that ties management compensation to attainment of our objectives.

Interruptions in deliveries of raw materials or finished goods could adversely affect our production and increase our costs, thereby decreasing our profitability.

Our dependency upon regular deliveries from particular suppliers means that interruptions or stoppages in such deliveries could adversely affect our operations until arrangements with alternate suppliers could be made. If any of our suppliers were unable to deliver materials to us for an extended period of time, as the result of financial difficulties, catastrophic events affecting their facilities or other factors beyond our control, or if we were unable to negotiate acceptable terms for the supply of materials with these or alternative suppliers, our business could suffer. We may not be able to find acceptable alternatives, and any such alternatives could result in increased costs for us. Even if acceptable alternatives were found, the process of locating and securing such alternatives might be disruptive to our business. Extended unavailability of a necessary raw material or finished good could cause us to cease manufacturing one or more of our products for a period of time.

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Environmental requirements may impose significant costs and liabilities on us.

Our facilities are subject to numerous United States and Canadian federal, state, provincial and local laws and regulations relating to the presence of hazardous materials, pollution and the protection of the environment, including those governing emissions to air, discharges to water, use, storage and transport of hazardous materials, storage, treatment and disposal of waste, remediation of contaminated sites and protection of worker health and safety. From time to time, our facilities are subject to investigation by governmental regulators. In addition, we have been identified as one of many potentially responsible parties for contamination present at certain offsite locations to which we or our predecessors are alleged to have sent hazardous materials for recycling or disposal. We believe that we are in material compliance with all applicable requirements of such laws and regulations. However, our efforts to comply with environmental requirements do not remove the risk that we may be held liable, or incur fines or penalties, and that the amount of liability, fines or penalties may be material, for, among other things, releases of hazardous substances occurring on or emanating from current or formerly owned or operated properties or any associated offsite disposal location, or for newly-discovered contamination at any of our properties from activities conducted by previous occupants. Certain environmental laws impose strict, and under certain circumstances joint and several, liability for the cost of addressing releases of hazardous substances upon certain classes of persons, including site owners or operators and persons that disposed or arranged for the disposal of hazardous substances at contaminated sites. Under the stock purchase agreement governing the Ply Gem acquisition, our former parent, Nortek, has agreed to indemnify us for any such liabilities arising from our former ownership or operation of subsidiaries or properties where such ownership or operation ceased prior to the completion of the Ply Gem acquisition and for certain other properties. Our ability to seek indemnification from Nortek is, however, limited by the strength of Nortek's financial condition. Nortek has also covenanted that after the Ply Gem acquisition, it will not dispose of all or substantially all of its property and assets in a single transaction or series of related transactions, unless the acquirer of either its residential building products segment or HVAC segment (whichever is sold first) assumes all of Nortek's obligations (including Nortek's indemnification obligations) under the stock purchase agreement.

We are currently involved in environmental proceedings involving CWD (arising from subsurface contamination discovered at our Calgary, Alberta property), and we may in the future be subject to environmental proceedings involving Thermal-Gard, Inc. (arising from groundwater contamination in Punxsutawney, Pennsylvania) and Kroy (relating to contamination in a drinking water well in York, Nebraska). Under the stock purchase agreement governing the Ply Gem acquisition, Nortek is to indemnify us for fifty percent of any liability in excess of $750,000 with respect to the Calgary contamination and to indemnify us fully for any liability in connection with the Punxsutawney contamination. Alcan Aluminum Corporation assumed the obligation to indemnify us with respect to certain liabilities for environmental contamination of the York property occurring prior to 1994 when it sold the property to us in 1998. Our former subsidiary, Hoover Treated Wood Products, Inc., is involved in an environmental proceeding in connection with a contaminated landfill site in Thomson, Georgia. While we had assumed an obligation to indemnify the purchaser of our former subsidiary when we sold Hoover Treated Wood Products, Inc., our obligation has been novated and assumed by Nortek.

Under the stock purchase agreement governing the acquisition of MW, the sellers agreed to indemnify us for the first $250,000 in costs of compliance with the New Jersey Industrial Site Recovery Act at an MW facility in Hammonton, New Jersey and for 75% of any such costs between $250,000 and $5.5 million. In connection with the MW acquisition, MW achieved compliance with the Industrial Site Recovery Act by obtaining a Remediation in Progress waiver from the New Jersey Department of Environmental Protection based on the ongoing remediation of the site by a previous occupant. MW's Rocky Mount, Virginia property is subject to an environmental investigation relating to contamination associated with an underground storage tank formerly located at the Rocky Mount, VA property. Liability for the underground storage tank contamination and related investigation has been previously assumed by U.S. Industries, Inc., pursuant to its indemnity obligation under the Stock Purchase Agreement dated August 11, 1995, whereby U.S. Industries, Inc. sold the stock of MW to Fenway Partners. As the successor in interest of Fenway

Partners, we are similarly indemnified by U.S. Industries, Inc. U.S. Industries and MW are working to develop a course of action to address the site contamination that is acceptable to both companies and the Virginia regulatory authorities.

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Changes in environmental laws and regulations or in their enforcement, the discovery of previously unknown contamination or other liabilities relating to our properties and operations or the inability to enforce the indemnification obligations of Nortek, the MW sellers and U.S. Industries, Inc. could result in significant environmental liabilities which could make it difficult to pay the interest or principal amount of our debt when due. In addition, we might incur significant capital and other costs to comply with increasingly stringent U.S. or Canadian environmental laws or enforcement policies which would decrease our cash flow available to service our indebtedness.

Manufacturing or assembly realignments may result in a decrease in our short-term earnings, until the expected cost reductions are achieved, due to the costs of implementation.

We continually review our manufacturing and assembly operations and sourcing capabilities. Effects of periodic manufacturing realignments and cost savings programs could result in a decrease in our short-term earnings until the expected cost reductions are achieved. Such programs may include the consolidation and integration of facilities, functions, systems and procedures. Such actions may not be accomplished as quickly as anticipated and the expected cost reductions may not be achieved or sustained.

We rely on a variety of intellectual property rights. Any threat to, or impairment of, these rights could cause us to incur costs to defend these rights.

As a company that manufactures and markets branded products, we rely heavily on trademark and service mark protection to protect our brands. We have a significant number of issued patents and rely on copyright protection for certain of our technologies. These protections may not adequately safeguard our intellectual property and we may incur significant costs to defend our intellectual property rights, which may harm our operating results. There is a risk that third parties, including our current competitors, will infringe on our intellectual property rights, in which case we would have to defend these rights. There is also a risk that third parties, including our current competitors, will claim that our products infringe on their intellectual property rights. These third parties may bring infringement claims against us or our customers, which may harm our operating results.

We are controlled by our principal equity holder, which has the power to take unilateral action and whose interests in our business could conflict with yours.

Affiliates of, and companies managed by, CI Capital Partners, including Caxton-Iseman (Ply Gem) L.P., Caxton-Iseman (Ply Gem) II L.P. and Frederick Iseman, control our affairs and policies. Circumstances may occur in which the interests of these equity holders could be in conflict with the interests of the holders of the notes. In addition, these equity holders may have an interest in pursuing acquisitions, divestitures or other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to holders of the notes.

Increases in key raw material and fuel costs could cause our cost of products sold to increase and net income to decrease.

Our cost of products sold may be significantly impacted by market prices for our primary raw materials which are PVC resin and aluminum. Current market forecasts indicate that market prices for these raw materials will increase in 2008 as compared to market levels in 2007. In addition, increases in fuel cost can negatively impact our cost to deliver our products to our customers and thus increase our cost of products sold. Fuel costs are currently forecasted to increase over levels in 2007. If these market forecasts are correct, and we are unable to increase the selling price of our products to our customers, net income may be adversely affected.

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue,” the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. All written and oral forward-looking statements made in connection with this prospectus that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by the “Risk Factors” and other cautionary statements included herein. We are under no duty to update any of the forward-looking statements after the date of this prospectus to conform such statements to actual results or to changes in our expectations.

The information in this prospectus is not a complete description of our business or the risks associated with an investment in our securities. There can be no assurance that other factors will not affect the accuracy of these forward-looking statements or that our actual results will not differ materially from the results anticipated in such forward-looking statements. While it is impossible to identify all such factors, factors that could cause actual results to differ materially from those estimated by us include, but are not limited to, those factors or conditions described under “Risk Factors,” and the following:

- our high degree of leverage and significant debt service obligations;
- restrictions under the indenture governing the notes offered hereby and our existing notes and restrictions under our new senior secured asset-based revolving credit facility;
- the competitive nature of our industry;
- changes in interest rates, and general economic and home repair and remodeling and new home construction market conditions;
- changes in the price and availability of raw materials; and
- changes in our relationships with our significant customers.

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USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. We are making this exchange solely to satisfy our obligations under the registration rights agreement entered into in connection with the offering of the initial notes. In consideration for issuing the exchange notes, we will receive initial notes in like aggregate principal amount.

In connection with the offering of the initial notes, we entered into the ABL Facility, initially a $135.0 million senior secured asset-based revolving credit facility, of which $40.0 million was drawn at closing. "See Description of Other Indebtedness — New Senior Secured Asset-Based Revolving Credit Facility." The proceeds from the issuance of the initial notes was approximately $693.5 million. We used such proceeds, together with the initial borrowings of $40.0 million under the ABL Facility, to repay approximately $708.0 million in borrowings outstanding under our existing senior credit facilities (including a call premium of $6.8 million) and the financing costs and other expenses in connection with the issuance of the initial notes and the entering into of our ABL Facility.

The following is a summary of the sources and uses of proceeds from the offering of the initial notes and the initial borrowings under our new ABL Facility. You should read the following together with the information set forth under "Prospectus Summary — The Offering," "Capitalization" and "Description of Other Indebtedness."

Sources of funds (in millions)			Uses of funds (in millions)		
Initial notes (1)	$	693.5	Repayment of our existing senior credit facilities (2)	$	708.0
Initial borrowings under the ABL facility		40.0	Financing costs and other expenses (3)		25.0
			Cash on hand		0.5
	$	733.5		$	733.5

(1) The initial notes have a face value of $700.0 million, but were offered at a discount of $6.5 million.

(2) Includes a payment of approximately $676.2 million for the repayment of the term loan under our prior facility, a call premium of approximately $6.8 million associated with the repayment, and approximately $25.0 million for the repayment of the revolver borrowings under the prior term facility.

(3) Financing costs and other expenses include the initial purchasers' discount and fees and expenses related to the offering of the initial notes and the entering into of our ABL Facility.

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CAPITALIZATION

The following table shows our capitalization as of June 28, 2008 on an actual basis.

You should read this table in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus. Also see "Use of Proceeds," "Selected Historical Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Other Indebtedness."

	As of June 28, 2008 (Unaudited, in thousands)
Cash and cash equivalents	$ 61,480
Short-term and long-term debt:	
Senior subordinated notes due 2012 (1)	360,163
Initial notes (2)	693,566
ABL Facility (3)	40,000
Total debt	1,093,729
Stockholders' equity:	
Common stock	—
Additional paid-in capital	209,884
Retained earnings	7,907
Accumulated other comprehensive income	9,056
Total stockholders' equity	226,847
Total capitalization	$ 1,320,576

(1) Consists of outstanding principal and unamortized premium on our senior subordinated notes due 2012.

(2) The initial notes have a face value of $700.0 million, but were offered at a discount of $6.5 million.

(3) Borrowings under our ABL Facility are subject to limits on debt incurrence imposed by the senior subordinated notes due 2012. Borrowings are limited to the lesser of the borrowing base and $150.0 million, which was increased from $135.0 million on August 14, 2008. Upon closing of the offering of the initial notes, we made an initial borrowing of approximately $40.0 million, which was used, together with the proceeds of the offering, to refinance our existing senior credit facilities and pay related fees and expenses. In addition, we used $3.9 million of availability to replace existing letters of credit. Future borrowings will be used for general corporate purposes.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The selected historical financial data presented below is for each of the years in the five-year period ended December 31, 2007.

The selected historical financial data as of December 31, 2007 and 2006 and for each of the years ended December 31, 2007, 2006 and 2005 have been derived from, and should be read together with, our audited consolidated financial statements and the accompanying notes included elsewhere in this prospectus. The selected historical financial data as of and for the six months ended June 28, 2008 and June 30, 2007 have been derived from, and should be read together with, our unaudited condensed consolidated financial statements and the accompanying notes included elsewhere in this prospectus. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of the operating results that may be expected for the entire year or any future period.

On January 9, 2003, our former indirect parent, Nortek Holdings was acquired in a recapitalization transaction by certain affiliates and designees of Kelso & Company L.P. and certain members of management of our former parent, Nortek. The Nortek recapitalization was accounted for as a purchase and resulted in a new valuation of the assets and liabilities of Nortek Holdings and its subsidiaries, including us. The audited data for the pre-Nortek recapitalization period from January 1, 2003 through January 9, 2003 have been prepared on different bases of accounting and therefore are not directly comparable to subsequent periods.

The audited data for calendar 2004 includes the operating results of Ply Gem Industries from January 1, 2004 until the date of the Ply Gem acquisition on February 12, 2004, and separately includes the operating results of Ply Gem Holdings from the date of its inception on January 23, 2004 through December 31, 2004. Subsequent to the Ply Gem acquisition, the financial statements presented are on a different basis of accounting. Therefore, they are not directly comparable to preceding periods.

The selected historical data set forth below is not necessarily indicative of the results of future operations and should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other financial information included elsewhere in this prospectus.

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	Consolidated Ply Gem Holdings				Combined Ply Gem Industries				
					Post-Nortek Recapitalization(1)		Pre-Nortek Recapitalization(1)		
	Fiscal Year Ended December 31,			Jan. 23, 2004 To Dec. 31, 2004	Jan. 1, 2004 To Feb. 11, 2004	Jan. 10, 2003 To Dec. 31, 2003	Jan. 1, 2003 To Jan. 9, 2003	Six Months Ended June 28,	June 30,
	2007	2006	2005	2004	2004	2003	2003	2008	2007
				(in thousands)				(unaudited)	
Statement of operations data:									
Net sales	$ 1,363,546	$ 1,054,468	$ 838,868	$ 585,945	$ 40,612	$ 522,565	$ 8,824	$ 597,563	$ 675,969
Costs and expenses:									
Costs of products sold	1,075,507	831,418	647,576	448,733	33,611	393,674	7,651	495,359	530,980
Selling, general and administrative expense	162,609	125,619	92,738	67,568	8,345	73,933	1,529	85,879	79,294
Intangible asset impairment	4,150	782	–	-	-	-	-	-	-
Amortization of intangible assets	17,631	11,942	9,761	5,911	201	3,837	70	9,826	8,936
Total costs and expenses	1,259,897	969,761	750,075	522,212	42,157	471,444	9,250	591,064	619,210
Operation earnings (loss)	103,649	84,707	88,793	63,733	(1,545)	51,121	(426)	6,589	56,759
Foreign currency gain (loss)	3,961	77	1,010	2,473	-	-	-	(495)	2,208
Interest expense	(98,496)	(72,218)	(57,657)	(37,373)	(3,684)	(33,117)	(976)	(74,139)	(51,089)
Interest income	1,704	1,205	730	160	29	196	2	310	822
Other expense	(1,202)	(4,462)	-	-	-	-	-	-	-
Income (loss) before provision (benefit) for income taxes and cumulative	9,616	9,309	32,876	28,993	(5,200)	18,200	(1,400)	(67,735)	8,700

effect of accounting change																	
Provision (benefit) for income taxes		4,002		3,502		12,651		11,311		(1,850)		7,200		(500)		(26,400)	2,294
Income (loss) before cumulative effect of accounting change		5,614		5,807		20,225		17,682		(3,350)		11,000		(900)		(41,335)	6,406
Cumulative effect of accounting change, net of income tax benefit of $57 (3)		-		(86)		-		-		-		-		-		-	-
Net income (loss)	$	5,614	$	5,721	$	20,225	$	17,682	$	(3,350)	$	11,000	$	(900)	$	(41,335)	$ 6,406

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	Consolidated Ply Gem Holdings				Combined Ply Gem Industries				
					Post-Nortek Recapitalization(1)		Pre-Nortek Recapitalization(1)		
	Fiscal Year Ended December 31,			Jan. 23, 2004 To Dec. 31, 2004	Jan. 1, 2004 To Feb. 11, 2004	Jan. 10, 2003 To Dec. 31, 2003	Jan. 1, 2003 To Jan. 9, 2003	Six Months Ended June 28,	June 30,
	2007	2006	2005	2004	2004	2003	2003	2008	2007
			(in thousands)					(unaudited)	
Other financial data:									
Capital expenditures	$ 20,017	$ 20,318	$ 14,742	$ (6,773)	$ (718)	$ (7,687)	$ (349)	$ 7,039	$ 7,20
Depreciation and amortization	54,067	33,816	26,125	17,745	1,373	14,702	327	30,680	25,55
Net cash provided by (used in):									
Operating activities	$ 82,545	$ 57,878	$ 63,910	$ 49,427	$ 1,648	$ 24,205	$ 1,853	$ (65,108)	$ (13,42
Investing activities	(56,407)	(432,168)	(14,362)	(890,034)	395	(7,973)	(312)	1,637	(7,40
Financing activities	(15,068)	405,396	(34,334)	847,277	(7,451)	(11,443)	(4,706)	59,958	11,53
Ratio of earnings to fixed charges (2), (4)	1.1x	1.1x	1.5x	1.7x	N/A	1.5x	N/A	-	1.
Balance sheet data (at period end):									
Cash and cash equivalents	$ 65,207	$ 53,274	$ 22,173	$ 6,794		$ 8,517		$ 61,480	$ 44,26
Total assets	1,625,607	1,649,721	1,049,998	1,104,299		503,368		1,663,633	1,659,27
Total debt	1,038,096	1,048,764	637,468	707,591		424,297		1,093,729	1,065,55
Stockholders' equity (Parent company deficit)	239,544	227,716	215,514	195,407		(27,699)		226,847	235,44

(1) On January 9, 2003, our former indirect parent, Nortek Holdings was acquired in a recapitalization transaction by certain affiliates and designees of Kelso & Company L.P. and certain members of management of our former

parent, Nortek. The Nortek recapitalization was accounted for as a purchase and resulted in a new valuation of the assets and liabilities of Nortek Holdings and its subsidiaries, including us.

(2) For the purposes of calculating the ratio of earnings to fixed charges, earnings represent net income (loss) before provision for income taxes plus fixed charges. Fixed charges consist of interest expense, net plus amortization of deferred financing expense and our estimate of the interest within rental expense.

(3) Cumulative effect change in the fiscal year ended December 31, 2006 relates to the adoption of FAS 123(R), "Share-Based Payment".

(4) Due to the Company's loss in the first six months of 2008, the ratio coverage was less than 1:1. The Company would need to generate additional earnings of approximately $67.7 million to achieve a coverage ratio of 1:1. The loss incurred for the six months ended June 28, 2008 included interest expense of approximately $27.6 million for financing costs incurred in the second quarter 2008.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in "Risk Factors" and elsewhere in this prospectus. Actual results may differ materially from those contained in any forward-looking statements. The following discussion should be read in conjunction with "Selected Historical Financial Information" and our financial statements and related notes included elsewhere in this prospectus.

General

We are a leading manufacturer of residential exterior building products in North America. We offer a comprehensive product line of vinyl siding and skirting, vinyl windows and doors, and vinyl and composite fencing and railing that serves both the home repair and remodeling and the new home construction sectors in all 50 states and Western Canada. We also manufacture vinyl and aluminum soffit and siding accessories, aluminum trim coil, aluminum, wood and aluminum and vinyl clad windows and steel and fiberglass doors, enabling us to bundle complementary and color-matched products and accessories with our core vinyl products. We have two reportable segments: (i) siding, fencing and railing and (ii) windows and doors. For periods prior to January 1, 2008, the siding, fencing and railing segment also included decking products, which were phased out due to unprofitability.

We market our products using several leading brands across multiple price points, which enables us to diversify our sales across distribution channels with minimal channel conflict and reach the greatest number of end customers. We believe we are able to compete on favorable terms and conditions and maintain a strong customer base as a result of our extensive distribution coverage, high quality, innovative and comprehensive product line, proprietary vendor managed inventory program and production efficiency.

Ply Gem Holdings, a wholly-owned subsidiary of Ply Gem Investment Holdings, Inc., was incorporated on January 23, 2004 for the purpose of acquiring Ply Gem Industries from Nortek. The Ply Gem acquisition was completed on February 12, 2004 when Nortek sold Ply Gem Industries to Ply Gem Holdings pursuant to the terms of a stock purchase agreement among Ply Gem Investment Holdings, Inc. and Nortek, Inc. and WDS LLC. Prior to February 12, 2004, the date of the Ply Gem acquisition, Ply Gem Holdings had no operations and Ply Gem Industries was a wholly-owned subsidiary of WDS LLC, which was a wholly-owned subsidiary of Nortek.

On August 27, 2004, Ply Gem Industries acquired all of the outstanding shares of capital stock of MWM Holding, in accordance with a stock purchase agreement entered into among Ply Gem, MWM Holding and certain selling stockholders.

On February 24, 2006, in connection with the acquisition of AWC Holding Company ("AWC," and together with its subsidiaries, "Alenco"), a new holding company, Ply Gem Prime Holdings, Inc., was formed pursuant to a merger involving Ply Gem Investment Holdings. As a result, Ply Gem Prime Holdings became the sole shareholder of Ply Gem Investment Holdings, each outstanding share of capital stock of Ply Gem Investment Holdings was converted into a share of a corresponding class of shares of the capital stock of Ply Gem Prime Holdings and Ply Gem Prime Holdings assumed Ply Gem Investment Holdings' obligations under the Ply Gem Investment Holdings 2004 Stock Option Plan. In connection therewith, each outstanding stock option and phantom unit of Ply Gem Investment Holdings was converted on a 1:1 basis into a stock option and phantom unit of Ply Gem Prime Holdings.

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On February 24, 2006, Ply Gem Industries completed the Alenco acquisition in accordance with a securities purchase agreement entered into among Ply Gem Industries, all of the direct and indirect stockholders, warrant holders and stock option holders of AWC and FNL Management Corp., as their representative on February 6, 2006. Pursuant to the securities purchase agreement, Ply Gem Industries purchased all of the issued and outstanding shares of common stock, warrants to purchase shares of common stock and options to purchase shares of common stock of AWC (other than certain shares of common stock held by certain members of the senior management of Alenco that were contributed separately to Ply Gem Prime Holdings, the new parent company of Ply Gem Investment Holdings, in exchange for shares of capital stock of Ply Gem Prime Holdings). Immediately following the completion of the Alenco acquisition, AWC became a wholly-owned subsidiary of Ply Gem Industries. The purchase price paid by Ply Gem was approximately $89.4 million on cash, which included $4.0 million in cash delivered by Ply Gem to an escrow agent to be held in escrow as security for the sellers' indemnification and other obligations under the securities purchase agreement, plus the repayment of approximately $31.3 million of outstanding indebtedness of Alenco. In connection with the Alenco acquisition, certain members of Alenco management invested approximately $8.1 million in the capital stock of Ply Gem Prime Holdings. The accompanying financial statements include the operating results of Alenco for the period February 24, 2006 through December 31, 2007.

On October 31, 2006, Ply Gem Industries acquired all of the outstanding shares of capital stock of Alcoa Home Exteriors, Inc. ("AHE"), in accordance with a stock purchase agreement entered into among Ply Gem Industries, Alcoa Securities Corporation and Alcoa Inc. The purchase price paid by Ply Gem was approximately $305.0 million in cash. The accompanying financial statements include the operating results of AHE for the period October 31, 2006 through December 31, 2007.

On September 30, 2007, Ply Gem Industries acquired the vinyl window and patio door business of Certain Teed Corporation, through a stock acquisition. On the acquisition date, the Company changed the name of the acquired business to Ply Gem Pacific Windows Corporation ("Pacific Windows"). The purchase price paid by Ply Gem was approximately $35.0 million in cash and was funded from a combination of cash on hand and borrowings against Ply Gem's prior $75.0 million credit facility. The accompanying financial statements include the operating results of Pacific Windows for the period September 30, 2007 through December 31, 2007.

Ply Gem Holdings is a holding company with no operations or assets of our own other than the capital stock of our subsidiaries. The terms of the indenture governing the notes offered hereby and our senior subordinated notes place restrictions on the ability of Ply Gem Industries and its subsidiaries to pay dividends and otherwise transfer assets to Ply Gem Holdings.

Financial Statement Presentation

Net sales. Net sales represent the fixed selling price of our products plus certain shipping charges less applicable provisions for discounts and allowances. Allowances include cash discounts, volume rebates and gross returns among others.

Cost of products sold. Cost of products sold includes direct material and manufacturing costs, manufacturing depreciation, third-party and in-house delivery costs and product warranty expense.

Selling, general and administrative expense. Selling, general and administrative expense, or SG&A expense, includes all non-product related operating expenses, including selling, marketing, research and development costs, information technology and other general and administrative expenses.

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Operating earnings. Operating earnings represents net sales less cost of products sold, SG&A expense and amortization of intangible assets.

Comparability. All periods after the Alenco acquisition in February 2006 include the results of operations of Alenco. All periods after the AHE acquisition in October 2006 include the results of operations of AHE. All periods after the Pacific Windows acquisition in September 2007 include the results of operations of Pacific Windows.

Impact of Commodity Pricing

Our principal raw materials, PVC resin and aluminum, have historically been subject to rapid price changes. We have in the past been able to pass on a substantial portion of significant cost increases through price increases to our customers. Our results of operations for individual quarters can and have been impacted by a delay between the time of PVC resin and aluminum cost increases and decreases and related price changes that we implement in our products.

Impact of Weather

Since our building products are intended for exterior use, our sales and operating earnings tend to be lower during periods of inclement weather. Weather conditions in the first quarter of each calendar year historically result in that quarter producing significantly less sales revenue than in any other period of the year. As a result, we have historically had lower profits or losses in the first quarter, and reduced profits in the fourth quarter of each calendar year due to the weather. Our results of operations for individual quarters in the future may be impacted by adverse weather conditions.

Critical Accounting Policies

The following discussion and analysis of our financial position and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. Certain of our accounting policies require the application of judgments in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. We periodically evaluate the judgments and estimates used for our critical accounting policies to ensure that such judgments and estimates are reasonable for our interim and year-end reporting requirements. These judgments and estimates are based on our historical experience, current trends and information available from other sources, as appropriate. If different conditions result than those assumptions used in our judgments, the results could be materially different from our estimates. Management believes that the two areas where different assumptions could result in materially different reported results are accounts receivable related to estimation of allowances for doubtful accounts and inventories in estimating reserves for obsolete and excess inventory. Although we believe the likelihood of a material difference in either of these two areas is very low based upon our historical experience, a 10% change in our allowance for doubtful accounts and our inventory reserve estimates at June 28, 2008 would result in a $0.7 million impact upon SG&A expense and a $0.9 million impact upon cost of products sold. Additionally, we have included in the discussion that follows our estimation methodology for both accounts receivable and inventories. While all significant policies are important to our combined and consolidated financial statements, some of these policies may be viewed as being critical. Our critical accounting policies include:

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Revenue recognition. We recognize sales based upon shipment of products to our customers net of applicable provisions for discounts and allowances. Generally, the customer takes title upon shipment and assumes the risks and rewards of ownership of the product. For certain products, our customers take title upon delivery, at which time revenue is then recognized. Revenue includes selling price of the product and all shipping costs paid by the customer. Revenue is reduced at the time of sale for estimated sales returns and all applicable allowances and discounts based on historical experience. We also provide for estimates of warranty, bad debts, shipping costs and certain sales-related customer programs at the time of sale. Shipping and warranty costs are included in cost of products sold. Bad debt expense and marketing programs are included in SG&A expense. We believe that our procedures for estimating such amounts are reasonable and historically have not resulted in material adjustments in subsequent periods when the estimates are reconciled to the actual amounts.

Accounts receivable. We maintain an allowance for doubtful accounts for estimated losses from the inability of our customers to make required payments, which is provided for in bad debt expense. We determine the adequacy of this allowance by regularly reviewing our accounts receivable aging and evaluating individual customers' receivables, considering customers' financial condition, credit history and other current economic conditions. If a customer's financial condition were to deteriorate which might impact its ability to make payment, then additional allowances may be required.

Inventories. Inventories in the accompanying consolidated balance sheets are valued at the lower of cost or market. At June 28, 2008, and December 31, 2007, approximately $11.5 million and $10.9 million of total inventories, respectively, were valued on the last-in, first-out method, or "LIFO." Under the first-in, first-out method, or "FIFO," of accounting, such inventories would have been approximately $3.7 million and $3.7 million higher at June 28, 2008 and December 31, 2007, respectively. All other inventories were valued under the FIFO method. In connection with both LIFO and FIFO inventories, we record provisions, as appropriate, to write-down obsolete and excess inventory to estimated net realizable value. The process for evaluating obsolete and excess inventory often requires subjective judgments and estimates concerning future sales levels, quantities and prices at which such inventory will be sold in the normal course of business. Accelerating the disposal process or incorrect estimates of future sales potential may cause actual results to differ from the estimates at the time such inventory is disposed or sold.

Asset impairment. In accordance with SFAS No. 144, we evaluate the reliability of certain long-lived assets, which primarily consist of property and equipment and purchased intangible assets subject to amortization, based on expectations of non-discounted future cash flows for each subsidiary having a material amount of long-lived assets. If circumstances indicate a potential impairment, and if the sum of the expected non-discounted future cash flow is less than the carrying amount of all assets including SFAS No. 144 long-lived assets, we would recognize an impairment loss. A significant reduction in projected sales and earnings, which would lead to a reduction in future cash flows could indicate a potential impairment.

Goodwill and indefinite lived intangibles impairment. In accordance with SFAS No. 142, we perform annual tests for goodwill and indefinite lived intangibles impairment. We assess goodwill and indefinite lived intangibles which are not subject to amortization for impairment during the fourth quarter of each year and also at any other date when events or changes in circumstances indicate that the carrying value of these assets may exceed their fair value. To evaluate goodwill for impairment, the company estimates the fair value of reporting units considering such factors as discounted cash flows and EBITDA valuation multiples for comparable publicly traded companies. Based upon our most recent analysis, we believe that no impairment of goodwill existed at June 28, 2008. We did recognize an impairment of our indefinite lived intangibles, and recorded an impairment loss of approximately $4.1 million during the fourth quarter of 2007. A significant reduction in projected sales and earnings, which would lead to a reduction in future cash flows could indicate a potential impairment.

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Share-based compensation. Effective January 1, 2006, the Company adopted SFAS No. 123R, "Share-Based Payments," which requires companies to measure and recognize compensation expense for all stock-based payments at fair value. Under FAS 123R, share-based compensation cost for the Company's stock option plan is measured at the grant date, based on the estimated fair value of the award, and is recognized over the requisite service period. We adopted the provisions of FAS 123R, effective January 1, 2006, using a modified prospective application. The fair value of each option award is estimated on the date of the grant using a Black-Scholes option valuation model. Expected volatility is based on a review of several market indicators, including peer companies. The risk-free interest rate is based on U.S. Treasury issues with a term equal to the expected life of the option.

Insurance liabilities. We record insurance liabilities and related expenses for health, workers' compensation, product and general liability losses and other insurance expenses in accordance with either the contractual terms of their policies or, if self-insured, the total liabilities that are estimable and probable as of the reporting date. Insurance liabilities are recorded as current liabilities to the extent they are expected to be paid in the succeeding year with the remaining requirements classified as long-term liabilities. The accounting for self-insured plans requires that significant judgments and estimates be made both with respect to the future liabilities to be paid for known claims and incurred but not reported claims as of the reporting date. The Company relies on historical trends when determining the appropriate health insurance reserves to record in our consolidated balance sheets. In certain cases where partial insurance coverage exists, the Company must estimate the portion of the liability that will be covered by existing insurance policies.

Income taxes. We account for deferred income taxes using the asset and liability method in accordance with SFAS No. 109 "Accounting for Income Taxes," or "SFAS No. 109," which requires that the deferred tax consequences of temporary differences between the amounts recorded in our financial statements and the amount included in our federal and state income tax returns be recognized in the balance sheet. The amount recorded in our consolidated financial statements reflects estimates of final amounts due to timing of completion and filing of actual income tax returns. Estimates are required with respect to, among other things, the appropriate state income tax rates to use in the various states in which we and our subsidiaries are required to file, the potential utilization of operating and capital loss carry-forwards for both federal and state income tax purposes and valuation allowances required, if any, for tax assets that may not be realized in the future. We establish reserves when, despite our belief that our tax return positions are fully supportable, certain positions could be challenged, and the positions may not be fully sustained. During 2005, the Company established reserves relating to net operating losses acquired in the MW acquisition and transaction costs associated with the Ply Gem acquisition and MW acquisition. If the benefits for which a reserve has been provided are subsequently recognized, they will reduce goodwill resulting from the application of the purchase method of accounting for these transactions. We have executed a tax sharing agreement with Ply Gem Holdings and Ply Gem Investment Holdings, Inc. pursuant to which tax liabilities for each respective party are computed on a stand-alone basis. Our U.S. subsidiaries file unitary, combined and separate state income tax returns. CWD files separate Canadian income tax returns.

Purchase accounting. Business acquisitions are accounted for using the purchase method of accounting. The cost of the acquired company is allocated to identifiable tangible and intangible assets based on estimated fair value generally determined by third party valuation specialists, with the excess allocated to goodwill.

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Results of Operations

The following table summarizes net sales and net income by segment and is derived from the accompanying consolidated and combined statements of operations included in this report.

	Year Ended December 31,			Six Months Ended	
				June 28,	June 30,
	2007	2006	2005	2008	2007
				(unaudited)	
			(in thousands)		
Net sales					
Siding, fencing, railing and decking	$ 828,124	$ 502,610	$ 390,925	$ 356,310	$ 416,486
Windows and doors	535,422	551,858	447,943	241,343	259,483
Operating earnings (loss)					
Siding, fencing, railing and decking	74,560	44,060	44,892	17,770	36,708
Windows and doors	36,134	50,524	47,699	(6,321)	23,792
Unallocated	(7,045)	(9,877)	(3,798)	(4,860)	(3,741)
Foreign currency gain (loss)					
Windows and doors	3,961	77	1,010	(495)	2,208
Interest expense, net					
Siding, fencing, railing and decking	(110)	(168)	296	29	75
Windows and doors	1,673	1,652	1,804	(593)	(753)
Unallocated	95,229	69,529	54,827	(73,265)	(49,589)
Other expense					
Unallocated	1,202	4,462	-	-	-
Income tax expense (benefit)					
Unallocated	4,002	3,502	12,651	(26,400)	2,294
Income (loss) before cumulative effect of accounting change	5,614	5,807	20,225	(41,335)	6,406
Net income (loss)	5,614	5,721	20,225	(41,335)	6,406

The following tables set forth our results of operations based on the amounts and the percentage relationship of the items listed to net sales for the periods indicated.

This review of performance is organized by business segment, reflecting the way we manage our business. Each business group leader is responsible for operating results down to operating earnings. We use operating earnings as a performance measure as it captures the income and expenses within the management control of our business leaders. Corporate management is responsible for making all financing decisions. Therefore, each segment discussion focuses on the factors affecting operating earnings, while interest expense and income taxes and certain other unallocated expenses are separately discussed at the corporate level.

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Siding, Fencing, Railing and Decking Segment

	Fiscal Year Ended December 31,						Six Months Ended			
	2007		2006		2005		June 28, 2008 (unaudited)		June 30, 2007	
Statement of operations data:					(in thousands)					
Net sales	$ 828,124	100.0 %	$ 502,610	100.0 %	$ 390,925	100.0 %	$ 356,310	100.0 %	$ 416,486	100.0 %
Cost of products sold	658,423	79.5 %	408,158	81.2 %	309,060	79.1 %	294,810	82.7 %	331,984	79.7 %
Gross profit	169,701	20.5 %	94,452	18.8 %	81,865	20.9 %	61,500	17.3 %	84,502	20.3 %
SG&A expense	86,068	10.4 %	46,571	9.3 %	33,752	8.6 %	39,456	11.1 %	43,056	10.3 %
Amortization of intangible assets	9,073	1.1 %	3,821	0.8 %	3,221	0.8 %	4,274	1.2 %	4,738	1.1 %
Operating earnings	$ 74,560	9.0 %	$ 44,060	8.8 %	$ 44,892	11.5 %	$ 17,770	5.0 %	$ 36,708	8.8 %

Net sales

Net sales for the six months ended June 28, 2008 decreased compared to the same period in 2007 by approximately $60.2 million, or 14%. The decrease in net sales was driven by industry wide market declines resulting from lower single family housing starts which negatively impacted the new construction sector of the market and overall softness in repair and remodeling expenditures which negatively impacted demand for our products. According to the NAHB, second quarter 2008 single family housing starts are estimated to show a decline of approximately 28.1% from actual levels achieved in the second quarter of 2007. The new construction sector of the market is expected to continue to be negatively impacted during the balance of 2008 according to the NAHB's July 8, 2008 forecast. Additionally, according to the NAHB's July 2008 forecast, single family housing starts are expected to decline in 2008 by 35.4% as compared to their full year estimate for 2007. The decrease in net sales that resulted from industry wide market demand declines was partially offset by price increases that we implemented in response to increasing raw materials and freight costs as discussed below in cost of products sold.

Net sales for the year ended December 31, 2007 increased from the year ended December 31, 2006 by approximately $325.5 million or 64.8%. The increase was primarily due to the addition of AHE which was acquired on October 31, 2006 and contributed approximately $478.9 million and $73.3 million of sales to the years ended December 31, 2007 and December 31, 2006, respectively, resulting in a net increase of approximately $405.6 million. The increase in net sales due to AHE was partially offset by a decrease in sales due to industry wide market declines resulting from lower single family housing starts which negatively impacted the new construction sector of the market and corresponding decline in repair and remodeling expenditures which negatively impacted demand for our products. According to the NAHB, 2007 single family housing starts declined by approximately 29.6% from actual levels achieved in 2006. Additionally, according to the NAHB's forecast single family housing starts are expected to decline in 2008 by 30.8% as compared to actual levels achieved in 2007.

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Net sales for the year ended December 31, 2006 increased from the year ended December 31, 2005 by approximately $111.7 million or 28.6%. The increase was primarily due to the addition of AHE, which was acquired on October 31, 2006 and contributed approximately $73.3 million of sales to the year ended December 31, 2006. The increase in net sales was also driven by increased unit volume sold, as well as higher selling prices that were increased in response to industry wide increases in raw material and freight costs. The increase in units sold was driven by growth with new vinyl siding customers that were obtained during 2005, and was partially offset by industry wide market declines resulting from lower single family housing starts which negatively impacted the new construction sector of the market. According to the NAHB, single family housing starts declined by 14.2% in 2006. As a result of the Company's ability to grow unit volume sales in 2006, our vinyl siding sales outperformed the industry during 2006 and our market share of the vinyl siding industry increased during 2006 as compared to 2005.

Cost of products sold

Cost of products sold for the six months ended June 28, 2008 decreased compared to the same period in 2007 by approximately $37.2 million, or 11%. The decrease in cost of products sold was due to lower sales as discussed above, but was partially offset by higher raw material costs, primarily PVC resin and aluminum, as well as higher freight costs driven by higher oil costs. Gross profit as a percentage of net sales for the six months ended June 28, 2008 decreased from the same period in 2007 from 20.3% to 17.3%. The decrease in gross profit as a percentage of sales was driven by lower unit sales volume and increased raw material and freight costs. We have implemented selling price increases in response to higher raw material costs and freight costs, however, our gross profit as a percentage of sales was negatively impacted by the delay between the time of raw material and freight cost increases and the price increases that we implemented. Additionally, in light of current market conditions for building products, the Company has adjusted the size of its workforce and reduced its fixed overhead structure, including reductions in certain fixed expenses related to the vinyl siding plants in Atlanta, GA and Denison, TX, which ceased production in April of 2007 and February of 2008, respectively. The Company expects to save approximately $5.0 million and $10.0 million from the closure of the Atlanta, GA and the Denison, TX facilities, respectively.

Cost of products sold for the year ended December 31, 2007 increased from the year ended December 31, 2006 by approximately $250.3 million or 61.3%. The increase in cost of products sold was primarily driven by the cost of products sold contributed by AHE which was acquired on October 31, 2006. The increase due to the acquisition of AHE was partially offset by cost savings that the Company is realizing from its acquisition of AHE which included reduced purchased cost on certain raw materials, reduced fixed overhead and other manufacturing efficiency improvements.

Cost of products sold for the year ended December 31, 2006 increased from the year ended December 31, 2005 by approximately $99.1 million or 32.1%. The increase in cost of products sold was primarily driven by the cost of products sold contributed by AHE which was acquired on October 31, 2006. Excluding the increase attributable to AHE, cost of products sold increased due to increased sales volume and market wide increases in raw material costs, specifically PVC resin and aluminum, and higher freight expense related to carrier fuel costs. The market wide increase in raw material and freight costs were fully offset by selling price increases and material strategic sourcing and other cost savings initiatives that management implemented during 2006. In addition, cost of products sold for the 2006 period was impacted by purchase accounting, primarily from the non-cash write off of purchase price allocated to inventory from the AHE acquisition, which increased cost of products sold by approximately $3.0 million for the year ended December 31, 2006.

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Selling, general and administrative expense

SG&A expense for the six months ended June 28, 2008 decreased by approximately $3.6 million, or 8%, from the same period in 2007. The decrease in SG&A expenses was primarily due to lower marketing costs and other fixed expenses that have been reduced in light of current market conditions for building products.

SG&A expense for the year ended December 31, 2007 increased from the year ended December 31, 2006 by approximately $39.5 million, or 84.8%. The increase was due to the addition of AHE, which contributed approximately $39.2 million more to SG&A expense in 2007 as compared to 2006. During 2007 the Company reduced certain SG&A expenses in light of current market conditions and realized cost savings associated with its acquisition of AHE through the elimination of certain duplicative functions, however, these savings were largely offset in 2007 by expenses incurred to integrate the AHE acquisition into the Company's Siding, Fencing, Railing and Decking Segment. The Company believes that certain 2007 AHE integration expenses, such as computer systems consultants, are non-recurring in nature. In addition, SG&A expense for the year ended December 31, 2007 included non-recurring costs associated with the closure its Denison, TX vinyl siding facility which ceased production in February of 2008.

SG&A expense for the year ended December 31, 2006 increased from the year ended December 31, 2005 by approximately $12.8 million, or 38.0%. The increase was due primarily to the addition of AHE, which contributed approximately $9.7 to SG&A expense, in addition to increases due to higher selling and marketing expenses related to the increase in net sales, and higher management incentive compensation expense in 2006 as compared to 2005.

Amortization of intangible assets

Amortization expense for the six months ended June 28, 2008 decreased by approximately $0.5 million. Amortization expense for the year ended December 31, 2007 increased by approximately $5.3 million, primarily due to the addition of AHE operations.

Windows and Doors Segment

	Fiscal Year Ended December 31,						Six Months Ended			
	2007		2006		2005		June 28, 2008		June 30, 2007	
							(unaudited)			
Statement of operations data:					(in thousands)					
Net sales	$ 535,422	100.0%	$ 551,858	100.0%	$ 447,943	100.0%	$ 241,343	100.0%	$ 259,483	100.0%
Cost of products sold	417,084	77.9%	423,260	76.7%	338,516	75.6%	200,549	83.1%	198,996	76.7%
Gross profit	118,338	22.1%	128,598	23.3%	109,427	24.4%	40,794	16.9%	60,487	23.3%
SG&A expense	69,496	13.0%	69,171	12.5%	55,188	12.3%	41,563	17.2%	32,497	12.5%
Intangible impairment	4,150	0.8%	782	0.0%	-	0.0%	-	-	-	-
Amortization of intangible assets	8,558	1.6%	8,121	1.5%	6,540	1.5%	5,552	2.3%	4,198	1.6%
	36,134	6.7%	50,524	9.2%	47,699	10.6%	(6,321)	-2.6%	23,792	9.2%

Operating earnings (loss)															
Currency transaction gain (loss)	$	3,961	0.7%	$	77	0.0%	$	1,010	0.2%	$	(495)	-0.2%	$	2,208	0.9%

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Net sales

Net sales for the six months ended June 28, 2008 decreased compared to the same period in 2007 by approximately $18.1 million, or 7%. The decrease was due to lower sales of our new construction window products which were negatively impacted by market wide decreased demand that resulted from reductions in single family housing starts as discussed above, as well as lower demand for our repair and remodeling windows which declined due to a slowdown in the remodeling and replacement activity across the U.S. The decrease in sales was partially offset by the sales from Pacific Windows which was acquired in September 2007 and increased sales in our Canadian window business.

Net sales for the year ended December 31, 2007 decreased from the year ended December 31, 2006 by approximately $16.4 million, or 3.0%. The decrease in net sales was due to lower sales of our new construction window products which were negatively impacted by market wide decreased demand that resulted from reductions in single family housing starts as discussed above, a decline in demand for our repair and remodeling windows due to a slowdown in the remodeling and replacement activity across the United States and the discontinuation of an unprofitable mechanical window product line that was produced at our Sarver, PA facility which was closed in June 2006. The decline in sales of our U.S. windows and doors was partially offset by a 27% increase in sales of our Canadian window and door business as well as additional sales contributed by Alenco during the first quarter of 2007 as compared to the same period in 2006 and Pacific Windows in 2007.

Net sales for the year ended December 31, 2006 increased from the year ended December 31, 2005 by approximately $103.9 million, or 23.2%. The increase in net sales was driven by sales of Alenco, which was acquired on February 24, 2006 and contributed approximately $121.2 million in sales to the year ended December 31, 2006. In addition, net sales were favorably impacted by higher selling prices which were increased to offset market wide increases in raw material and freight costs. The favorable impact on net sales from higher selling prices was more than offset by lower unit sales volume for our domestic new construction window products which were negatively impacted by market wide declines in single family housing starts during 2006. In addition, demand for our repair and replacement window products declined as a result of our inability to convert new customers during 2005, which was due to operational difficulties that we incurred in introducing our new repair and remodeling window product lines. Sales were also reduced by our transition of customers from an unprofitable mechanical window product that was produced at our Sarver, PA facility, which was closed in June 2006, to other more efficient products that we produce at our other window manufacturing facilities.

Cost of products sold

Cost of products sold for the six months ended June 28, 2008 increased by approximately $1.6 million, or 0.8%, over the same period in 2007. The increase in costs of products sold was attributable to Pacific Windows, which was acquired in the fourth quarter of 2007, but was largely offset by a decrease in cost of products sold driven by the lower sales levels. Gross profit as a percentage of net sales for the six months ended June 28, 2008 decreased from the same period in 2007 from 23.3% to 16.9%. The decrease in gross profit percentage was driven by lower unit sales volume, increased raw material and freight costs, as well as Pacific Windows which currently carries a lower gross profit margin than the Company’s other window and door products.

Cost of products sold for the year ended December 31, 2007 decreased from the prior year by approximately $6.2 million, or 1.5%. The decrease in cost of products sold was primarily driven by the lower level of sales in our new construction window products and the discontinued mechanical window product line discussed above. The decrease in cost of products sold was partially offset by higher cost of products sold in our Canadian window and door business and due to higher volume and corresponding increases in cost of products sold for Alenco and Pacific Windows. Cost of products sold associated with Alenco for 2007 included 12 months as compared to only 10 months in 2006.

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Cost of products sold for the year ended December 31, 2006 increased from the prior year by approximately $84.7 million, or 25.0%. The increase was primarily related to the cost of products sold contributed by Alenco, which was acquired on February 24, 2006. The increase in cost of products sold from Alenco was partially offset by lower costs due to lower unit sales volume in both our domestic new construction and repair and remodeling window and door products as discussed above. In addition, our cost of products sold was impacted in 2006 by market wide increases in raw material and freight costs which were partially offset by selling price increases and material cost synergies and savings in our new construction window and door products. In our repair and remodeling window and door products, raw material costs exceeded prior year costs primarily due to increases in PVC lineal costs during our transition from external sourcing to producing lineals within our MW lineal production facility. This transition was completed during 2006. In addition, cost of products sold for the 2006 period was impacted by purchase accounting, primarily from the non-cash write off of purchase price allocated to inventory from the Alenco acquisition, which increased cost of products sold by approximately $0.3 million for the year ended December 31, 2006.

Selling, general and administrative expense

SG&A expense for the six months ended June 28, 2008 increased by approximately $9.1 million, or 28%, over the same period in 2007, primarily due to the addition of Pacific Windows and reorganization expense incurred to integrate our U.S. window companies into one operating group. The reorganization expense is primarily comprised of fees paid to third party consultants assisting with the reorganization and integration of our U.S. window group, as well as severance costs related to positions that have been eliminated. The Company believes that the reorganization of our U.S. window group will allow us to better serve our customers and markets, while reducing our operating costs.

SG&A expense for the year ended December 31, 2007 increased from the prior year by approximately $0.3 million, or 0.5%. The change in SG&A expense was driven by reduced 2007 selling, marketing and professional fees of approximately $2.2 million and a reduction to the 2007 net expense due to approximately $1.2 million of cash received from an account receivable that had been fully reserved in periods prior to 2006. In addition, SG&A expenses for the first nine months of 2006 included approximately $0.8 million of restructuring costs due to the closure of the Sarver, PA facility, and approximately $0.6 million due to the loss on the sale of the Sarver building. The decreases were partially offset by higher SG&A expenses of approximately $5.1 million due to the addition of Alenco in 2006 and Pacific Windows in 2007.

SG&A expense for the year ended December 31, 2006 increased from the prior year by approximately $14.0 million, or 25.3%. The increase in SG&A expense was driven by the addition of Alenco which contributed approximately $13.2 million, as well as costs incurred in our repair and remodeling business related to changes in management and consulting costs incurred to improve business performance. SG&A costs for the 2006 period also include approximately $0.8 million of restructuring costs due to the closure of the Sarver, PA facility, and approximately $0.6 million due to the loss on the sale of the Sarver building.

Intangible impairment

We evaluated the intangible assets (tradenames) with indefinite lives for impairment as of November 30, 2007, and determined that there was an impairment. The impairment charge was primarily a result of a change in the assumption of long-term revenue growth related to the tradenames. As a result, we wrote down those assets by approximately $4.2 million.

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In 2006, due to the Sarver facility closure, an intangible asset impairment of approximately $0.8 million was recognized.

Amortization of intangible assets

Amortization expense for the six months ended June 28, 2008 increased by $1.4 million primarily due to the acquisition of Pacific Windows. Amortization expense for the year ended December 31, 2007 increased by approximately $0.4 million, due to the addition Alenco in 2006 and Pacific Windows in 2007.

Currency transaction gain

Currency transaction gains for the year ended December 31, 2007 increased by approximately $3.9 million from the prior year. The transaction gain resulted from debt, denominated in U.S. dollars, recorded by our Canadian subsidiary, which fluctuated due to the changing exchange rate.

Unallocated Operating Earnings, Interest, and Provision for Income Taxes

	Fiscal Year Ended December 31,			Six Months Ended	
	2007	2006	2005	June 28, 2008	June 30, 2007
				(unaudited)	
			(in thousands)		
Statement of operations data:					
Operating loss	$ (7,045)	$ (9,877)	$ (3,798)	$ (4,860)	$ (3,741)
Interest expense	(96,356)	(70,316)	(55,199)	(73,512)	(50,037)
Investment income	1,127	787	372	247	448
Other expense	(1,202)	(4,462)	-	-	-
Provision (benefit) for income taxes	4,002	3,502	12,651	(26,400)	2,294

Operating loss

Unallocated losses include items which are not directly attributed to or allocated to either of our reporting segments. Such items include legal costs, corporate payroll, and unallocated finance and accounting expenses.

Unallocated operating loss for the six months ended June 28, 2008 increased by approximately $1.1 million over the same period in 2007. The increase was driven by higher salary and travel and entertainment expenses primarily due to the addition of a corporate marketing department combined with costs incurred in the second quarter of 2008 to initiate the transition of back office functions to a centralized corporate office.

The decrease of approximately $2.8 million in expenses for the year ended December 31, 2007 as compared to the prior year includes a decrease of approximately $2.5 million in deferred compensation expense and a decrease of approximately $1.4 million due to changes in the required insurance reserves, partially offset by an increase of approximately $1.1 million in salaries, benefits and professional fees.

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The increase in expenses for the year ended December 31, 2006 from the prior year includes approximately $1.7 million in salaries, benefits and professional fees, approximately $3.0 million of deferred compensation expense, and approximately $0.9 million to increase the insurance reserve.

Interest expense

Interest expense for the six months ended June 28, 2008 increased by approximately $23.5 million over the same period in 2007, primarily due to approximately $27.6 million of interest costs incurred in the second quarter of 2008 related to the issuance of new debt (approximately $14.0 million deferred financing costs associated with previous debt, approximately $6.8 million for a prepayment premium, and approximately $6.8 million of bank amendment fees that was subsequently retired). Financing costs of approximately $1.1 million were included in interest expense recorded in the same period in 2007. Interest expense also increased by approximately $4.6 million due to interest on the initial notes issued June 9, 2008. This increase was offset by a decrease of approximately $7.6 million due to a lower variable interest rate on the Company's previous term loan and the retirement of the term loan debt effective June 9, 2008.

Interest expense for the year ended December 31, 2007 increased by approximately $26.0 million or 37.0% as a result of increased borrowings used to finance the Alenco acquisition in February 2006 and the AHE acquisition in October 2006.

Interest expense for the year ended December 31, 2006 increased by approximately $15.1 million or 27.4%, primarily as a result of increased borrowings used to finance the Alenco acquisition in February 2006 and the AHE acquisition in October 2006.

Other expense

Expenses recognized as "other expense" during 2007 were third-party charges associated with the Company's bank refinancing costs. Expenses recognized as "other expense" during 2006 were third-party charges associated with business combination financing costs.

Income taxes

The income tax provision (benefit) for the six months ended June 28, 2008 changed by approximately $28.7 million from a tax provision in 2007 to a tax benefit in 2008, primarily as a result of the larger pre-tax loss for the 2008 period versus the 2007 period. The benefit for the first quarter of 2008 included approximately $0.7 million of adjustments to correct for recent legislative changes in Canada that impact the future settlement of deferred taxes. Excluding these adjustments, our effective tax rate for the quarter was 38.98%, which is consistent with our expectations for the full fiscal year.

Income tax expense for the year ended December 31, 2007 increased from the prior year by approximately $0.5 million, primarily as a result of higher state tax rates as a result of the inability to utilize losses as well as the Company was not able to realize the benefit from domestic production activity. In addition, the Company's 2007 tax expense included an approximate $0.6 million tax benefit to correct for rates used in prior periods for the proper graduated rate structures. These errors were not considered to be material to current or prior periods.

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Income tax expense for the year ended December 31, 2006 decreased from the prior year by approximately $9.1 million, primarily as a result of lower pretax earnings in 2006 as compared to 2005, in addition to a reduction in the effective tax rate to approximately 37.6% for the year ended December 31, 2006, as compared to approximately 38.5% for the year ended December 31, 2005.

Liquidity and Capital Resources

Our primary cash needs are for working capital, capital expenditures and debt service. We have historically financed these cash requirements through internally generated cash flow and funds borrowed under our credit facilities.

Cash provided by (used in) operating activities

Net cash used in operating activities for the first six months of 2008 and 2007 was approximately $65.1 million and $13.4 million, respectively. The increase in net cash used in operating activities for the 2008 period compared to the 2007 period was primarily driven by a higher net loss.

Net cash provided by operating activities for the year ended December 31, 2007 was approximately $82.5 million. Net cash provided by operating activities for the years ended December 31, 2006 and 2005 was approximately $57.9 million and $63.9 million, respectively. The increase in net cash provided by operating activities for 2007 as compared to 2006 was primarily driven by higher net income before adjustments for depreciation and amortization which were higher in 2007 as compared to 2006. The decrease in net cash provided by operating activities for the 2006 period compared to the 2005 period was primarily driven by decreased earnings.

Cash provided by (used in) investing activities

Net cash provided by (used in) investing activities for the first six months of 2008 and 2007 was approximately $1.6 million and ($7.4) million, respectively. Net cash provided by investing activities for the 2008 period consisted of approximately $5.8 million from the sale of assets, partially offset by capital expenditures of approximately $4.7 million. Net cash used for capital expenditures was approximately $3.7 million for the 2007 period.

Net cash used in investing activities for the year ended December 31, 2007 was approximately $56.4 million. Net cash used in investing activities for the year ended December 31, 2006 and 2005 was approximately $432.2 million and $14.4 million, respectively. The cash used in investing activities for the year ended December 31, 2007 was primarily used to fund the acquisition of Pacific Windows. The cash used in investing activities for the year ended December 31, 2006 was primarily used to fund the Alenco and AHE acquisitions. The cash used in investing activities for the year ended December 31, 2005 was primarily used for capital expenditures.

Cash provided by (used in) financing activities

Net cash provided by financing activities for the first six months of 2008 and 2007 was approximately $59.9 million and $11.5 million, respectively.

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Net cash used in financing activities for the year ended December 31, 2007 was approximately $15.1 million. Net cash provided by financing activities for the year ended December 31, 2006 was approximately $405.4 million. Net cash used in financing activities for the year ended December 31, 2005 was approximately $34.3 million. The cash used in financing activities for the year ended December 31, 2007 was primarily used to pay down debt. The increase in net cash provided by financing activities for the year ended December 31, 2006 was driven by the cash provided from the financing agreement associated with the Alenco and AHE acquisitions. The cash used in financing activities for the year ended December 31, 2005 was primarily used to pay down debt.

Long-term debt

We used the net proceeds of the issuance of the initial notes to repay all of the outstanding indebtedness under our existing credit facilities. Concurrent with the closing of the issuance of the initial notes, we entered into a new senior secured asset-based revolving credit facility, which we refer to as the ABL Facility.

Senior secured notes. The initial notes and the exchange notes offered hereby will mature on June 15, 2013 and bear interest at the rate of 11.75% per annum. The notes are secured as described in “Description of the Notes.” The indenture contains customary restrictive covenants. See “Description of the Notes—Certain Covenants.”

Senior subordinated notes. Concurrently with the acquisition of Ply Gem Industries on February 12, 2004, Ply Gem Industries issued $225.0 million aggregate principal amount of our senior subordinated notes, which are guaranteed by Ply Gem Holdings and the domestic subsidiaries of Ply Gem Industries. Subsequently, in August 2004, in connection with the acquisition of MW, Ply Gem Industries issued an additional $135.0 million of senior subordinated notes, which are guaranteed by Ply Gem Holdings and the domestic subsidiaries of Ply Gem Industries, including MWM Holding and its subsidiaries.

ABL Facility. Concurrently with the closing of the issuance of the initial notes on June 9, 2008, we entered into the ABL Facility, which initially provided for revolving credit financing of up to $135.0 million, and was subsequently increased to $150.0 million as of August 14, 2008, subject to borrowing base availability, with a maturity of five years, including sub-facilities for letters of credit, swingline loans and borrowings in Canadian dollars and United States dollars by CWD. However, the ABL Facility will mature on October 15, 2011 if Ply Gem Industries’ senior subordinated notes are not refinanced by such date. In addition, the ABL Facility provides that the revolving commitments may be further increased to $200.0 million, subject to certain terms and conditions.

All obligations under the ABL Facility are fully and unconditionally guaranteed by substantially all of Ply Gem Industries’ existing and future, direct and indirect, wholly-owned domestic subsidiaries, and in any event by all subsidiaries that guarantee the notes. All obligations under the ABL Facility, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of Ply Gem Industries and the guarantors, including a first-priority security interest in personal property consisting of accounts receivable, inventory, cash, deposit accounts, and certain related assets and proceeds of the foregoing and a second-priority security interest in, and mortgages on, substantially all of Ply Gem Industries’ material owned real property and equipment and all assets that secure the notes on a first-priority basis.

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The obligations of CWD, which is a borrower under the Canadian sub-facility under the ABL Facility, will be secured by a first-priority security interest in substantially all of the assets of such Canadian subsidiary and by Ply Gem Industries' and the guarantors' assets on the same basis as borrowings by Ply Gem Industries are secured under the ABL Facility, plus additional mortgages in Canada, and a pledge by Ply Gem Industries of the remaining 35% of the equity interests of CWD pledged only to secure the Canadian sub-facility.

As of June 28, 2008, $40.0 million was outstanding under our ABL Facility and approximately $3.9 million of letters of credit were issued under the ABL Facility, and based on our calculation as of that date, $31.1 million was available for borrowing under the borrowing base of this facility. See Description of Other Indebtedness—Senior Secured Asset-Based Revolving Credit Facility."

The Company's previous senior facilities with a syndicate of financial institutions and institutional lenders provided for senior secured financing of up to approximately $762.1 million, originally consisting of approximately $687.1 million of term loan facilities maturing in August 2011 and a $75.0 million revolving loan facility, including a letter of credit subfacility, maturing in February 2009. These credit facilities imposed certain restrictions on Ply Gem Industries, including a requirement to maintain a minimum Leverage Ratio of EBITDA (adjusted for certain items as allowed) to Net Debt (as defined in the credit facility). In April 2008, the Company revised its 2008 forecast in response to market wide increases in raw material prices and fuel costs, as well as continued declines in both the residential new construction and repair/remodeling markets. Under the revised forecast, the Company did not expect to be able to comply with the required Leverage Ratio required for fiscal quarters in 2008 following March 29, 2008. The failure to comply with this covenant would have caused an event of default.On May 23, 2008, the Company entered into an amendment of the fifth amended and restated credit agreement which consisted of changes to certain debt covenant ratios. The amendment also increased the interest rate on the term loan and extended the maturity of the revolving credit facility from February 12, 2009 to August 12, 2010. On May 23, 2008, Ply Gem received from CI Capital Partners LLC a $30.0 million cash equity contribution as a condition to the credit facility amendment. The outstanding indebtedness under the credit facility was subsequently paid off on June 9, 2008 with the proceeds from the Senior Secured Notes offering.

Liquidity requirements

We intend to fund our ongoing capital and working capital requirements, including our internal growth, through a combination of cash flows from operations and, if necessary, from borrowings under our ABL Facility.

Because of the inherent seasonality in our business and the resulting working capital requirements, our liquidity position within a given year will fluctuate. The seasonal effect that creates greatest capital needs is experienced during the first nine months of the year and we anticipate the need to borrow funds under ABL Facility to support this requirement. However, we anticipate that the funds generated by operations and funds available under that credit facility will be adequate to finance our ongoing operational cash flow needs, capital expenditures, debt service obligations, management incentive expenses, fees payable under the General Advisory and other contractual obligations for the foreseeable future.

Our ability to meet our debt service obligations and reduce our total debt will depend upon our ability to generate cash in the future which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control. We may not be able to generate sufficient cash flow from operations and future borrowings may not be available to us under our amended revolving credit facility in an amount sufficient to enable us to repay our debt, including the notes, or to fund our other liquidity needs. If our future cash flow from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to reduce or delay our business activities and capital expenditures, sell assets, obtain additional debt or equity capital or restructure or refinance all or a portion of our debt, including the notes, on or before maturity. We may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our existing and future indebtedness, including the notes and our ABL Facility, may limit our ability to pursue any of these alternatives. See "Risk Factors—Risks Related to Our Substantial Indebtedness and the Notes—Our substantial debt could negatively impact our business, prevent us from fulfilling our outstanding debt obligations and adversely affect our financial condition." Some risks that could adversely affect our ability to meet our debt service obligations include, but are not limited to, intense domestic and foreign competition in our industry, general domestic and international economic conditions, changes in currency exchange rates, interest and inflation rates, the financial condition or our customers and the operating performance of joint ventures, alliances and other equity investments.

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Contractual Obligations

The following table summarizes our contractual cash obligations under financing arrangements and lease commitments as of June 28, 2008, including interest amounts, as adjusted to give effect to the offering of the notes and the repayment of amounts outstanding under our existing credit facilities. Except for the notes offered hereby and the senior subordinated notes, the interest rates are generally variable and have been presented at the current rates. Actual rates for future periods may differ from those presented here.

	Total Amount	Less Than 1 Year	1 - 3 Years	More Than 3 Years Yet Less Than 5 Years	5 Years or More
	(dollars in thousands)				
Long-term debt (1)	$ 1,100,000	$ -	$ -	$ 1,100,000	$ -
Interest payments (2)	543,246	116,829	233,658	192,759	-
Non-cancelable lease commitments (3)	163,488	21,677	35,099	27,012	79,700
Purchase obligations (4)	81,760	81,760	-	-	-
Other long-term liabilities (5)	12,500	1,250	2,500	2,500	6,250
	$ 1,900,994	$ 221,516	$ 271,258	$ 1,322,271	$ 85,950

(1) Long-term debt is shown before discount (premium), and consists of the Company's senior secured notes, senior subordinated notes, and ABL Facility. For more information concerning the long-term debt, see "Liquidity and Capital Resources" above.

(2) Interest payments for variable interest debt are based on current interest rates at June 28, 2008.

(3) Non-cancelable lease commitments represent lease payments for facilities and equipment.

(4) Purchase obligations are defined as purchase agreements that are enforceable and legally binding and that specify all significant terms, including quantity, price and the approximate timing of the transaction. These obligations are related primarily to inventory purchases and capital expenditures.

(5) Other long term liabilities include pension obligations which are estimated based on the Company's 2008 annual funding requirement. Because we are unable to reliably estimate the timing of future tax payments related to uncertain tax positions, certain tax related obligations have been excluded from the table above.

As discussed in "Certain Relationships and Related Transactions," the Company will pay an annual fee to an affiliate of Caxton-Iseman each year based on 2% of EBITDA. No amount for this fee has been included in the above table.

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Inflation; Seasonality

Our performance is dependent to a significant extent upon the levels of home repair and remodeling and new home construction spending, all of which are affected by such factors as interest rates, inflation, consumer confidence and unemployment.

The demand for our products is seasonal, particularly in the Northeast and Midwest regions of the United States and Western Canada where inclement weather conditions during the winter months usually reduces the level of building and remodeling activity in both the home repair and remodeling and the new home construction sectors. Our sales in both segments are usually lower during the first and fourth quarters. Since a portion of our manufacturing overhead and operating expenses are relatively fixed throughout the year, operating income and net earnings tend to be lower in quarters with lower sales levels. In addition, the demand for cash to fund our working capital is greater from late in the fourth quarter through the first quarter.

Recent Accounting Pronouncements

In February 2008, the FASB issued FASB Staff Position 157-2 which defers the effective date of SFAS 157 "Fair Value Measurements," for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in an entity's financial statements on a recurring bases (at least annually). The Company will be required to adopt SFAS 157 for these nonfinancial assets and nonfinancial liabilities as of January 1, 2009. The Company does not believe that the adoption of the SFAS 157 deferral provision will have a material effect on its results of operations or financial position.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106, and 132(R)." This standard requires employers to recognize the underfunded or overfunded status of a defined benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in the funded status in the year in which the changes occur through accumulated other comprehensive income, which is a component of stockholders' equity. SFAS No. 158 does not change the amount of actuarially determined expense that is recorded in the consolidated statement of income. The new reporting requirements and related new footnote disclosure rules of SFAS No. 158 are effective for our December 31, 2007 financial statements. Additionally, SFAS No. 158 requires employers to measure the funded status of a plan as of the date of its year-end statement of financial position. For our financial statements as of December 31, 2008 we will change our September 30 measurement date for our plans' assets and obligations to comply with this requirement.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." SFAS No. 159 permits entities to choose to measure certain financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. SFAS No. 159 is effective for our fiscal year beginning January 1, 2008. However, the Company did not elect the option to report any of the selected financial assets and liabilities at fair value.

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In December 2007, the FASB issued SFAS No. 141R, "Business Combinations." This Statement requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date be measured at their fair values as of that date. An acquirer is required to recognize assets or liabilities arising from all other contingencies (contractual contingencies) as of the acquisition date, measured at their acquisition-date fair values, only if it is more likely than not that they meet the definition of an asset or a liability in FASB Concepts Statement No. 6, Elements of Financial Statements. Any acquisition related costs are to be expensed instead of capitalized. The impact to the company from the adoption of SFAS 141R in 2009 will depend on acquisitions at the time. The provisions of SFAS No. 141(R) are effective for the Company's fiscal year beginning January 1, 2009, and are to be applied prospectively.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements." This standard establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. The provisions of SFAS No. 160 are effective for the Company's fiscal year beginning January 1, 2009, and are to be applied prospectively. The Company is currently evaluating the impact that the implementation of SFAS No. 160 will have on its financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles". This standard reorganizes the GAAP hierarchy in order to improve financial reporting by providing a consistent framework for determining what accounting principles should be used when preparing U.S. GAAP financial statements. SFAS 162 shall be effective 60 days after the SEC's approval of the Public Company Accounting Oversight Board's amendments to Interim Auditing Standard, AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles". Management is currently evaluating the impact, if any, this new standard may have on our balance sheet, results of operations, or cash flows.

Quantitative and Qualitative Disclosures about Market Risk

Interest rate risk

Our principal interest rate exposure relates to the loans outstanding under our ABL Facility, which provides for borrowings of up to $150.0 million, bearing interest at a variable rate, based on an adjusted LIBOR rate plus an applicable interest margin or the base rate plus an applicable interest margin. Assuming the ABL facility is fully drawn, each quarter point increase or decrease in the interest rate would change our interest expense by approximately $0.4 million per year. In the future we may enter into interest rate swaps, involving exchange of floating or fixed rate interest payments, to reduce our exposure to interest rate volatility.

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Foreign currency risk

Our results of operations are affected by fluctuations in the value of the U.S. dollar as compared to the value of the Canadian dollar. For the six month period ended June 28, 2008, the net impact of foreign currency changes to the Company's results of operations was a loss of $0.5 million. The impact of foreign currency changes related to translation resulted in a decrease in stockholder's equity of approximately $0.6 million for the six months ended June 28, 2008. In 2007, the net impact of foreign currency changes to the Company's results of operations was a gain of $4.0 million. The impact of foreign currency changes related to translation resulted in an increase in stockholder's equity of approximately $5.7 million at December 31, 2007. The revenue or expense reported by us as a result of currency fluctuations will be greater in times of U.S. dollar devaluation and less in times of U.S. dollar appreciation. We generally do not enter into derivative financial instruments to manage foreign currency exposure. At June 28, 2008, we did not have any significant outstanding foreign currency hedging contracts.

Commodity pricing risk

We are subject to significant market risk with respect to the pricing of our principal raw materials, which include PVC resin, aluminum, and wood. If prices of these raw materials were to increase dramatically, we may not be able to pass such increases on to our customers and, as a result, gross margins could decline significantly. We manage the exposure to commodity pricing risk by continuing to diversify our product mix, strategic buying programs and vendor partnering.

Inflation

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. Our lease payments related to our sale/leaseback agreement include an annual increase based on the Consumer Price Index, which could expose us to potential higher costs in years with high inflation.

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BUSINESS

Company Overview

We are a leading manufacturer of residential exterior building products in North America. We offer a comprehensive product line of vinyl siding and skirting, vinyl windows and doors, and vinyl and composite fencing and railing that serves both the home repair and remodeling and the new home construction sectors in all 50 states and Western Canada. We also manufacture vinyl and aluminum soffit and siding accessories, aluminum trim coil, aluminum, wood and aluminum and vinyl clad windows and steel and fiberglass doors, enabling us to bundle complementary and color-matched products and accessories with our core vinyl products. We have two reportable segments: (i) siding, fencing and railing and (ii) windows and doors. For periods prior to January 1, 2008, the siding, fencing and railing segment also included decking products, which were phased out due to unprofitability.

We market our products using several leading brands across multiple price points, which enables us to diversify our sales across distribution channels with minimal channel conflict and reach the greatest number of end customers. We believe we are able to compete on favorable terms and conditions and maintain a strong customer base as a result of our extensive distribution coverage, high quality, innovative and comprehensive product line, proprietary vendor managed inventory program and production efficiency.

Additional information concerning our business is set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this prospectus.

History

Ply Gem Holdings was incorporated on January 23, 2004 for the purpose of acquiring Ply Gem Industries from Nortek. Nortek was at the time a wholly-owned subsidiary of Nortek Holdings, Inc. The Ply Gem acquisition was completed on February 12, 2004, when Nortek sold Ply Gem Industries to Ply Gem Holdings, pursuant to the terms of a stock purchase agreement among Ply Gem Investment Holdings, Nortek and WDS LLC. Prior to February 12, 2004, Ply Gem Holdings had no operations and Ply Gem Industries was wholly-owned by a subsidiary of WDS LLC, which was a wholly owned subsidiary of Nortek. Ply Gem Holdings, a Delaware corporation, is a wholly-owned subsidiary of Ply Gem Investment Holdings, a Delaware corporation controlled by an affiliate of Caxton-Iseman Capital LLC. Prior to the Ply Gem acquisition, Ply Gem Industries was known as the Windows, Doors and Siding division of Nortek.

On August 27, 2004, Ply Gem Industries acquired all of the outstanding shares of capital stock of MWM Holding, in accordance with a stock purchase agreement entered into among Ply Gem Industries, MWM Holding and certain selling stockholders. MWM Holding, a Delaware corporation, is a wholly-owned subsidiary of Ply Gem Industries. MWM Holding is the sole owner of all of the outstanding shares of capital stock of MW Manufacturers, Inc. ("MW"). Prior to the MW acquisition, MWM Holding was owned by Investcorp SA and its affiliates and members of MW management.

On February 24, 2006, in connection with the Alenco acquisition, a new holding company, Ply Gem Prime Holdings, was formed pursuant to a merger involving Ply Gem Investment Holdings. As a result, Ply Gem Prime Holdings became the sole shareholder of Ply Gem Investment Holdings, each outstanding share of capital stock of Ply Gem Investment Holdings was converted into a share of a corresponding class of shares of the capital stock of Ply Gem Prime Holdings and Ply Gem Prime Holdings assumed Ply Gem Investment Holdings' obligations under the Ply Gem Investment Holdings 2004 Stock Option Plan. In connection therewith, each outstanding stock option and phantom unit of Ply Gem Investment Holdings was converted on a 1:1 basis into a stock option and phantom unit of Ply Gem Prime Holdings.

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On February 24, 2006, Ply Gem completed the Alenco acquisition in accordance with a securities purchase agreement entered into among Ply Gem Industries, all of the direct and indirect stockholders, warrant holders and stock option holders of AWC and FNL Management Corp., as their representative on February 6, 2006. Pursuant to the securities purchase agreement, Ply Gem Industries purchased all of the issued and outstanding shares of common stock, warrants to purchase shares of common stock and options to purchase shares of common stock of AWC (other than certain shares of common stock held by certain members of the senior management of Alenco that were contributed separately to Ply Gem Prime Holdings, the new parent company of Ply Gem Investment Holdings, in exchange for shares of capital stock of Ply Gem Prime Holdings). Immediately following the completion of the Alenco acquisition, AWC became a wholly-owned subsidiary of Ply Gem Industries. The Alenco acquisition directly supports the Company's national window strategy and today operates under common leadership with our other U.S. Window businesses.

On October 31, 2006, Ply Gem completed the AHE acquisition in accordance with a stock purchase agreement entered into among Ply Gem Industries, Alcoa Securities Corporation and Alcoa Inc. on September 22, 2006. Pursuant to the stock purchase agreement, Ply Gem Industries purchased all of the issued and outstanding shares of common stock of AHE so that, immediately following the completion of such purchase, AHE became a wholly-owned subsidiary of Ply Gem Industries. The purchase price paid by Ply Gem was approximately $305.0 million in cash. The AHE acquisition did not include an additional investment by management. AHE is a leading manufacturer of vinyl siding, aluminum siding, injection molded shutters and vinyl, aluminum and injection molded accessories. As a result of the AHE acquisition, AHE became part of our Siding, Fencing, Railing and Decking Segment and operates under common leadership with our existing Siding business.

On September 30, 2007, Ply Gem Industries completed the acquisition of the vinyl window and patio door business of Certain Teed Corporation through a stock acquisition. On the acquisition date, the Company changed the name of the acquired business to Ply Gem Pacific Windows Corporation. The acquired vinyl window business is a leading manufacturer of premium vinyl windows and patio doors and produces windows for the residential new construction and remodeling markets and produces and sells window lineals to licensed window fabricators in the eastern United States. Pacific Windows' vinyl window and patio door business operates three fabrication facilities which are located in Auburn, WA, Corona, CA, and Sacramento, CA. The purchase price paid by Ply Gem was approximately $35.0 million in cash. The Pacific Windows acquisition directly supports the Company's national window strategy and today Pacific Windows operates under common leadership with our other U.S. window businesses. During the first quarter of 2008, Ply Gem sold certain assets that were acquired in the Pacific Windows acquisition that had been used to produce and sell window lineals to licensed fabricators in the eastern United States.

Our Competitive Strengths

We believe we are well-positioned in our industry and that our key competitive strengths are:

- Leading Sector Positions. We maintain leadership positions across the siding, fencing, railing, windows and door market sectors. We believe we are the No. 2 supplier of vinyl siding and designer accents, the No. 1 supplier of related aluminum accessories and a leader and innovator in the vinyl fencing and railing products. Additionally, we believe we are among the top three producers of vinyl windows in North America. We believe we hold the No. 1 position in the manufactured housing channel and hold a strong position in both the retail and one-step distribution channels. We believe these market leading positions enable us to outperform the industry in unit volumes, increase our market share, launch new products and maintain profitability.

- Diverse, High-Quality Product Portfolio. We offer a comprehensive range of exterior building products including vinyl siding and skirting, vinyl windows and patio doors and vinyl fencing and railing among others. Particularly, our window product platform offers a wide spectrum of aluminum, vinyl and wood clad windows at multiple price points. The breadth of our product offering meets many of the needs of our diverse customer base and allows us to reduce the potential impact of a decline in demand that might result from reliance on a single product.

- Strong Brand Equity. Our brands are well-recognized for innovation and quality in the building trade, and we believe that they are a distinguishing factor in customer selection. We sell our high-quality products under several brand names: MW, Patriot, Alenco, Great Lakes, Insulate, Mastic, Alcoa Home Exteriors, Variform, Georgia-Pacific, Napco, Kroy and CWD, among others. We believe there are significant opportunities to leverage our existing brands by targeting cross-selling opportunities.

- Multi-Channel Distribution Network and Diversified Sales Base. We have a multi-channel distribution network in the U.S. and Western Canada that serves both the home repair and remodeling and new home construction sectors, which exhibit different, but often counter-balancing, demand characteristics. Our multiple brand and multi-channel distribution strategy has increased our sales and penetration within these sectors. Our customer base includes distributors, retail home centers, lumberyards, remodeling dealers and builders. We believe our strategy enables us to minimize channel conflict, reduce our reliance on any one channel and reach the greatest number of end customers, and provides us with greater ability to sustain our financial performance through economic fluctuations.

- Efficient Manufacturing. We are a low-cost manufacturer of high-quality vinyl siding, windows and patio doors. We continue to achieve manufacturing efficiencies across our product categories through vertical integration, strategic sourcing, process-based reductions in material, production and warranty costs, and control of selling, general and administrative expense. We are committed to continuous improvement across product categories and have made approximately $55.1 million in capital expenditures, including upgrades to equipment, facilities and technology, over the three years ended December 31, 2007. We believe our low cost production allows us to maintain attractive operating margins while offering a compelling value proposition to our customers.

- Proven Ability to Realize Cost Savings. We continue to demonstrate our ability to right size our manufacturing capacity to the scale of the market including closing two vinyl siding plants and one window plant within the past 24 months, which generated savings of over $16.0 million. Additionally, we have reduced our headcount by approximately 30% since 2006 and have identified additional cost saving initiatives to take place in 2008. We have also been able to realize significant synergies and cost savings from the acquisitions of MW, Alenco and AHE's siding business.

- Large Polyvinyl Chloride Resin Purchaser. We are one of the largest procurers of polyvinyl chloride resin (PVC) in North America. As such, we are able to capitalize on our established relationships with key suppliers as a result of our purchasing scale and to strategically manage our sourcing to secure the best available prices, terms and input availability through various cycles. We believe our position helped us secure supply during the resin shortage caused by Hurricane Katrina in 2005.

    - Strong Operating Cash Flow. We have historically generated strong operating cash flow before debt service due to (i) our efficient manufacturing processes, (ii) our ability to pass increases in raw materials and freight costs through to our customers, (iii) economies of scale, (iv) low maintenance capital expenditures and (v) modest working capital needs.

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- Strong Management Team with Significant Ownership. We are led by an experienced and committed senior management team with an average of over approximately 20 years of relevant industry experience. We have successfully increased our share of sales by volume within the residential exterior building products industry and have continuously improved our manufacturing operations to develop a low-cost manufacturing platform. As of June 28, 2008, members of our management held stock and stock awards representing approximately 15% of the shares of common stock of Ply Gem Prime Holdings, Inc., the sole stockholder of Ply Gem Investment Holdings, Inc., our sole stockholder.

Business Strategy

We seek to distinguish ourselves from other manufacturers of residential exterior building products and to sustain our profitability through the following key strategies:

- Continued Market Share Gains. We intend to increase our market share both in our siding, fencing and railing products in the United States and in our window and door products by utilizing the breadth of our broad geographical footprint to serve customers across the United States. Additionally, our continued investments in product innovation and quality coupled with strong customer service further enhance our ability to capture market share in each of our markets. Furthermore, we believe there is substantial opportunity across our product families to cross-sell and bundle products to further leverage our channel partners and exclusive industry relationships. We believe our broad geographical footprint allows us to better serve our customers across the United States and provides a competitive advantage over some of our competitors.

We have integrated our siding businesses into one operating company and have placed all of our siding, fencing and railing businesses under common leadership to improve strategic focus, reduce cost and better serve our customers. We have organized our United States window businesses under one common leadership team to enhance our strategic focus. With our extensive manufacturing capabilities, product breadth and national distribution capabilities, we believe that we can provide our customers with a cost-effective, single source from which to purchase their residential exterior building product needs.

- Expand Brand Coverage and Product Innovation. We intend to leverage the reputation of our brands for innovation and quality to fill in our product offerings and price points. In addition, we plan to maximize the value of our new product innovations and technologies by deploying best practices and manufacturing techniques across our product categories. Our vertical integration in producing aluminum windows has positioned us to introduce a new aluminum and wood clad window. As of June 28, 2008, we employed 39 research and development professionals dedicated to new product development, reformulation, product redesign and other manufacturing and product improvements.

- Further Improve Operating Efficiencies. While we have significantly improved our vinyl siding manufacturing cost structure over the last several years, we believe that there are further opportunities for improvement. We have expanded our efforts to vertically integrate certain raw materials used in window lineal production, including PVC compound, as well as expanding our in-house window lineal production. In addition, we implemented manufacturing improvements and best practices across all of our product categories, including, for example, expansion of our virtual plant strategy in our vinyl siding facilities and further vertical integration in our window product lines which will be demonstrated with the introduction of our new aluminum clad window line in early 2008. We also plan to optimize product development, sales and marketing, materials procurement, operations and administrative functions across all of our product categories. We believe that significant opportunities remain as we further leverage our buying power across raw materials as well as spending for non-raw material items by obtaining volume discounts and minimizing costs. In addition, the integration of our sales and marketing efforts across our product categories provides an ongoing opportunity to significantly improve sector penetration.

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Industry Overview

Demand for exterior building products, including siding, fencing and railing, and windows and doors, is primarily driven by repair and remodeling of existing homes and construction of new homes, which are affected by changes in national and local economic and demographic conditions, employment levels, availability of financing, interest rates, consumer confidence and other factors.

Home Repair and Remodeling

Since the early 1990's and through 2006, demand for home repair and remodeling products remained robust as a result of strong economic growth, low interest rates and favorable demographic trends. According to the U.S. Census Bureau, expenditures for maintenance, repairs, and improvements increased from $130.6 billion in 1994 to $142.9 billion in 1999 and $198.5 billion in 2004, representing a five and ten-year compound annual growth rate of 1.8% and 4.3%, respectively. Recently however, the ability for home owners to finance repair and remodeling expenditures, such as replacement windows or vinyl siding, has been negatively impacted by a general tightening of lending requirements by banks and other financial institutions. As such, management believes expenditures for home repair and remodeling products declined in 2007 from 2006 levels and expects that expenditures for home repair and remodeling products to decline in 2008 from 2007 levels.

New Home Construction

New home construction experienced strong growth from the early 1990s to 2006, with housing starts having increased at a compound annual growth rate of 3.9%. In 2007, new housing starts declined by 29.6%, according to the National Association of Home Builders, and are expected to decline further in 2008 by approximately 30.8%.

While the industry is experiencing declining demand, the long-term economics for new construction are favorable supported by a favorable interest rate environment and strong demographic trends, as increasing immigration drives demand for starter homes, and maturing baby boomers seek second homes and trade-up properties. According to the Joint Center for Housing Studies of Harvard University, net new households between 2005 and 2015 is expected to reach 14.6 million units, as compared to 12.6 million units added from 1995 - 2005.

Description of Business

Financial information about our segments is included in the notes to our consolidated financial statements included elsewhere in this prospectus.

Siding, Fencing, Railing and Decking Segment

Products

In our siding, fencing, railing and decking segment, our principal products include vinyl siding and skirting, vinyl and aluminum soffit, aluminum trim coil, J-channels, wide crown molding, window and door trim, F-channels, H-molds, fascia, undersill trims, outside/inside corner posts, rain removal systems and injection molded designer accents such as shakes, shingles, scallops, shutters, vents and mounts. We sell our siding and accessories under our Variform, Napco, Alcoa Home Exteriors, Mastic and Cellwood brand names and under the Georgia-Pacific brand name through a private label program. We also sell our Providence line of vinyl siding and accessories to Lowe's under our Durabuilt private label brand name. Our vinyl and vinyl-composite fencing and railing products are sold under our Kroy, Assurance and Kroy Express brand names. A summary of our product lines is presented below according to price point:

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Specialty/Super Premium

- CSL 600 (Variform)
- Nostalgia Series Shakes and Scallops (Variform)
- Victoria Harbor (Variform)
- Cedar Select Shakes and Scallops (Napco)
- American "76" Collection (Napco)
- Structure EPS (Alcoa Home Exteriors)
- Cedar Discovery (Mastic)
- Cedar Dimensions (Cellwood)
- Rough Sawn Cedar (Georgia-Pacific)
- New World Scallops (Georgia-Pacific)
- Somerset (Georgia-Pacific)
- Board and Batten (Variform, Napco, Alcoa Home Exteriors, Cellwood, and Georgia-Pacific)
- Kroy composite railing systems (Kroy)

Premium

- Timber Oak Ascent (Variform)
- Varigrain Preferred (Variform)
- American Splendor (Napco)
- Grand Sierra (Alcoa Home Exteriors)
- Liberty Elite (Alcoa Home Exteriors)
- Charleston Beaded Collection (Alcoa Home Exteriors)
- Quest3 Series (Mastic)
- T-lok Barkwood (Mastic)
- Dimensions (Cellwood)
- Dimensions Beaded (Cellwood)
- Chatham Ridge (Georgia-Pacific)
- Cedar Lane Select (Georgia-Pacific)
- Assurance Outdoor Solutions (Kroy)
- Kroy Express (Kroy)

Standard

- Camden Pointe (Variform)
- Nottingham (Variform)
- Ashton Heights (Variform)
- American Herald (Napco)
- American Tradition (Napco)
- Meadowbrook (Alcoa Home Exteriors)
- Silhouette Classic (Alcoa Home Exteriors)
- Carvedwood2 Series (Mastic)
- Progressions (Cellwood)
- Heritage Hill (Georgia-Pacific)
- Forest Ridge (Georgia-Pacific)
- Shadow Ridge (Georgia-Pacific)
- Castle Ridge (Georgia-Pacific)
- Kroy Fence and Railing Products (Kroy)

Economy

- Contractor's Choice (Variform)
- American Comfort (Napco)
- Providence (Napco)
- Mill Creek (Alcoa Home Exteriors)

	• Trade-Mark cg (Alcoa Home Exteriors) • Brentwood (Mastic) • Evolutions (Cellwood) • Vision Pro (Georgia-Pacific)
Manufactured Housing	• Parkside (Georgia-Pacific) • Oakside (Georgia-Pacific)

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The breadth of our product lines and our multiple brand and price point strategy enable us to target multiple distribution channels (wholesale, retail and manufactured housing) and end sectors (home repair and remodeling and new home construction), with minimal channel conflict.

Customers and Distribution

We have a multi-channel distribution network that serves both the home repair and remodeling and new home construction sectors, which exhibit different, often counter-balancing, demand characteristics. In conjunction with our multiple brand and price point strategy, we believe our multi-channel distribution strategy enables us to increase our sales and sector penetration while minimizing channel conflict. We believe our strategy reduces our dependence on any one channel, which provides us with a greater ability to sustain our financial performance through economic fluctuations.

We sell our siding and accessories to specialty distributors (one-step distribution) and to wholesale distributors (two-step distribution). Our specialty distributors sell directly to remodeling contractors and builders. Our wholesale distributors sell to retail home centers and lumberyards who, in turn, sell to remodeling contractors, builders and consumers. In the specialty channel we have developed an extensive network of approximately 800 independent distributors, serving over 22,000 contractors and builders nationwide. We are exceptionally well-positioned in this channel as many of these distributors are both the largest and leading consolidators in the industry. In the wholesale channel we are the sole supplier of vinyl siding and accessories to BlueLinx (formerly a distribution operation of the Georgia-Pacific Corporation), one of the largest building products distributors in the U.S. Through BlueLinx and our BlueLinx dedicated sales force, our Georgia-Pacific private label vinyl siding products are sold at major retail home centers, lumberyards and manufactured housing manufacturers. A portion of our siding and accessories is also sold directly to Lowe’s Home Improvement Centers under [our] Durabuilt brand name. Our growing customer base of fencing, railing and decking consists of distributors, retail home centers and lumberyards.

Our largest customer, BlueLinx, made up 16.8% of the net sales of our siding, fencing, railing and decking segment and 10.2% of our consolidated net sales for the year ended December 31, 2007. For the year ended December 31, 2006, BlueLinx made up 34.6% of the net sales of our siding, fencing, railing and decking segment and 16.5% of our consolidated net sales.

Production and Facilities

Vinyl siding, skirting, soffit and accessories are manufactured in our Kearney, Missouri, Martinsburg, West Virginia, Jasper, Tennessee, and Stuarts Draft, Virginia facilities, while all metal products are produced in our Valencia, Pennsylvania and Sidney, Ohio facilities. All injection molded products such as shakes, shingles, scallops, shutters, vents and mounts are either manufactured in our Gaffney, South Carolina facility or purchased from outside suppliers. The Company closed the Atlanta, Georgia facility in the second quarter of 2007 and the Denison, Texas facility in early 2008 due to excess production capacity. The vinyl and metal plants have sufficient capacity to support planned levels of sales growth for the foreseeable future. Our fencing and railing products are currently manufactured at our York, Nebraska and Fair Bluff, North Carolina facilities. The fencing and railing plants have sufficient capacity to support our planned sales growth for the foreseeable future. We expect our capital expenditures for our siding, fencing and railing segment in the near future to remain consistent with our expenditures in past years.

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Raw Materials and Suppliers

PVC resin and aluminum are major components in the production of our siding, fencing, railing and decking products and changes in PVC resin and aluminum prices have a direct impact on our cost of products sold. Historically, we have been able to pass on the price increases to our customers. The results of operations for individual quarters can be negatively impacted by a delay between the time of raw material cost increases and price increases that we implement in our products, or conversely can be positively impacted by a delay between the time of a raw material price decrease and competitive pricing moves that we implement accordingly.

Competition

We compete with other national and regional manufacturers of vinyl siding, fencing and railing products. We believe we are one of the largest manufacturers of vinyl siding in North America, alongside CertainTeed and Alside. We believe that we account for approximately 29% of the U.S. vinyl siding market. Significant growth in vinyl fencing and railing has attracted many new entrants, and the sector today is very fragmented. Our fencing and railing competitors include U.S. Fence, Homeland, Westech, Bufftech, Outdoor Technologies, Royal, Azek and Trex. We generally compete on product quality, breadth of product offering, sales and service support. In addition to competition from other vinyl siding, fencing and railing products, our products face competition from alternative materials: wood, metal, fiber cement and masonry siding. Increases in competition from other vinyl exterior building products manufacturers and alternative building materials could cause us to lose customers and lead to decreases in net sales.

Seasonality

Markets for our products are seasonal and can be affected by inclement weather conditions. Historically, our business has experienced increased sales in the second and third quarters of the year due to increased construction during those periods. Because a portion of our overhead and expenses are fixed throughout the year, our operating profits tend to be lower in the first and fourth quarter. Inclement weather conditions can affect the timing of when our products are applied or installed, causing delayed profit margins when such conditions exist.

We generally carry increased working capital during the first half of a fiscal year to support those months where customer demand exceeds production capacity. We believe that this is typical within the industry.

Backlog

Our siding, fencing and railing segment had a backlog of approximately $13.5 million at June 28, 2008. We expect to fill 100% of the orders during 2008.

Windows and Doors Segment

Products

In our windows and doors segment, our principal products include vinyl, aluminum and wood windows and patio doors, as well as steel and fiberglass doors that serve both new home construction and the repair and remodeling sectors in the United States and Western Canada. Our windows and doors segment includes MW, Great Lakes, Alenco, Pacific Windows, and CWD subsidiaries. We sell our windows and doors under our MW, Patriot, Twin Seal, Alenco, Builders View, Great Lakes, Ply Gem, Uniframe, Grandview, Seabrooke, Bayshore, Napco, CertainTeed, Home Craftsman, and CWD brand names. A summary of our product lines is presented below according to price point:

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Specialty/Super Premium

- Uniframe (Great Lakes)
- Mira (MW)

Premium

- Freedom (MW)
- Ply Gem Lifestyles (Great Lakes)
- Great Lakes Seabrooke (Great Lakes)
- Grandview 4000 & 5000 (Great Lakes)
- Napco 3500 (Great Lakes)
- MW 1400 (Great Lakes)
- Ambassador (CWD)
- Regency (CWD)
- Bryn Mawr II (Pacific Windows)
- Somerton II (Pacific Windows)
- New Castle XT (Pacific Windows)

Standard

- Jefferson (MW)
- Classic (MW)
- TwinSeal (MW)
- Bayshore (Great Lakes)
- Grandview 3000 (Great Lakes)
- MW 1300 (Great Lakes)
- Napco 2500 (Great Lakes)
- Premier (CWD)
- Diplomat (CWD)
- Envoy (CWD)
- Insulate (Pacific Windows)
- New Castle II (Pacific Windows)

Economy

- Consul (CWD)
- Patriot (MW)
- Alenco
- Builders View (Alenco)

The breadth of our product lines and our multiple brand and price point strategy enable us to target all areas of the sectors, including multiple distribution channels (wholesale, retail and builder direct) and end sectors (home repair and remodeling and new home construction), with minimal channel conflict.

Customers and Distribution

We have a multi-channel distribution network that serves both the home repair and remodeling and new home construction sectors, which exhibit different, often counter-balancing, demand characteristics. In conjunction with our multiple brand and price point strategy, we believe our multi-channel distribution strategy enables us to increase our sales and sector penetration while minimizing channel conflict. We believe our strategy reduces our dependence on any one channel, which provides us with a greater ability to sustain our financial performance through economic fluctuations.

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Our US Window group operates under one leadership team. These window and door product lines are sold for use in new home construction and in home repair and remodeling through a highly diversified customer base, which includes, for our U.S. new construction product lines, independent building material dealers, regional/national lumberyard chains, builder direct/OEMs, and retail home centers. New construction windows leverages a network of vertically integrated production and distribution facilities located in Virginia, New Jersey, Mississippi, North Carolina, Georgia, Texas, California, Washington and Arizona. Our repair and remodeling windows products are primarily sold through dealers and distributors and are manufactured in Ohio, Texas, California and Washington. Dealers typically market directly to homeowners or contractors in connection with remodeling requirements while distributors concentrate on local independent retailers. In Canada, sales of CWD product lines in the new construction market are predominantly made through direct sales to builders and contractors, while sales in the renovation market are made primarily through retail lumberyards. CWD products are distributed through eight distribution centers.

Our three largest customers, NV Ryan, 84 Lumber, and Builders FirstSource represented 7.3%, 4.8% and 4.4% of the sales of our windows and doors segment in 2007, respectively.

Production and Facilities

Our windows and doors manufacturing facilities have benefited from our continued investment and commitment to product development and product quality combined with increasing integration of best practices across our product offerings. In addition, beginning in 2003, MW significantly lowered its manufacturing cost basis by expanding its existing in-house capacity to extrude vinyl lineals used in the production of windows. During 2003 and 2004, MW purchased six new lineal extruders which more than doubled its previous lineal production capacity. In 2005 and 2006, ten additional extruders were added to support organic growth and over 90% of the vinyl needs of Great Lakes. Leveraging our PVC resin blending expertise, 2006 also saw the addition of a new PVC resin blend facility to the already successful lineal production facility. This successful venture not only delivered significant cost savings but also allowed us to further refine and improve our compound formulation and quality. Alenco vinyl profiles were integrated in 2007. In addition, our vertical integration allowed us to produce the vinyl window profiles for our Alenco products rather than purchasing them from outside suppliers, which allowed us to realize cost savings.

From a capacity perspective, all of our facilities have the ability to increase capacity in a cost effective manner by expanding production shifts. Ongoing capital investments will focus upon new product development, expanding lineal production capacity, and equipment maintenance and improvement.

Raw Materials and Suppliers

PVC compound, wood, aluminum, and glass are major components in the production of our window and door products. Historically changes in PVC compound and wood prices have had the most significant impact on our material cost of products sold in our windows and doors segment. We are one of the largest consumers of PVC resin in North America and we continue to leverage our purchasing power on this key raw material. As mentioned above, the PVC resin compound that is used in window lineal production is now produced on site. The leveraging of our PVC resin buying power and the expansion of PVC resin compounding capabilities has begun to benefit all of our domestic window companies.

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MW, Great Lakes, Pacific Windows, and CWD have significantly consolidated glass purchases to take advantage of strategic sourcing savings opportunities.

Competition

The window and patio door sector remains fragmented, comprised primarily of local and regional manufacturers. Our competitors include MI Home Products, Andersen Windows, Jeld-Wen Windows & Doors, Simonton Windows (Fortune Brands), Milgard Manufacturing, Inc. (Masco Corp.) and Atrium. We generally compete on service, product performance, sales and support and our products are competitively priced.

Seasonality

Markets for our products are seasonal and can be affected by inclement weather conditions. Historically, our business has experienced increased sales in the second and third quarters of the year due to increased construction during those periods. Accordingly, our working capital is typically higher in the second and third quarters as well. Because much of our overhead and expense are fixed throughout the year, our operating profits tend to be lower in the first and fourth quarter. Inclement weather conditions can affect the timing of when our products are applied or installed, causing delayed profit margins when such conditions exist.

Because we have successfully implemented lean manufacturing techniques and many of our windows and doors are made to order, inventories in our windows and doors segment do not change significantly with seasonal demand.

Backlog

Our windows and doors segment had a backlog of approximately $30.1 million at June 28, 2008. We expect to fill 100% of the orders during 2008.

Environmental and Other Regulatory Matters

We are subject to Canadian and U.S. federal, state, provincial and local environmental laws and regulations that relate to the presence of hazardous materials, pollution and the protection of the environment, including those governing emissions to air, discharges to water, use, storage and transport of hazardous materials, storage, treatment and disposal of waste, remediation of contaminated sites, and protection of worker health and safety. From time to time, our facilities are subject to investigation by environmental regulators. We believe that our current operations are in substantial compliance with all applicable environmental laws and that we maintain all material permits required to operate our business.

Based on available information, we do not believe that any known compliance obligations, claims, releases or investigations will have a material adverse effect on our results of operations, cash flows or financial position. However, there can be no guarantee that these or newly discovered matters or any inability to enforce available indemnification rights we have against any third parties, including Nortek under the stock purchase agreement governing the Ply Gem acquisition and Alcan Aluminum Corporation (an indemnity we received when we purchased our York, Nebraska facility from Alcan Aluminum Corporation in 1998), will not result in material costs.

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Under the stock purchase agreement governing the MW acquisition, the sellers agreed to indemnify us for the first $250,000 in costs of compliance with the New Jersey Industrial Site Recovery Act at an MW facility in Hammonton, New Jersey and for 75% of any such costs between $250,000 and $5.5 million. MW's Rocky Mount, Virginia property is subject to an environmental investigation pursuant to the Virginia Voluntary Remediation Program, relating to contamination associated with an underground storage tank formerly located at the Rocky Mount, VA property. Liability for the underground storage tank contaimination and related investigation has been previously assumed by U.S. Industries, Inc., pursuant to its indemnity obligation under the Stock Purchase Agreement dated August 11, 1995, whereby U.S. Industries, Inc. sold the stock of MW to Fenway Partners. As the successor in interest of Fenway Partners, we are similarly indemnified by U.S. Industries, Inc., which is currently working with the Virginia Department of Environmental Quality in its continuing efforts under the Voluntary Remediation Program.

We voluntarily comply with the Vinyl Siding Institute ("VSI") Certification Program with respect to our vinyl siding and accessories. Prior to 1998, there was no commonly-adopted industry certification process for vinyl siding products. Uniform minimum standards were available, but uniform compliance was not assured. In 1998, the VSI, under the leadership of our former President and Chief Executive Officer, Lee Meyer, at that time the Chairman of the VSI, instituted a new industry-wide program to assure compliance with minimum product standards. John Wayne, who is the President of our vinyl siding group, was the Chairman of the VSI during 2007. All major vinyl siding manufacturers, representing over 95% of all products, now comply with these guidelines.

Under the VSI Certification Program, third party verification and certification, provided by Architectural Testing, Inc. ("ATI"), is used to ensure uniform compliance with the minimum standards set by the American Society for Testing and Materials ("ASTM"). Those products compliant with ASTM specifications for vinyl siding will perform satisfactorily in virtually any environment. ATI initially inspects all qualifying products for compliance and inspects plants to assure effective quality control programs. In addition, compliance with advertised specifications is verified. All manufacturing plants are inspected bi-annually during unannounced visits to monitor compliance. Upon certification, products are added to the official VSI list of certified products and are eligible to bear the official VSI certification logo.

During 2007, Ply Gem spent approximately $2.8 million to purchase and install a new thermal oxidizer on the paint line at our Sidney, Ohio metal accessory production facility. This expenditure was made to ensure compliance with EPA regulations at this facility.

Employees

As of June 28, 2008, we had approximately 5,569 full-time employees worldwide, of whom approximately 4,967 were in the United States and approximately 602 were in Canada. Employees at our Canadian plant, our Valencia, Pennsylvania plant, and our Bryan, Texas plant are currently our only employees with whom we have a collective bargaining agreement.

- Approximately 6.7% of our total employees are represented by the United Brotherhood of Carpenters and Joiners of America, pursuant to a collective bargaining agreement with certain of our Canadian employees that expires on December 31, 2009.

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- Approximately 0.8% of our total employees are represented by the United Steelworkers of America, AFL-CIO-CLC, pursuant to a collective bargaining agreement with certain of our Valencia, PA employees, that expires on December 1, 2011.

- Approximately 5.4% of our total employees are represented by the International Chemical Workers Union Council, pursuant to a collective bargaining agreement with certain of our Alenco employees, that expires on December 4, 2010.

Financial Information about Geographic Areas

All of the Company's operations are located in the United States and Canada. Revenue from external customers for the six months ended June 28, 2008 consists of:

- $549.8 million from United States customers
- $42.5 million from Canadian customers
- $5.4 million from all other foreign customers

Revenue from external customers for the year 2007 consists of:

- $1,269.8 million from United States customers
- $89.3 million from Canadian customers
- $4.4 million from all other foreign customers

Revenue from external customers for the year 2006 consists of:

- $981.2 million from United States customers
- $68.3 million from Canadian customers
- $5.0 million from all other foreign customers

Revenue from external customers for the year 2005 consists of:

- $775.8 million from United States customers
- $58.2 million from Canadian customers
- $4.9 million from all other foreign customers

At June 28, 2008, long-lived assets totaled approximately $ 50.1 million in Canada and $ 1,217.3 million in the United States. At December 31, 2007, 2006 and 2005, long-lived assets totaled approximately $51.2 million, $44.2 million, and $43.6 million, respectively, in Canada and $1,240.0 million, $1,253.6 million, and $835.9 million, respectively, in the United States. We are exposed to risks inherent in any foreign operation, including foreign exchange rate fluctuations.

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Trademarks and Patents

We rely on patent, trademark, trade secret and other intellectual property law and protective measures to protect our proprietary rights. We have a significant number of trademarks registered in the United States covering our material brands. To date, we have been granted 25 patents in the United States and abroad and have a significant number of U.S. and international patent applications pending.

Although we employ a variety of intellectual property in the development and manufacturing of our products, we believe that none of that intellectual property is individually critical to our current operations. Taken as a whole, however, we believe our intellectual property rights are significant. We cannot assure you that our intellectual property protection measures will be sufficient to prevent misappropriation of our technology. In addition, the laws of many foreign countries do not protect our intellectual property to the same extent as the laws of the United States. From time to time, third parties have or may assert infringement claims against us or against our customers in connection with the use of our products.

Properties

Our corporate headquarters is located in Cary, North Carolina. We own and lease several additional properties in the United States and Canada. We operate the following facilities as indicated.

Location	Square Footage	Facility Use	Lease Expiration Date
Siding, Fencing, Railing and Decking Segment			
Jasper, TN	270,000	Manufacturing and Administration	NA
Fair Bluff, NC (1)	200,000	Manufacturing and Administration	09/30/2024
Kearney, MO (1)	175,000	Manufacturing and Administration	09/30/2024
Independence, MO	105,000	Warehouse	01/31/2010
Valencia, PA (1)	175,000	Manufacturing and Administration	09/30/2024
Martinsburg, WV (1)	163,000	Manufacturing and Administration	09/30/2024
Martinsburg, WV	124,000	Warehouse	01/14/2011
York, NE (1)	76,000	Manufacturing	09/30/2024
Cary, NC	7,000	Administration	12/31/2014
Stuarts Draft, VA	257,000	Manufacturing and Administration	NA
Sidney, OH	819,000	Manufacturing and Administration	NA
Atlanta, GA	151,000	Warehouse	08/31/2008
Atlanta, GA	78,000	Warehouse	08/31/2008
	145,000	Warehouse	11/30/2008

Staunton, VA			
Harrisburg, VA	268,000	Warehouse	03/15/2015
Gaffney, SC	27,000	Warehouse	Month-to-month
Kansas City, MO	36,000	Administration	12/31/2017
Windows and Doors Segment			
Calgary, AB, Canada (1)	301,000	Manufacturing and Administration	09/30/2024
Walbridge, OH (1)	250,000	Manufacturing and Administration	09/30/2024
Walbridge, OH	30,000	Warehouse	11/30/2008
Rocky Mount, VA (1)	720,000	Manufacturing and Administration	09/30/2024
Rocky Mount, VA (1)	160,000	Manufacturing	09/30/2024
Rocky Mount, VA	180,000	Manufacturing	08/31/2016
Rocky Mount, VA	80,000	Warehouse	08/31/2008
Rocky Mount, VA	300,000	Warehouse	08/31/2016
Hammonton, NJ	360,000	Manufacturing and Administration	10/31/2012
Tupelo, MS	200,000	Manufacturing and Administration	06/16/2010
Fayetteville, NC	56,000	Warehouse	NA
Peachtree City, GA	148,000	Manufacturing	08/19/2014
Peachtree City, GA	40,000	Manufacturing	NA
Dallas, TX	32,000	Manufacturing	03/31/2010
Bryan, TX	274,000	Manufacturing and Administration	08/20/2014
Bryan, TX	75,000	Manufacturing	12/31/2014
Phoenix, AZ	156,000	Manufacturing	03/31/2011
Farmers Branch, TX	53,000	Warehouse	01/31/2010
Auburn, WA	262,000	Manufacturing and Administration	12/31/2013
Corona, CA	128,000	Manufacturing and Administration	09/30/2012
	234,000		09/12/2019

Sacramento, CA	Manufacturing and Administration

(1) These properties are included in long-term leases entered into as a result of a sale/leaseback agreement entered into in August 2004 as part of the funding for the purchase of MWM Holding.

Litigation

In the ordinary course of our business, we are a party to a number of legal actions, none of which are expected to have a material impact on us.

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MANAGEMENT

Board of Directors and Executive Officers

The Board of Directors of Ply Gem Prime Holdings, Inc., Ply Gem Investment Holdings, Inc., Ply Gem Holdings, and Ply Gem Industries are identical.

Name	Age	Positions(s)
Frederick Iseman	55	Chairman of the Board and Director
Gary E. Robinette	59	President, Chief Executive Officer and Director
Shawn Poe	46	Vice President and Chief Financial Officer
John Wayne	46	President, Siding Group
Lynn Morstad	44	President, U.S. Windows Group
Bryan Sveinson	49	President, CWD Windows & Doors, Inc.
Robert A. Ferris	66	Director
Steven M. Lefkowitz	44	Director
John D. Roach	64	Director
Michael Haley	57	Director
Edward M. Straw	69	Director
Timothy T. Hall	39	Director

Set forth below is a brief description of the business experience of each of the members of our Board of Directors and our executive officers.

Frederick Iseman – Chairman of the Board and Director

Since the Ply Gem acquisition, Frederick Iseman has served as our chairman of the Board of Directors. Mr. Iseman is currently Chairman and CEO of Caxton-Iseman Capital, a private equity firm which was founded by Mr. Iseman in 1993. Prior to establishing Caxton-Iseman Capital, Mr. Iseman founded Hambro-Iseman Capital Partners, a merchant banking firm. From 1988 to 1990, Mr. Iseman was a member of the Hambro International Venture Fund. Mr. Iseman is a former Chairman of the Board of Anteon International Corporation, Chairman of the Board of Buffets Holdings, Inc. and Buffets, Inc.

Gary E. Robinette – President, Chief Executive Officer and Director

Gary E. Robinette was appointed President and Chief Executive Officer of the Company in October 2006, replacing Lee Meyer who had previously announced his retirement. Prior to joining Ply Gem, Mr. Robinette served as Executive Vice President and COO at Stock Building Supply, a Wolseley company, since September 1998, and was also a member of the Wolseley North American Management Board. Mr. Robinette held the position of President of Erb Lumber Inc., a Wolseley company, from 1993-1998 and served as Chief Financial Officer and Vice President of Carolina Holdings which was the predecessor company of Stock Building Supply. Mr. Robinette received a BS in accounting from Tiffin University, where he is a member of the Board of Trustees, and a MBA from Xavier University, where he is a member of the President's Advisory Board. He is also a member of Harvard University's Joint Center for Housing Studies.

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Shawn Poe – Vice President and Chief Financial Officer

Since the Ply Gem acquisition, Mr. Poe has served as our Vice President and Chief Financial Officer. Mr. Poe was appointed Vice President of Finance of our siding and Accessories subsidiaries in March 2000. Prior to joining our company, Mr. Poe held the position of Corporate Controller and various other accounting positions at Nordyne, Inc., joining the company in 1990. In addition, Mr. Poe held various accounting positions with Federal Mogul Corporation from 1984 to 1990. Mr. Poe graduated from Southeast Missouri State University in 1984 with a BBS in Accounting. Mr. Poe graduated from Fontbonne College in 1994 with an MBA.

John Wayne – President, Siding Group

Mr. Wayne was appointed President of our siding and accessories subsidiaries in January 2002. Mr. Wayne joined our company in 1998, and prior to his appointment to President had been Vice President of Sales and Marketing for our Variform and Napco siding and accessories subsidiaries. Prior to joining us, Mr. Wayne worked for Armstrong World Industries, Inc. from 1985 to 1998, holding a variety of sales management positions, including Vice President of Sales. Mr. Wayne graduated from the University of Wisconsin in 1984 with a BBA in Finance and Marketing. Mr. Wayne served as the Chairman of the VSI, the Chairman of the VSI Code and Regulatory Committee, and Chairman of the VSI Board of Directors through December 2007 when his term ended.

Lynn Morstad - President, U.S. Windows Group

Mr. Morstad was appointed President of our U.S. Window Group in October 2007 after having served as President of our New Construction Window Group since November 2006. Prior to that, Mr. Morstad served as President, Chief Operating Officer and Chief Financial Officer respectively of MW Manufacturers Inc., a Ply Gem subsidiary he joined in 2000. From March 1998 to May 2000, Mr. Morstad was employed by the Dr. Pepper/Seven Up division of Cadbury Schweppes as Vice President and Corporate Controller. In addition, Mr. Morstad served in senior financial positions with various divisions of the Newell Company for more than eight years. Mr. Morstad is a graduate of the University of Iowa and is a Certified Public Accountant.

Bryan Sveinson – President, CWD Windows & Doors

Mr. Sveinson was appointed President of CWD Windows & Doors, Inc. in April 1999. Mr. Sveinson joined our company in 1993, and prior to his appointment as President held successive positions as Controller, Vice President of Finance, and Vice President of Business Development. Prior to joining us, Mr. Sveinson held senior finance positions with a commercial printing company and a soft drink manufacturing and distribution company. Mr. Sveinson graduated from the University of Calgary in 1981 with a Bachelor of Management Degree in Finance. In addition, Mr. Sveinson is a professional accountant, having achieved a Certified Management Accountant designation in 1991. Mr. Sveinson is also a past director of the Canadian Window and Door Manufacturing Association.

Robert A. Ferris – Director

Since the Ply Gem acquisition, Robert A. Ferris has served as Chairman of our Executive Committee and director. Mr. Ferris retired as Managing Director of Caxton-Iseman Capital in December 2007, and was employed by Caxton-Iseman Capital since March 1998. From 1981 to February 1998, Mr. Ferris was a General Partner of Sequoia Associates (a private investment firm headquartered in Menlo Park, California). Prior to founding Sequoia Associates, Mr. Ferris was a Vice President of Arcata Corporation, a New York Stock Exchange-listed company. Mr. Ferris is a former director of Anteon International Corporation, and is a director of Buffets Holdings, Inc. and Buffets, Inc. Effective January 1, 2008, Mr. Ferris will assume the position of President of Celtic Capital LLC, the investment manager of the entities that primarily hold the assets and investments of the Ferris Family.

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Steven M. Lefkowitz – Director

Since the Ply Gem acquisition, Steven M. Lefkowitz has served as a director. Mr. Lefkowitz is President of Caxton-Iseman Capital and has been employed by Caxton-Iseman Capital since 1993. From 1988 to 1993, Mr. Lefkowitz was employed by Mancuso & Company, a private investment firm, and served in several positions including as Vice President and as a Partner of Mancuso Equity Partners. Mr. Lefkowitz is a former director of Anteon International Corporation, and is a director of Buffets Holdings, Inc. and Buffets, Inc.

John D. Roach – Director

Since the Ply Gem acquisition, Mr. Roach has served as a director. Mr. Roach is Chairman of the Board and Chief Executive Officer of Stonegate International, a private investment and advisory services company, and has been employed by Stonegate International since 2001. Mr. Roach served as Chairman of the Board, President and Chief Executive Officer of Builders FirstSource, Inc. from 1998 to 2001; and as Chairman of the Board, President and Chief Executive Officer of Fibreboard Corporation from 1991 to 1997. Mr. Roach is a director of Kaiser Aluminum Corporation and its subsidiary, Kaiser Aluminum & Chemical Corporation, a director of Material Sciences Corp., a provider of materials-based solutions, a director of URS Corporation, an engineering firm, a director PMI Group, Inc., a provider of credit enhancement products and lender services, and a director of VeriSign, a leading provider of internet infrastructure services.

Michael Haley – Director

In June 2005, Mr. Haley announced his retirement as Chairman of MW Manufacturers, Inc., but has remained as a director. In January 2005, Mr. Haley was appointed chairman of MW and Senior Vice President of Sales and Marketing and Director for Ply Gem Industries. Mr. Haley joined MW in June 2001 as President and served in this capacity until being named Chairman. Prior to joining MW, Mr. Haley had been the President of American of Martinsville (a subsidiary of La-Z-Boy Inc.) from 1994 until May 2001. In addition, Mr. Haley was President of Loewenstein Furniture Group from 1988 to 1994. Mr. Haley graduated from Roanoke College in 1973 with a Bachelor's Degree in Business Administration. From April 2006 to present, Mr. Haley has served as an advisor to Fenway Partners, a private equity firm.

Edward M. Straw – Director

In May 2006, the Board of Directors approved the addition of Mr. Straw as a member of the board. Mr. Straw retired from the Navy as a three-star admiral in 1996, and has since held senior executive positions in industry. From March 2000 to February 2005, Mr. Straw was President of Global Operations for the Estee Lauder Companies, Inc. Prior to Estee Lauder, Mr. Straw was President of Ryder Integrated Logistics, Inc. and Senior Vice President of Compaq Computer Corporation. He is currently the Chairman of Odyssey Logistics and Technology and is a member of the boards of MeadWestvacto, Eddie Bauer and Panther Expedited Services. In addition, he is a strategic advisor to IBM Federal Services. Mr. Straw holds a Master of Business Administration degree from George Washington University and a Bachelor of Science degree from the U.S. Naval Academy.

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Timothy T. Hall – Director

In December 2006, the Board of Directors approved the addition of Mr. Hall as a member of the board. Mr. Hall is a Principal at Caxton-Iseman Capital and has been employed by Caxton-Iseman Capital since 2001. Prior to Caxton-Iseman, Mr. Hall was a Vice President at FrontLine Capital and an Assistant Vice President at GE Equity. Mr. Hall has a MBA from Columbia Business School and a B.S. from Lehigh University.

Executive Compensation

Overview

This compensation discussion describes the material elements of compensation of the Company's executive officers who served as named executive officers during our fiscal year ended December 31, 2007. The individuals who served as the principal executive officer and principal financial officer during 2007, as well as the other individuals included in the Summary Compensation Table below, are referred to as the "named executive officers." This compensation discussion focuses primarily on compensation awarded to, earned by, or paid to the named executive officers in 2007, as reflected in the following tables and related footnotes and narratives, but also describes compensation actions taken before or after 2007 to the extent that it enhances an understanding of the executive compensation disclosure.

The principal elements of our executive compensation program are base salary, annual cash incentives, other personal benefits and perquisites, post-termination severance, and equity-based interests. Our other personal benefits and perquisites consist of life insurance benefits and car allowances. The named executive officers are also eligible to participate in our 401(k) plan and our company-wide employee benefit health and welfare programs.

During 2006, certain named executive officers held awards of phantom stock units under our phantom stock plan, and these awards were converted during 2006 into cash-denominated deferred compensation accounts. In early 2007, the officers received special, one-time cash bonuses in connection with this conversion. The phantom plan, deferred compensation accounts, and special cash bonuses are described below.

Compensation Program Objectives and Philosophy

General Philosophy

Our compensation philosophy is designed to provide a total compensation package to our executive officers that is competitive within the building materials industry and enables us to attract, retain, and motivate the appropriate talent for long-term success. We believe that total compensation should be reflective of individual performance but should also vary with our performance in achieving financial and non-financial objectives, thus rewarding the attainment of these objectives.

The components of total compensation for our executive officers are as follows:

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- Base Salary

In General. We provide the opportunity for our named executive officers and other executives to earn a competitive annual base salary. We provide this opportunity to attract and retain an appropriate caliber of talent for the position and to provide a base wage that is not subject to our performance risk, as are other elements of our compensation, such as the annual cash incentive awards and equity interests described below. Base salaries of our named executive officers are only one component of our executive officers' compensation package and will not substitute for our incentive awards.

Our President and Chief Executive Officer, Gary E. Robinette, reviews the base salaries for our named executive officers, other than the President and Chief Executive Officer, in November and December of each year with any recommended increases being based on our performance as well as the individual's performance and responsibilities, which we believe to be consistent with our overall philosophy of rewarding both strong individual and Company performance. After this review, any salary increases for the executive officers other than the President and Chief Executive Officer are recommended by our President and Chief Executive Officer to our compensation committee and Board for approval. The base salary for our President and Chief Executive Officer is determined by the compensation committee of our Board of Directors, but will not be less than $530,000 per year.

- Annual Cash Incentive Awards

In General. We provide the opportunity for our named executive officers to earn an annual cash incentive award based upon the Company's performance as well as the individual's performance. We provide this opportunity to attract and retain an appropriate caliber of talent for the position and to motivate executives to achieve our financial goals. We believe that providing these annual incentives is consistent with our objective of providing compensation that varies with our performance in achieving financial and non-financial objectives.

2007 Target Award Opportunities. Our 2007 performance measures included such corporate measures as economic value added (EVA) improvement and Adjusted EBITDA. Depending upon each officer's responsibilities, a target award opportunity was established as a percentage of the individual officer's base salary at a range from 40% to 100% of base salary. The target cash incentive opportunity percentage of base salary for each individual officer is established based upon the position within the Company and is comparable to like positions within our company. After the end of 2007, Mr. Robinette reviewed our annual cash incentive plans, the attainment of performance measures and resulting awards with our compensation committee and our Board, and the compensation committee and the Board approved the awards. For 2007, annual target cash incentive opportunities for the named executive officers were: 100% of base salary for Mr. Robinette, 75% of base salary for Mr. Poe, 50% of base salary for Mr. Wayne and 40% of base salary for Mr. Sveinson and Mr. Veach.

The 2007 performance targets for Mr. Robinette and Mr. Poe were comprised of 50% EVA improvement and 50% Adjusted EBITDA with the 2007 performance target for EVA improvement being approximately $202.4 million with the 2007 Adjusted EBITDA target being approximately $190.7 million. The 2007 performance targets for Mr. Wayne and Mr. Veach were comprised of 50% EVA improvement, 40% operating group Adjusted EBITDA and 10% total company Adjusted EBITDA with the 2007 performance target for EVA improvement being approximately $143.8 million and the 2007 operating group Adjusted EBITDA target being approximately $113.0 million and the 2007 total company Adjusted EBITDA being $190.7 million. The 2007 performance target for Mr. Sveinson was comprised of 80% EVA improvement, 10% operating group Adjusted EBITDA and 10% total company Adjusted EBITDA with the 2007 performance target for EVA improvement being approximately $18.2 million and the 2007 operating group Adjusted EBITDA target being approximately $13.7 million and the 2007 total company Adjusted EBITDA being $190.7 million.

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- Perquisites and Other Personal Benefits

In General. We provide the opportunity for our named executive officers to receive certain perquisites and other personal benefits, including car allowances and Company-paid life insurance premiums. We provide these benefits to provide an additional useful benefit for our executives, and we believe that providing these benefits is essential to our ability to remain competitive in the general marketplace for attracting and retaining executive talent.

Total Compensation Comparison. Including the 2007 annual cash incentive payout, for the last completed fiscal year, personal benefits and perquisites accounted for approximately 3.5% of total compensation for our named executive officers.

- Equity Awards

In General. We have provided the opportunity for our named executive officers to purchase both shares of common stock, par value $.01 per share ("Common Stock") and senior preferred stock, par value $.01 per share ("Senior Preferred Stock") in Ply Gem Prime Holdings, Inc. ("Prime Holdings"), our indirect parent company.

We believe it is vital to our Company to provide our named executive officers with the opportunity to hold an equity interest in our business. We believe that equity ownership among executives aligns management's interests with those of stockholders and provides long-term incentives for the executives. Our named executive officers are the employees who are primarily responsible for the long-term performance of the Company, so this opportunity is intended to incentivize them to improve the overall value of the business. Providing a Senior Preferred Stock component as well as a Common Stock component allows the executives to hold an ownership interest that mirrors that held by non-employee investors in our Company and motivates and rewards the executives for achieving financial objectives. We also believe that our management equity ownership structure promotes the retention of key management and that providing an equity component of compensation is consistent with our compensation objectives of rewarding performance-based compensation and attracting and retaining an appropriate caliber of talent.

The opportunities that we give our executive officers to invest in the business are event-driven and are not provided on any annual or other regular basis. The number of shares that a named executive officer has been permitted to purchase is determined based upon the individual's level of responsibility within the Company. All equity purchases are reviewed and approved by our compensation committee and Board of Directors.

Common Stock. Our named executive officers have purchased our Common Stock either as (1) "Incentive Stock" or (2) part of a strip of equity that is purchased at the same time the officer purchases shares of our Senior Preferred Stock.

Incentive Stock – Protected and Unprotected. Common Stock that is purchased as Incentive Stock becomes "Protected" over time, based on the officer's continued service to our Company. Twenty percent (20%) of each officer's Incentive Stock becomes Protected on the first anniversary of the date of purchase and on each of the next four anniversaries. If the officer's employment with us is terminated at any time, no remaining Incentive Stock that is not Protected ("Unprotected") will become Protected. In addition, if a realization event or an initial public offering occurs at any time, any Incentive Stock that is Unprotected becomes immediately fully Protected.

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Incentive Stock – Termination of Employment. If a named executive officer's Incentive Stock becomes Protected, the officer may have the opportunity to receive a greater per share price for such stock if the stock is purchased by the Company. Specifically, if the named executive officer's employment with us is terminated for reasons other than cause, then Ply Gem Prime Holdings has the right to purchase the officer's shares of Protected Incentive Stock at a price per share (the "Protected Stock Purchase Price") equal to the quotient obtained by dividing (x) the excess of (i) a multiple of consolidated EBITDA over (ii) consolidated indebtedness, less the amount of unrestricted cash of Prime Holdings and its consolidated subsidiaries as of the date of termination by (y) the number of shares of fully diluted Common Stock on the date of the officer's termination of employment. For any Incentive Stock that is Unprotected as of termination, the purchase price is the lesser of (a) the original purchase price paid by the officer for the Incentive Stock, plus or minus any change in adjusted retained earnings per share from the date the shares were originally purchased through the end of the most recent fiscal quarter preceding the date of termination of employment and (b) the Protected Stock Purchase Price. If the officer is terminated for Cause, all Incentive Stock held by the officer, whether or not Protected, will be repurchased by Ply Gem Prime Holdings for the same price applicable to Unprotected Incentive Stock in the preceding sentence.

We believe that this schedule whereby Incentive Stock becomes Protected over time aids in our ability to retain executive officers by requiring the executives' continued service to the Company. In addition, because this schedule provides that the officers' Incentive Stock becomes protected upon certain corporate transactions, this schedule will give the officers the incentive to work toward achieving such a transaction and to share in the value received by other shareholders.

If Common Stock is not designated as "Incentive Stock" and is purchased as part of a strip with Senior Preferred Stock, then the Common Stock is fully vested at the time of purchase. This Common Stock may be repurchased by Ply Gem Prime Holdings at any time following the officer's termination of employment for the Protected Stock Purchase Price described above.

Senior Preferred Stock. Senior Preferred Stock that is purchased by the officers is fully vested at the time of purchase. This Senior Preferred Stock may be repurchased by Ply Gem Prime Holdings at any time following the officer's termination of employment for a price that takes into account the liquidation value and the maximum dividend on the shares of Senior Preferred Stock, consistent with the Certificate of Incorporation of Ply Gem Prime Holdings.

None of the named executive officers purchased either Common Stock or Senior Preferred Stock during 2007.

Phantom Common and Preferred Stock Units. Upon the completion of the Ply Gem acquisition and the MW acquisition, certain members of management contributed their investment in predecessor companies in exchange for phantom common stock units and phantom preferred stock units which were governed by a phantom stock plan. Under the phantom stock plan, each participant's interest in the plan was recorded in a bookkeeping account; however, no stock was initially issued under the phantom stock plan. Each account recorded a number of units so that, any "phantom common stock units" were deemed to be invested in Common Stock and any "phantom preferred stock units" were deemed invested in Senior Preferred Stock. Certain of the phantom common stock units became "Protected" according to the same schedule as the Incentive Stock, based on the date the units were first awarded to the officers. Other phantom common stock units were not subject to any such schedule. Under the plan, upon liquidation and payment of a participant's account, the value of the account generally was to be paid to the participant either in cash or in shares of Ply Gem Prime Holdings' stock having a fair market value equal to the account balance, in the discretion of Ply Gem Prime Holdings. The opportunity for any named executive officer to participate in the phantom stock plan, as well as their level of participation, was reviewed and approved by our Board of Directors.

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As described above, SFAS 123(R) was adopted by the Company as of January 1, 2006, and, for the first three quarters of 2006, the phantom units were recognized under SFAS 123(R) as liability awards that had to be marked to market every quarter. In addition, in 2004, 2005, and 2006, new tax rules governing nonqualified deferred compensation required a re-examination of the structure of the phantom stock plan. Because of the risk of volatility associated with the above accounting treatment and the complexity associated with tax and accounting rule changes, the Company's Board of Directors determined that the cost associated with the administrative, accounting and tax work for the phantom stock units was excessive and outweighed the benefits of continuing to permit the officers to hold such units.

As such, in September 2006, the Company converted all phantom common and preferred stock units held by each named executive officer into a cash account payable on a fixed schedule in years 2007 and beyond. The value of the portion of each cash account that represented phantom common units equaled the number of phantom common stock units credited to the phantom plan account on September 25, 2006 multiplied by $10.00. From September 25, 2006 through January 31, 2007, the value of the cash account was updated as if interest was credited on such value and compounded at December 31, 2006 at a rate equal to the applicable federal rate for short-term loans. This portion of the account was paid to each officer in a single lump-sum cash payment on January 31, 2007. The value of the portion of the cash account that represented the value of the phantom preferred stock units equaled the face amount of the number of shares of Senior Preferred Stock represented by such units. This portion of the account is credited with deemed earnings, as if with interest, at an annual rate of 10% compounded semi-annually as of each June 30 and December 31, from the date of issuance of the phantom preferred stock unit through the date of payment. This portion of the account is payable on each of August 31, 2009, 2010, and 2011, such that one third of the original face amount, plus deemed earnings, is paid on each such date, or, if earlier, the officer's death, disability or a change of control.

As a result of the conversion of the phantom stock plan awards described above, as of December 31, 2007 there were no phantom common or preferred stock units outstanding.

In connection with the conversion described above, the Board authorized Ply Gem Prime Holdings to allow the officers to invest in Common Stock on September 25, 2006, which stock was either Incentive Stock or not, in the same proportion that the officer's phantom units had been deemed invested in such stock.

- Special Bonuses

In General. In connection with the conversion of the phantom stock plan awards described above, our subsidiary, Ply Gem Industries, Inc. provided Mr. Wayne and Mr. Poe with a special, one-time cash bonus award for our 2006 fiscal year. The bonus was payable on January 31, 2007 or any earlier termination of employment other than for cause. If the executives resigned from employment before January 31, 2007, they would not have been entitled to the bonus. All special bonuses were paid on January 31, 2007. The Board of Directors of Prime Holdings approved and ratified Ply Gem Industries, Inc.'s award of these bonuses.

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- Employment Agreements

President and Chief Executive Officer. In October 2006, Mr. Robinette joined the Company and was appointed as our President and Chief Executive Officer. In connection with such appointment, Mr. Robinette entered into an employment agreement with us, pursuant to which we have agreed to pay him an annual base salary of not less than $530,000 and an annual cash incentive target of 100% of base salary. In addition, Mr. Robinette was provided the opportunity by our compensation committee and Board to purchase 125,660 shares of Common Stock, at a price of $10.00 per share and 7,434 shares of Senior Preferred Stock at a price of $100.00 per share.

- Post-termination Severance

In General. We provide the opportunity for certain of our named executive officers to be protected under the severance provisions contained within their retention agreements and, for Mr. Robinette, his employment agreement by providing salary continuation if employment is terminated under certain circumstances (two years for Mr. Robinette and one year for our other named executive officers). If the payment of severance to Mr. Robinette causes him to become subject to the golden parachute excise tax rules, then we will pay him a gross-up amount so that after all taxes are paid on the gross-up, he will have enough funds remaining to pay the excise tax imposed on the severance payments. We provide this opportunity to attract and retain an appropriate caliber of talent for the position. These retention agreements and Mr. Robinette's employment agreement were approved by our Board of Directors, and the terms of these agreements can be found in individual agreements that have previously been filed as exhibits with the Securities and Exchange Commission (SEC). We believe the terms of our retention agreements and of Mr. Robinette's employment agreement are consistent with the provisions and benefit levels of other companies based upon reviewing disclosures made by those companies with the SEC. We believe the arrangements and benefits opportunity contained within our retention agreements and Mr. Robinette's employment agreement are reasonable and allow us to remain competitive in the general marketplace for executive talent. These arrangements are described in detail in the "Potential Payments Upon Termination or Change in Control" section below. The employment agreement between Mr. Robinette and the Company establishes the terms of his employment including salary and benefits, annual cash incentive award target and severance provisions in the event of termination of Mr. Robinette's employment.

- CFO Retention Payment

In November of 2005, the Company provided Mr. Poe with the opportunity to receive a special bonus of $100,000 if Mr. Poe is employed with the Company on December 31, 2007. This special bonus was provided to Mr. Poe as an incentive for Mr. Poe to remain with the Company. The Board determined that it was in the Company's best interest to retain Mr. Poe's services in the capacity of Chief Financial Officer and considers the $100,000 special bonus to be an appropriate incentive. The Company recognized 50% of the special bonus as expense in 2006 and 50% of the special bonus as expense in 2007.

The following table shows information concerning the annual compensation during 2007 for services provided to us by our President and Chief Executive Officer, our Vice President and Chief Financial Officer and our three other most highly compensated executive officers.

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Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (1)	Non-Equity Incentive Plan Compensation ($) (2)	All Other Compensation ($) (4)	Total ($)
Gary E. Robinette	2007	530,000	-	-	506,680	25,081	1,061,761
President & Chief	2006	112,115 (5)	133,589 (6)	-	-	-	245,704
Executive Officer							
Shawn K. Poe	2007	275,000	50,000 (9)	-	197,175	22,133	544,308
Vice President & Chief	2006	222,861	(7) 77,000(8)	-	115,375	163,682	578,919
Financial Officer							
John Wayne	2007	370,000	-	-	301,920	25,409	697,329
President, Siding Group	2006	298,077	76,000 (7)	-	258,137	419,495	1,051,709
Bryan Sveinson	2007	200,036	-	-	264,466	17,451	481,953
President, CWD Windows & Doors, Inc.							
Richard Veach	2007	230,000	-	-	150,190	21,169	401,359
Sr. Vice President, Operations, Siding Group							

(1) The amounts in this column represent, for all shares of Common Stock and Senior Preferred Stock and all awards of phantom common and preferred stock units held by each named executive officer in 2006 and 2007, the dollar amount recognized for financial statement reporting purposes with respect to 2006 in accordance with SFAS 123(R). Because no expense was recognized under SFAS 123(R) during 2006 or 2007, the amount in each row of this column is "0". (See Note 12 to the financial statements "Stock Based Compensation" for a discussion of the assumptions made in this valuation.) As described in the "Compensation Discussion and Analysis – Phantom Common and Preferred Stock Units" section above, the awards under the phantom stock plan were amended on September 25, 2006. These awards were reported under SFAS 123(R) through the end of the third quarter of the 2006 fiscal year. During the fourth quarter of 2006, we recognized nonqualified deferred compensation expense in respect of the cash accounts that were established in connection with the conversion of the phantom plan, and the value of these accounts is included in the "All Other Compensation" column of this table with respect to 2006.

(2)

The amounts in this column represent performance-based cash bonuses earned for services rendered during 2007 and 2006. These incentive bonuses are described in the "Compensation Discussion and Analysis - Annual Cash Incentive Awards" section above.

(3) None of the named executive officers are covered by either of the Company's pension plans. The named executive officers did not receive any above-market or preferential earnings on compensation deferred on a basis that is not tax-qualified.

(4) The amounts in this column with respect to 2007 consist of the following items for each officer shown below:

- Ø Gary E. Robinette: $10,500 car allowance, $6,750 company 401k contributions, $6,750 profit sharing, and $1,081 insurance premiums.
- Ø Shawn K. Poe: $7,700 car allowance, $6,750 company 401k contributions, $6,750 profit sharing, and $561 insurance premiums.

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- Ø John Wayne: $10,500 car allowance, $6,750 company 401k contributions, $6,750 profit sharing, and $755 insurance premiums.
  - Ø Bryan Sveinson: $10,450 company car benefit, and $7,001 Group Registered Retirement Savings Plan
- Ø Richard Veach: $7,200 car allowance, $6,750 company 401k contributions, $6,750 profit sharing, and $469 insurance premiums.

The amounts in this column with respect to 2006 consist of the following items for each officer shown below:

- Ø Shawn K. Poe: $135,900 value of cash deferred compensation account created in connection with phantom plan conversion described in the "Compensation Discussion and Analysis – Phantom Common and Preferred Stock Units" section above, $7,200 car allowance, $6,628 company 401k contributions, $6,600 profit sharing, and $6,982 insurance premiums.
- Ø John Wayne: $388,350 value of cash deferred compensation account created in connection with phantom plan conversion described in the "Compensation Discussion and Analysis – Phantom Common and Preferred Stock Units" section above, $10,500 car allowance, $6,600 company 401k contributions, $6,600 profit sharing, and $6,791 insurance premiums.

(5) Represents the dollar value of the base salary earned by Mr. Robinette for the period from the date that he commenced employment in October 2006 through December 31, 2006.

(6) Represents the guaranteed bonus paid to Mr. Robinette pursuant to his employment agreement.

(7) Represents the Special Bonus awarded on September 25, 2006 in connection with the conversion of awards under the phantom stock plan, described in the "Compensation Discussion and Analysis – Special Bonuses" section above.

(8) The figure includes $50,000 of retention bonus which represents 50% of a total $100,000 special bonus that Mr. Poe was eligible to receive if he remained employed with the Company through December 31, 2007.

(9) Represents 50% of a total $100,000 special bonus that Mr. Poe was eligible to receive if he remained employed with the Company through December 31, 2007.

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Grants of Plan-Based Awards

Name	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Target ($) (1)
Gary E. Robinette	$ 530,000
Shawn K. Poe	206,250
John Wayne	185,000
Bryan Sveinson	86,000
Richard Veach	92,000

(1) These amounts represent the annual target cash incentive opportunities as a percentage of base salary for each named executive officer.

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Outstanding Equity Awards at Fiscal Year-End

Name	Number of Shares or Units of Stock that Have Not Vested (#) (1)	Market Value of Shares or Units of Stock That Have Not Vested ($) (2)
Gary E. Robinette	88,000	–
Shawn K. Poe	15,367	–
John Wayne	18,122	–
Bryan Sveinson	9,362	–
Richard Veach	5,076	–

(1) The Stock Awards set forth in this table become Protected as described in the "Compensation Discussion and Analysis – Common Stock" section above.

(2) Because the Company's Common Stock is not publicly traded, and the value per share under the valuation formula contained within the Stockholders' Agreement was zero at December 31, 2007, a market value of zero is shown.

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Stock Vested

Name	Stock Awards Number of Shares Acquired on Vesting (#) (1)	Value Realized on Vesting ($) (2)
Gary E. Robinette	37,660	–
Shawn K. Poe	23,050	–
John Wayne	27,182	–
Bryan Sveinson	14,044	–
Richard Veach	7,614	–

(1) The Stock Awards in this table represent the shares of Common Stock that were either vested on the date of grant or that became Protected during 2007, as described in the "Compensation Discussion and Analysis – Common Stock" section above.

(2) This amount represents the number of shares of Common Stock and the number of phantom incentive units that became Protected during 2007. Because the Company's Common Stock is not publicly traded and the value per share under the valuation formula contained within the Stockholders' Agreement was zero at December 31, 2007, a market value of zero is shown. These shares remain subject to certain transfer restrictions provided in a stockholders' agreement with Prime Holdings and there is no current market in which the officers may sell such shares.

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Nonqualified Deferred Compensation

Name	Aggregate Earnings in Last FY ($) (1)	Aggregate Balance at Last FYE ($) (2) (3)
Gary E. Robinette	-	-
Shawn K. Poe	636	138,452
John Wayne	1,808	395,632
Bryan Sveinson	-	-
Richard Veach	-	-

(1) These amounts do not represent above-market or preferential earnings on compensation deferred on a basis that is not tax-qualified, and these amounts were not reported in the "Summary Compensation Table" above.

(2) The aggregate balance at December 31, 2007 represents the balance of the cash-denominated deferred compensation accounts established in connection with the conversion of the phantom stock plan awards on September 25, 2006, as described in the "Compensation Discussion and Analysis – Phantom Common and Preferred Stock Units" section above.

(3) These amounts do not represent above-market or preferential earnings on compensation deferred on a basis that is not tax-qualified, and these amounts were not reported in the "Summary Compensation Table" above for previous years.

Termination or Change in Control Arrangements

Name	Years	Severance ($)	Benefits ($)	Bonus ($)
Employment Agreement:				
Gary E. Robinette	2	$ 1,060,000	$ 16,944	$ 1,013,360
Retention Agreements:				
Shawn K. Poe	1	275,000	8,472	197,175
John Wayne	1	370,000	8,472	301,920
Bryan Sveinson	1	200,036	8,472	284,250
Richard Veach	NA	NA	NA	NA

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Mr. Robinette's employment agreement and the retention agreements for each of Mr. Poe, Mr. Wayne, and Mr. Sveinson provide that the officer will receive payments and benefits if he is terminated without "cause" or resigns following a "material adverse change." "Cause" means certain failures to perform duties after demand by the Board or obey the Board or a senior executive of the Company, a material act of dishonesty in connection with executive duties, or conviction of a felony, a fraudulent or dishonest misdemeanor, or a civil judgment for fraud.

"Material adverse change" is defined in Mr. Robinette's employment agreement as assignment of duties inconsistent with his position, reduction of salary or target bonus, or Company action that would deny him any material employee benefit, without his consent. "Material adverse change" in the retention agreements is defined the same as in Mr. Robinette's employment agreement; however, it does not include a reduction in target bonus, but does include the Company requiring the executive to be based more than 50 miles from his current office location, as well as any Company breach of any provision of the retention agreement.

To receive any payments or benefits in connection with a termination for cause or material adverse change, the executive must release certain claims against the Company. In addition, the executive must comply with certain restrictive covenants, including a covenant not to compete with our business for two years following termination in the case of Mr. Robinette and one year following termination in the case of all other executives. The restrictive covenants also prohibit the executives from soliciting our employees for two years following termination in the case of Mr. Robinette and one year following termination in the case of all other executives. The covenants also prohibit disclosure of our confidential information and the mailing of disparaging statements about the Company and our people.

Mr. Robinette's Employment Agreement provides that he will receive an amount equal to two years of his base salary at the time of termination, plus medical insurance benefit coverage paid over the 24 months following termination. In addition, Mr. Robinette will be eligible to receive payment of a "Year 1 Bonus" equal to the amount that would have been actually earned and paid to Mr. Robinette under the cash incentive award plan had he been employed for the entire 12 month period of the year, plus a "Year 2 Bonus" equal to a pro-rated portion of the Year 1 Bonus based upon the number of months that Mr. Robinette was employed with the Company during the year of termination of his employment with the Company.

Mr. Poe may be eligible to receive severance in addition to that shown in the table above worth up to one additional year if at the end of the 12 month period following his termination he has not been able to obtain employment providing him with a salary of at least $150,000.

If the named executive officer's employment is terminated during the year, the officer is eligible to receive a pro rata portion of an amount equal to the lesser of the officer's annual cash incentive award target or the actual cash incentive award that would have been paid under the incentive award plan had the officer been employed at the date that such cash incentive award is actually paid.

The named executive officer's may be entitled to receive a cash payment for their individual shares of Incentive Stock, if Prime Holdings elects to exercise its call right under the Stockholders' Agreement. If Prime Holdings had exercised its call right on December 31, 2007, the named executive officers would not have received any money for any of the shares of common stock. Because shares of the Company's Common Stock are not publicly traded and the value per share at December 31, 2007 per the formula contained in the Stockholders' Agreement is zero, no amount has been reflected in the table for incentive equity.

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In addition, upon a change in control, all Common Stock held by the named executive officers that is Unprotected will become Protected. If a change in control had occurred on December 31, 2007, applying the Protected price formula in the Stockholders' Agreement based on EBITDA as of that date, the value per share of Common Stock would be zero.

Director Compensation

Name	Fees Earned or Paid in Cash ($)	All Other Compensation ($) (1)	Total ($)
Frederick Iseman	$ -	$ -	$ -
Robert A. Ferris	-	-	-
Steven M. Lefkowitz	-	-	-
John D. Roach	60,000	19,811	79,811
Michael Haley	60,000	10,000	70,000
Edward M. Straw	60,000	10,000	70,000
Timothy T. Hall	-	-	-

(1) All Other Compensation includes payment of a $2,000 payment per each board meeting attended and payment for other non-board advisory services provided.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Upon completion of the Ply Gem acquisition, Ply Gem Industries entered into two advisory agreements with an affiliate of Caxton-Iseman Capital (the "Caxton-Iseman Party"), which we refer to as the "Debt Financing Advisory Agreement" and the "General Advisory Agreement."

Under the Debt Financing Advisory Agreement, Ply Gem Industries paid the Caxton-Iseman Party a debt financing arrangement and advisory fee, equal to 2.375% of the aggregate amount of the debt financing incurred in connection with the Ply Gem acquisition ($11.4 million).

Under the General Advisory Agreement, the Caxton-Iseman Party provides us with acquisition and financial advisory services as the Board of Directors shall reasonably request. In consideration of these services, Ply Gem Industries agreed to pay the Caxton-Iseman Party (1) an annual fee equal to 2% of our EBITDA, as defined in such agreement, (2) a transaction fee, payable upon the completion by us of any acquisition, of 2% of the sale price, (3) a transaction fee, payable upon the completion by us of any divestitures, of 1% of the sale price, and (4) a transaction fee, payable upon the completion of the sale of our company, of 1% of the sale price. EBITDA in the General Advisory Agreement is based on our net income (loss) plus extraordinary losses and/or any net capital losses realized, provision for income taxes, interest expense (including amortization or write-off of debt discount and debt issuance costs and commissions, and other items), depreciation and amortization (including amortization of goodwill, organization costs, capitalized management fees, and other items), dividends paid or accrued on preferred stock, certain management fees paid to the Caxton-Iseman Party, charges related to certain phantom units, and a number of other items. The annual fee payable in any year may not exceed the amounts permitted under the senior credit facilities or the indenture governing the senior secured notes, and the Caxton-Iseman Party is obligated to return any portion of the annual fee that has been prepaid if an event of default has occurred and is continuing under either the senior credit facilities or the indenture governing the senior secured notes.

In connection with the MW acquisition, pursuant to the General Advisory Agreement, in November 2004 the Company paid the Caxton-Iseman Party a transaction fee equal to 2% of the purchase price of the equity of MWM Holding ($6.4 million). In connection with the Alenco acquisition, in March 2006 the Company paid the Caxton-Iseman Party a transaction fee equal to 2% of the purchase price of the equity of AWC ($2.4 million). In connection with the AHE acquisition, in October 2006 the Company paid the Caxton-Iseman Party a transaction fee equal to 2% of the purchase price of AHE ($6.1 million). In connection with the Pacific Windows acquisition, in October 2007 the Company paid the Caxton-Iseman Party a transaction fee equal to 2% of the purchase price of Pacific Windows ($0.7 million).

Under the General Advisory Agreement the Company paid a management fee of approximately $0.8 million for the six months ended June 28, 2008, approximately $3.5 million for the year ended December 31, 2007, approximately $2.5 million for the year ended December 31, 2006, and approximately $2.3 million for the year ended December 31, 2005.

The initial term of the General Advisory Agreement is 10 years, and is automatically renewable for consecutive one-year extensions, unless Ply Gem Industries or the Caxton-Iseman Party provides notice of termination. In addition, the General Advisory Agreement may be terminated by the Caxton-Iseman Party at any time, upon the occurrence of specified change of control transactions or upon an initial public offering of our shares or shares of any of our parent companies. If the General Advisory Agreement is terminated for any reason prior to the end of the initial term, Ply Gem Industries will pay to the Caxton-Iseman Party an amount equal to the present value of the annual advisory fees that would have been payable through the end of the initial term, based on our cost of funds to borrow amounts under our senior credit facilities.

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In connection with the MW acquisition, Ply Gem Investment Holdings received an equity investment of approximately $0.5 million from The GeMROI Company, an outside sales agency that represents, among other products and companies, MW windows for which the Company pays GeMROI a sales commission for their services. During 2007, 2006 and 2005, the Company paid GeMROI approximately $1.8 million, $2.3 million, and $2.5 million, respectively, in sales commission for their services. During 2006, the Company received an additional equity investment of approximately $0.5 million from JPG Investments, LLC, an affiliate of The GeMROI Company.

On May 23, 2008, in connection with an amendment to our prior credit facilities and as a condition to such amendment, affiliates of CI Capital Partners LLC made (i) an $18 million cash investment in Ply Gem Prime Holdings and received 14,518 shares of Ply Gem Prime Holdings' common stock and 210,482 shares of Ply Gem Prime Holdings' Class A common stock and (ii) a $12 million cash investment in Ply Gem Investment Holdings, and received 12,000 shares of senior preferred stock. Ply Gem Prime Holdings and Ply Gem Investment Holdings then made an aggregate $30 million capital contribution to Ply Gem Holdings, which in turn contributed such amount to the capital of Ply Gem Industries.

As a result of the Ply Gem acquisition, Ply Gem Investment Holdings is the common parent of an affiliated group of corporations that will include Ply Gem Holdings, Ply Gem Industries and their subsidiaries. Ply Gem Investment Holdings will elect to file consolidated federal income tax returns on behalf of the group. Accordingly, Ply Gem Investment Holdings, Ply Gem Holdings and Ply Gem Industries have entered into a Tax Sharing Agreement, under which Ply Gem Holdings and Ply Gem Industries will make payments to Ply Gem Investment Holdings. These payments will not be in excess of the tax liabilities of Ply Gem Holdings, Ply Gem Industries and their respective subsidiaries, if these tax liabilities had been computed on a stand-alone basis.

Before entering into any related party transaction, it is the Company's policy to submit the proposed transaction to the Board for approval.

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PRINCIPAL STOCKHOLDERS

Ply Gem Holdings is the sole holder of all 100 issued and outstanding shares of Ply Gem Industries' common stock. Ply Gem Investment Holdings is the sole holder of all 100 issued and outstanding shares of common stock of Ply Gem Holdings. Ply Gem Prime Holdings is the sole holder of all 100 issued and outstanding shares of common stock of Ply Gem Investment Holdings.

The following table sets forth the number and percentage of the outstanding shares of common stock of Ply Gem Prime Holdings Inc. beneficially owned as of August 15, 2008 by:

- each named executive officer;
- each of our directors;
- each person known to us to be the beneficial owner of more than 5% of the common stock of Ply Gem Prime Holdings; and
- all of our executive officers and directors as a group.

Unless otherwise noted below, the address of each beneficial owner listed on the table below is c/o Ply Gem Industries, Inc., 5020 Weston Parkway, Suite 400, Cary, North Carolina 27513.

	Shares Beneficially Owned(1)	
Name of Beneficial Owner	Common Shares(2)	%
Caxton-Iseman (Ply Gem), L.P. (3)	617,426	16.5%
Caxton-Iseman (Ply Gem) II, L.P. (3)	2,482,019	66.3
Frederick Iseman (3) (4)	3,099,445	82.8
Robert A. Ferris (3)	-	*
Steven M. Lefkowitz (3)	-	*
Gary E. Robinette (5)	125,660	3.4
Shawn Poe (6)	38,417	1.0
John Wayne (7)	45,304	1.2
Bryan Sveinson	23,406	*
Richard Veach	12,690	*
John D. Roach (8)	3,577	*
Michael Haley	9,362	*
Edward M. Straw	-	*
Timothy Hall (3)	-	*
All Directors and Executive Officers as a Group	3,504,539	93.6

* Less than 1%.

(1) Determined in accordance with Rule 13d-3 under the Exchange Act.

(2) Ply Gem Prime Holdings also has a series of non-voting senior preferred stock.

(3) Address is c/o Caxton-Iseman Capital, LLC, 500 Park Avenue, New York, New York 10022.

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(4) By virtue of his indirect control of Caxton-Iseman (Ply Gem) L.P. and Caxton-Iseman (Ply Gem) II, L.P., Mr. Iseman is deemed to beneficially own the 2,874,445 shares of common stock held by that entity.

(5) Mr. Robinette purchased 125,660 shares of common stock in 2006.

(6) In connection with the Ply Gem acquisition, Mr. Poe acquired phantom incentive stock units representing 13,590 shares of common stock. In September 2006, Mr. Poe converted the shares of phantom incentive stock to 9,707 shares of common stock.

(7) In connection with the Ply Gem acquisition, Mr. Wayne acquired phantom incentive stock units representing 38,835 shares of common stock. In September 2006, Mr. Wayne converted the shares of phantom incentive stock to 27,739 shares of common stock.

(8) Address is c/o Stonegate International, 100 Crescent Court, Dallas, Texas 75201.

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DESCRIPTION OF OTHER INDEBTEDNESS

Senior Secured Asset-Based Revolving Credit Facility

We summarize below the principal terms of the agreements that govern our senior secured asset-based revolving credit facility. This summary is not a complete description of all the terms of such agreements.

General

In connection with the offering of the initial notes, we entered into a new senior secured asset-based revolving credit facility, or ABL Facility, with Credit Suisse Securities (USA) LLC, as lead arranger and bookrunner, and a syndicate of financial institutions and institutional lenders. Set forth below is a summary of the terms of our new ABL Facility.

The ABL Facility initially provided for revolving credit financing of up to $135.0 million, which was increased to $150.0 million on August 14, 2008. This borrowing capacity under the ABL Facility is subject to borrowing base availability. The ABL Facility has a maturity of five years and includes sub-facilities for letters of credit, swingline loans and borrowings in Canadian dollars and United States dollars by CWD. In addition, the ABL Facility provides that the revolving commitments may be further increased to $200.0 million, subject to certain terms and conditions.

The borrowing base at any time equals the sum (subject to certain eligibility requirements, reserves and other adjustments) of:

- 85% of the net amount of eligible receivables; and
- 85% of the net orderly liquidation value of eligible inventory.

Our ABL Facility includes borrowing capacity available for letters of credit and for borrowings on same-day notice, referred to as swingline loans. A portion of the revolving credit facility consists of a facility available to CWD in United States or Canadian dollars.

All borrowings under our ABL Facility will be subject to the satisfaction of customary conditions, including absence of a default and accuracy of representations and warranties. The ABL Facility matures on October 15, 2011 if the existing senior subordinated notes due 2012 are not refinanced by such date.

Interest Rate and Fees

Borrowings under our ABL Facility bear interest at a rate per annum equal to, at our option, either (a) a base rate determined by reference to the higher of (1) the prime rate of Credit Suisse and (2) the federal funds effective rate plus ½ of 1% or (b) a Eurodollar rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, in each case plus an applicable margin. The initial applicable margin for borrowings under our ABL Facility is 2.00% for base rate loans and 3.00% for Eurodollar rate loans. The applicable margin for borrowings under the ABL Facility will be subject to step ups and step downs based on excess availability under that facility. Swingline loans will bear interest at a rate per annum equal to the base rate plus the applicable margin. In addition to paying interest on outstanding principal under our ABL Facility, we are required to pay a commitment fee, in respect of the unutilized commitments thereunder which fee will be determined based on utilization of the ABL Facility (increasing when utilization is low and decreasing when utilization is high). We must also pay customary letter of credit fees equal to the applicable margin on Eurodollar loans and agency fees.

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Mandatory Repayments

If at any time the aggregate amount of outstanding loans, unreimbursed letter of credit drawings and undrawn letters of credit under our ABL Facility exceeds the lesser of (i) the commitment amount and (ii) the borrowing base, we will be required to repay outstanding loans and cash collateralize letters of credit in an aggregate amount equal to such excess, with no reduction of the commitment amount. If the amount available under our ABL Facility is less than 15% of the commitments or certain events of default have occurred, we will be required to deposit cash from our material deposit accounts (including all concentration accounts) daily in a collection account maintained with the administrative agent under our ABL Facility, which will be used to repay outstanding loans and cash collateralize letters of credit.

Voluntary Repayment

We may voluntarily reduce the unutilized portion of the commitment amount and repay outstanding loans at any time without premium or penalty other than customary “breakage” costs with respect to Eurodollar loans.

Amortization and Final Maturity

There is no scheduled amortization under our ABL Facility. All outstanding loans under the facility are due and payable in full on the fifth anniversary of the closing date (or October 15, 2011 if the existing senior subordinated notes due 2012 are not refinanced by such date).

Guarantees and Security

All obligations under our ABL Facility are fully and unconditionally guaranteed by substantially all of our existing and future, direct and indirect, wholly-owned domestic subsidiaries and in any event by all subsidiaries that guarantee the notes. All obligations under our ABL Facility, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of our assets and the assets of the guarantors, including:

- a first-priority security interest in personal property consisting of accounts receivable, inventory, cash, deposit accounts, and certain related assets and proceeds of the foregoing; and
- a second-priority security interest in, and mortgages on, substantially all of our material owned real property and equipment and all assets that secure the notes on a first-priority basis.

The obligations of CWD, which is a borrower under the Canadian sub-facility under the ABL Facility, will be secured by a first-priority security interest in substantially all of the assets of such Canadian subsidiary and by our and the guarantors’ assets on the same basis as borrowings by us are secured under the ABL Facility, plus additional mortgages in Canada and a pledge by Ply Gem Industries of the remaining 35% of the equity interests of CWD pledged only to secure the Canadian sub-facility.

Restrictive Covenants and Other Matters

Our ABL Facility requires that if excess availability is less than 15% of the commitments, we must comply with a minimum fixed charge coverage ratio test and certain other covenants. In addition, our new ABL Facility includes negative covenants that, subject to significant exceptions, limit our ability and the ability of our parent and our subsidiaries to, among other things:

- incur, assume or permit to exist additional indebtedness or guarantees;
- incur liens and engage in sale leaseback transactions;
- make investments and loans;
- pay dividends, make payments or redeem or repurchase capital stock;
- engage in mergers, acquisitions and asset sales;
- prepay, redeem or purchase certain indebtedness including the notes;
- amend or otherwise alter terms of certain indebtedness, including the notes, and certain material agreements;
- enter into agreements limiting subsidiary distributions;
- engage in certain transactions with affiliates; and
- alter the business that we conduct.

Our ABL Facility contains certain customary representations and warranties, affirmative covenants and events of default, including among other things payment defaults, breach of representations and warranties, covenant defaults, cross-defaults to certain indebtedness, certain events of bankruptcy, certain events under ERISA, material judgments, actual or asserted failure of any guaranty or security document supporting our ABL Facility to be in full force and effect, and change of control. If such an event of default occurs, the lenders under our new ABL Facility are entitled to take various actions, including the acceleration of amounts due under our ABL Facility and all actions permitted to be taken by a secured creditor.

Existing Senior Subordinated Notes

We currently have $360.0 million in aggregate principal amount of senior subordinated notes due 2012 outstanding. In February 2004, Ply Gem Industries issued $225.0 million of the senior subordinated notes, which are guaranteed by Ply Gem Holdings and the domestic subsidiaries of Ply Gem Industries. In August 2004, in connection with the MW acquisition, Ply Gem Industries issued an additional $135.0 million of senior subordinated notes, which are guaranteed by Ply Gem Holdings Inc. and the domestic subsidiaries of Ply Gem Industries, including MWM Holding and its subsidiaries. The senior subordinated notes mature February 15, 2012 and bear interest at a rate of 9%.

The indenture for the senior subordinated notes imposes certain restrictions on Ply Gem Industries and its subsidiaries, including restrictions on their ability to incur indebtedness, pay dividends, make investments, grant liens, sell assets and engage in certain other activities. The terms of the senior subordinated notes also significantly restrict the ability of Ply Gem Industries to pay dividends and otherwise distribute assets to Ply Gem Holdings.

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THE EXCHANGE OFFER

Terms of the Exchange Offer

We are offering to exchange our exchange notes for a like aggregate principal amount of our initial notes.

The exchange notes that we propose to issue in this exchange offer will be substantially identical to our initial notes except that, unlike our initial notes, the exchange notes will have no transfer restrictions or registration rights. You should read the description of the exchange notes in the section in this prospectus entitled "Description of the Notes."

We reserve the right in our sole discretion to purchase or make offers for any initial notes that remain outstanding following the expiration or termination of this exchange offer and, to the extent permitted by applicable law, to purchase initial notes in the open market or privately negotiated transactions, one or more additional tender or exchange offers or otherwise. The terms and prices of these purchases or offers could differ significantly from the terms of this exchange offer.

Expiration Date; Extensions; Amendments; Termination

This exchange offer will expire at 5:00 p.m., New York City time, on October 28, 2008, unless we extend it in our reasonable discretion. The expiration date of this exchange offer will be at least 20 business days after the commencement of the exchange offer in accordance with Rule 14e-1(a) under the Securities Exchange Act of 1934.

We expressly reserve the right to delay acceptance of any initial notes, extend or terminate this exchange offer and not accept any initial notes that we have not previously accepted if any of the conditions described below under "—Conditions to the Exchange Offer" have not been satisfied or waived by us. We will notify the exchange agent of any extension by oral notice promptly confirmed in writing or by written notice. We will also notify the holders of the initial notes by a press release or other public announcement communicated before 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date unless applicable laws require us to do otherwise.

We also expressly reserve the right to amend the terms of this exchange offer in any manner. If we make any material change, we will promptly disclose this change in a manner reasonably calculated to inform the holders of our initial notes of the change including providing public announcement or giving oral or written notice to these holders. A material change in the terms of this exchange offer could include a change in the timing of the exchange offer, a change in the exchange agent and other similar changes in the terms of this exchange offer. If we make any material change to this exchange offer, we will disclose this change by means of a post-effective amendment to the registration statement which includes this prospectus and will distribute an amended or supplemented prospectus to each registered holder of initial notes. In addition, we will extend this exchange offer for an additional five to ten business days as required by the Exchange Act, depending on the significance of the amendment, if the exchange offer would otherwise expire during that period. We will promptly notify the exchange agent by oral notice, promptly confirmed in writing, or written notice of any delay in acceptance, extension, termination or amendment of this exchange offer.

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Procedures for Tendering Initial Notes

Proper Execution and Delivery of Letters of Transmittal

To tender your initial notes in this exchange offer, you must use one of the three alternative procedures described below:

(1) Regular delivery procedure: Complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal. Have the signatures on the letter of transmittal guaranteed if required by the letter of transmittal. Mail or otherwise deliver the letter of transmittal or the facsimile together with the certificates representing the initial notes being tendered and any other required documents to the exchange agent on or before 5:00 p.m., New York City time, on the expiration date.

(2) Book-entry delivery procedure: Send a timely confirmation of a book-entry transfer of your initial notes, if this procedure is available, into the exchange agent's account at The Depository Trust Company in accordance with the procedures for book-entry transfer described under "—Book-Entry Delivery Procedure" below, on or before 5:00 p.m., New York City time, on the expiration date.

(3) Guaranteed delivery procedure: If time will not permit you to complete your tender by using the procedures described in (1) or (2) above before the expiration date and this procedure is available, comply with the guaranteed delivery procedures described under "—Guaranteed Delivery Procedure" below.

The method of delivery of the initial notes, the letter of transmittal and all other required documents is at your election and risk. Instead of delivery by mail, we recommend that you use an overnight or hand-delivery service. If you choose the mail, we recommend that you use registered mail, properly insured, with return receipt requested. In all cases, you should allow sufficient time to assure timely delivery. You should not send any letters of transmittal or initial notes to us. You must deliver all documents to the exchange agent at its address provided below. You may also request your broker, dealer, commercial bank, trust company or nominee to tender your initial notes on your behalf.

Only a holder of initial notes may tender initial notes in this exchange offer. A holder is any person in whose name initial notes are registered on our books or any other person who has obtained a properly completed bond power from the registered holder.

If you are the beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your notes, you must contact that registered holder promptly and instruct that registered holder to tender your notes on your behalf. If you wish to tender your initial notes on your own behalf, you must, before completing and executing the letter of transmittal and delivering your initial notes, either make appropriate arrangements to register the ownership of these notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.

You must have any signatures on a letter of transmittal or a notice of withdrawal guaranteed by:

(1) a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc.;

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(2) a commercial bank or trust company having an office or correspondent in the United States; or

(3) an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act, unless the initial notes are tendered:

(a) by a registered holder or by a participant in The Depository Trust Company whose name appears on a security position listing as the owner, who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal and only if the exchange notes are being issued directly to this registered holder or deposited into this participant's account at The Depository Trust Company; or

(b) for the account of a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934.

If the letter of transmittal or any bond powers are signed by:

(1) the recordholder(s) of the initial notes tendered: the signature must correspond with the name(s) written on the face of the initial notes without alteration, enlargement or any change whatsoever.

(2) a participant in The Depository Trust Company: the signature must correspond with the name as it appears on the security position listing as the holder of the initial notes.

(3) a person other than the registered holder of any initial notes: these initial notes must be endorsed or accompanied by bond powers and a proxy that authorize this person to tender the initial notes on behalf of the registered holder, in satisfactory form to us as determined in our sole discretion, in each case, as the name of the registered holder or holders appears on the initial notes.

(4) trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity: these persons should so indicate when signing. Unless waived by us, evidence satisfactory to us of their authority to so act must also be submitted with the letter of transmittal.

To tender your initial notes in this exchange offer, you must make the following representations:

(1) you are authorized to tender, sell, assign and transfer the initial notes tendered and to acquire exchange notes issuable upon the exchange of such tendered initial notes, and that we will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim when the same are accepted by us;

(2) any exchange notes acquired by you pursuant to the exchange offer are being acquired in the ordinary course of business, whether or not you are the holder;

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(3) you or any other person who receives exchange notes, whether or not such person is the holder of the exchange notes, has an arrangement or understanding with any person to participate in a distribution of such exchange notes within the meaning of the Securities Act and is not participating in, and does not intend to participate in, the distribution of such exchange notes within the meaning of the Securities Act;

(4) you or such other person who receives exchange notes, whether or not such person is the holder of the exchange notes, is not an "affiliate," as defined in Rule 405 of the Securities Act, of ours, or if you or such other person is an affiliate, you or such other person will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;

(5) if you are not a broker-dealer, you represent that you are not engaging in, and do not intend to engage in, a distribution of exchange notes; and

(6) if you are a broker-dealer that will receive exchange notes for your own account in exchange for initial notes, you represent that the initial notes to be exchanged for the exchange notes were acquired by you as a result of market-making or other trading activities and acknowledge that you will deliver a prospectus in connection with any resale, offer to resell or other transfer of such exchange notes.

You must also warrant that the acceptance of any tendered initial notes by the issuers and the issuance of exchange notes in exchange therefor shall constitute performance in full by the issuers of its obligations under the registration rights agreement relating to the initial notes.

To effectively tender notes through The Depository Trust Company, the financial institution that is a participant in The Depository Trust Company will electronically transmit its acceptance through the Automatic Tender Offer Program. The Depository Trust Company will then edit and verify the acceptance and send an agent's message to the exchange agent for its acceptance. An agent's message is a message transmitted by The Depository Trust Company to the exchange agent stating that The Depository Trust Company has received an express acknowledgment from the participant in The Depository Trust Company tendering the notes that this participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce this agreement against this participant.

Book-Entry Delivery Procedure

Any financial institution that is a participant in The Depository Trust Company's systems may make book-entry deliveries of initial notes by causing The Depository Trust Company to transfer these initial notes into the exchange agent's account at The Depository Trust Company in accordance with The Depository Trust Company's procedures for transfer. To effectively tender notes through The Depository Trust Company, the financial institution that is a participant in The Depository Trust Company will electronically transmit its acceptance through the Automatic Tender Offer Program. The Depository Trust Company will then edit and verify the acceptance and send an agent's message to the exchange agent for its acceptance. An agent's message is a message transmitted by The Depository Trust Company to the exchange agent stating that The Depository Trust Company has received an express acknowledgment from the participant in The Depository Trust Company tendering the notes that this participation has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce this agreement against this participant. The exchange agent will make a request to establish an account for the initial notes at The Depository Trust Company for purposes of the exchange offer within two business days after the date of this prospectus.

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A delivery of initial notes through a book-entry transfer into the exchange agent's account at The Depository Trust Company will only be effective if an agent's message or the letter of transmittal or a facsimile of the letter of transmittal with any required signature guarantees and any other required documents is transmitted to and received by the exchange agent at the address indicated below under "—Exchange Agent" on or before the expiration date unless the guaranteed delivery procedures described below are complied with. Delivery of documents to The Depository Trust Company does not constitute delivery to the exchange agent.

Guaranteed Delivery Procedure

If you are a registered holder of initial notes and desire to tender your notes, and (1) these notes are not immediately available, (2) time will not permit your notes or other required documents to reach the exchange agent before the expiration date or (3) the procedures for book-entry transfer cannot be completed on a timely basis and an agent's message delivered, you may still tender in this exchange offer if:

(1) you tender through a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States, or an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act;

(2) on or before the expiration date, the exchange agent receives a properly completed and duly executed letter of transmittal or facsimile of the letter of transmittal, and a notice of guaranteed delivery, substantially in the form provided by us, with your name and address as holder of the initial notes and the amount of notes tendered, stating that the tender is being made by that letter and notice and guaranteeing that within three New York Stock Exchange trading days after the expiration date the certificates for all the initial notes tendered, in proper form for transfer, or a book-entry confirmation with an agent's message, as the case may be, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

(3) the certificates for all your tendered initial notes in proper form for transfer or a book-entry confirmation as the case may be, and all other documents required by the letter of transmittal are received by the exchange agent within three New York Stock Exchange trading days after the expiration date.

Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes

Your tender of initial notes will constitute an agreement between you and us governed by the terms and conditions provided in this prospectus and in the related letter of transmittal.

We will be deemed to have received your tender as of the date when your duly signed letter of transmittal accompanied by your initial notes tendered, or a timely confirmation of a book-entry transfer of these notes into the exchange agent's account at The Depository Trust Company with an agent's message, or a notice of guaranteed delivery from an eligible institution is received by the exchange agent.

All questions as to the validity, form, eligibility, including time of receipt, acceptance and withdrawal of tenders will be determined by us in our sole discretion. Our determination will be final and binding.

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We reserve the absolute right to reject any and all initial notes not properly tendered or any initial notes which, if accepted, would, in our opinion or our counsel's opinion, be unlawful. We also reserve the absolute right to waive any conditions of this exchange offer or irregularities or defects in tender as to particular notes with the exception of conditions to this exchange offer relating to the obligations of broker dealers, which we will not waive. If we waive a condition to this exchange offer, the waiver will be applied equally to all note holders. Our interpretation of the terms and conditions of this exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of initial notes must be cured within such time as we shall determine. We, the exchange agent or any other person will be under no duty to give notification of defects or irregularities with respect to tenders of initial notes. We and the exchange agent or any other person will incur no liability for any failure to give notification of these defects or irregularities. Tenders of initial notes will not be deemed to have been made until such irregularities have been cured or waived. The exchange agent will return without cost to their holders any initial notes that are not properly tendered and as to which the defects or irregularities have not been cured or waived promptly following the expiration date.

If all the conditions to the exchange offer are satisfied or waived on the expiration date, we will accept all initial notes properly tendered and will issue the exchange notes promptly thereafter. Please refer to the section of this prospectus entitled "—Conditions to the Exchange Offer" below. For purposes of this exchange offer, initial notes will be deemed to have been accepted as validly tendered for exchange when, as and if we give oral or written notice of acceptance to the exchange agent.

We will issue the exchange notes in exchange for the initial notes tendered pursuant to a notice of guaranteed delivery by an eligible institution only against delivery to the exchange agent of the letter of transmittal, the tendered initial notes and any other required documents, or the receipt by the exchange agent of a timely confirmation of a book-entry transfer of initial notes into the exchange agent's account at The Depository Trust Company with an agent's message, in each case, in form satisfactory to us and the exchange agent.

If any tendered initial notes are not accepted for any reason provided by the terms and conditions of this exchange offer or if initial notes are submitted for a greater principal amount than the holder desires to exchange, the unaccepted or non-exchanged initial notes will be returned without expense to the tendering holder, or, in the case of initial notes tendered by book-entry transfer procedures described above, will be credited to an account maintained with the book-entry transfer facility, promptly after withdrawal, rejection of tender or the expiration or termination of the exchange offer.

By tendering into this exchange offer, you will irrevocably appoint our designees as your attorney-in-fact and proxy with full power of substitution and resubstitution to the full extent of your rights on the notes tendered. This proxy will be considered coupled with an interest in the tendered notes. This appointment will be effective only when, and to the extent that we accept your notes in this exchange offer. All prior proxies on these notes will then be revoked and you will not be entitled to give any subsequent proxy. Any proxy that you may give subsequently will not be deemed effective. Our designees will be empowered to exercise all voting and other rights of the holders as they may deem proper at any meeting of note holders or otherwise. The initial notes will be validly tendered only if we are able to exercise full voting rights on the notes, including voting at any meeting of the note holders, and full rights to consent to any action taken by the note holders.

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Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw tenders of initial notes at any time before 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, you must send a written or facsimile transmission notice of withdrawal to the exchange agent before 5:00 p.m., New York City time, on the expiration date at the address provided below under "–Exchange Agent" and before acceptance of your tendered notes for exchange by us.

Any notice of withdrawal must:

(1) specify the name of the person having tendered the initial notes to be withdrawn;

(2) identify the notes to be withdrawn, including, if applicable, the registration number or numbers and total principal amount of these notes;

(3) be signed by the person having tendered the initial notes to be withdrawn in the same manner as the original signature on the letter of transmittal by which these notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer sufficient to permit the trustee for the initial notes to register the transfer of these notes into the name of the person having made the original tender and withdrawing the tender;

(4) specify the name in which any of these initial notes are to be registered, if this name is different from that of the person having tendered the initial notes to be withdrawn; and

(5) if applicable because the initial notes have been tendered through the book-entry procedure, specify the name and number of the participant's account at The Depository Trust Company to be credited, if different than that of the person having tendered the initial notes to be withdrawn.

We will determine all questions as to the validity, form and eligibility, including time of receipt, of all notices of withdrawal and our determination will be final and binding on all parties. Initial notes that are withdrawn will be deemed not to have been validly tendered for exchange in this exchange offer.

The exchange agent will return without cost to their holders all initial notes that have been tendered for exchange and are not exchanged for any reason, promptly after withdrawal, rejection of tender or expiration or termination of this exchange offer.

You may retender properly withdrawn initial notes in this exchange offer by following one of the procedures described under "—Procedures for Tendering Initial Notes" above at any time on or before the expiration date.

Conditions to the Exchange Offer

We will complete this exchange offer only if:

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(1) there is no change in the laws and regulations which would reasonably be expected to impair our ability to proceed with this exchange offer;

(2) there is no change in the current interpretation of the staff of the SEC permitting resales of the exchange notes;

(3) there is no stop order issued by the SEC or any state securities authority suspending the effectiveness of the registration statement which includes this prospectus or the qualification of the indenture for our exchange notes under the Trust Indenture Act of 1939 and there are no proceedings initiated or, to our knowledge, threatened for that purpose;

(4) there is no action or proceeding instituted or threatened in any court or before any governmental agency or body that would reasonably be expected to prohibit, prevent or otherwise impair our ability to proceed with this exchange offer; and

(5) we obtain all governmental approvals that we deem in our sole discretion necessary to complete this exchange offer.

These conditions are for our sole benefit. We may assert any one of these conditions regardless of the circumstances giving rise to it and may also waive any one of them, in whole or in part, at any time and from time to time, if we determine in our reasonable discretion that it has not been satisfied, subject to applicable law. Notwithstanding the foregoing, all conditions to the exchange offer must be satisfied or waived before the expiration of this exchange offer. If we waive a condition to this exchange offer, the waiver will be applied equally to all note holders. We will not be deemed to have waived our rights to assert or waive these conditions if we fail at any time to exercise any of them. Each of these rights will be deemed an ongoing right which we may assert at any time and from time to time.

If we determine that we may terminate this exchange offer because any of these conditions is not satisfied, we may:

(1) refuse to accept and return to their holders any initial notes that have been tendered;

(2) extend the exchange offer and retain all notes tendered before the expiration date, subject to the rights of the holders of these notes to withdraw their tenders; or

(3) waive any condition that has not been satisfied and accept all properly tendered notes that have not been withdrawn or otherwise amend the terms of this exchange offer in any respect as provided under the section in this prospectus entitled "—Expiration Date; Extensions; Amendments; Termination."

Accounting Treatment

We will record the exchange notes at the same carrying value as the initial notes as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes upon the completion of the exchange offer.

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Exchange Agent

We have appointed U.S. Bank National Association as exchange agent for this exchange offer. You should direct all questions and requests for assistance on the procedures for tendering and all requests for additional copies of this prospectus or the letter of transmittal to the exchange agent as follows:

By mail or hand/overnight delivery:

U.S. Bank National Association
EP-MN-WS2N
60 Livingston Avenue
St. Paul, MN 55107

Facsimile Transmission:

U.S. Bank National Association
(651) 495-8158

Confirm by Telephone: (800) 934-6802

Attention: Specialized Finance Department

Fees and Expenses

We will bear the expenses of soliciting tenders in this exchange offer, including fees and expenses of the exchange agent and trustee and accounting, legal, printing and related fees and expenses.

We will not make any payments to brokers, dealers or other persons soliciting acceptances of this exchange offer. However, we will pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its reasonable out-of-pocket expenses in connection with this exchange offer. We will also pay brokerage houses and other custodians, nominees and fiduciaries their reasonable out-of-pocket expenses for forwarding copies of the prospectus, letters of transmittal and related documents to the beneficial owners of the initial notes and for handling or forwarding tenders for exchange to their customers.

We will pay all transfer taxes, if any, applicable to the exchange of initial notes in accordance with this exchange offer. However, tendering holders will pay the amount of any transfer taxes, whether imposed on the registered holder or any other persons, if:

(1) certificates representing exchange notes or initial notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of the notes tendered;

(2) tendered initial notes are registered in the name of any person other than the person signing the letter of transmittal; or

(3) a transfer tax is payable for any reason other than the exchange of the initial notes in this exchange offer.

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If you do not submit satisfactory evidence of the payment of any of these taxes or of any exemption from this payment with the letter of transmittal, we will bill you directly the amount of these transfer taxes.

Your Failure to Participate in the Exchange Offer Will Have Adverse Consequences

The initial notes were not registered under the Securities Act or under the securities laws of any state and you may not resell them, offer them for resale or otherwise transfer them unless they are subsequently registered or resold under an exemption from the registration requirements of the Securities Act and applicable state securities laws. If you do not exchange your initial notes for exchange notes in accordance with this exchange offer, or if you do not properly tender your initial notes in this exchange offer, you will not be able to resell, offer to resell or otherwise transfer the initial notes unless they are registered under the Securities Act or unless you resell them, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.

In addition, except as set forth in this paragraph, you will not be able to obligate us to register the initial notes under the Securities Act. You will not be able to require us to register your initial notes under the Securities Act unless:

(1) the initial purchasers request us to register initial notes that are not eligible to be exchanged for exchange notes in the exchange offer; or

(2) you are not eligible to participate in the exchange offer or receive exchange notes in the exchange offer that are not freely tradeable;

in which case the registration rights agreement requires us to file a registration statement for a continuous offer in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this sentence. We do not currently anticipate that we will register under the Securities Act any notes that remain outstanding after completion of the exchange offer.

Delivery of Prospectus

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

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DESCRIPTION OF THE NOTES

As used below in this "Description of the Notes" section, the "Issuer" means Ply Gem Industries, Inc., a Delaware corporation, and its successors, but not any of its subsidiaries. The Issuer issued the initial notes and will issue the exchange notes described in this prospectus (collectively, the "Notes") under an Indenture, dated as of June 9, 2008 (the "Indenture"), among the Issuer, the Guarantors and U.S. Bank National Association, as trustee (the "Trustee") and as collateral agent (the "Notes Collateral Agent"). The terms of the Notes include those set forth in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. You may obtain a copy of the Indenture from the Issuer at its address set forth elsewhere in this prospectus.

The following is a summary of the material terms and provisions of the Notes, Collateral Agreement, Intercreditor Agreement and Registration Rights Agreement. The following summary does not purport to be a complete description of the Notes or such agreements and is subject to the detailed provisions of, and qualified in its entirety by reference to, the Indenture, Security Documents, Intercreditor Agreement and Registration Rights Agreement. You can find definitions of certain terms used in this description under the heading "— Certain Definitions."

Brief Description of the Notes and the Note Guarantees

The Notes:

- are senior obligations of the Issuer;
- are pari passu in right of payment with any existing and future senior Indebtedness of the Issuer;
- are secured on a first-priority lien basis by the Notes Collateral and on a second-priority lien basis by the ABL Collateral, in each case subject to certain liens permitted under the Indenture;
- are effectively subordinated to the Credit Agreement to the extent of the value of the ABL Collateral; and
- are guaranteed on a senior secured basis by the Guarantors.

The Note Guarantees:

The Notes will be guaranteed by Parent and all Subsidiaries of the Issuer (other than Unrestricted Subsidiaries and Foreign Subsidiaries). See "— Additional Note Guarantees."

Each Note Guarantee:

- is a senior obligation of the Guarantor;
- is pari passu in right of payment with any existing and future senior Indebtedness of the Guarantor;
- is secured on a first-priority basis by the Notes Collateral owned by such Guarantor and on a second-priority basis by the ABL Collateral owned by such Guarantor (in each case subject to certain liens permitted under the Indenture); and
- is effectively subordinated to the Guarantee of such Guarantor under the Credit Agreement to the extent of the value of the ABL Collateral owned by such Guarantor.

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As of the date of this offering, all of the Issuer's subsidiaries will be "Restricted Subsidiaries." However, none of the Issuer's Foreign Subsidiaries will guarantee the Notes. See "Risk Factors — Risks Related to Our Substantial Indebtedness and the Notes — Our Canadian subsidiary and our other future foreign subsidiaries will not be guarantors, and your claims will be subordinated to all of the creditors of the non-guarantor subsidiaries." In addition, under the circumstances described below under the subheading "— Certain Covenants — Limitations on Designation of Unrestricted Subsidiaries," the Issuer will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." The Issuer's Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Indenture. The Issuer's Unrestricted Subsidiaries will not guarantee the Notes.

Principal, Maturity and Interest

The Notes will mature on June 15, 2013. The Notes will bear interest at the rate shown on the cover page of this prospectus, payable on June 15 and December 15 of each year, commencing on December 15, 2008, to Holders of record at the close of business on June 1 or December 1, as the case may be, immediately preceding the relevant interest payment date. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

The Notes will be issued in registered form, without coupons, and in denominations of $1,000 and integral multiples of $1,000.

An aggregate principal amount of initial notes equal to $700.0 million was issued on June 9, 2008 and an aggregate principal amount of exchange notes equal to $700.0 million is being issued in this offering. The Issuer may issue additional Notes having identical terms and conditions to the Notes being issued in this offering, except for issue date, issue price, interest rate, first interest payment date and the amount of interest paid on the first interest payment date after such issue date, in an unlimited aggregate principal amount (the "Additional Notes"), subject to compliance with the covenants described under "— Certain Covenants — Limitations on Additional Indebtedness" and "— Certain Covenants - Limitations on Liens." Any Additional Notes will be part of the same issue as the Notes being issued in this offering and will be treated as one class with the Notes being issued in this offering, including for purposes of voting, redemptions and offers to purchase. For purposes of this "Description of the Notes," except for the covenants described under "— Certain Covenants — Limitations on Additional Indebtedness" and "— Certain Covenants — Limitations on Liens," references to the Notes include Additional Notes, if any.

Methods of Receiving Payments on the Notes

If a Holder has given wire transfer instructions to the Issuer at least ten Business Days prior to the applicable payment date, the Issuer will make all payments on such Holder's Notes by wire transfer of immediately available funds to the account specified in those instructions. Otherwise, payments on the Notes will be made at the office or agency of the paying agent (the "Paying Agent") and registrar (the "Registrar") for the Notes within the City and State of New York unless the Issuer elects to make interest payments by check mailed to the Holders at their addresses set forth in the register of Holders.

Ranking

The Indebtedness evidenced by the Notes and the Note Guarantees is senior Indebtedness of the Issuer or the applicable Guarantor, as the case may be, ranks pari passu in right of payment with all existing and future senior Indebtedness of the Issuer and the Guarantors, as the case may be, and is secured by the Collateral, which Collateral will be shared on an equal and ratable basis with certain Other Pari Passu Lien Obligations incurred thereafter. Indebtedness under the Credit Agreement also is secured by the Collateral. The Indebtedness under the Credit Agreement and any other Lenders Debt incurred in the future has first priority with respect to the ABL Collateral but is junior in ranking with respect to the Notes Collateral. Such security interests are described under "— Security for the

Notes." The Indebtedness evidenced by the Notes and the Note Guarantees is senior in right of payment to all existing and future Subordinated Indebtedness of the Issuer and the Guarantors, as the case may be.

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As of June 28, 2008, Parent, the Issuer and its Subsidiaries had $40.0 million aggregate principal amount of senior Indebtedness (excluding the Notes and the Note Guarantees) outstanding (excluding unused commitments).

A significant portion of the operations of the Issuer are conducted through its Subsidiaries. Unless the Subsidiary is a Guarantor, claims of creditors on such Subsidiaries, including trade creditors, and claims of preferred stockholders (if any) of such Subsidiaries generally will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of the Issuer, including the Holders of the Notes. The Notes, therefore, are effectively subordinated to holders of Indebtedness and other creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of the Issuer that are not Guarantors. Although the Indenture limits the incurrence of Indebtedness by certain of the Issuer's Subsidiaries, such limitation is subject to a number of significant qualifications. See "— Certain Covenants — Limitations on Additional Indebtedness."

Although the Indenture contains limitations on the amount of additional Pari Passu Indebtedness and additional secured Indebtedness that Parent, the Issuer and its Restricted Subsidiaries may Incur, under certain circumstances the amount of such Pari Passu Indebtedness and Secured Indebtedness could be substantial. See "Certain Covenants — Limitations on Additional Indebtedness" and "Certain Covenants — Limitations on Liens."

Note Guarantees

The Issuer's obligations under the Notes, the Indenture, the Security Documents and the Intercreditor Agreement are jointly and severally guaranteed on a senior secured basis (the "Note Guarantees") by (1) Parent and (2) each Restricted Subsidiary (other than any Foreign Subsidiary).

Not all of our Subsidiaries will guarantee the Notes. Unrestricted Subsidiaries and Foreign Subsidiaries will not be Guarantors. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, these non-guarantor Subsidiaries will pay the holders of their debts and their trade creditors before they will be able to distribute any of their assets to us. For the six months ended June 28, 2008, our Canadian subsidiary represented approximately 7.0% of our net sales and 84.0% of our operating earnings. In addition, as of June 28, 2008, it held approximately 4.5% of our combined assets and had approximately $9.8 million of liabilities (including trade payables), to which the Notes are effectively subordinated.

As of the date of this offering, all of our Subsidiaries will be "Restricted Subsidiaries." However, under the circumstances described below under the subheading "— Certain Covenants — Limitations on Designation of Unrestricted Subsidiaries," the Issuer will be permitted to designate some of our Subsidiaries as "Unrestricted Subsidiaries." The effect of designating a Subsidiary as an "Unrestricted Subsidiary" will be:

- an Unrestricted Subsidiary will not be subject to many of the restrictive covenants in the Indenture;
- a Subsidiary that has previously been a Guarantor and that is designated an Unrestricted Subsidiary will be released from its Note Guarantee; and

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- the assets, income, cash flow and other financial results of an Unrestricted Subsidiary will not be consolidated with those of the Issuer for purposes of calculating compliance with the restrictive covenants contained in the Indenture.

The obligations of each Subsidiary Guarantor under its Note Guarantee are limited to the maximum amount as will result in the obligations of such Subsidiary Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. Each Subsidiary Guarantor that makes a payment for distribution under its Note Guarantee will be entitled to a contribution from each other Subsidiary Guarantor in a pro rata amount based on adjusted net assets of each Subsidiary Guarantor.

A Subsidiary Guarantor shall be released from its obligations under its Note Guarantee:

(1) in the event of a sale or other disposition of all or substantially all of the assets of such Subsidiary Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all of the Equity Interests of such Subsidiary Guarantor then held by the Issuer and the Restricted Subsidiaries;

(2) if such Subsidiary Guarantor is designated as an Unrestricted Subsidiary or otherwise ceases to be a Restricted Subsidiary, in each case in accordance with the provisions of the Indenture, upon effectiveness of such designation or when it first ceases to be a Restricted Subsidiary, respectively; or

(3) if the Issuer exercises its legal defeasance option or its covenant defeasance option as described under "— Legal Defeasance and Covenant Defeasance" or if its obligations under the Indenture are discharged in accordance with the terms of the Indenture.

Security for the Notes

The Notes and the Note Guarantees have the benefit of the Collateral, which consists of (i) the Notes Collateral as to which the Holders of the Notes and holders of certain Other Pari Passu Lien Obligations have a first-priority security interest (subject to Permitted Liens) and the Bank Lenders and certain other holders of Lenders Debt have a second-priority security interest and (ii) the ABL Collateral as to which the Bank Lenders and certain other holders of Lenders Debt have a first-priority security interest and the holders of the Notes and holders of certain Other Pari Passu Lien Obligations have a second-priority security interest (subject to Permitted Liens).

The Issuer and the Guarantors are able to incur additional Indebtedness in the future which could share in the Collateral. The amount of all such additional Indebtedness will be limited by the covenants disclosed under "— Certain Covenants — Limitation on Liens" and "— Certain Covenants — Limitations on Additional Indebtedness." Under certain circumstances the amount of such additional secured Indebtedness could be significant.

Notes Collateral

The Notes Collateral is pledged as collateral to the Notes Collateral Agent for the benefit of the Trustee, the Notes Collateral Agent, the Holders of the Notes and the beneficiaries of each indemnification obligation undertaken by any Grantor under any Note Document. The Notes and Note Guarantees are secured by first-priority security interests in the Notes Collateral, subject to Permitted Liens. The Notes Collateral consists of: (i) all of the Equity Interests of the Issuer, (ii) all of the other Equity Interests held by Parent, the Issuer or any Guarantor (which, in the case of any Foreign Subsidiary, will be limited to 100% of the non-voting stock (if any) and 66% of the voting stock of such Foreign Subsidiary) and (ii) substantially all of the other tangible and intangible assets of Parent, the Issuer and the Guarantors, other than the ABL Collateral and Excluded Assets.

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In addition to the limitations described below under "— Limitations on Stock Collateral," the Notes Collateral does not include (i) the ABL Collateral, (ii) the Excluded Assets and (iii) those assets as to which the Notes Collateral Agent reasonably determines that the costs of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby.

Initially, subject to Permitted Liens, only the Notes have the benefit of the first-priority security interest in the Notes Collateral. No other Indebtedness incurred by the Issuer may share in the first-priority security interest in the Notes Collateral other than any Additional Notes and certain Indebtedness constituting Other Pari Passu Lien Obligations.

The Issuer initially granted a second-priority lien on and security interest in the Notes Collateral to the Bank Collateral Agent for the benefit of the Lenders Debt, which initially consisted of the loans outstanding under the Credit Agreement made by the Bank Lenders, obligations with respect to letters of credit issued under the Credit Agreement, certain hedging and cash management obligations incurred with the Bank Lenders or their affiliates and any other obligations under the Credit Agreement. Certain additional Indebtedness that is incurred by the Issuer in compliance with the terms of the Indenture may also be given a lien on and security interest in the Notes Collateral that ranks junior or pari passu to the lien of the Notes Collateral Agent for the benefit of the Noteholder Secured Parties in the Notes Collateral. Except as provided in the Intercreditor Agreement, holders of such junior liens are not able to take any enforcement action with respect to the Notes Collateral so long as any Notes are outstanding.

ABL Collateral

The Notes are also secured by a second-priority lien on and security interest in the ABL Collateral (subject to Permitted Liens). The ABL Collateral includes all accounts receivable, inventory, cash (other than certain cash proceeds of the Notes Collateral) and proceeds of the foregoing and certain assets related thereto, in each case held by the Issuer and the Guarantors. Generally, the Notes second-priority lien on and security interest in the ABL Collateral will be terminated and automatically released if the lien on such ABL Collateral in favor of the Lenders Debt is released, other than such release granted upon or following the discharge of the ABL Facility Obligations.

The Issuer or any Guarantor may grant an additional lien on any property or asset that constitutes ABL Collateral in order to secure any obligation permitted to be incurred pursuant to the Indenture. Any such additional lien may be a first-priority lien that is senior to the lien securing the Notes or may be a second-priority lien that will rank pari passu with the second priority lien securing the Notes or a lien that will rank junior to the second-priority lien securing the Notes.

Limitations on Stock Collateral

The Equity Interests and other securities of a Subsidiary of Parent or the Issuer that are owned by Parent, the Issuer or any Subsidiary Guarantor will constitute Notes Collateral only to the extent that such Equity Interests and other securities can secure the Notes without Rule 3-16 of Regulation S-X under the Securities Act (or any other U.S. federal law, rule or regulation) requiring separate financial statements of such Subsidiary to be filed with the SEC (or any other U.S. federal governmental agency). In the event that Rule 3-16 of Regulation S-X under the Securities Act requires or is amended, modified or interpreted by the SEC to require (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, which would require) the filing with the SEC (or any other governmental agency) of separate financial statements of any Subsidiary due to the fact that such Subsidiary's Equity Interests and other securities secure the Notes, then the Equity Interests and other securities of such Subsidiary shall automatically be deemed not to be part of the Notes Collateral (but only to the extent necessary to not be subject to such requirement). In such event, the Security Documents may be amended or modified, without the consent of any Holder of Notes, to the extent necessary to release the first-priority security interests in the Equity Interests and other securities that are so deemed to no longer constitute part of the Notes Collateral.

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In the event that Rule 3-16 of Regulation S-X under the Securities Act is amended, modified or interpreted by the SEC to permit (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, which would permit) such Subsidiary's Equity Interests and other securities to secure the Notes in excess of the amount then pledged without the filing with the SEC (or any other U.S. federal governmental agency) of separate financial statements of such Subsidiary, then the Equity Interests and other securities of such Subsidiary shall automatically be deemed to be a part of the Notes Collateral (but only to the extent necessary to not be subject to any such financial statement requirement). In such event, the Security Documents may be amended or modified, without the consent of any holder of Notes, to the extent necessary to subject to the Liens under the Security Documents such additional Equity Interests and other securities.

In accordance with the limitations set forth in the two immediately preceding paragraphs, the Notes Collateral will include Equity Interests of Subsidiaries of Parent or the Issuer only to the extent that the applicable value of such Equity Interests (on a Subsidiary-by-Subsidiary basis) is less than 20% of the aggregate principal amount of the Notes outstanding, and the portion of the Equity Interests of Subsidiaries constituting Notes Collateral may decrease or increase as described above. However, as further described under "— Notes Collateral" and "— ABL Collateral", the Notes are secured by first or second priority interests in substantially all of the assets of the Parent, the Issuer and the Guarantors. The book value of the tangible and intangible assets (excluding goodwill) of the Parent, the Issuer and the Guarantors included in such collateral was approximately $797.2 million and $758.3 million at June 28, 2008 and December 31, 2007, respectively.

Security Documents and Certain Related Intercreditor Provisions

The Issuer, the Guarantors, the Notes Collateral Agent and the Trustee entered into one or more Security Documents creating and establishing the terms of the security interests that secure the Notes and the Note Guarantees. These security interests secure the payment and performance when due of all of the obligations of the Issuer and the Guarantors under the Notes, the Indenture, the Note Guarantees, the Intercreditor Agreement and the Security Documents, as provided in the Security Documents. The Issuer and the Guarantors must use their commercially reasonable efforts to complete all filings and other similar actions required in connection with the perfection of such security interests as soon as reasonably practicable. U.S. Bank National Association was appointed, pursuant to the Indenture, as the Notes Collateral Agent. The Trustee, Notes Collateral Agent, each Holder and each other holder of, or obligee in respect of, any obligations in respect of the Notes outstanding at such time and the beneficiaries of each indemnification obligation undertaken by a Note Party or Parent under any Note Document are referred to collectively as the "Noteholder Secured Parties."

Intercreditor Agreement

On the Issue Date, the Issuer, the Guarantors, the Trustee, the Notes Collateral Agent and the Bank Collateral Agent entered into the Intercreditor Agreement. Although the Holders of the Notes are not party to the Intercreditor Agreement, by their acceptance of the Notes they will agree to be bound thereby. Pursuant to the terms of the Intercreditor Agreement, the Notes Collateral Agent determines the time and method by which the security interests in the Notes Collateral will be enforced and the Bank Collateral Agent determines the time and method by which the security interests in the ABL Collateral will be enforced.

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The aggregate amount of the obligations secured by the ABL Collateral may, subject to the limitations set forth in the Indenture, be increased. A portion of the obligations secured by the ABL Collateral consists or may consist of Indebtedness that is revolving in nature, and the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed and such obligations may, subject to the limitations set forth in the Indenture, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, refinanced or otherwise amended or modified from time to time, all without affecting the subordination of the liens held by the Holders or the provisions of the Intercreditor Agreement defining the relative rights of the parties thereto. The lien priorities provided for in the Intercreditor Agreement shall not be altered or otherwise affected by any amendment, modification, supplement, extension, increase, replacement, renewal, restatement or refinancing of either the obligations secured by the ABL Collateral or the obligations secured by the Notes Collateral, by the release of any Collateral or of any guarantees securing any secured obligations or by any action that any representative or secured party may take or fail to take in respect of any Collateral.

No Action With Respect to the ABL Collateral

The Intercreditor Agreement provides that none of the Noteholder Secured Parties may commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its interest in or realize upon, or take any other action available to it in respect of, the ABL Collateral under any Security Document, applicable law or otherwise, at any time when the ABL Collateral is subject to any first-priority security interest and any Lenders Debt secured by such ABL Collateral remains outstanding or any commitment to extend credit that would constitute such Lenders Debt remains in effect. Only the Bank Collateral Agent is entitled to take any such actions or exercise any such remedies. Notwithstanding the foregoing, the Notes Collateral Agent may, but has no obligation to, take all such actions it deems necessary to perfect or continue the perfection of the Holders’ second-priority security interest in the ABL Collateral. The Bank Collateral Agent is subject to similar restrictions with respect to its ability to enforce the second-priority security interest in the Notes Collateral held by holders of Lenders Debt.

No Duties of Bank Collateral Agent

The Intercreditor Agreement provides that neither the Bank Collateral Agent nor any holder of any Lenders Debt secured by any ABL Collateral has any duties or other obligations to any Noteholder Secured Party with respect to the ABL Collateral, other than to transfer to the Trustee any proceeds of any such ABL Collateral in which the Notes Collateral Agent continues to hold a security interest remaining following any sale, transfer or other disposition of such ABL Collateral (in each case, unless the Holders’ lien on all such ABL Collateral is terminated and released prior to or concurrently with such sale, transfer, disposition, payment or satisfaction), the payment and satisfaction in full of such Lenders Debt and the termination of any commitment to extend credit that would constitute such Lenders Debt, or, if the Bank Collateral Agent is in possession of all or any part of such ABL Collateral after such payment and satisfaction in full and termination, such ABL Collateral or any part thereof remaining, in each case without representation or warranty on the part of the Bank Collateral Agent or any such holder of Lenders Debt. In addition, the Intercreditor Agreement further provides that, until the Lenders Debt secured by any ABL Collateral shall have been paid and satisfied in full and any commitment to extend credit that would constitute Lenders Debt secured thereby shall have been terminated, the Bank Collateral Agent is entitled, for the benefit of the holders of such Lenders Debt, to sell, transfer or otherwise dispose of or deal with such ABL Collateral without regard to any second-priority security interest therein or any rights to which any Noteholder Secured Party would otherwise be entitled as a result of such second-priority security interest. Without limiting the foregoing, the Trustee and the Notes Collateral Agent agreed in the Intercreditor Agreement and each Holder of the Notes will agree by its acceptance of the Notes that neither the Bank Collateral Agent nor any holder of any Lenders Debt secured by any ABL Collateral will have any duty or obligation first to marshal or realize upon the ABL Collateral, or to sell,

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dispose of or otherwise liquidate all or any portion of the ABL Collateral, in any manner that would maximize the return to the Noteholder Secured Parties, notwithstanding that the order and timing of any such realization, sale, disposition or liquidation may affect the amount of proceeds actually received by the Noteholder Secured Parties from such realization, sale, disposition or liquidation. The Intercreditor Agreement has similar provisions regarding the duties owed to the Bank Collateral Agent and the holders of any Lenders Debt by the Noteholder Secured Parties with respect to the Notes Collateral.

The Intercreditor Agreement additionally provides that the Notes Collateral Agent and the Trustee waive, and each Holder of the Notes will waive by its acceptance of the Notes, any claim that may be had against the Bank Collateral Agent or any holder of any Lenders Debt arising out of (i) any actions which the Bank Collateral Agent or such holder of Lenders Debt take or omit to take (including, actions with respect to the creation, perfection or continuation of Liens on any Collateral, actions with respect to the foreclosure upon, sale, release or depreciation of, or failure to realize upon, any of the Collateral and actions with respect to the collection of any claim for all or any part of the Lenders Debt from any account debtor, guarantor or any other party) or the valuation, use, protection or release of any security for such Lenders Debt, (ii) any election by the Bank Collateral Agent or such holder of Lenders Debt, in any proceeding instituted under Title 11 of the United States Code of the application of Section 1111(b) of Title 11 of the United States Code or (iii) any borrowing of, or grant of a security interest or administrative expense priority under Section 364 of Title 11 of the United States Code to, Parent, the Issuer or any of its Subsidiaries as debtor-in-possession. The Bank Collateral Agent and holders of Lenders Debt agree to waive similar claims with respect to the actions of any of the Noteholder Secured Parties.

No Interference; Payment Over; Reinstatement

The Trustee and the Notes Collateral Agent agreed in the Intercreditor Agreement and each Holder of the Notes will agree by its acceptance of the Notes that:

- it will not take or cause to be taken any action the purpose or effect of which is, or could be, to make any Lien that the Holders of the Notes have on the ABL Collateral pari passu with, or to give the Trustee or the Holders of the Notes any preference or priority relative to, any Lien that the holders of any Lenders Debt secured by any ABL Collateral have with respect to such ABL Collateral;

- it will not challenge or question in any proceeding the validity or enforceability of any first-priority security interest in the ABL Collateral, the validity, attachment, perfection or priority of any lien held by the holders of any Lenders Debt secured by any ABL Collateral, or the validity or enforceability of the priorities, rights or duties established by or other provisions of the Intercreditor Agreement;

- it will not take or cause to be taken any action the purpose or intent of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the ABL Collateral by the Bank Collateral Agent or the holders of any Lenders Debt secured by such ABL Collateral;

- it will have no right to (A) direct the Bank Collateral Agent or any holder of any Lenders Debt secured by any ABL Collateral to exercise any right, remedy or power with respect to such ABL Collateral or (B) consent to the exercise by the Bank Collateral Agent or any holder of any Lenders Debt secured by the ABL Collateral of any right, remedy or power with respect to such ABL Collateral;

- it will not institute any suit or assert in any suit, bankruptcy, insolvency or other proceeding any claim against the Bank Collateral Agent or any holder of any Lenders Debt secured by any ABL Collateral seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to, and neither the Bank Collateral Agent nor any holders of under any Lenders Debt secured by any ABL Collateral will be liable for, any action taken or omitted to be taken by the Bank Collateral Agent or such lenders with respect to such ABL

Collateral;

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- it will not seek, and will waive any right, to have any ABL Collateral or any part thereof marshaled upon any foreclosure or other disposition of such ABL Collateral; and
- it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of the Intercreditor Agreement.

The Bank Collateral Agent and the holders of Lenders Debt agreed to similar limitations with respect to their rights in the Notes Collateral and their ability to bring a suit against the Notes Collateral Agent or the Holders of the Notes.

The Trustee and the Notes Collateral Agent agreed in the Intercreditor Agreement and each Holder of the Notes will agree by its acceptance of the Notes that if it obtains possession of the ABL Collateral or realizes any proceeds or payment in respect of the ABL Collateral, pursuant to any Security Document or by the exercise of any rights available to it under applicable law or in any bankruptcy, insolvency or similar proceeding or through any other exercise of remedies, at any time when any Lenders Debt secured or intended to be secured by such ABL Collateral remains outstanding or any commitment to extend credit that would constitute Lenders Debt secured or intended to be secured by such ABL Collateral remains in effect, then it will hold such ABL Collateral, proceeds or payment in trust for the Bank Collateral Agent and the holders of any Lenders Debt secured by such ABL Collateral and transfer such ABL Collateral, proceeds or payment, as the case may be, to the Bank Collateral Agent. The Trustee, the Notes Collateral Agent and each Holder of the Notes will further agree that if, at any time, all or part of any payment with respect to any Lenders Debt secured by any ABL Collateral previously made shall be rescinded for any reason whatsoever, it will promptly pay over to the Bank Collateral Agent any payment received by it in respect of any such ABL Collateral and shall promptly turn any such ABL Collateral then held by it over to the Bank Collateral Agent, and the provisions set forth in the Intercreditor Agreement will be reinstated as if such payment had not been made, until the payment and satisfaction in full of such Lenders Debt. The Bank Collateral Agent and the holders of Lenders Debt are subject to similar limitations with respect to the Notes Collateral and any proceeds or payments in respect of any Notes Collateral.

Entry Upon Premises by Bank Collateral Agent and Holders of Lenders Debt

The Intercreditor Agreement provides that if the Bank Collateral Agent takes any enforcement action with respect to the ABL Collateral, the Noteholder Secured Parties (i) will cooperate with the Bank Collateral Agent in its efforts to enforce its security interest in the ABL Collateral and to finish any work-in-process and assemble the ABL Collateral, (ii) will not hinder or restrict in any respect the Bank Collateral Agent from enforcing its security interest in the ABL Collateral or from finishing any work-in-process or assembling the ABL Collateral, and (iii) will, subject to the rights of any landlords under real estate leases, permit the Bank Collateral Agent, its employees, agents, advisers and representatives, at the sole cost and expense of the Bank Collateral Agent and the holders of Lenders Debt, to enter upon and use the Notes Collateral (including (x) equipment, processors, computers and other machinery related to the storage or processing of records, documents or files and (y) intellectual property), for a period not to exceed 180 days after the taking of such enforcement action, for purposes of (A) assembling and storing the ABL Collateral and completing the processing of and turning into finished goods of any ABL Collateral consisting of work-in-process, (B) selling any or all of the ABL Collateral located on such Notes Collateral, whether in bulk, in lots or to customers in the ordinary course of business or otherwise, (C) removing any or all of the ABL Collateral located on such Notes Collateral, or (D) taking reasonable actions to protect, secure, and otherwise enforce the rights of the Bank Collateral Agent and the holders of Lenders Debt in and to the ABL Collateral; provided, however,

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that nothing contained in the Intercreditor Agreement restricts the rights of the Trustee or the Notes Collateral Agent from selling, assigning or otherwise transferring any Notes Collateral prior to the expiration of such 180-day period if the purchaser, assignee or transferee thereof agrees to be bound by the provisions of the Intercreditor Agreement. If any stay or other order prohibiting the exercise of remedies with respect to the ABL Collateral has been entered by a court of competent jurisdiction, such 180-day period shall be tolled during the pendency of any such stay or other order. If the Bank Collateral Agent conducts a public auction or private sale of the ABL Collateral at any of the real property included within the Notes Collateral, the Bank Collateral Agent shall provide the Notes Collateral Agent with reasonable notice and use reasonable efforts to hold such auction or sale in a manner which would not unduly disrupt the Notes Collateral Agent's use of such real property.

During the period of actual occupation, use or control by the Bank Collateral Agent or the holders of Lenders Debt or their agents or representatives of any Notes Collateral, the Bank Collateral Agent and the holders of Lenders Debt will (i) be responsible for the ordinary course third-party expenses related thereto, including costs with respect to heat, light, electricity, water and real property taxes with respect to that portion of any premises so used or occupied, and (ii) be obligated to repair at their expense any physical damage to such Notes Collateral or other assets or property resulting from such occupancy, use or control, and to leave such Notes Collateral or other assets or property in substantially the same condition as it was at the commencement of such occupancy, use or control, ordinary wear and tear excepted. The Bank Collateral Agent and the holders of Lenders Debt agree to pay, indemnify and hold the Trustee and the Notes Collateral Agent harmless from and against any third-party liability resulting from the gross negligence or willful misconduct of the Bank Collateral Agent or any of its agents, representatives or invitees in its or their operation of such facilities. In the event, and only in the event, that in connection with its use of some or all of the premises constituting Notes Collateral, the Bank Collateral Agent requires the services of any employees of the Issuer or any of its Subsidiaries, the Bank Collateral Agent shall pay directly to any such employees the appropriate, allocated wages of such employees, if any, during the time periods that the Bank Collateral Agent requires their services. Notwithstanding the foregoing, in no event shall the Bank Collateral Agent or the holders of Lenders Debt have any liability to the Noteholder Secured Parties pursuant to the Intercreditor Agreement as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Notes Collateral existing prior to the date of the exercise by the Bank Collateral Agent or the holders of Lenders Debt of their rights under the Intercreditor Agreement and the Bank Collateral Agent and the holders of Lenders Debt will not have any duty or liability to maintain the Notes Collateral in a condition or manner better than that in which it was maintained prior to the use thereof by them, or for any diminution in the value of the Notes Collateral that results solely from ordinary wear and tear resulting from the use of the Notes Collateral by such persons in the manner and for the time periods specified under the Intercreditor Agreement. Without limiting the rights granted in under the Intercreditor Agreement, the Bank Collateral Agent and the holders of Lenders Debt will cooperate with the Noteholder Secured Parties in connection with any efforts made by the Noteholder Secured Parties to sell the Notes Collateral.

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Agreements With Respect to Bankruptcy or Insolvency Proceedings

If Parent, the Issuer or any of its subsidiaries becomes subject to a case under the U.S. Bankruptcy Code and, as debtor(s)-in-possession, moves for approval of financing ("DIP Financing") to be provided by one or more lenders (the "DIP Lenders") under Section 364 of the U.S. Bankruptcy Code or the use of cash collateral with the consent of the DIP Lenders under Section 363 of the U.S. Bankruptcy Code, the Trustee and the Notes Collateral Agent agreed in the Intercreditor Agreement and each Holder will agree by its acceptance of the Notes that it will raise no objection to any such financing or to the Liens on the ABL Collateral securing the same ("DIP Financing Liens") or to any use of cash collateral that constitutes ABL Collateral, unless the Bank Collateral Agent or the holders of any Lenders Debt secured by such ABL Collateral oppose or object to such DIP Financing or such DIP Financing Liens or use of such cash collateral (and, to the extent that such DIP Financing Liens are senior to, or rank pari passu with, the Liens of such Lenders Debt in such ABL Collateral, the Trustee and the Notes Collateral Agent will, for themselves and on behalf of the Holders of the Notes, subordinate the liens of the Noteholder Secured Parties in such ABL Collateral to the liens of the Lenders Debt in such ABL Collateral and the DIP Financing Liens), so long as the Noteholder Secured Parties retain liens on all the Notes Collateral, including proceeds thereof arising after the commencement of such proceeding, with the same priority as existed prior to the commencement of the case under the U.S. Bankruptcy Code, subject to any super-priority ranking of liens in favor of the DIP Lenders. The Bank Collateral Agent and the holders of Lenders Debt agreed to similar provisions with respect to any DIP Financing.

The Trustee and the Noteholder Collateral Agent agreed in the Intercreditor Agreement and each Holder of the Notes will agree by its acceptance of the Notes that it will not object to or oppose a sale or other disposition of any ABL Collateral (or any portion thereof) under Section 363 of the Bankruptcy Code or any other provision of the Bankruptcy Code if the Bank Collateral Agent and the holders of Lenders Debt shall have consented to such sale or disposition of such ABL Collateral. The Bank Collateral Agent and the holders of Lenders Debt agreed to similar limitations with respect to their right to object to a sale of Notes Collateral.

Insurance

Unless and until written notice by the Bank Collateral Agent to the Trustee that the obligations under the Credit Agreement have been paid in full and all commitments to extend credit under the Credit Agreement shall have been terminated, as between the Bank Collateral Agent, on the one hand, and the Trustee and Notes Collateral Agent, as the case may be, on the other hand, only the Bank Collateral Agent will have the right (subject to the rights of the Grantors under the security documents related to the Credit Agreement and the Indenture and the Security Documents) to adjust or settle any insurance policy or claim covering or constituting ABL Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding affecting the ABL Collateral. Unless and until written notice by the Trustee to the Bank Collateral Agent that the obligations under the Indenture and the Notes have been paid in full, as between the Bank Collateral Agent, on the one hand, and the Trustee and the Notes Collateral Agent, as the case may be, on the other hand, only the Notes Collateral Agent will have the right (subject to the rights of the Grantors under the security documents related to the Credit Agreement and the Indenture and the Security Documents) to adjust or settle any insurance policy covering or constituting Notes Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding solely affecting the Notes Collateral. To the extent that an insured loss covers or constitutes both ABL Collateral and Notes Collateral, then the Bank Collateral Agent and the Notes Collateral Agent will work jointly and in good faith to collect, adjust or settle (subject to the rights of the Grantors under the security documents related to the Credit Agreement and the Indenture and the Security Documents) under the relevant insurance policy.

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Refinancings of the Credit Agreement and the Notes

The obligations under the Credit Agreement and the obligations under the Indenture and the Notes may be refinanced or replaced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the refinancing transaction under the Credit Agreement or any security document related thereto and the Indenture and the Security Documents) of the Bank Collateral Agent or any holder of Lenders Debt or any Noteholder Secured Party, all without affecting the Lien priorities provided for in the Intercreditor Agreement; provided, however, that the holders of any such refinancing or replacement indebtedness (or an authorized agent or trustee on their behalf) bind themselves in writing to the terms of the Intercreditor Agreement pursuant to such documents or agreements (including amendments or supplements to the Intercreditor Agreement) as the Bank Collateral Agent or the Notes Collateral Agent, as the case may be, shall reasonably request and in form and substance reasonably acceptable to the Bank Collateral Agent or the Notes Collateral Agent, as the case may be.

In connection with any refinancing or replacement contemplated by the foregoing paragraph, the Intercreditor Agreement may be amended at the request and sole expense of the Issuer, and without the consent of either the Bank Collateral Agent or the Notes Collateral Agent, (a) to add parties (or any authorized agent or trustee therefor) providing any such refinancing or replacement indebtedness, (b) to establish that Liens on any Notes Collateral securing such refinancing or replacement Indebtedness shall have the same priority as the Liens on any Notes Collateral securing the Indebtedness being refinanced or replaced and (c) to establish that the Liens on any ABL Collateral securing such refinancing or replacement indebtedness shall have the same priority as the Liens on any ABL Collateral securing the Indebtedness being refinanced or replaced, all on the terms provided for herein immediately prior to such refinancing or replacement.

Use of Proceeds of ABL Collateral

After the satisfaction of all obligations under any Lenders Debt secured by ABL Collateral and the termination of all commitments to extend credit that would constitute Lenders Debt secured or intended to be secured by any ABL Collateral, the Trustee, in accordance with the terms of the Intercreditor Agreement, the Indenture and the Security Documents, will distribute all cash proceeds (after payment of the costs of enforcement and collateral administration, including any amounts owed to the Trustee in its capacity as Trustee or Notes Collateral Agent) of the ABL Collateral received by it under the Security Documents for the ratable benefit of the Holders of the Notes and any remaining Other Pari Passu Lien Obligations.

Subject to the terms of the Note Documents, the Issuer and the Guarantors will have the right to remain in possession and retain control of the Collateral securing the Notes, to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

See “Risk Factors — Risks Related to Our Substantial Indebtedness and the Notes — Bankruptcy laws may limit the ability of holders of the notes to realize value from the collateral.”

Release of Collateral

The Issuer and the Guarantors will be entitled to the releases of property and other assets included in the Collateral from the Liens securing the Notes under any one or more of the following circumstances:

- to enable the disposition of such property or assets to the extent not prohibited under the covenant described under “— Certain Covenants — Limitations on Asset Sales;”

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- in the case of a Guarantor that is released from its Note Guarantee, the release of the property and assets of such Guarantor; or
- as described under "— Amendment, Supplement and Waiver" below.

The second-priority lien on the ABL Collateral securing the Notes will terminate and be released automatically if the first-priority liens on the ABL Collateral are released by the Bank Collateral Agent (unless, at the time of such release of such first-priority liens, an Event of Default shall have occurred and be continuing under the Indenture), other than such release granted upon or following the discharge of the ABL Facility Obligations. Notwithstanding the existence of an Event of Default, the second-priority lien on the ABL Collateral securing the Notes shall also terminate and be released automatically to the extent the first-priority liens on the ABL Collateral are released by the Bank Collateral Agent in connection with a sale, transfer or disposition of ABL Collateral that is either not prohibited under the Indenture (other than such release granted upon or following the discharge of the ABL Facility Obligations) or occurs in connection with the foreclosure of, or other exercise of remedies with respect to, such ABL Collateral by the Bank Collateral Agent (except with respect to any proceeds of such sale, transfer or disposition that remain after satisfaction in full of the Lenders Debt). The liens on the Collateral securing the Notes, that otherwise would have been released pursuant to the first sentence of this paragraph but for the occurrence and continuation of an Event of Default, will be released when such Event of Default and all other Events of Default under the Indenture cease to exist.

The security interests in all Collateral securing the Notes also will be released upon (i) payment in full of the principal of, together with accrued and unpaid interest (including additional interest, if any) on, the Notes and all other obligations under the Indenture, the Note Guarantees under the Indenture and the Security Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest (including additional interest, if any), are paid or (ii) a legal defeasance or covenant defeasance under the Indenture as described below under "— Legal Defeasance and Covenant Defeasance" or a discharge of the Indenture as described under "— Satisfaction and Discharge."

Compliance with Trust Indenture Act

The Indenture provides that the Issuer will comply with the provisions of TIA § 314 to the extent applicable. To the extent applicable, the Issuer will cause TIA § 313(b), relating to reports, and TIA § 314(d), relating to the release of property or securities subject to the Lien of the Security Documents, to be complied with. Any certificate or opinion required by TIA § 314(d) may be made by an officer or legal counsel, as applicable, of the Issuer except in cases where TIA § 314(d) requires that such certificate or opinion be made by an independent Person, which Person will be an independent engineer, appraiser or other expert selected by or reasonably satisfactory to the Trustee. Notwithstanding anything to the contrary in this paragraph, the Issuer will not be required to comply with all or any portion of TIA § 314(d) if it reasonably determines that under the terms of TIA § 314(d) or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including "no action" letters or exemptive orders, all or any portion of TIA § 314(d) is inapplicable to any release or series of releases of Collateral.

Optional Redemption

Except as set forth below, the Notes may not be redeemed prior to April 1, 2011 (the "First Call Date"). At any time on or after the First Call Date, the Issuer, at its option, may redeem the Notes, in whole or in part, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest thereon, if any, to the date of redemption, if redeemed during the 12-month period beginning April 1 of the years indicated:

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Year	Optional Redemption Price
2011	105.875%
2012	102.938%
2013	100.000%

The Issuer may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture.

Redemption with Proceeds from Equity Offerings

At any time prior to April 1, 2011, the Issuer may redeem at its option on any one or more occasions up to 35% of the aggregate principal amount of the Notes issued under the Indenture with the net cash proceeds of one or more Qualified Equity Offerings at a redemption price equal to 111.75% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest thereon, if any, to the date of redemption; provided that (1) at least 65% of the aggregate principal amount of Notes issued under the Indenture remains outstanding immediately after the occurrence of such redemption and (2) the redemption occurs within 90 days of the date of the closing of any such Qualified Equity Offering.

Periodic Optional Redemption

In addition, not more than once in any twelve-month period, the Issuer may redeem up to $70.0 million in principal amount of the Notes at a redemption price of 103% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date.

Redemption upon a Change of Control

At any time prior to First Call Date, the Notes may also be redeemed, in whole but not in part, at the Issuer's option, upon the occurrence of a Change of Control, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium as of, and accrued but unpaid interest, if any, to, the date of redemption (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date). Such redemption may be made upon notice mailed by first-class mail to each Holder's registered address, not less than 30 nor more than 60 days prior to the date of redemption (but in no event more than 90 days after the occurrence of such Change of Control). The Issuer may provide in such notice that payment of such price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person. Any such notice may be given prior to the occurrence of the related Change of Control, and any such redemption or notice may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the occurrence of the related Change of Control.

"Applicable Premium" means, with respect to a Note at any redemption date, the greater of:

(1) 1.0% of the principal amount of such Note; and

(2) the excess of:

(a) the present value at such redemption date of (1) the redemption price of such Note on the First Call Date (such redemption price being that described in the first paragraph of this "Optional Redemption" section) plus (2) all required remaining scheduled interest payments due on such Note through the First Call Date, other than accrued interest to such redemption date, computed using a discount rate equal to the Treasury Rate plus 75 basis points per annum, discounted on a semi-annual bond equivalent basis, over

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(b) the principal amount of such Note on such redemption date.

Calculation of the Applicable Premium will be made by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate; provided, however, that such calculation shall not be a duty or obligation of the Trustee.

"Treasury Rate" means, with respect to a redemption date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Business Days prior to such redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to the First Call Date; provided, however, that if the period from such redemption date to the First Call Date is not equal to the constant maturity of the United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from such redemption date to the First Call Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

Redemption Following a Change of Control Offer

At any time prior to the First Call Date, after the completion of a Change of Control Offer that was accepted by Holders of not less than 75% of the aggregate principal amount of Notes then outstanding, the Issuer may redeem all, but not less than all, of the Notes not validly tendered in the Change of Control Offer, at a redemption price equal to 101% of the principal amount, and accrued and unpaid interest, if any, to the date of redemption; provided that such redemption occurs within 90 days after the completion of such Change of Control Offer.

The Issuer may acquire Notes by means other than a redemption, whether pursuant to an issuer tender offer, open market purchase or otherwise, so long as the acquisition does not otherwise violate the terms of the Indenture.

Selection and Notice of Redemption

In the event that less than all of the Notes are to be redeemed at any time pursuant to an optional redemption, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not then listed on a national security exchange, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate; provided, however, that no Notes of a principal amount of $1,000 or less shall be redeemed in part. In addition, if a partial redemption is made pursuant to the provisions described under "— Optional Redemption — Periodic Optional Redemption" or "— Optional Redemption — Redemption with Proceeds from Equity Offerings," selection of the Notes or portions thereof for redemption shall be made by the Trustee only on a pro rata basis or on as nearly a pro rata basis as is practicable (subject to the procedures of The Depository Trust Company), unless that method is otherwise prohibited.

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Notice of redemption will be mailed by first-class mail at least 30 but not more than 60 days before the date of redemption to each Holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a satisfaction and discharge of the Indenture. If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of the Note to be redeemed. A new Note in a principal amount equal to the unredeemed portion of the Note will be issued in the name of the Holder of the Note upon cancellation of the original Note. On and after the date of redemption, interest will cease to accrue on Notes or portions thereof called for redemption so long as the Issuer has deposited with the paying agent for the Notes funds in satisfaction of the redemption price (including accrued and unpaid interest on the Notes to be redeemed) pursuant to the Indenture.

Change of Control

Upon the occurrence of any Change of Control, each Holder will have the right to require that the Issuer purchase that Holder's Notes for a cash price (the "Change of Control Purchase Price") equal to 101% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest thereon, if any, to the date of purchase.

Within 30 days following any Change of Control, the Issuer will mail, or caused to be mailed, to the Holders a notice:

(1) describing the transaction or transactions that constitute the Change of Control;

(2) offering to purchase, pursuant to the procedures required by the Indenture and described in the notice (a "Change of Control Offer"), on a date specified in the notice (which shall be a Business Day not earlier than 30 days nor later than 60 days from the date the notice is mailed) and for the Change of Control Purchase Price, all Notes properly tendered by such Holder pursuant to such Change of Control Offer; and

(3) describing the procedures that Holders must follow to accept the Change of Control Offer. The Change of Control Offer is required to remain open for at least 20 Business Days or for such longer period as is required by law.

The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the date of purchase.

The Credit Agreement will, and other Indebtedness agreements may, provide that some change of control events with respect to us would constitute a default under these agreements. Such defaults could result in amounts outstanding under the Credit Agreement and such other Indebtedness being declared due and payable.

If a Change of Control Offer is made, there can be no assurance that the Issuer will have available funds sufficient to pay for all or any of the Notes that might be delivered by Holders seeking to accept the Change of Control Offer.

The provisions described above that require us to make a Change of Control Offer following a Change of Control will be applicable regardless of whether any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders of the Notes to require that the Issuer purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

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The Issuer's obligation to make a Change of Control Offer will be satisfied if a third party makes the Change of Control Offer in the manner and at the times and otherwise in compliance with the requirements applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer.

With respect to any disposition of assets, the phrase "all or substantially all" as used in the Indenture (including as set forth under "— Certain Covenants — Limitations on Mergers, Consolidations, Etc." below) varies according to the facts and circumstances of the subject transaction, has no clearly established meaning under New York law (which governs the Indenture) and is subject to judicial interpretation. Accordingly, in certain circumstances there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer, and therefore it may be unclear as to whether a Change of Control has occurred and whether the Holders have the right to require the Issuer to purchase Notes.

The Issuer will comply with applicable tender offer rules, including the requirements of Rule 14e-l under the Exchange Act and any other applicable laws and regulations in connection with the purchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control" provisions of the Indenture, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the "Change of Control" provisions of the Indenture by virtue of this compliance.

Certain Covenants

The Indenture contains, among others, the following covenants:

Limitations on Additional Indebtedness

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, incur any Indebtedness; provided that the Issuer or any Guarantor may incur additional Indebtedness, and any Restricted Subsidiary may incur Acquired Indebtedness, in each case, if, after giving effect thereto, the Consolidated Interest Coverage Ratio would be at least 2.00 to 1.00 (the "Coverage Ratio Exception").

Notwithstanding the above, each of the following shall be permitted (the "Permitted Indebtedness"):

(1) Indebtedness of the Issuer or any Guarantor under the Credit Facilities in an aggregate amount at any time outstanding not to exceed the greater of (a) $150.0 million less, to the extent a permanent repayment and/or commitment reduction is required thereunder as a result of such application, the aggregate amount of Net Available Proceeds applied to repayments under the Credit Facilities in accordance with the covenant described under "— Limitations on Asset Sales" and (b) the Borrowing Base as of the date of such incurrence;

(2) the Notes issued on the Issue Date and the Note Guarantees and the Exchange Notes and the Note Guarantees in respect thereof to be issued pursuant to the Registration Rights Agreement;

(3) Indebtedness of the Issuer and the Restricted Subsidiaries to the extent outstanding on the Issue Date (other than Indebtedness referred to in clauses (1) and (2) above, and after giving effect to the intended use of proceeds of the Notes);

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(4) Indebtedness under Hedging Obligations of the Issuer or any Restricted Subsidiary not for the purpose of speculation; provided that if such Hedging Obligations are of the type that relate to Indebtedness described in clause (1) of the definition of Indebtedness, (a) such Hedging Obligations relate to payment obligations on Indebtedness otherwise permitted to be incurred by this covenant, and (b) the notional principal amount of such Hedging Obligations at the time incurred does not exceed the principal amount of the Indebtedness to which such Hedging Obligations relate;

(5) Indebtedness of the Issuer owed to a Restricted Subsidiary and Indebtedness of any Restricted Subsidiary owed to the Issuer or any other Restricted Subsidiary; provided, however, (a) that upon any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or such Indebtedness being owed to any Person other than the Issuer or a Restricted Subsidiary, the Issuer or such Restricted Subsidiary, as applicable, shall be deemed to have incurred Indebtedness not permitted by this clause (5); (b) any such Indebtedness made by a Note Party shall be evidenced by a promissory note pledged to the Note Collateral Agent for the ratable benefit of the Noteholder Secured Parties pursuant to the Collateral Agreement; and (c) any such Indebtedness made by Note Parties to Subsidiaries that are not Subsidiary Guarantors is either a Permitted Investment or permitted by the covenant "— Limitations on Restricted Payments;"

(6) Indebtedness in respect of bid, performance, surety bonds and workers' compensation claims, self-insurance obligations and bankers acceptances issued for the account of the Issuer or any Restricted Subsidiary in the ordinary course of business, including guarantees or obligations of the Issuer or any Restricted Subsidiary with respect to letters of credit supporting such bid, performance, surety bonds and workers' compensation claims, self-insurance obligations and bankers acceptances;

(7) Purchase Money Indebtedness incurred by the Issuer or any Restricted Subsidiary, and Refinancing Indebtedness thereof, in an aggregate amount not to exceed at any time outstanding $25.0 million;

(8) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of incurrence;

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

(10) Refinancing Indebtedness with respect to Indebtedness incurred pursuant to the Coverage Ratio Exception, clause (2), (3), (11)(B) or (13)(B) of this paragraph or this clause (10);

(11) (A) Acquired Indebtedness of the Issuer or any Restricted Subsidiary, and Refinancing Indebtedness thereof, in an aggregate amount not to exceed $20.0 million at any time outstanding and (B) Acquired Indebtedness of the Issuer or any Restricted Subsidiary assumed or acquired in connection with a transaction governed by, and effected in accordance with, the first paragraph of the covenant described under "— Limitations on Mergers, Consolidations, Etc.;"

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(12) Indemnification, adjustment of purchase price, earn-out or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets of the Issuer or any Restricted Subsidiary or Equity Interests of a Restricted Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Capital Stock for the purpose of financing any such acquisition; provided that the maximum aggregate liability in respect of all such obligations outstanding under this clause (12) shall at no time exceed (a) in the case of an acquisition, $10.0 million (provided that the amount of such liability shall be deemed to be the amount thereof, if any, reflected on the balance sheet of the Issuer or any Restricted Subsidiary (e.g., the amount of such liability shall be deemed to be zero if no amount is reflected on such balance sheet)) and (b) in the case of a disposition, the gross proceeds actually received by the Issuer and the Restricted Subsidiaries in connection with such disposition;

(13) Indebtedness of Foreign Subsidiaries in an aggregate amount not to exceed $30.0 million at any time outstanding; provided that Indebtedness under this clause (13) may be incurred under any Credit Facility;

(14) Indebtedness of the Issuer or any Restricted Subsidiary incurred in the ordinary course of business under guarantees of Indebtedness of suppliers, licensees, franchisees or customers in an aggregate amount, together with the aggregate amount of Investments under clause (13) of the definition of “Permitted Investments,” not to exceed $5.0 million at any time outstanding; and

(15) Indebtedness of the Issuer or any Restricted Subsidiary in an aggregate amount not to exceed $25.0 million at any time outstanding.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (1) through (15) above or is entitled to be incurred pursuant to the Coverage Ratio Exception, the Issuer shall classify and may reclassify, in its sole discretion, such item of Indebtedness and may divide, classify and reclassify such Indebtedness in more than one of the types of Indebtedness described, except that Indebtedness incurred under the Credit Facilities on the Issue Date by the Issuer or any Guarantor shall be deemed to have been incurred under clause (1) above. In addition, for purposes of determining any particular amount of Indebtedness under this covenant, guarantees, Liens or letter of credit obligations supporting Indebtedness otherwise included in the determination of such particular amount shall not be included so long as incurred by a Person that could have incurred such Indebtedness.

Limitations on Restricted Payments

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, make any Restricted Payment if at the time of such Restricted Payment:

(1) a Default shall have occurred and be continuing or shall occur as a consequence thereof;

(2) the Issuer cannot incur $1.00 of additional Indebtedness pursuant to the Coverage Ratio Exception; or

(3) the amount of such Restricted Payment, when added to the aggregate amount of all other Restricted Payments made after the Issue Date (other than Restricted Payments made pursuant to clause (2), (3), (4), (5), (6), (7), (8) or (9) of the next paragraph), exceeds the sum (the “Restricted Payments Basket”) of (without duplication):

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(a) 50% of Consolidated Net Income for the period (taken as one accounting period) commencing on January 1, 2004 to and including the last day of the fiscal quarter ended immediately prior to the date of such calculation for which consolidated financial statements are available (or, if such Consolidated Net Income shall be a deficit, minus 100% of such aggregate deficit); provided that the excess (to the extent positive) of (x) 50% of Consolidated Net Income for the period (taken as one accounting period) from January 1, 2004 to March 29, 2008 over (y) $5.0 million, shall be deducted from any amount otherwise calculated pursuant to this clause (a), plus

(b) 100% of the aggregate net cash proceeds received by the Issuer and 100% of the Fair Market Value at the time of receipt of assets other than cash, if any, received by the Issuer, either (x) as contributions to the common equity of the Issuer after the Issue Date or (y) from the issuance and sale of Qualified Equity Interests after the Issue Date, other than (A) any such proceeds which are used to redeem Notes in accordance with the second paragraph under "— Optional Redemption — Redemption with Proceeds from Equity Offerings" or (B) any such proceeds or assets received from a Subsidiary of the Issuer, plus

(c) the aggregate amount by which Indebtedness (other than any Subordinated Indebtedness) incurred by the Issuer or any Restricted Subsidiary subsequent to the Issue Date is reduced on the Issuer's balance sheet upon the conversion or exchange (other than by a Subsidiary of the Issuer) into Qualified Equity Interests (less the amount of any cash, or the fair value of assets, distributed by the Issuer or any Restricted Subsidiary upon such conversion or exchange), plus

(d) in the case of the disposition or repayment of or return on any Investment that was treated as a Restricted Payment made after the Issue Date, an amount (to the extent not included in the computation of Consolidated Net Income) equal to the lesser of (i) 100% of the aggregate amount received by the Issuer or any Restricted Subsidiary in cash or other property (valued at the Fair Market Value thereof) as the return of capital with respect to such Investment and (ii) the amount of such Investment that was treated as a Restricted Payment, plus

(e) upon a Redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary, the lesser of (i) the Fair Market Value of the Issuer's proportionate interest in such Subsidiary immediately following such Redesignation, and (ii) the aggregate amount of the Issuer's Investments in such Subsidiary to the extent such Investments reduced the Restricted Payments Basket and were not previously repaid or otherwise reduced.

The foregoing provisions will not prohibit:

(1) the payment by the Issuer or any Restricted Subsidiary of any dividend within 60 days after the date of declaration thereof, if on the date of declaration the payment would have complied with the provisions of the Indenture;

(2) the redemption of any Equity Interests of the Issuer or any Restricted Subsidiary in exchange for, or out of the proceeds of the substantially concurrent issuance and sale of, Qualified Equity Interests;

(3) the redemption of Subordinated Indebtedness of the Issuer or any Restricted Subsidiary (a) in exchange for, or out of the proceeds of the substantially concurrent issuance and sale of, Qualified Equity Interests, (b) in exchange for, or out of the proceeds of the substantially concurrent incurrence of, Refinancing Indebtedness permitted to be incurred under the "Limitations on Additional Indebtedness" covenant and the other terms of the Indenture or (c) upon a Change of Control or in connection with an Asset Sale to the extent required by the agreement governing such Subordinated Indebtedness but only if the Issuer shall have complied with the covenants described under "— Change of Control" and "— Limitations on Asset Sales" and purchased all Notes validly tendered pursuant to the relevant offer prior to redeeming such Subordinated Indebtedness;

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(4) payments by the Issuer or to Parent to permit Parent or Holdings, and which are used by Parent or Holdings, to redeem Equity Interests of the Issuer, Parent or Holdings held by officers, directors or employees or former officers, directors or employees (or their transferees, estates or beneficiaries under their estates), upon their death, disability, retirement, severance or termination of employment or service; provided that the aggregate cash consideration paid for all such redemptions shall not exceed the sum of (A) $5.0 million during any calendar year (with unused amounts being available to be used in the following calendar year), but not in any succeeding calendar year plus (B) the amount of any net cash proceeds received by or contributed to the Issuer from the issuance and sale after the Issue Date of Qualified Equity Interests of Holdings, Parent or the Issuer to its officers, directors or employees that have not been applied to the payment of Restricted Payments pursuant to this clause (4), plus (C) the net cash proceeds of any "key-man" life insurance policies that have not been applied to the payment of Restricted Payments pursuant to this clause (4);

(5) payments to Parent permitted pursuant to clauses (3) and (4) in the second paragraph of the covenant described under "— Limitations on Transactions with Affiliates;"

(6) repurchases of Equity Interests deemed to occur upon the exercise of stock options if the Equity Interests represent a portion of the exercise price thereof;

(7) [Reserved];

(8) distributions to Parent in order to enable Parent or Holdings to pay customary and reasonable costs and expenses of an offering of securities of Parent or Holdings that is not consummated; or

(9) additional Restricted Payments of $20.0 million; provided that Restricted Payments pursuant to this clause (9) shall not be used to redeem, repurchase, retire or otherwise acquire for consideration any Subordinated Indebtedness;

provided that (a) in the case of any Restricted Payment pursuant to clause (3)(c) above, no Default shall have occurred and be continuing or occur as a consequence thereof and (b) no issuance and sale of Qualified Equity Interests pursuant to clause (2), (3) or (4)(B) above shall increase the Restricted Payments Basket.

Notwithstanding the foregoing provisions of this covenant, neither the Issuer nor its Restricted Subsidiaries may make a Restricted Payment to, or make any Investment in the holder of any Equity Interests in, Parent, Holdings or any other ParentCo of the Issuer, in each case by means of utilization of the cumulative Restricted Payment credit provided by the first paragraph of this covenant or the exceptions provided by clauses (1), (2), (3) or (9) of the second paragraph of this covenant.

Limitations on Dividend and Other Restrictions Affecting Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions on or in respect of its Equity Interests;

(b) make loans or advances or pay any Indebtedness or other obligation owed to the Issuer or any other Restricted Subsidiary; or

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(c) transfer any of its assets to the Issuer or any other Restricted Subsidiary;

except for:

(1) encumbrances or restrictions existing under or by reason of applicable law, regulation or order;

(2) encumbrances or restrictions existing under the Note Documents;

(3) non-assignment provisions of any contract or any lease entered into in the ordinary course of business;

(4) encumbrances or restrictions existing under agreements existing on the date of the Indenture (including, without limitation, the Credit Agreement) as in effect on that date;

(5) restrictions relating to any Lien permitted under the Indenture imposed by the holder of such Lien;

(6) restrictions imposed under any agreement to sell assets permitted under the Indenture to any Person pending the closing of such sale;

(7) any instrument governing Acquired Indebtedness, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

(8) any other agreement governing Indebtedness entered into after the Issue Date that contains encumbrances and restrictions that are not materially more restrictive with respect to any Restricted Subsidiary than those in effect on the Issue Date with respect to that Restricted Subsidiary pursuant to agreements in effect on the Issue Date;

(9) customary provisions in partnership agreements, limited liability company organizational governance documents, joint venture, asset sale and stock sale agreements and other similar agreements entered into in the ordinary course of business that restrict the transfer of ownership interests in such partnership, limited liability company, joint venture or similar Person;

(10) Purchase Money Indebtedness incurred in compliance with the covenant described under "— Limitations on Additional Indebtedness" that impose restrictions of the nature described in clause (c) above on the assets acquired;

(11) restrictions on cash or other deposits or net worth imposed by suppliers or landlords under contracts entered into in the ordinary course of business;

(12) encumbrances or restrictions contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of assets subject to such security agreements or mortgages;

(13) encumbrances or restrictions contained in Indebtedness of Foreign Subsidiaries, or municipal loan or related agreements entered into in connection with the incurrence of industrial revenue bonds, permitted to be incurred under the Indenture; provided that any such encumbrances or restrictions are ordinary and customary with respect to the type of Indebtedness being incurred under the relevant circumstances and do not, in the good faith judgment of the Board of Directors of the Issuer, materially impair the Issuer's ability to make payment on the Notes when due; and

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(14) any encumbrances or restrictions imposed by any amendments or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; provided that such amendments or refinancings are no more materially restrictive with respect to such encumbrances and restrictions than those prior to such amendment or refinancing.

Limitations on Transactions with Affiliates

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, in one transaction or a series of related transactions, sell, lease, transfer or otherwise dispose of any of its assets to, or purchase any assets from, or enter into any contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (an "Affiliate Transaction"), unless:

(1) such Affiliate Transaction is on terms that are no less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction at such time on an arm's-length basis by the Issuer or that Restricted Subsidiary from a Person that is not an Affiliate of the Issuer or that Restricted Subsidiary; and

(2) the Issuer delivers to the Trustee:

(a) with respect to any Affiliate Transaction involving aggregate value in excess of $5.0 million, an Officers' Certificate certifying that such Affiliate Transaction complies with clause (1) above and (x) a Secretary's Certificate which sets forth and authenticates a resolution that has been adopted by a majority of the directors of the Issuer who are disinterested with respect to such Affiliate Transaction, approving such Affiliate Transaction or (y) if there are no such disinterested directors, a written opinion described in clause (b) below; and

(b) with respect to any Affiliate Transaction involving aggregate value of $20.0 million or more, the certificates described in the preceding clause (a) and a written opinion as to the fairness of such Affiliate Transaction to the Issuer or such Restricted Subsidiary from a financial point of view issued by an Independent Financial Advisor to the Board of Directors of the Issuer.

The foregoing restrictions shall not apply to:

(1) transactions exclusively between or among (a) the Issuer and one or more Subsidiary Guarantors; (b) Subsidiary Guarantors; (c) Foreign Subsidiaries; or (d) the Issuer and the Guarantors, on the one hand, and Restricted Subsidiaries that are not Guarantors, on the other hand, in the ordinary course of business; provided, in each case, that no Affiliate of the Issuer (other than another Restricted Subsidiary) owns Equity Interests of any such Restricted Subsidiary;

(2) reasonable director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans), indemnification arrangements, compensation, employment and severance agreements, in each case approved by the Board of Directors;

(3) the entering into of a tax sharing agreement, or payments pursuant thereto, between the Issuer and/or one or more Subsidiaries, on the one hand, and any other Person with which the Issuer or such Subsidiaries are required or permitted to file a consolidated tax return or with which the Issuer or such Subsidiaries are part of a consolidated group for tax purposes, on the other hand, which payments by the Issuer and the Restricted Subsidiaries are not in excess of the tax liabilities that would have been payable by them on a stand-alone basis;

(4) payments by the Issuer to or on behalf of Parent in an amount sufficient to pay out-of-pocket legal, accounting and filing and other general corporate overhead costs of Parent actually incurred by Parent, in any case in an aggregate amount not to exceed $500,000 in any calendar year;

(5) loans and advances permitted by clause (3) of the definition of "Permitted Investments;"

(6) payments to Sponsor or an Affiliate or Related Party thereof in respect of management and consulting services rendered to the Issuer and the Restricted Subsidiaries in the amounts and at the times specified or permitted in the Advisory Agreement, as in effect on the Issue Date or as thereafter amended or replaced in any manner, that, taken as a whole, is not more adverse to the interests of the Holders in any material respect than such agreement as it was in effect on the Issue Date; provided that no Default described in clause (1), (2), (3), (7) or (8) of the definition of "Event of Default" shall have occurred and be continuing or occur as a consequence thereof;

(7) any Restricted Payments which are made in accordance with the covenant described under "— Limitations on Restricted Payments;"

(8) entering into an agreement that provides registration rights to the shareholders of the Issuer, Parent or Holdings or amending any such agreement with shareholders of the Issuer, Parent or Holdings and the performance of such agreements;

(9) any transaction with a joint venture or similar entity which would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary owns an equity interest in or otherwise controls such joint venture or similar entity; provided that no Affiliate of the Issuer or any of its Subsidiaries other than the Issuer or a Restricted Subsidiary shall have a beneficial interest in such joint venture or similar entity;

(10) any merger, consolidation or reorganization of the Issuer with an Affiliate, solely for the purposes of (a) reorganizing to facilitate an initial public offering of securities of the Issuer, Parent, Holdings or other holding company or (b) reincorporating the Issuer in a new jurisdiction;

(11) (a) any transaction with an Affiliate where the only consideration paid by the Issuer or any Restricted Subsidiary is Qualified Equity Interests, (b) forming a holding company or (c) the issuance or sale of any Qualified Equity Interests;

(12) (a) any agreement in effect on the Issue Date (other than the Advisory Agreement) and disclosed in this prospectus, as in effect on the Issue Date or as thereafter amended or replaced in any manner, that, taken as a whole, is not more adverse to the interests of the Holders in any material respect than such agreement as it was in effect on the Issue Date or (b) any transaction pursuant to any agreement referred to in the immediately preceding clause (a); or

(13) any Investment in a Foreign Subsidiary, a Restricted Subsidiary that is not a Guarantor or an Unrestricted Subsidiary; provided that no Affiliate of the Issuer or any of its Subsidiaries other than the Issuer or a Restricted Subsidiary shall have a beneficial interest in such Unrestricted Subsidiary.

Limitations on Liens

The Parent and the Issuer shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or permit or suffer to exist any Lien of any nature whatsoever against any assets of Parent, the Issuer or any Restricted Subsidiary securing any Indebtedness (including Equity Interests of a Restricted Subsidiary or the Issuer), whether owned at the Issue Date or thereafter acquired, or any proceeds therefrom, or assign or otherwise convey any right to receive income or profits therefrom (other than Permitted Liens), unless contemporaneously therewith:

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(1) in the case of any Lien securing an obligation that ranks pari passu with the Notes or a Note Guarantee, effective provision is made to secure the Notes or such Note Guarantee, as the case may be, at least equally and ratably with or prior to such obligation with a Lien on the same collateral; and

(2) in the case of any Lien securing an obligation that is subordinated in right of payment to the Notes or a Note Guarantee, effective provision is made to secure the Notes or such Note Guarantee, as the case may be, with a Lien on the same collateral that is prior to the Lien securing such subordinated obligation,

in each case, for so long as such obligation is secured by such Lien.

Limitations on Asset Sales

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

(1) the Issuer or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets included in such Asset Sale;

(2) either (x) at least 75% of the total consideration received in such Asset Sale consists of cash or Cash Equivalents or (y) the cash or Cash Equivalents portion (without giving effect to clause (c) of the next paragraph) of the total consideration received in such Asset Sale shall be no less than an amount equal to the product of (A) 5.25 and (B) the portion of Consolidated Cash Flow for the Four-Quarter Period directly attributable to the assets included in such Asset Sale; and

(3) with respect to any Asset Sale of any Notes Collateral, the Net Available Proceeds from such Asset Sale are paid directly by the purchaser thereof to an Asset Sale Proceeds Account over which the Notes Collateral Agent has a fully perfected first-priority lien pursuant to arrangements reasonably satisfactory to the Notes Collateral Agent for application in accordance with this covenant.

For purposes of clause (2), the following shall be deemed to be cash:

(a) the amount (without duplication) of any Indebtedness (other than Subordinated Indebtedness) of the Issuer or such Restricted Subsidiary that is expressly assumed by the transferee in such Asset Sale and with respect to which the Issuer or such Restricted Subsidiary, as the case may be, is unconditionally released by the holder of such Indebtedness,

(b) the amount of any obligations received from such transferee that are within 90 days converted by the Issuer or such Restricted Subsidiary to cash (to the extent of the cash actually so received), and

(c) the Fair Market Value of (i) any assets (other than securities) received by the Issuer or any Restricted Subsidiary to be used by it in the Permitted Business, (ii) Equity Interests in a Person that is a Restricted Subsidiary or in a Person engaged in a Permitted Business that shall become a Restricted Subsidiary immediately upon the acquisition of such Person by the Issuer or (iii) a combination of (i) and (ii).

If at any time any non-cash consideration received by the Issuer or any Restricted Subsidiary, as the case may be, pursuant to clause (b) above in connection with any Asset Sale is repaid or converted into or sold or otherwise disposed of for cash (other than interest received with respect to any such non-cash consideration), then the date of such repayment, conversion or disposition shall be deemed to constitute the date of an Asset Sale hereunder and the Net Available Proceeds thereof shall be applied in accordance with this covenant.

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If the Issuer or any Restricted Subsidiary engages in an Asset Sale, the Issuer or such Restricted Subsidiary shall, by no later than 12 months following the later of the consummation thereof and the Issuer's or Restricted Subsidiary's receipt of the Net Available Proceeds, have applied all or any of the Net Available Proceeds therefrom:

(1) if such Net Available Proceeds are proceeds of ABL Collateral, to permanently repay Lenders Debt and, if the obligation repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(2) if such Net Available Proceeds are proceeds of any Asset Sale (other than an Asset Sale of Collateral), to permanently reduce any Indebtedness constituting Indebtedness of a Foreign Subsidiary (and, in the case of revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) or any Pari Passu Indebtedness; provided, however, that if any Pari Passu Indebtedness is so reduced, the Issuer will equally and ratably reduce Indebtedness under the Notes by making an offer to all holders of Notes to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, the pro rata principal amount of the Notes; or

(3) to (A) invest in the purchase of assets (other than securities) to be used by the Issuer or any Restricted Subsidiary in the Permitted Business, (B) acquire Equity Interests in a Person that is a Restricted Subsidiary or in a Person engaged in a Permitted Business that shall become a Restricted Subsidiary immediately upon the consummation of such acquisition or (C) a combination of (A) and (B). In addition, following the entering into of a binding agreement with respect to an Asset Sale and prior to the consummation thereof, cash (whether or not actual Net Available Proceeds of such Asset Sale) used for the purposes described in subclause (A), (B) and (C) of this clause (3) that are designated as uses in accordance with this clause (3), and not previously or subsequently so designated in respect of any other Asset Sale, shall be deemed to be Net Available Proceeds applied in accordance with this clause (3).

The amount of Net Available Proceeds not applied or invested as provided in this paragraph will constitute "Excess Proceeds;" provided that until the aggregate amount of Excess Proceeds equals or exceeds $15.0 million, all or any portion of such Excess Proceeds may be invested in the manner described in clause (3) above and such invested amount shall no longer be considered Excess Proceeds.

When the aggregate amount of Excess Proceeds equals or exceeds $15.0 million, the Issuer will be required to make an offer to purchase from all Holders and, if applicable, redeem (or make an offer to do so) any Other Pari Passu Lien Obligations of the Issuer the provisions of which require the Issuer to redeem such Indebtedness with the proceeds from any Asset Sales (or offer to do so), in an aggregate principal amount of Notes and such Other Pari Passu Lien Obligations equal to the amount of such Excess Proceeds as follows:

(1) the Issuer will (a) make an offer to purchase (a "Net Proceeds Offer") to all Holders in accordance with the procedures set forth in the Indenture, and (b) redeem (or make an offer to do so) any such Other Pari Passu Lien Obligations (and permanently reduce the related loan commitment (if any) in an amount equal to the principal amount so redeemed), pro rata in proportion to the respective principal amounts of the Notes and such other Indebtedness required to be redeemed, the maximum principal amount of Notes and Other Pari Passu Lien Obligations that may be redeemed out of the amount (the "Payment Amount") of such Excess Proceeds;

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(2) the offer price for the Notes will be payable in cash in an amount equal to 100% of the principal amount of the Notes tendered pursuant to a Net Proceeds Offer, plus accrued and unpaid interest thereon, if any, to the date such Net Proceeds Offer is consummated (the “Offered Price”), in accordance with the procedures set forth in the Indenture and the redemption price for such Other Pari Passu Lien Obligations (the “Pari Passu Indebtedness Price”) shall be as set forth in the related documentation governing such Indebtedness;

(3) if the aggregate Offered Price of Notes validly tendered and not withdrawn by Holders thereof exceeds the pro rata portion of the Payment Amount allocable to the Notes, Notes to be purchased will be selected on a pro rata basis; and

(4) upon completion of such Net Proceeds Offer in accordance with the foregoing provisions, the amount of Excess Proceeds with respect to which such Net Proceeds Offer was made shall be deemed to be zero and released from the Assets Sale Proceeds Account.

To the extent that the sum of the aggregate Offered Price of Notes tendered pursuant to a Net Proceeds Offer and the aggregate Pari Passu Indebtedness Price paid to the holders of such Other Pari Passu Lien Obligations is less than the Payment Amount relating thereto (such shortfall constituting a “Net Proceeds Deficiency”), the Issuer may use the Net Proceeds Deficiency, or a portion thereof, for general corporate purposes, subject to the provisions of the Indenture.

In the event of the transfer of substantially all (but not all) of the assets of the Issuer and the Restricted Subsidiaries as an entirety to a Person in a transaction covered by and effected in accordance with the covenant described under “— Limitations on Mergers, Consolidations, Etc.,” other than a transaction meeting the requirements of clause (3)(b) of the first paragraph of such covenant, the successor shall be deemed to have sold for cash at Fair Market Value the assets of the Issuer and the Restricted Subsidiaries not so transferred for purposes of this covenant, and shall comply with the provisions of this covenant with respect to such deemed sale as if it were an Asset Sale (with such Fair Market Value being deemed to be Net Available Proceeds for such purpose).

The Issuer will comply with applicable tender offer rules, including the requirements of Rule 14e-1 under the Exchange Act and any other applicable laws and regulations in connection with the purchase of Notes pursuant to a Net Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with the “Limitations on Asset Sales” provisions of the Indenture, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the “Limitations on Asset Sales” provisions of the Indenture by virtue of this compliance.

Limitations on Designation of Unrestricted Subsidiaries

The Issuer may designate any Subsidiary (including any newly formed or newly acquired Subsidiary) of the Issuer as an “Unrestricted Subsidiary” under the Indenture (a “Designation”) only if:

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

(2) either (A) the Subsidiary to be so Designated has total assets of $1,000 or less; or (B) the Issuer would be permitted to make, at the time of such Designation, (x) a Permitted Investment or (y) an Investment pursuant to the first paragraph of “— Limitations on Restricted Payments” above, in either case, in an amount (the “Designation Amount”) equal to the Fair Market Value of the Issuer’s proportionate interest in such Subsidiary on such date.

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No Subsidiary shall be Designated as an "Unrestricted Subsidiary" if such Subsidiary or any of its Subsidiaries owns (i) any Equity Interests (other than Qualified Equity Interests) of the Issuer or (ii) any Equity Interests of any Restricted Subsidiary that is not a Subsidiary of the Subsidiary to be so Designated.

If, at any time, any Unrestricted Subsidiary fails to meet the preceding requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of the Subsidiary and any Liens on assets of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary as of the date and, if the Indebtedness is not permitted to be incurred under the covenant described under "— Limitations on Additional Indebtedness" or the Lien is not permitted under the covenant described under "— Limitations on Liens," the Issuer shall be in default of the applicable covenant.

The Issuer may redesignate an Unrestricted Subsidiary as a Restricted Subsidiary (a "Redesignation") only if:

(1) no Default shall have occurred and be continuing at the time of and after giving effect to such Redesignation; and

(2) all Liens, Indebtedness and Investments of such Unrestricted Subsidiary outstanding immediately following such Redesignation would, if incurred or made at such time, have been permitted to be incurred or made for all purposes of the Indenture.

All Designations and Redesignations must be evidenced by resolutions of the Board of Directors of the Issuer, delivered to the Trustee, certifying compliance with the foregoing provisions.

Limitations on the Issuance or Sale of Equity Interests of Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, sell or issue any shares of Equity Interests of any Restricted Subsidiary except (1) to the Issuer, a Restricted Subsidiary or the minority stockholders of any Restricted Subsidiary, on a pro rata basis, (2) to the extent such shares represent directors' qualifying shares or shares required by applicable law to be held by a Person other than the Issuer or a Wholly-Owned Restricted Subsidiary, or (3) if immediately after giving effect to such sale or issuance, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary. The sale of all the Equity Interests of any Restricted Subsidiary is permitted by this covenant but is subject to the covenant described under "— Limitations on Asset Sales." Notwithstanding the foregoing, this covenant shall not prohibit the issuance or sale of Equity Interests of any Restricted Subsidiary in connection with (a) the formation or capitalization of a Restricted Subsidiary or (b) a single transaction or a series of substantially contemporaneous transactions whereby such Restricted Subsidiary becomes a Restricted Subsidiary of the Issuer by reason of acquisition of securities or assets from another Person; provided that following the consummation of any transaction or transactions contemplated by clause (a) or (b), the ownership of the Equity Interests of the relevant Restricted Subsidiary or Restricted Subsidiaries shall be as if this covenant had been complied with at all times.

Limitations on Mergers, Consolidations, Etc.

The Issuer will not, directly or indirectly, in a single transaction or a series of related transactions, (a) consolidate or merge with or into another Person (other than a merger with an Affiliate solely for the purpose of and with the effect of changing the Issuer's jurisdiction of incorporation to another State of the United States or forming a holding company for the Issuer (provided that such holding company becomes a Guarantor)), or sell, lease, transfer, convey or otherwise dispose of or assign all or substantially all of the assets of the Issuer or the Issuer and the Restricted Subsidiaries (taken as a whole) or (b) adopt a Plan of Liquidation unless, in either case:

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(1) either:

(a) the Issuer will be the surviving or continuing Person; or

(b) the Person formed by or surviving such consolidation or merger or to which such sale, lease, conveyance or other disposition shall be made (or, in the case of a Plan of Liquidation, any Person to which assets are transferred) (collectively, the "Successor") is a corporation, limited liability company or limited partnership organized and existing under the laws of any State of the United States of America or the District of Columbia, and the Successor expressly assumes, by supplemental indenture, security documents and intercreditor agreement in form and substance reasonably satisfactory to the Trustee, all of the obligations of the Issuer under the Notes, the Indenture, the applicable Security Documents, the Intercreditor Agreement and the Registration Rights Agreement; provided that if such Person is a limited liability company or a partnership, such Person will form a Wholly-Owned Restricted Subsidiary that is a corporation and cause such Subsidiary to become a co-issuer of the Notes;

(2) immediately prior to and immediately after giving effect to such transaction and the assumption of the obligations as set forth in clause (1)(b) above and the incurrence of any Indebtedness to be incurred in connection therewith, and the use of any net proceeds therefrom on a pro forma basis, no Default shall have occurred and be continuing; and

(3) immediately after and giving effect to such transaction and the assumption of the obligations set forth in clause (1)(b) above and the incurrence of any Indebtedness to be incurred in connection therewith, and the use of any net proceeds therefrom on a pro forma basis, (a) the Issuer or the Successor, as the case may be, could incur $1.00 of additional Indebtedness pursuant to the Coverage Ratio Exception or (b) the Consolidated Interest Coverage Ratio of the Issuer or the Successor, as the case may be, would be not less than the Consolidated Coverage Ratio of the Issuer immediately prior to such transaction.

For purposes of this covenant, any Indebtedness of the Successor which was not Indebtedness of the Issuer immediately prior to the transaction shall be deemed to have been incurred in connection with such transaction.

Parent will not, directly or indirectly, in a single transaction or a series of related transactions, (a) consolidate or merge with or into another Person, or sell, lease, transfer, convey or otherwise dispose of or assign all or substantially all of the assets of Parent and its Subsidiaries (taken as a whole) or (b) adopt a Plan of Liquidation unless, in either case:

(1) either:

(a) Parent will be the surviving or continuing Person; or

(b) the Person formed by or surviving such consolidation or merger or to which such sale, lease, conveyance or other disposition shall be made (or, in the case of a Plan of Liquidation, any Person to which assets are transferred) (collectively, the "Parent Successor") is a corporation, limited liability company or limited partnership organized and existing under the laws of any State of the United States of America or the District of Columbia, and the Parent Successor (unless the Parent Successor is the Issuer) expressly assumes, by supplemental indenture, security documents and intercreditor agreement in form and substance reasonably satisfactory to the Trustee, all of the obligations of Parent under the Notes, the Indenture, the applicable Security Documents, the Intercreditor Agreement and the Registration Rights Agreement; and

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(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing.

Except as provided in the fifth paragraph under the caption "— Note Guarantees," no Guarantor (other than Parent) may consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, unless:

(1) either:

(a) such Guarantor will be the surviving or continuing Person; or

(b) the Person formed by or surviving any such consolidation or merger assumes, by supplemental indenture, security documents and intercreditor agreement in form and substance reasonably satisfactory to the Trustee, all of the obligations of such Guarantor under the Note Guarantee of such Guarantor, the Indenture, the applicable Security Documents, the Intercreditor Agreement and the Registration Rights Agreement, and is a corporation, limited liability company or limited partnership organized and existing under the laws of any State of the United States of America or the District of Columbia; and

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries, the Equity Interests of which constitute all or substantially all of the properties and assets of the Issuer, will be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer or Parent, as the case may be.

Upon any consolidation, combination or merger of the Issuer or a Guarantor, or any transfer of all or substantially all of the assets of the Issuer or Parent in accordance with the foregoing, in which the Issuer or such Guarantor is not the continuing obligor under the Notes or its Note Guarantee, the surviving entity formed by such consolidation or into which the Issuer or such Guarantor is merged or the Person to which the conveyance, lease or transfer is made will succeed to, and be substituted for, and may exercise every right and power of, the Issuer or such Guarantor under the Indenture, the Notes, the Note Guarantees, the Security Documents and Intercreditor Agreement with the same effect as if such surviving entity had been named therein as the Issuer or such Guarantor and, except in the case of a lease, the Issuer or such Guarantor, as the case may be, will be released from the obligation to pay the principal of and interest on the Notes or in respect of its Note Guarantee, as the case may be, and all of the Issuer's or such Guarantor's other obligations and covenants under the Notes, the Indenture and its Note Guarantee, if applicable.

Notwithstanding the foregoing, any Restricted Subsidiary may consolidate with, merge with or into or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to the Issuer or another Restricted Subsidiary (provided that if any party to any such transaction is a Note Party, the surviving entity or recipient entity, as the case may be, shall be a Note Party).

Additional Note Guarantees

The Issuer shall cause each Restricted Subsidiary (including any newly formed, newly acquired or newly Designated Restricted Subsidiary) (other than any Foreign Subsidiary) to:

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(1) execute and deliver to the Trustee (a) a supplemental indenture pursuant to which such Restricted Subsidiary shall unconditionally guarantee all of the Issuer's obligations under the Notes and the Indenture, (b) a notation of guarantee in respect of its Note Guarantee, (c) a supplement to the Collateral Agreement, (d) a supplement to the Intercreditor Agreement and (e) other applicable Security Documents, in each case in form and substance reasonably satisfactory to the Trustee; and

(2) deliver to the Trustee one or more opinions of counsel that such documents required by the preceding clause (1) (a) have been duly authorized, executed and delivered by such Restricted Subsidiary and (b) constitute valid and legally binding obligation of such Restricted Subsidiary in accordance with their terms.

Each Note Guarantee by a Guarantor may be released as described under "— Note Guarantees."

Further Assurances

The Issuer and Guarantors shall execute any and all further documents, financing statements, agreements and instruments, and take all further action that may be required under applicable law, or that the Trustee may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by the Security Documents in the Collateral. In addition, from time to time, the Issuer will reasonably promptly secure the obligations under the Indenture, Security Documents and Intercreditor Agreement by pledging or creating, or causing to be pledged or created, perfected security interests with respect to the Collateral. Such security interests and Liens will be created under the Security Documents and other security agreements, mortgages, deeds of trust and other instruments and documents in form and substance reasonably satisfactory to the Trustee, and the Issuer shall deliver or cause to be delivered to Trustee all such instruments and documents (including legal opinions, title insurance policies and lien searches) as the Trustee shall reasonably request to evidence compliance with this covenant. The Issuer agrees to provide such evidence as the Trustee shall reasonably request as to the perfection and priority status of each such security interest and Lien. In furtherance of the foregoing, the Issuer will give prompt notice to the Trustee of the acquisition by it or any of the Guarantors of any real property (or any interest in real property) having a value in excess of $2.0 million; provided that the Issuer and Guarantors shall only be required to deliver Mortgages with respect to Material Real Property.

Information Regarding Collateral

The Issuer will furnish to the Notes Collateral Agent, with respect to the Issuer or any Guarantor, prompt written notice of any change in such Person's (i) corporate name, (ii) jurisdiction of organization or formation, (iii) identity or corporate structure or (iv) Federal Taxpayer Identification Number. The Issuer will agree not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Notes Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. The Issuer also agrees promptly to notify the Notes Collateral Agent if any material portion of the Collateral is damaged or destroyed.

Each year, at the time of delivery of the annual financial statements with respect to the preceding fiscal year, the Issuer shall deliver to the Trustee a certificate of a financial officer setting forth the information required pursuant to the perfection certificate required by the Collateral Agreement or confirming that there has been no change in such information since the date of the prior delivered perfection certificate.

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Impairment of Security Interest

Subject to the rights of the holders of Permitted Liens, the Issuer will not, and will not permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would reasonably be expected to have the result of materially impairing the security interest with respect to the Collateral for the benefit of Noteholder Secured Parties, subject to limited exceptions. The Issuer shall not amend, modify or supplement, or permit or consent to any amendment, modification or supplement of, the Security Documents in any way that would be adverse to the Holders of the Notes in any material respect, except as described above under "— Security for the Notes" or as permitted under "— Amendment, Supplement and Waiver."

Insurance

The Issuer and Guarantors (a) will cause any insurance policies covering any Collateral to be endorsed or otherwise amended to include a customary lender's loss payable endorsement, in form and substance reasonably satisfactory to the Trustee, which endorsement shall provide that, from and after the Issue Date, if the insurance carrier shall have received written notice from the Trustee of the occurrence of an Event of Default, the insurance carrier shall pay all proceeds otherwise payable to the Grantors under such policies directly to the Trustee; (b) will cause all such policies to provide that neither the Issuer, the Trustee nor any other party shall be a coinsurer thereunder and to contain a "Replacement Cost Endorsement," without any deduction for depreciation, and such other provisions as the Trustee may reasonably require from time to time to protect their interests; deliver original or certified copies of all such policies to the Trustee; cause each such policy to provide that it shall not be canceled, modified or not renewed (i) by reason of nonpayment of premium upon not less than 10 days' prior written notice thereof by the insurer to the Trustee (giving the Trustee the right to cure defaults in the payment of premiums) or (ii) for any other reason upon not less than 30 days' prior written notice thereof by the insurer to the Trustee; (c) will deliver to the Trustee, prior to the cancellation, modification or nonrenewal of any such policy of insurance, a draft copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Trustee) and reasonably promptly thereafter deliver a duplicate original copy of such policy together with evidence satisfactory to the Trustee of payment of the premium therefor.

The Grantors will notify the Trustee promptly whenever any separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this covenant is taken out by any Grantor; and promptly deliver to the Trustee a duplicate original copy of such policy or policies.

Subrogation and Subordination

Each Guarantor will agree that until the indefeasible payment and satisfaction in full in cash of all applicable obligations under the Note Documents it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its Note Guarantee, whether by subrogation or otherwise, against either the Issuer or any other Guarantor. The Issuer and each Guarantor will agree that all Indebtedness and other monetary obligations owed by it to the Issuer or any Restricted Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the obligations with respect to the Note Documents.

Reports

Whether or not required by the SEC, so long as any Notes are outstanding, the Issuer will furnish to the Holders of Notes, or file electronically with the SEC through the SEC's Electronic Data Gathering, Analysis and Retrieval System (or any successor system), within the time periods that would be applicable to the Issuer if it were subject to Section 13(a) or 15(d) of the Exchange Act:

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(1) all quarterly and annual financial and other information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Issuer were required to file these Forms; and

(2) all current reports that would be required to be filed with the SEC on Form 8-K if the Issuer were required to file these reports.

In addition, whether or not required by the SEC, the Issuer will file a copy of all of the information and reports referred to in clauses (1) and (2) above with the SEC for public availability within the time periods specified in the SEC's rules and regulations (unless the SEC will not accept the filing) and make the information available to securities analysts and prospective investors upon request.

Notwithstanding anything to the contrary, the Issuer will be deemed to have complied with its obligations in the preceding two paragraphs following the filing of the Exchange Offer Registration Statement and prior to the effectiveness thereof if the Exchange Offer Registration Statement includes the information specified in clause (1) above at the times it would otherwise be required to file such Forms. If Parent has complied with the reporting requirements of Section 13 or 15(d) of the Exchange Act, if applicable, and has furnished the Holders of Notes, or filed electronically with the SEC's Electronic Data Gathering, Analysis and Retrieval System (or any successor system), the reports described herein with respect to Parent (including any financial information required by Regulation S-X relating to the Issuer and the Subsidiary Guarantors), the Issuer shall be deemed to be in compliance with the provisions of this covenant.

The Issuer and the Guarantors have agreed that, for so long as any Notes remain outstanding, the Issuer will furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Events of Default

Each of the following is an "Event of Default":

(1) failure by the Issuer to pay interest on any of the Notes when it becomes due and payable and the continuance of any such failure for 30 days;

(2) failure by the Issuer to pay the principal on any of the Notes when it becomes due and payable, whether at stated maturity, upon redemption, upon purchase, upon acceleration or otherwise;

(3) failure by the Issuer to comply with any of its agreements or covenants described above under "— Certain Covenants — Limitations on Mergers, Consolidations, Etc.," or in respect of its obligations to make a Change of Control Offer as described above under "— Change of Control;"

(4) failure by the Issuer or any Guarantor to comply with any other agreement or covenant in the Indenture, the Security Documents or the Intercreditor Agreement and continuance of this failure for 60 days after notice of the failure has been given to the Issuer by the Trustee or by the Holders of at least 25% of the aggregate principal amount of the Notes then outstanding;

(5) default under any mortgage, indenture or other instrument or agreement under which there may be issued or by which there may be secured or evidenced Indebtedness of the Issuer or any Restricted Subsidiary, whether such Indebtedness now exists or is incurred after the Issue Date, which default:

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(a) is caused by a failure to pay at final maturity (giving effect to any applicable grace periods and any extensions thereof) principal on such Indebtedness within the applicable express grace period,

(b) results in the acceleration of such Indebtedness prior to its express final maturity or

(c) results in the judicial authorization to foreclose upon, or to exercise remedies under applicable law or applicable security documents to take ownership of, the assets securing such Indebtedness, and