million. The receivables securitization facility bears interest at a variable rate based upon commercial paper and one-month LIBO rates plus an applicable margin based on our net leverage ratio.

On January 4, 2017, we amended the purchase agreement governing the receivables securitization facility to, among other things, (i) extend the liquidity termination date to January 4, 2020, (ii) reduce the maximum size of the receivables securitization facility to $450 million, (iii) replace the senior secured net leverage ratio with a total net leverage ratio to be consistent with the amended leverage ratio covenant under the amended Credit Agreement described above, and (iv) modify certain pricing terms such that advances outstanding under the receivables securitization facility will bear interest between 0.90% and 1.05%, and the Company will pay an unused fee between 0.40% and 0.55% on undrawn amounts, in each case based on the Company's total net leverage ratio.

*Standby Letter of Credit* — In February 2012, in connection with a litigation settlement agreement we entered into with the plaintiffs in the Tennessee dairy farmer litigation, we issued a standby letter of credit in the amount of $80 million, representing the approximate amount of subsequent payments due under the terms of the settlement agreement. The total amount of the letter of credit decreased proportionately as we made each of the four installment payments. We made installment payments in June of 2013, 2014, 2015, and 2016. As of December 31, 2016, the letter of credit has been reduced to zero as a result of the final annual installment payment of $18.9 million, which we made in June 2016.

*Dean Foods Company Senior Notes due 2016* — In March 2015, we redeemed the remaining principal amount of $476.2 million of our outstanding senior notes due 2016 for a total redemption price of approximately $521.8 million. As a result, we recorded a $38.3 million pre-tax loss on early retirement of long-term debt in the first quarter of 2015, which consisted of debt redemption premiums and unpaid interest of $37.3 million, a write-off of unamortized long-term debt issue costs of $0.8 million and a write-off of the remaining bond discount and interest rate swaps of approximately $0.2 million. The loss was recorded in the loss on early retirement of long-term debt line in our Consolidated Statements of Operations. The redemption was financed with proceeds from the issuance of the 2023 Notes.

*Subsidiary Senior Notes due 2017* — Legacy Dean had certain senior notes outstanding at the time of its acquisition, of which one series remains outstanding ($142 million aggregate principal amount) and matures on October 15, 2017. The carrying value of these notes at December 31, 2016 was $139.7 million, net of unamortized discounts of $2.3 million, at 6.90% interest. The indenture governing the Legacy Dean senior notes does not contain financial covenants but does contain certain restrictions, including a prohibition against Legacy Dean and its subsidiaries granting liens on certain of their real property interests and a prohibition against Legacy Dean granting liens on the stock of its subsidiaries. The Legacy Dean senior notes are not guaranteed by Dean Foods Company or Legacy Dean’s wholly-owned subsidiaries.

*Redemption of Dean Foods Company Senior Notes due 2018* — In December 2014, we completed the redemption of the remaining $24 million outstanding principal amount of our senior notes due 2018 at a redemption price equal to 104.875% of the principal amount of the notes redeemed, plus accrued and unpaid interest, or approximately $26.1 million in total. As a result of the redemption, we recorded a $1.4 million pre-tax loss on early extinguishment of debt in the fourth quarter of 2014, which consisted of debt redemption premiums of $1.2 million and a write-off of unamortized debt issue costs of $0.2 million. The loss was recorded in the loss on early retirement of debt line in our Consolidated Statements of Operations. The redemption was financed with borrowings under our prior credit facility.

See Note 9 for information regarding the fair value of the 2023 Notes and the subsidiary senior notes due 2017 as of December 31, 2016 and 2015.

*Capital Lease Obligations and Other* — Capital lease obligations as of December 31, 2016 included our leases for information technology equipment. Capital lease obligations as of December 31, 2015 included our leases for information technology equipment, as well as a lease for land and building related to one of our production facilities. See Note 17.

## 9. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

### *Derivative Financial Instruments*

*Commodities* — We are exposed to commodity price fluctuations, including milk, butterfat, sweeteners and other commodity costs used in the manufacturing, packaging and distribution of our products, such as natural gas, resin and diesel fuel. To secure adequate supplies of materials and bring greater stability to the cost of ingredients and their related manufacturing, packaging and distribution, we routinely enter into forward purchase contracts and other purchase arrangements with suppliers. Under the forward purchase contracts, we commit to purchasing agreed-upon quantities of ingredients and commodities at agreed-upon prices at specified future dates. The outstanding purchase commitment for these commodities at any point in time typically