GOLD RESERVE INC
Form F-3
January 14, 2016

As filed with the Securities and Exchange Commission on January 14, 2016

Registration No. 333-

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

FORM F-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

GOLD RESERVE INC.

(Exact name of registrant as specified in its charter)

Alberta, Canada	**N/A**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

926 W. Sprague Avenue, Suite 200
Spokane, Washington 99201
Tel: (509) 623-1500
(Address and telephone number of Registrant's principal executive offices)

Rockne J. Timm
926 W. Sprague Avenue, Suite 200
Spokane, Washington 99201
Tel: (509) 623-1500

(Name, address, and telephone number of agent for service)

With a copy to:

Jonathan B. Newton

Baker & McKenzie LLP

700 Louisiana, Suite 3000

Houston, Texas 77002

Tel: (713) 427-5000

Approximate date of commencement of proposed sale to the public: From time to time on or after the effective date of this registration statement

If only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

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

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

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Class A Common Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee[5]
11% Senior Secured Convertible Notes due 2018	$57,057,717	N/A	$57,057,717.00[4]	$5,745.71
Class A common shares, no par value, issuable upon conversion of the 11% Senior Secured Convertible Notes due 2018	19,019,235[1][2]	$2.34[3]	$44,505,009.90	[6]
Class A common shares, no par value, beneficially owned by certain Selling Securityholders	10,826,268[2]	$2.34[3]	$25,333,467.12	$2,551.08
Total:	N/A	N/A	$126,896,194.02	$8,296.79

(1) Represents the number of Class A common shares, no par value (the "Class A Common Shares"), issuable upon conversion of the 11% Senior Secured Convertible Notes due 2018 ("2018 Convertible Notes") being registered hereunder at an initial conversion rate of 333.3333 Class A Common Shares per $1,000 principal amount of 2018 Convertible Notes, which conversion rate is subject to certain anti-dilution adjustments.

(2) Pursuant to Rule 416 of the Securities Act of 1933, as amended (the "Securities Act"), there are also being registered hereunder such additional Class A Common Shares as may be issued to the Selling Securityholders because of any future stock dividends, stock distributions, stock splits, similar capital readjustments or other anti-dilution adjustments.

(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) of the Securities Act, based upon the U.S. dollar equivalent of the average of the high and low sales prices of the Class A Common Shares as reported on the TSX Venture Exchange on January 13, 2016. Based on an exchange rate of one Canadian dollar to $0.6962 U.S. dollars.

(4) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act, based on 100% of the aggregate principal amount of the 2018 Convertible Notes.

(5) A filing fee of $5,675.20 was previously paid in connection with the registration for resale from time to time of the Company's 11% Senior Subordinated Convertible Notes due 2015 and 11% Senior Subordinated Interest Notes due 2015 under a registration statement on Form F-3 (Registration No. 333-197506) initially filed by Gold Reserve Inc. (the "Company") on July 18, 2014. Accordingly, pursuant to Rule 457(p) under the Securities Act, the Company is offsetting $5,675.20 of previously paid filing

fees against the total filing fee of $8,296.79 due in connection with the filing of this registration statement.

(6) Pursuant to Rule 457(i) under the Securities Act, there is no additional filing fee with respect to the Class A Common Shares issuable upon conversion of the 2018 Convertible Notes because no additional consideration will be received by the Company.

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

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

SUBJECT TO COMPLETION, DATED JANUARY 14, 2016

PROSPECTUS

GOLD RESERVE INC.

$57,057,717 11% Senior Secured Convertible Notes due 2018

and

up to 29,845,503 Class A Common Shares

On November 30, 2015, we consummated the restructuring of approximately:

- $37.3 million aggregate principal amount of our previously outstanding 11% Senior Subordinated Convertible Notes due 2015 ("2015 Convertible Notes"); and

- $5.6 million aggregate principal amount of our previously outstanding 11% Senior Subordinated Interest Notes due 2015 (the "2015 Interest Notes" and, together with the 2015 Convertible Notes, the "2015 Notes").

In connection with restructuring the terms of the 2015 Notes, which included increasing the principal amount of the 2015 Notes outstanding by approximately $0.8 million (an amount equal to the aggregate principal amount of accrued and unpaid interest on the 2015 Notes to, but not including, the date of consummation of the restructuring), we issued approximately $43.7 million aggregate principal amount of 11% Senior Secured Convertible Notes due 2018 (the "Amended Notes").

As consideration for the holders of the 2015 Notes agreeing to amend the 2015 Notes, we also issued them an additional approximately $1.1 million aggregate principal amount 11% Senior Secured Convertible Notes due 2018 (the "Restructuring Fee Notes") (which represents a fee equal to 2.5% of the Amended Notes), which have the same terms as the Amended Notes. Finally, simultaneously with the issuance of the Amended Notes and the Restructuring Fee Notes, we also issued an additional approximately $12.3 million aggregate principal amount of 11% Senior Secured Convertible Notes due 2018 (the "New Notes" and, together with the Amended Notes and the Restructuring Fee Notes, the "2018 Convertible Notes"), for cash proceeds of approximately $12 million, having the same terms as the Amended Notes and the Restructuring Fee Notes, other than an original issue discount ("OID") of 2.5% of the principal amount of the New Notes. Interest on the 2018 Convertible Notes accrues and is capitalized quarterly and is payable in a new series of 11% Senior Secured Interest Notes due 2018 (the "Interest Notes" and together with the 2018 Convertible Notes, the "Notes"). Interest on the Interest Notes is also payable in additional Interest Notes. The 2018 Convertible Notes are denominated in, and the Interest Notes will be denominated in, United States Dollars.

This prospectus covers resales from time to time by the selling securityholders named under "*Selling Securityholders*" (the "Selling Securityholders") of any or all of the 2018 Convertible Notes held by the Selling Securityholders and any

Class A common shares, no par value (the "Class A Common Shares"), issuable upon conversion of the 2018 Convertible Notes. This prospectus also covers the resale from time to time by certain of the Selling Securityholders of an additional 10,826,268 Class A Common Shares beneficially owned by such Selling Securityholders. The 2018 Convertible Notes and the Class A Common Shares that may be resold pursuant to this prospectus are referred to collectively herein as the "Securities." The restructuring of the 2015 Notes and the simultaneous issuance of the New Notes is collectively referred to herein as the "Restructuring and New Notes Sale."

The Securities may be offered from time to time by the Selling Securityholders through ordinary brokerage transactions, in negotiated transactions or otherwise, at market prices prevailing at the time of sale or at negotiated prices and in other ways as described in the "*Plan of Distribution*."

We will not receive any proceeds from the sale of these Securities. See "*Use of Proceeds*."

The Notes bear interest at a rate of 11% per annum. Interest on the Notes accrues and is capitalized quarterly and will be payable on March 31, June 30, September 30 and December 31 of each year, beginning on March 31, 2016. Interest on the Notes is payable in Interest Notes. The Notes will mature on December 31, 2018.

Holders of the 2018 Convertible Notes may convert their 2018 Convertible Notes into 333.3333 Class A Common Shares per $1,000 principal amount of indebtedness evidenced by the 2018 Convertible Notes (which is equivalent to a conversion price of $3.00 per share), which conversion rate is subject to anti-dilution adjustments upon the occurrence of certain events. The Interest Notes are not convertible into our Class A Common Shares or any other security.

The Notes, together with the CVRs (as defined herein), are secured by a first lien on substantially all of our assets (excluding a security interest over our rights with respect to the ongoing Brisas arbitration (as defined herein) and only limited rights over the stock of our subsidiaries). The 2018 Convertible Notes are currently evidenced by physical certificates held in the names of the Selling Securityholders. In connection with the filing of the registration statement of which this prospectus forms a part, we have agreed to use commercially reasonable efforts to cause the 2018 Convertible Notes to become eligible for deposit with The Depository Trust Company ("DTC"). We have also agreed to use commercially reasonable efforts to cause the Interest Notes to become eligible for deposit with DTC prior to their first issuance in connection with a regular interest payment date on March 31, 2016. If the Interest Notes are not made eligible for deposit with DTC on that date, the Interest Notes will also be evidenced by physical certificates held in the names of the Selling Securityholders. If and when the Notes have been made eligible with DTC, the Notes will be evidenced by one or more global notes deposited with a custodian for and registered in the name of a nominee of DTC. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected through, records maintained by DTC and its direct and indirect participants.

Our Class A Common Shares are listed for trading on the TSX Venture Exchange (the "TSXV") under the symbol "GRZ.V" and trade on the OTCQB under the symbol "GDRZF." On January 13, 2016, the closing sale prices of the Class A Common Shares as reported by the TSXV and OTCQB were Cdn $3.41−− and $2.45, respectively. Our Class A Common Shares have full voting, dividend and liquidation rights. We do not intend to apply for a listing of the Notes on any securities exchange or for inclusion of the Notes in any automated quotation system.

An investment in the Securities is speculative and involves a high degree of risk. See "*Risk Factors*" beginning on page 12. You should read this document and the documents incorporated by reference into this prospectus before you invest.

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

The Securities are being offered to investors in the United States of America, other than in the states of Montana, New Hampshire and North Dakota and the District of Columbia.

The date of this prospectus is , 2016.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form F-3 that we filed with the SEC with respect to the Securities that may be offered and sold from time to time in one or more offerings by the Selling Securityholders named in the section "*Selling Securityholders*."

This prospectus only provides you with a general description of the Securities that the Selling Securityholders may sell or offer and the Interest Notes that you will receive in connection with the regular payment of interest on the Notes in the future (though the resale of such Interest Notes is not covered by this prospectus). Each time a Selling Securityholder sells Securities, if required, we will provide a prospectus supplement or amendment containing specific information about the offering. Any such prospectus supplement or amendment may include a discussion of any risk factors or other special considerations that apply to that offering. The prospectus supplement or amendment may also add, update or change the information in this prospectus or in the documents that we have incorporated into this prospectus by reference. To the extent that any statement made in a prospectus supplement or amendment conflicts with statements made in this prospectus, the statements made in the prospectus supplement or amendment will be deemed to modify or supersede those made in this prospectus.

The rules of the SEC allow us to incorporate by reference certain information into this prospectus. Before purchasing any of the Securities, you should carefully read this prospectus, especially the information discussed under "*Risk Factors*," and any prospectus supplement or amendment together with the additional information incorporated by reference herein. See "*Incorporation by Reference*" for a description of the documents from which information is incorporated and "*Where You Can Find More Information*" to learn how to obtain a copy of such documents.

You should rely only upon the information contained in, or incorporated by reference into, this document. Neither we nor any Selling Securityholder has authorized any other person to provide you with different information. No other person is authorized to give any information or to represent anything not contained or incorporated by reference in this prospectus. You must not rely on any unauthorized information or representation. This prospectus is an offer to sell only the Securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information appearing in this document is accurate only as of the date on the front cover of this document. Our business, financial condition, results of operations and prospects may have changed since that date.

Unless the context requires otherwise, reference in this prospectus to:

- "we," "us," "our," "Gold Reserve," the "registrant" or the "Company" refers to Gold Reserve Inc. and its subsidi
- "$", "U.S. $," or "U.S. dollars" in this document refer to U.S. dollars
- "Cdn $" or "Canadian dollars" refer to Canadian dollars
- "Securities Act" refers to the U.S. Securities Act of 1933, as amended
- "Exchange Act" refers to the U.S. Securities Exchange Act of 1934, as amended

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

The information presented or incorporated by reference in this document contains both historical information and "forward-looking statements" (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) or "forward looking information" (within the meaning of applicable Canadian securities laws) (collectively referred to herein as "forward looking statements") that may state our intentions, hopes, beliefs, expectations or predictions for the future.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause our actual financial results, performance, or achievements to be materially different from those expressed or implied herein and many of which are outside our control. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: the timing of any enforcement or collection of the amounts awarded (including pre and post award interest and legal costs) (the "Arbitral Award") by the International Centre for Settlement of Investment Disputes ("ICSID") for the losses caused by Venezuela violating the terms of the treaty between the Government of Canada and the Government of Venezuela for the Promotion and Protection of Investments related to the Brisas Project (as defined herein) (the "Brisas arbitration"), actions and/or responses by the Venezuelan government to our collection efforts related to the Brisas arbitration, economic and industry conditions influencing the sale of the Brisas Project related equipment, conditions or events impacting our ability to fund our operations and/or service our debt, our ability to maintain listing of our Class A Common Stock on the TSXV and our long-term plans for identifying and achieving revenue producing operations.

Forward-looking statements involve risks and uncertainties, as well as assumptions that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause our results to differ materially from those expressed or implied by such forward-looking statements. The words "believe," "anticipate," "expect," "intend," "estimate," "plan," "may," "could" and other similar expressions that are predictions of or indicate future events and future trends, which do not relate to historical matters, identify forward-looking statements. Any such forward-looking statements are not intended to provide any assurances as to future results.

Numerous factors could cause actual results to differ materially from those described in the forward-looking statements, including without limitation:

- the timing of any enforcement or collection of the Arbitral Award, if at all;
- the costs associated with the enforcement and collection of the Arbitral Award;
- the complexity and uncertainty of varied legal processes in multiple international jurisdictions associated with our efforts to collect the Arbitral Award (including the U.S.);
- our current liquidity and capital resources and access to additional funding in the future when required;
- continued servicing or restructuring of our outstanding Notes or other obligations as they come due;
- our ability to maintain continued listing of our Class A Common Shares on the TSXV and continued trading on the OTCQB;

- our long-term plans for identifying and achieving revenue producing operations in the future;

- shareholder dilution resulting from restructuring or refinancing our outstanding Notes and current accounts payable relating to our legal fees;

- shareholder dilution resulting from the conversion of our outstanding convertible notes, including the Notes, in part or in whole to equity;

- shareholder dilution resulting from the sale of additional equity;

- value realized from the disposition of the remaining Brisas Project related assets, if any;
- value realized from the disposition of the Mining Data (as defined herein), if any;
- prospects for our exploration and development of other mining projects;
- corruption, uncertain legal enforcement and political and social instability;
- currency, metal prices and metal production volatility;
- adverse U.S. and/or Canadian tax consequences;
- our ability to continue to report as a "foreign private issuer" pursuant to Rule 3b-4 under the Exchange Act;
- abilities and continued participation of certain key employees; and
- risks normally incident to the exploration, development and operation of mining properties.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. See "*Risk Factors*."

Investors are cautioned not to put undue reliance on forward-looking statements, whether in this document, other documents periodically filed or furnished with the SEC or other securities regulators or presented on our website. Forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this notice. We disclaim any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to our disclosure obligations under applicable rules promulgated by the SEC. Investors are urged to read our filings with U.S. and Canadian securities regulatory authorities, which can be viewed online at *www.sec.gov* and *www.sedar.com*, respectively.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act we are required to file or furnish annual and special reports and other information with the SEC. As a foreign private issuer under the Exchange Act, we are exempt from rules under the Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. We are also exempt from Regulation FD.

You may read and copy any of the reports, statements, or other information we file or furnish with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC filings are also available to the public from commercial document retrieval services and are available at the Internet website maintained by the SEC at *www.sec.gov*.

These reports and other information filed or furnished by us with the SEC are also available free of charge at our website at *www.goldreserveinc.com*, under our "Investor Relations" tab. Our website also contains filings made with the Canadian securities regulatory authorities, which can also be accessed at *www.sedar.com*.

The information contained in our website is not incorporated by reference and does not constitute a part of this prospectus.

INCORPORATION BY REFERENCE

We have filed with the SEC a registration statement on Form F-3 under the Securities Act covering the Securities offered by this prospectus. This prospectus does not contain all of the information that you can find in our registration statement and the exhibits to the registration statement. Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance such statement is qualified by reference to each such contract or document filed or incorporated by reference as an exhibit to the registration statement.

The SEC allows us to "incorporate by reference" the information we file or furnish with them. This means that we can disclose important information to you by referring you to other documents that are legally considered to be part of this prospectus, and later information that we file or furnish with the SEC will automatically update and supersede the information in this prospectus. We incorporate by reference into this prospectus the following documents:

- Our annual report on Form 40-F, for our fiscal year ended December 31, 2014 filed on April 24, 2015;

- Our unaudited interim consolidated financial statements as of March 31, 2015, June 30, 2015 and September 30, 2015, as filed on our reports on Form 6-K furnished on May 14, 2015, August 14, 2015 and November 27, 2015, respectively;

- Our reports on Form 6-K furnished on May 5, 2015, December 2, 2015, December 9, 2015 and January 13, 2016;

- The description of our Capital Stock set forth in our report on Form 6-K furnished on September 19, 2014;

- Our Articles of Continuance and By-law No. 1 contained in Exhibits 99.1 and 99.2, respectively, to our report on Form 6-K furnished on September 19, 2014; and

- All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Form 40-F mentioned above.

In the event of conflicting information in these documents, the information in the latest filed documents shall control.

In addition, any future filings made with the SEC under the Exchange Act after the date of this prospectus and prior to the termination of the offering of the Securities made under this prospectus, and any future reports on Form 6-K furnished by us to the SEC during such period or portions thereof that are identified in such forms as being incorporated into the registration statement of which this prospectus forms a part, shall be considered to be incorporated in this prospectus by reference and shall be considered a part of this prospectus from the date of filing of such documents.

You may obtain copies of any of these filings as described below, through the SEC or through the SEC's Internet website, or through our website as described in "*Where You Can Find More Information.*" Documents incorporated by reference are available without charge, excluding all exhibits unless an exhibit has been specifically incorporated by reference into this prospectus, by requesting them in writing or by telephone to:

Mary E. Smith
Gold Reserve Inc.
926 W. Sprague Avenue, Suite 200
Spokane, Washington 99201
Tel: 509-623-1500

PROSPECTUS SUMMARY

The following summary highlights certain information contained elsewhere in this prospectus and in the documents incorporated by reference herein. It does not contain all the information that may be important to you. You should carefully read this prospectus and the documents incorporated by reference herein, before deciding to invest in the Securities.

The Company

We are incorporated under the laws of Alberta, Canada and are currently engaged primarily in managing the Brisas arbitration in an effort to enforce and collect the Arbitral Award or otherwise settle our dispute with the Venezuelan government. We also continue to look for opportunities to acquire, explore and develop mining projects. We consider ourselves an exploration stage company incorporated in 1998 under the laws of Yukon, Canada and are the successor issuer to Gold Reserve Corporation, which was incorporated in 1956. On September 9, 2014, we changed our legal domicile from the Yukon, Canada to Alberta, Canada. From 1992 to 2008 we focused substantially all of our management and financial resources on the development of the Brisas Project, a gold and copper project located in the Kilometer 88 mining district of the State of Bolivar in south-eastern Venezuela (the "Brisas Project"). The Brisas Project and our smaller Choco 5 property (also located in Venezuela) were expropriated by the Venezuelan government in 2008. On September 22, 2014, the ICSID tribunal announced an Arbitral Award to the Company in the amount of $740.3 million in connection with the Brisas arbitration relating to such expropriations.

As of June 30, 2015 (the last business day of our most recently completed second fiscal quarter), less than 50% of our outstanding voting securities were directly or indirectly held of record by residents of the U.S. Because the share ownership percentage of U.S. residents of the Company is less than 50% and we are organized under Canadian law, namely, the *Business Corporations Act* (Alberta) (the "ABCA"), we are a "foreign private issuer" pursuant to Rule 3b-4 under the Exchange Act. We previously reported as a foreign private issuer for many years prior to our annual report on Form 10-K for the fiscal year ended December 31, 2009, as during 2009 our shareholder composition changed such that more than 50% of our outstanding voting securities were directly or indirectly held of record by residents of the U.S. and greater than one-half of our management and directors were U.S. residents. As of June 30, 2011, our shareholder composition again changed, which allowed us to return to foreign private issuer reporting, which we did for administrative ease and as a cost-savings measure.

Our administrative office is located at 926 West Sprague Avenue, Suite 200, Spokane, WA 99201, U.S.A. and our telephone and fax numbers are (509) 623-1500 and (509) 623-1634, respectively.

Relationship to Selling Securityholders

Except as otherwise disclosed in this prospectus, the Selling Securityholders do not have, and within the past three years have not had, any position, office or other material relationship with us.

In the second quarter of 2012, certain of the Selling Securityholders or their affiliates, and certain other holders of the Company's 5.50% Senior Subordinated Convertible Notes due June 15, 2022 (the "Original Notes"), entered into a restructuring agreement with the Company whereby the Selling Securityholders or their affiliates and certain of the other holders of the Original Notes participating in the transaction received approximately $33.8 million in cash, a total of 12,412,501 Class A Common Shares, approximately $25.3 million aggregate principal amount of 5.50% Senior Subordinated Convertible Notes due 2014 (the "2014 Notes") (convertible into Class A Common Shares under certain circumstances at $4.00 per share) and a contingent value right ("CVR") distributed pro-rata to the participating holders totaling 5.468% of any final award or settlement of our Brisas arbitration.

During the third quarter of 2013, we closed a private placement (the "2013 Private Placement") for gross proceeds of approximately $5.25 million. Pursuant to the 2013 Private Placement, we issued 1,750,000 units of securities of the Company (each a "Unit") at a price of Cdn $3.00 per Unit. Each Unit comprised one Class A Common Share and one-half of one Class A Common Share purchase warrant, with each whole warrant exercisable by the holder for a period of two years after its issuance to acquire one Class A Common Share at a price of $4.00 per share. Certain of the Selling Securityholders or their affiliates participated in the 2013 Private Placement.

During the second quarter of 2014, the Selling Securityholders and/or certain of their affiliates entered into a subordinated note restructuring and note purchase agreement, dated as of June 18, 2014 (the "2014 Restructuring Agreement"). Pursuant to the 2014 Restructuring Agreement, we extended the maturity date of approximately $25.3 million aggregate principal amount of our 2014 Notes from June 29, 2014 to December 31, 2015 (which amended and restated notes we referred to herein as the 2015 Convertible Notes) and issued an additional $12.0 million aggregate principal amount of 2015 Convertible Notes for cash. In connection with the issuance of the 2015 Convertible Notes for cash, we paid a fee of 2.5% of the principal (or approximately $0.3 million) in the form of an OID. In addition, we paid a cash extension fee of 2.5% of the principal (or approximately $0.6 million) in connection with the amendment of the terms of the 2014 Notes.

On November 30, 2015, we consummated the Restructuring and New Notes Sale pursuant to a note restructuring and note purchase agreement, dated as of November 30, 2015 (the "2015 Restructuring Agreement"), among us and the Selling Securityholders. Pursuant to the 2015 Restructuring Agreement, we extended the maturity date of approximately $37.3 million aggregate principal amount of our 2015 Notes, together with approximately $5.6 million aggregate principal amount of our 2015 Interest Notes, from December 31, 2015 to December 31, 2018 and increased the principal amount of the 2015 Notes outstanding by approximately $0.8 million (an amount equal to the aggregate principal amount of any accrued and unpaid interest on the 2015 Notes to, but not including, the date of consummation of the Restructuring and New Notes Sale). Simultaneously with the amendment of the 2015 Notes, we also issued an additional approximately $12.3 million aggregate principal amount of the New Notes for cash proceeds of approximately $12 million. In connection with the issuance of the New Notes, we paid a fee of 2.5% of the principal (or approximately $0.3 million) in the form of OID. In addition, we issued the Restructuring Fee Notes, in aggregate principal amount of approximately $1.1 million as consideration for the amendment of the 2015 Notes (which represents a fee equal to 2.5% of the Amended Notes). See "*Description of the Notes*" for a discussion of the terms of the Notes.

The Notes, together with the CVRs (as discussed in more detail below), are secured by a first lien on substantially all of our assets (excluding a security interest over our rights with respect to the ongoing Brisas arbitration and only limited rights over the stock of our subsidiaries) whether now owned or existing or hereafter acquired or arising and regardless of where located, as collateral for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Company's obligations under the Notes and the CVRs (collectively, the "Collateral"), subject to certain exceptions. Pursuant to the terms of the CVRs, the CVRs were also required to be, and have been, secured on an equal and ratable basis with the Notes as to the Collateral. The CVRs will continue to be secured until such time that the Notes are no longer outstanding or the security interest securing the Notes is otherwise released.

See "*Selling Securityholders*" for the amount of each of the Securities beneficially owned by the Selling Securityholders prior to this offering, the amount of each of the Securities being registered for resale, as well as the percentage of each class of Securities that each Selling Securityholder will own after the completion of this offering.

The Offering

Class A Common Shares to be offered by the Selling Securityholders.....	Up to (i) 19,019,235 Class A Common Shares that are issuable upon the conversion of our 2018 Convertible Notes held by the Selling Securityholders and (ii) an additional 10,826,268 Class A Common Shares held by certain of the Selling Securityholders.
OTCQB Symbol for Class A Common Shares.....	GDRZF
TSXV Symbol for Class A Common Shares.....	GRZ.V
Notes to be offered by the Selling Securityholders.....	$57,057,717 aggregate principal amount of 11% Senior Secured Convertible Notes due 2018, which amount includes: • $43,668,994 aggregate principal amount of Amended Notes; • $1,091,723 aggregate principal amount of Restructuring Fee Notes; and

	• $12,297,000 aggregate principal amount of New Notes. The $12,297,000 aggregate principal amount of New Notes were issued under a different CUSIP number than the Amended Notes and the Restructuring Fee Notes. Purchasers of the 2018 Convertible Notes covered by this prospectus will be issued Interest Notes in connection with the regular payment of interest on the Notes. However, the resale of any such Interest Notes are not covered by this prospectus.
Maturity Date of the Notes.....	December 31, 2018, unless earlier repurchased or converted (if applicable).
Interest Payment Dates of the Notes.....	March 31, June 30, September 30 and December 31 of each year, beginning on March 31, 2016.

Interest.....	11% per annum accruing and capitalizing quarterly. Interest will be computed on the basis of a 360-day year comprised of 12 30-day months.				
Ranking.....		6,249,406	5,818,821	6,188,469	6,247,585
Net investment in finance and sales-type leases		526,738	354,474	545,750	260,853
Total assets		7,213,148	7,043,340	7,199,083	7,244,665
Borrowings under senior notes, securitizations and term debt financings		4,190,691	4,339,357	4,313,606	4,506,245
Shareholders equity		1,963,406	1,835,089	1,907,564	1,834,314
Other Data:					
Number of aircraft owned and managed on behalf of our joint ventures (at the end of period)		240	203	236	206
Total debt to total capitalization		68.1%	70.3%	69.3%	71.1

(1) As part of our adoption of Financial Accounting Standards Board Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, we have reclassified gain on sale of flight equipment from other income (expense) to Revenues on our Consolidated Statements of Income for the periods presented above. As a result, total revenues for periods ended on or prior to December 31, 2017 do not match total revenues as previously reported. We believe this better reflects the sale of flight equipment as part of our ordinary activities and conforms our presentation to those of our publicly traded peers.

(2) EBITDA and Adjusted EBITDA are measures of operating performance that are not calculated in accordance with U.S. generally accepted accounting principles (U.S. GAAP). EBITDA and Adjusted EBITDA should not be considered as substitutes for net income (loss), income (loss) from operations or cash flows provided by or used in operations, as determined in accordance with U.S. GAAP. EBITDA and Adjusted EBITDA are key measures of our operating performance used by management to focus on consolidated operating performance exclusive of income and expense that relate to the financing and capitalization of the business.

We define EBITDA as income (loss) from continuing operations before income taxes, interest expense, and depreciation and amortization. We use EBITDA to assess our consolidated financial and operating performance, and we believe this non-U.S. GAAP measure is helpful in identifying trends in our performance. This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieving optimal financial performance. It provides an indicator for management to determine if adjustments to current spending decisions are needed. EBITDA provides us with a measure of operating performance because it assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges on our outstanding debt) and asset base (primarily depreciation and amortization) from our operating results. Accordingly, this metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure, or expenses, of the organization. EBITDA is one of the metrics used by senior management and the Board to review the consolidated financial performance of our business.

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We define Adjusted EBITDA as EBITDA (as defined above) further adjusted to give effect to adjustments required in calculating covenant ratios and compliance as that term is defined in the indenture governing our senior unsecured notes. Adjusted EBITDA is a material component of these covenants.

The table below shows the reconciliation of net income to EBITDA and Adjusted EBITDA for the six months ended June 30, 2018 and 2017 and the years ended December 31, 2017, 2016, 2015, 2014 and 2013.

	Six Months Ended June 30,		Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
Net income	$ 107,750	$ 35,323	$ 147,874	$ 151,453	$ 121,729	$ 100,828	$ 29,781
Depreciation	151,183	157,428	298,664	305,216	318,783	299,365	284,924
Amortization of lease premiums, discounts and incentives	6,662	6,392	11,714	10,353	10,664	6,172	32,411
Interest, net	114,506	124,740	241,231	255,660	243,577	238,378	243,757
Income tax provision	2,288	2,341	6,042	12,307	12,771	13,863	9,215
EBITDA	$ 382,389	$ 326,224	$ 705,525	$ 734,989	$ 707,524	$ 658,606	$ 600,088
Adjustments:							
Impairment of aircraft		80,430	80,430	28,585	119,835	93,993	117,306
Loss on extinguishment of debt						36,570	
Non-cash share-based payment expense	5,454	8,130	13,148	7,901	5,537	4,244	4,569
Gain (loss) on mark-to-market of interest rate derivative contracts	(4,075)	2,712	2,481	(3,522)	(791)	(1,130)	(4,754)
Adjusted EBITDA	$ 383,768	$ 417,496	$ 801,584	$ 767,953	$ 832,105	$ 792,283	$ 717,209

(3) Management believes that Adjusted Net Income (ANI), when viewed in conjunction with our results under U.S. GAAP and the below reconciliation, provides useful information about operating and period-over-period performance and additional information that is useful for evaluating the underlying operating performance of our business without regard to periodic reporting elements related to interest rate derivative accounting, changes related to refinancing activity and non-cash share-based payment expense.

The table below shows the reconciliation of net income to ANI for the six months ended June 30, 2018 and 2017 and the years ended December 31, 2017, 2016, 2015, 2014 and 2013.

	Six Months Ended June 30,		Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
	(in thousands)						
Net income	$ 107,750	$ 35,323	$ 147,874	$ 151,453	$ 121,729	$ 100,828	$ 29,781

Loss on extinguishment of debt						36,570	
Ineffective portion and termination of cash flow hedges(a)					455	660	2,393
(Gain) loss on mark-to-market of interest rate derivative contracts(b)	(4,075)	2,712	2,481	(3,522)	(791)	(1,130)	(4,754)
Loan termination payment(a)		988	2,058	4,960			2,954
Write-off of deferred financing fees(a)		986	4,005	2,880			3,975
Non-cash share-based payment expense(c)	5,454	8,130	13,148	7,901	5,537	4,244	4,569
Term Financing No. 1 hedge loss amortization charges(a)					4,401	14,854	17,843
Securitization No. 1 hedge loss amortization charges(a)				4,855	10,940	11,616	2,499
Adjusted net income(d)	$ 109,129	$ 48,139	$ 169,566	$ 168,527	$ 142,271	$ 167,642	$ 59,260

(a) Included in Interest, net.
(b) Included in Other income (expense).

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(c) Included in Selling, general and administrative expenses.

(d) An investor or potential investor may find EBITDA, Adjusted EBITDA and ANI important measures in evaluating our performance, results of operations and financial position. We use these non-U.S. GAAP measures to supplement our U.S. GAAP results in order to provide a more complete understanding of the factors and trends affecting our business.

(4) EBITDA, Adjusted EBITDA and ANI have limitations as analytical tools and should not be viewed in isolation or as substitutes for U.S. GAAP measures of earnings (loss). Material limitations in making the adjustments to our earnings (loss) to calculate EBITDA, Adjusted EBITDA and ANI, and using these non-U.S. GAAP measures as compared to U.S. GAAP net income (loss), income (loss) from continuing operations and cash flows provided by or used in operations, include:

depreciation and amortization, though not directly affecting our current cash position, represent the wear and tear and/or reduction in value of our aircraft, which affects the aircraft s availability for use and may be indicative of future needs for capital expenditures;

the cash portion of income tax (benefit) provision generally represents charges (gains), which may significantly affect our financial results;

elements of our interest rate derivative accounting may be used to evaluate the effectiveness of our hedging policy;

hedge loss amortization charges; and

adjustments required in calculating covenant ratios and compliance as that term is defined in the indentures governing our senior unsecured notes.

EBITDA, Adjusted EBITDA and ANI are not alternatives to net income (loss), income (loss) from operations or cash flows provided by or used in operations as calculated and presented in accordance with U.S. GAAP. You should not rely on these non-U.S. GAAP measures as a substitute for any such U.S. GAAP financial measure. We strongly urge you to review the reconciliations to U.S. GAAP net income (loss), along with our consolidated financial statements included elsewhere in this prospectus supplement. We also strongly urge you to not rely on any single financial measure to evaluate our business. In addition, because EBITDA, Adjusted EBITDA and ANI are not measures of financial performance under U.S. GAAP and are susceptible to varying calculations, EBITDA, Adjusted EBITDA and ANI as presented in this prospectus supplement, may differ from and may not be comparable to similarly titled measures used by other companies.

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RISK FACTORS

In addition to the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the matters addressed under Forward-Looking Statements, you should carefully consider the following risks before investing in the notes. You should also read the risk factors and other cautionary statements, including those described under the sections entitled Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2017, our Quarterly Report on Form 10-K for the quarter ended June 30, 2018 and our Current Reports on Form 8-K, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

We are subject to certain risks and hazards due to the nature of the business activities we conduct. The risks discussed below and incorporated by reference in this prospectus supplement and the accompanying prospectus, any of which could materially and adversely affect our business, financial condition, liquidity, results of operations and prospects, are not the only risks we face. We may experience additional risks and uncertainties not currently known to us or, as a result of developments occurring in the future, conditions that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, liquidity, results of operations and prospects.

Risks Relating to the Notes

Our substantial debt could adversely affect our cash flow and prevent us from fulfilling our obligations under our existing indebtedness and the notes.

On an adjusted basis, after giving effect to the issuance and sale of the notes and the application of the net proceeds therefrom, we would have had approximately $4.84 billion of consolidated debt as of June 30, 2018. We also have the ability to borrow additional funds under our revolving credit facilities. See Capitalization.

Our substantial amount of debt could have important consequences to you. For example, it could:

- make it more difficult for us to satisfy our obligations under the notes or other outstanding indebtedness;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to fund future capital expenditures, working capital and other general corporate requirements;
- limit our flexibility in planning for, or reacting to, changes in our business or the industry in which we operate;
- restrict us from making strategic acquisitions or causing us to make non-strategic divestitures; place us at a competitive disadvantage compared with competitors that have less debt; and

limit our ability to borrow additional funds, even when necessary to maintain adequate liquidity. Further, a substantial portion of our debt, including borrowings under our securitizations and certain of our term financing facilities, bear interest at variable rates. The interest expense we incur will vary with changes in the applicable market interest rate. In June 2018, the U.S. Federal Reserve raised short-term interest rates for the seventh time in three years, and announced that it would continue to gradually raise short-term interest rates. As a result, to the extent we are not sufficiently hedged, changes in interest rates may increase our interest costs and may reduce the spread between the returns on our portfolio investments and the cost of our borrowings. In addition to our debt, we have significant contractual obligations, as discussed in the Management s Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference herein.

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Despite our substantial debt, we or our subsidiaries may still be able to incur significantly more debt, which could exacerbate the risks associated with our substantial debt.

We or our subsidiaries may be able to incur additional debt in the future. The terms of our securitizations, term financing facilities, revolving credit facilities, the indentures governing our existing notes and the indenture governing the notes will allow us to incur substantial amounts of additional debt, including secured debt, subject to certain limitations. In addition, the indenture governing the notes will allow us to incur an unlimited amount of unsecured debt. We also have the ability to borrow additional funds under our revolving credit facilities. See Capitalization. We regularly consider market conditions and the ability to incur indebtedness (including secured debt at the subsidiary level), to either refinance existing indebtedness and/or for working capital, and we are currently evaluating additional financing opportunities, which may be significant and could include secured debt, that may be available to us, although we have not entered into any binding commitments to incur additional debt as of the date of this prospectus supplement. If additional debt is added to our current debt levels, the related risks we could face would be magnified. Refinancing activities may also impact our results of operations.

To service our debt and meet our other cash needs, we will require a significant amount of cash, which may not be available.

Our ability to make payments on, or repay or refinance, our debt, including the notes, and to fund planned capital expenditures, dividends and other cash needs will depend largely upon our future operating performance. Our future performance, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. In addition, our ability to borrow funds in the future to make payments on our debt will depend on the satisfaction of the covenants in our securitizations and our agreements governing our other debt, including the indenture governing the notes and the indentures governing our existing notes, and other agreements we may enter into in the future. Specifically, we will need to maintain specified financial ratios and satisfy financial condition tests. Furthermore, we intend to continue to pay cash dividends to our common shareholders. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available under our term or revolving financing facilities or from other sources in an amount sufficient to pay our debt, including the notes, or to fund our dividends and other liquidity needs. In addition, our debt service obligations may be impacted by increases in interest rates.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance the notes, the existing notes or our other indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of the indentures governing the notes and the existing notes and other existing or future debt instruments may restrict us from adopting some of these alternatives. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

We are dependent upon dividends from our subsidiaries to meet our debt service obligations.

We are a holding company and conduct all of our operations through our subsidiaries. Our ability to meet our debt service obligations will be dependent on receipt of dividends from our direct and indirect subsidiaries. Subject to the restrictions contained in our existing indentures and other debt agreements, future borrowings by our subsidiaries may contain restrictions or prohibitions on the payment of dividends by our subsidiaries to us. See Description of the Notes Certain Covenants. In addition, applicable state corporate law may limit the ability of our subsidiaries to pay dividends to us. We cannot assure you that the agreements governing the current and future indebtedness of our

subsidiaries, applicable laws or state regulation will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund payments on the notes when due.

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Each of our securitization transactions provides that all cash flows available after expenses and interest are applied to debt amortization. While we receive modest servicing fees from these subsidiaries, we do not otherwise receive any excess cash flow from the aircraft financed thereunder.

The provisions of our ECA and other financings require us to comply with minimum net worth tests in order to continue to have access to the cash flow generated by the aircraft subject to those financings. More specifically, our ECA term financings contain a $500 million minimum net worth covenant and also contain, among other customary provisions, a material adverse change default and cross-default to other ECA- or EXIM-supported financings or our other recourse financings. Our compliance with these tests, and with other covenants in these financings and other aircraft-specific financings, depends upon, among other things, the timely receipt of lease payments from our lessees and upon our overall financial performance.

The notes are not guaranteed by any of our subsidiaries. As a result, the creditors of our subsidiaries have a prior claim, ahead of the notes, on all of our subsidiaries assets.

Since none of our subsidiaries will initially guarantee the notes offered hereby, creditors of our subsidiaries have a prior claim, ahead of the holders of notes, on the assets of those subsidiaries. In addition, our subsidiaries have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payments. In the event of a bankruptcy, liquidation, reorganization or other winding up of any of our subsidiaries, holders of indebtedness and trade creditors of these subsidiaries will generally be entitled to payment of their claims from the assets of such subsidiaries before any assets are made available for distribution to us. Accordingly, there may be insufficient funds to satisfy claims of noteholders. As of June 30, 2018, our subsidiaries had approximately $0.8 billion of outstanding indebtedness and other obligations (excluding intercompany liabilities). In addition, the indenture governing the notes will allow our subsidiaries to incur an unlimited amount of unsecured debt.

We may be unable to repay or repurchase the notes at maturity.

At the applicable maturity, the entire outstanding principal amount of the notes, together with accrued and unpaid interest, will become due and payable. We may not have the funds to fulfill these obligations or the ability to renegotiate these obligations. If upon the applicable maturity date other arrangements prohibit us from repaying the notes, we could try to obtain waivers of such prohibitions under those arrangements, or we could attempt to refinance the borrowings that contain the restrictions. In these circumstances, if we were not able to obtain such waivers or refinance these borrowings, we would be unable to repay the notes.

The limited covenants applicable to the notes may not provide protection against some events or developments that may affect our ability to repay the notes or the trading prices for the notes.

The indenture governing the notes, among other things, does not:

- require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flows or liquidity and, accordingly, does not protect holders of the notes in the event that we experience significant adverse changes in our financial condition or results of operations;

limit our ability to incur indebtedness, including secured indebtedness (subject to compliance with the lien covenant), that is senior to or equal in right of payment to the notes;

limit our subsidiaries ability to incur secured (subject to compliance with the lien covenant) or unsecured indebtedness, which may be structurally senior to the notes;

restrict our ability to sell assets (subject to compliance with the merger covenant) or enter into transactions with affiliates;

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restrict our ability to make investments or to repurchase or pay dividends or make other payments in respect of our common stock or other securities ranking junior to the notes; or

restrict certain of our subsidiaries that are bona fide joint ventures from incurring secured or unsecured indebtedness or guaranteeing debt of our subsidiaries.

In addition, although the indenture governing the notes provides that upon the occurrence of a Change of Control Triggering Event, as defined in Description of the Notes Certain Definitions, each holder of notes will have the right to require us to repurchase all or any part of such holder s notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase, this provision is subject to a number of limitations. Specifically, the definition of the term Change of Control is limited within the indenture and does not cover a variety of transactions (such as acquisitions by us, recapitalizations or going private transactions by certain of our affiliates) that could negatively affect the value of your notes and a Change of Control Triggering Event requiring us to offer to repurchase the notes will only be deemed to occur if, in addition to a Change of Control, there is a Below Investment Grade Rating Event, as defined in Description of the Notes Certain Definitions. A Below Investment Grade Rating Event requires that there be a ratings decline with respect to the notes as a result of the Change of Control and that such ratings decline must occur in all cases, even if the notes had already been downgraded to below investment grade ratings prior to such Change of Control. Certain of our other outstanding senior notes and our revolving credit agreement require, and future indebtedness that we may incur may require, the repurchase or repayment of such indebtedness upon a Change of Control regardless of whether such indebtedness is downgraded at the time of such Change of Control. Therefore, holders of such other indebtedness may have a right to be repaid or have their notes repurchased prior to holders of the notes offered hereby.

The definition of Change of Control includes a disposition of all or substantially all of the assets of the Issuer to certain Persons. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of all or substantially all of the assets of the Issuer. As a result, it may be unclear as to whether a Change of Control with respect to the notes has occurred and whether a holder of the notes may require the Issuer to make an offer to repurchase the notes as described above. If we were to enter into a significant corporate transaction that negatively affects the value of the notes, but would not constitute a Change of Control Triggering Event, you would not have any rights to require us to repurchase the notes prior to their maturity, which also could materially and adversely affect your investment.

Although there are limited covenants in the indenture governing the notes, certain of the agreements governing our existing debt contain covenants that impose significant restrictions on us that may affect our ability to operate our business and to make payments on the notes.

The agreements governing our existing debt impose significant operating and financial restrictions on our activities. These restrictions include compliance with or maintenance of certain financial tests and ratios, including net worth covenants and the maintenance of loan to value and interest coverage ratios, and limit or prohibit our ability to, among other things:

incur or guarantee additional indebtedness and issue disqualified stock or preference shares;

sell assets;

incur liens;

pay dividends on or make distributions in respect of our capital stock or make other restricted payments;

agree to any restrictions on the ability of restricted subsidiaries to transfer property or make payments to us;

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make certain investments;

guarantee certain other indebtedness without guaranteeing the notes offered hereby;

consolidate, amalgamate, merge, sell or otherwise dispose of all or substantially all of our assets; and

enter into transactions with our affiliates.

These restrictions on our ability to operate our business could seriously harm our business by, among other things, limiting our ability to take advantage of financing, amalgamation, merger and acquisition, joint venture and other corporate opportunities.

Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants and maintain these financial tests and ratios. Failure to comply with any of the covenants in our existing or future financing agreements would result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit debt holders to accelerate the maturity for the debt under these agreements and to foreclose upon any collateral securing the debt and to terminate any commitments to lend. Under these circumstances, we might have insufficient funds or other resources to satisfy all our obligations, including our obligations under the notes. In addition, the limitations imposed by financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other financing.

The repayment of the notes effectively will be subordinated to substantially all of our existing and future secured debt and the existing and future secured debt of our subsidiaries.

The notes will be unsecured obligations. The notes, and any other unsecured debt securities issued by us, effectively will be junior in right of payment to all of our secured indebtedness. In the event of our bankruptcy, or the bankruptcy of our subsidiaries or special purpose vehicles, holders of any secured indebtedness of ours or our subsidiaries will have claims that are prior to the claims of any debt securities issued by us with respect to the value of the assets securing our other indebtedness. As of June 30, 2018, the aggregate carrying value of our and our subsidiaries indebtedness was approximately $4.2 billion, including $3.4 billion of our indebtedness (none of which is secured) and $0.8 billion of indebtedness at our subsidiaries (all of which is secured).

If we default on our obligations under any of our secured debt, our secured lenders could proceed against the collateral granted to them to secure that indebtedness. If any secured indebtedness were to be accelerated, there can be no assurance that our assets would be sufficient to repay in full that indebtedness or our other indebtedness, including the notes. In addition, upon any distribution of assets pursuant to any liquidation, insolvency, dissolution, reorganization or similar proceeding, the holders of secured indebtedness will be entitled to receive payment in full from the proceeds of the collateral securing our secured indebtedness before the holders of the notes will be entitled to receive any payment with respect thereto. As a result, the holders of the notes may recover proportionally less than the holders of secured indebtedness. Volatility in the capital markets could also result in our consideration of issuing additional secured indebtedness.

Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.

The notes are a new issue of securities for which there is no established public market. We do not intend to have the notes listed on a national securities exchange. The underwriters have advised us that they intend to make a market in the notes as permitted by applicable laws and regulations; however, the underwriters are not obligated to make a market in the notes, and they may discontinue their market-making activities for the notes at any time without notice. Therefore, we cannot assure you that an active trading market for the notes will develop or, if developed, that it will continue. We cannot assure you that the trading market, if any, for the notes will be free from disruptions that may adversely affect the prices at which you may sell your notes. In addition,

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subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors. As a result, we cannot assure you that you will be able to sell your notes on favorable terms when desired, or at all.

If an active trading market for the notes does develop, changes in our credit ratings or the debt markets could adversely affect the market prices of the notes.

If an active trading market for the notes does develop, the market price for the notes will depend on many factors, including:

our credit ratings with major credit rating agencies;

the number of potential buyers and level of liquidity of the notes;

the prevailing interest rates being paid by other companies similar to us;

our results of operations, financial condition, liquidity and future prospects;

the time remaining until the notes mature; and

the overall condition of the economy and the financial markets and the industry in which we operate.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market prices of the notes.

Credit rating agencies also continually review their ratings for debt securities of companies that they follow, including us. Negative changes in our ratings, or in our outlook, would likely have an adverse effect on the market prices of the notes. One of the effects of any credit rating downgrade would be to increase our costs of borrowing in the future.

Redemption may adversely affect your return on the notes.

We have the right to redeem some or all of the notes prior to maturity, as described under Description of the Notes Optional Redemption. We may redeem the notes at times when prevailing interest rates may be relatively low. Accordingly, you may not be able to reinvest the redemption proceeds in a comparable security and obligor at an effective interest rate as high as that of the notes.

We may not be able to repurchase the notes upon a change of control triggering event.

Upon the occurrence of a Change of Control Triggering Event, as defined in Description of the Notes Certain Definitions, each holder of notes will have the right to require us to repurchase all or any part of such holder s notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase. If we experience a Change of Control Triggering Event, we cannot assure you that we would have

sufficient financial resources available to satisfy our obligations to repurchase the notes. Our failure to repurchase the notes as required under the indenture governing the notes would result in a default under the indenture, which could result in defaults under the instruments governing our other indebtedness, including the acceleration of the payment of any borrowings thereunder, and have material adverse consequences for us and the holders of the notes. See Description of the Notes Repurchase at the Option of Holders Change of Control.

In addition, our revolving credit agreement provides that the occurrence of certain change of control events (including a Change of Control as defined under the indenture) with respect to us would require us to repay all borrowings thereunder. In the event a Change of Control occurs, we may seek the consent of our lenders or may attempt to refinance or repay the borrowings under our revolving credit facilities. If we do not obtain such consent or refinance or repay such borrowings, we may be in default under the revolving credit agreement, which

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may, in turn, constitute a default under the Indenture. Our other outstanding senior notes contain, and future indebtedness that we may incur may contain, prohibitions on the occurrence of certain events that would constitute a Change of Control or require the repurchase of such indebtedness upon a Change of Control. The exercise by the holders of the notes of their right to require us to repurchase their notes could cause a default under such indebtedness, even if a Change of Control itself does not, due to the financial effect of such repurchase on us. We cannot assure you that sufficient funds will be available when necessary to make any required repurchases.

Credit ratings on the notes may not reflect all risks.

One or more credit rating agencies are expected to assign credit ratings to the notes. Any such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above or incorporated by reference herein and other factors that may affect the value of the notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. No report of any rating agency is incorporated by reference herein.

Federal and state fraudulent transfer laws may permit a court to void the notes and any future guarantees, subordinate claims in respect of the notes and require noteholders to return payments received from us or any future guarantors and, if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes could be voided as a fraudulent transfer or conveyance if (1) we issued the notes with the intent of hindering, delaying or defrauding creditors or (2) we received less than reasonably equivalent value or fair consideration in return for issuing the notes and, in the case of (2) only, one of the following is also true at the time thereof:

- the issuer or the applicable guarantor (if any) was insolvent or rendered insolvent by reason of the issuance of the notes;
- the issuance of the notes left the issuer or the applicable guarantor (if any) with an unreasonably small amount of capital to carry on business; or
- the issuer or the applicable guarantor (if any) intended to, or believed that it would, incur debts beyond its ability to pay such debts as they mature.

Claims described under subparagraph (1) above are generally described as intentional fraudulent conveyances, while those under subparagraph (2) above are constructive fraudulent conveyances. A court would likely find that we did not receive reasonably equivalent value or fair consideration for the notes if we did not substantially benefit directly or indirectly from the issuance of the notes. As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or now or antecedent debt is secured or satisfied. To the extent that the fraudulent conveyance analysis turns on insolvency, as with a constructive fraudulent conveyance, the insolvency determination is an intensely factual one, which is supposed to be conducted based on current conditions rather than with the benefit of hindsight. Generally an entity would be considered insolvent if, at the time it incurred indebtedness, insolvency was present based on one of three alternative tests described above. For purposes of evaluating solvency under the first of these tests, a court would evaluate whether the sum of an entity s debts, including

contingent liabilities in light of the probabilities of their incurrence, was greater than the fair saleable value of all its assets.

If a court were to find that the issuance of the notes was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or subordinate the notes to presently existing and future indebtedness of us, or require the holders of the notes to repay any amounts received with respect to such notes. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes.

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USE OF PROCEEDS

We estimate that our net proceeds from this offering will be approximately $644.75 million, after deducting the estimated fees and expenses of this offering. We intend to use the net proceeds from the issuance and sale of the notes for general corporate purposes, which may include the acquisition of aircraft or the refinancing of our existing indebtedness.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth information regarding our ratio of earnings to fixed charges for each of the periods shown. For purposes of calculating this ratio: (i) earnings consist of income (loss) from continuing operations before provision (benefit) for income taxes and fixed charges; and (ii) fixed charges consist of interest expense, which includes amortization of deferred finance charges, and imputed interest on our lease obligations. The interest component of rent was determined based on an estimate of a reasonable interest factor at the inception of the leases.

	Six Months Ended June 30,		Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
Ratio of earnings to fixed charges	1.93x	1.27x	1.61x	1.61x	1.53x	1.47x	1.16x

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization, as of June 30, 2018:

on an actual basis; and

on an as adjusted basis to give effect to (i) the issuance and sale of the notes, after deducting the underwriters discount and estimated expenses payable in connection with this offering, as if it had occurred on June 30, 2018, and (ii) the intended application of the estimated net proceeds as set forth in Use of Proceeds.

This table contains unaudited information and should be read in conjunction with Summary Summary Consolidated Financial and Operating Data, Use of Proceeds, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus supplement and the accompanying prospectus or incorporated by reference herein and therein.

	As of June 30, 2018	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents	$ 142,360	$ 787,112
Debt(1):		
Secured debt financings:(2)		
ECA term financings(3)	$ 208,448	$ 208,448
Bank financings(4)	600,883	600,883
Less: Debt issuance costs	(10,809)	(10,809)
Total secured debt financings, net of debt issuance costs	798,522	798,522
Unsecured debt financings:(5)		
Senior Notes due 2018	400,000	400,000
Senior Notes due 2019	500,000	500,000
Senior Notes due 2020	300,000	300,000
Senior Notes due 2021	500,000	500,000
Senior Notes due 2022	500,000	500,000
Senior Notes due 2023	500,000	500,000
Senior Notes due 2024	500,000	500,000
DBJ Term Loan	120,000	120,000
Notes offered hereby		650,000
Revolving credit facilities(6)	100,000	100,000
Less: Debt issuance costs	(27,831)	(31,981)
Total unsecured debt financings, net of debt issuance costs	3,392,169	4,038,019

Total secured and unsecured debt financings, net of debt issuance costs	4,190,691	4,836,541
Shareholders equity	1,963,406	1,963,406
Total capitalization	$ 6,154,097	$ 6,799,947

(1) For a description of our indebtedness, see Note 7 to our unaudited consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 incorporated by reference herein.
(2) All secured debt financings represent debt of our subsidiaries.
(3) The borrowings under these financings at June 30, 2018 have a weighted-average rate of interest of 3.58%.
(4) The borrowings under these financings at June 30, 2018 have a weighted-average fixed rate of interest of 4.24%. Bank financings reflects a loan discount of $0.3 million.

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(5) All unsecured debt financings represent debt of the Issuer. None of our subsidiaries currently guarantees any of this debt.

(6) On June 27, 2018, we increased the size of one of our unsecured revolving credit facilities from $675 million to $800 million and extended its maturity by more than two years to June 2022 and the interest rate decreased from LIBOR plus 2.25% to LIBOR plus 1.50%. At June 30, 2018, we had $100 million outstanding and $835 million of availability under our revolving credit facilities.

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DESCRIPTION OF THE NOTES

General

The notes offered hereby will be issued under the indenture (the ***Base Indenture***), dated as of December 5, 2013, between Aircastle Limited, as Issuer, and Wells Fargo Bank, National Association, as Trustee (the ***Trustee***), as supplemented by a supplemental indenture between the Issuer and the Trustee, dated as of the closing date (the ***Supplemental Indenture*** and, together with the Base Indenture, the ***Indenture***). The Indenture will be subject to and governed by the Trust Indenture Act of 1939, as amended (the ***Trust Indenture Act***, or ***TIA***). The terms of the notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. The following is a summary of the material terms and provisions of the notes and the Indenture. 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. You can find definitions of certain terms used in this description under the heading Certain Definitions. For purposes of this summary, the term Issuer refers only to Aircastle Limited, and not to any of its Subsidiaries.

Brief Description of the Notes

The notes will be:

general senior obligations of the Issuer;

pari passu in right of payment with any existing and future senior Indebtedness of the Issuer;

senior in right of payment to any Subordinated Indebtedness of the Issuer; and

structurally subordinated to all liabilities and preferred stock of Subsidiaries of the Issuer.

Without limitation on the generality of the foregoing, the notes will be effectively subordinated to secured Indebtedness and other obligations of the Issuer to the extent of the value of the assets securing such Indebtedness and other obligations. In the event of the Issuer s bankruptcy, liquidation, reorganization or other winding up, the Issuer s assets that secure such secured Indebtedness and other obligations will be available to pay obligations on the notes only after all Indebtedness under such secured Indebtedness and other obligations have been repaid in full from such assets.

On the Issue Date, the notes will not be guaranteed by any Subsidiary of the Issuer. As a result, the notes will be structurally subordinated to all liabilities and obligations of our Subsidiaries. Claims of creditors of our Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred shareholders (if any) of those Subsidiaries generally will have priority with respect to the assets and earnings of those Subsidiaries over the claims of creditors of the Issuer, including Holders.

Principal, Maturity and Interest

The Issuer will issue $650 million aggregate principal amount of notes. The notes will mature on September 25, 2023. The Issuer may issue additional notes from time to time after this offering under the Indenture (***Additional Notes***).

The notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, although they may bear a different CUSIP number. Unless the context requires otherwise, references to notes for all purposes of the Indenture and this Description of the Notes include any Additional Notes that are actually issued. The notes will be issued in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.

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Interest on the notes will accrue at the rate of 4.400% per annum. Interest on the notes will be payable semi-annually in arrears on March 25 and September 25, commencing on March 25, 2019 to Holders of record on the immediately preceding March 10 and September 10. Interest on the notes will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the date of issuance of the notes. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Payment of Additional Amounts

Under current Bermuda law, no withholding tax will be imposed upon payments on the notes or the Note Guarantees, if any. If the Issuer (or a Guarantor, if any) or other applicable withholding agent is required by law to deduct or withhold taxes imposed by Bermuda or another Relevant Tax Jurisdiction on payments to Holders, however, it will pay additional amounts on those payments to the extent described in this section. Relevant Tax Jurisdiction means Bermuda, or another jurisdiction in which the Issuer or a Guarantor, or a successor of any of them, is organized, is resident or engaged in business for tax purposes or through which payments are made on or in connection with the notes or the Note Guarantees.

The Issuer (or a Guarantor) will pay to any Holder so entitled all additional amounts that may be necessary so that every net payment of interest, principal, premium or other amount received by the beneficial owner on that note or the Note Guarantee will not be less than the amount provided for in that note or Note Guarantee. Net payment refers to the amount the Issuer, any Guarantor or their paying agent pays the Holder after deduction or withholding by the applicable withholding agent of an amount for or on account of any present or future tax, assessment or other governmental charge imposed with respect to that payment by a taxing authority (including any withholding or deduction attributable to additional amounts payable hereunder).

The Issuer (and Guarantors) will also indemnify and reimburse Holders for:

- taxes (including any interest, penalties and related expenses) imposed on the Holders (or if a Holder is not the beneficial owner, the beneficial owner) by a Relevant Tax Jurisdiction if and to the same extent that a Holder would have been entitled to receive additional amounts if the Issuer (or a Guarantor) or other applicable withholding agent had been required to deduct or withhold those taxes from payments on the notes or the Note Guarantees; and

- stamp, court, documentary or similar taxes or charges (including any interest, penalties and related expenses) imposed by a Relevant Tax Jurisdiction in connection with the execution, delivery, enforcement or registration of the notes or the Note Guarantees or other related documents and obligations.

This obligation to pay additional amounts is subject to several important exceptions, however. The Issuer (or a Guarantor) will not pay additional amounts to any Holder for or on account of any of the following:

- any tax, assessment or other governmental charge imposed solely because at any time there is or was a connection between the Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of or possessor of power over the relevant Holder if the Holder is an estate, nominee, trust, partnership, limited liability company, or corporation) and the Relevant Tax Jurisdiction imposing the tax (other than the mere receipt of a payment or the acquisition, ownership, disposition or holding of, or enforcement of rights under,

a note or the Note Guarantees);

any estate, inheritance, gift or any similar tax, assessment or other governmental charge;

any tax, assessment or other governmental charge imposed solely because the Holder (or if the Holder is not the beneficial owner, the beneficial owner) fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the taxing jurisdiction of the Holder or any beneficial owner of the note or the Note Guarantees, if compliance is required by law or by an applicable income tax treaty to which the jurisdiction imposing

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the tax is a party, as a precondition to an exemption from the tax, assessment or other governmental charge for which such Holder is eligible and the Issuer (or a Guarantor) has given the Holders at least 60 days notice that Holders will be required to provide such information and identification;

any tax, assessment or other governmental charge with respect to a note or a Note Guarantee presented for payment more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to Holders, whichever occurs later, except to the extent that the Holder of the note would have been entitled to additional amounts on presenting the note for payment on any date during the 30-day period; and

any withholding or deduction imposed on a payment to an individual that is required to be made pursuant to the European Union Directive on the taxation of savings income, which was adopted by the ECOFIN Council on June 3, 2003, or any law implementing or complying with, or introduced in order to conform to, such Directive.

Payments

Principal of, premium, if any, and interest on the notes will be payable at the office or agency of the Issuer maintained for such purpose within the City and State of New York or, at the option of the Issuer, payment of interest may be made by check mailed to Holders at their respective addresses set forth in the register of Holders; provided that all payments of principal, premium, if any, and interest with respect to notes represented by one or more global notes registered in the name of or held by DTC or its nominee will be made by wire transfer of immediately available funds to the accounts specified by the Holder or Holders thereof. Until otherwise designated by the Issuer, the Issuer s office or agency in Minnesota will be the office of the trustee maintained for such purpose.

Ranking

The Indebtedness evidenced by the notes will be senior Indebtedness of the Issuer and will rank *pari passu* in right of payment with all existing and future senior Indebtedness of the Issuer. The Indebtedness evidenced by the notes will be senior in right of payment to all existing and future Subordinated Indebtedness of the Issuer.

As of June 30, 2018, on an as adjusted basis after giving effect to this offering and the use of proceeds specified herein, the Issuer and its Subsidiaries would have had approximately $4.84 billion aggregate principal amount of Indebtedness outstanding, $0.8 billion of which was secured debt and none of which was Subordinated Indebtedness. All of the operations of the Issuer are conducted through its Subsidiaries. Claims of creditors on such Subsidiaries, including trade creditors, and claims of preferred shareholders (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. The notes, therefore, will be structurally subordinated to holders of Indebtedness and other creditors (including trade creditors) and preferred shareholders (if any) of the Subsidiaries of the Issuer. As of June 30, 2018, our Subsidiaries had approximately $0.8 billion of outstanding Indebtedness and other obligations (excluding intercompany liabilities).

Note Guarantees

On the Issue Date, the notes will not be guaranteed by any of our subsidiaries or any third party.

From and after the Issue Date and prior to the Existing Notes Repayment Date, the Issuer will not cause or permit (i) any of its Subsidiaries (other than a Guarantor or a Majority Owned JV), directly or indirectly, to guarantee any capital markets Indebtedness or any unsecured credit facility of the Issuer or any Guarantor or (ii) any Majority Owned JV, directly or indirectly, to guarantee any capital markets Indebtedness or any

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unsecured credit facility of the Issuer, in each case, with an aggregate principal amount in excess of the greater of (x) $100 million and (y) 1.5% of Total Assets unless, such Subsidiary:

(a) within 20 Business Days of the date on which it guarantees such Indebtedness of the Issuer or any Guarantor executes and delivers to the Trustee a supplemental indenture pursuant to which such Subsidiary shall guarantee (each, a ***Note Guarantee***) all of the Issuer s obligations under the notes and the Indenture and other terms contained in the applicable supplemental indenture and subject to the conditions contained in such supplemental indenture; and

(b) delivers to the Trustee an Officers Certificate that all conditions precedent to the execution of such supplemental indenture have been complied with.

Thereafter, such Subsidiary shall be a Guarantor for all purposes of the Indenture until such Note Guarantee is released in accordance with the provisions of the Indenture. In the event of a sale or other transfer or disposition of all of the Capital Stock in any Guarantor to any Person that is not an Affiliate of the Issuer in compliance with the terms of the Indenture, or in the event all or substantially all the assets or Capital Stock of a Guarantor are sold or otherwise transferred, by way of merger, consolidation or otherwise, to a Person that is not an Affiliate of the Issuer in compliance with the terms of the Indenture, then, without any further action on the part of the Trustee or any Holder, such Guarantor (or the Person concurrently acquiring such assets of such Guarantor) shall be deemed automatically and unconditionally cancelled, released and discharged of any obligations under its Note Guarantee, as evidenced by a supplemental indenture, written instrument or confirmation executed by the Trustee, upon request; provided, however that if evidence of such cancellation, discharge or release is requested to be executed by the Trustee, an Officers Certificate and an opinion of counsel. In addition, upon the release or discharge of any guarantee which resulted in the creation of a Note Guarantee (except a discharge or release by or as a result of payment under such guarantee), the Guarantor of such Note Guarantee shall be deemed automatically and unconditionally cancelled, released and discharged of any obligations under its Note Guarantee, as evidenced by a supplemental indenture, written instrument or confirmation executed by the Trustee, upon request. The Issuer may cause any other Subsidiary of the Issuer to issue a Note Guarantee and become a Guarantor.

Each Note Guarantee by a Subsidiary will be limited to an amount not to exceed the maximum amount that can be guaranteed by that Subsidiary without rendering the Note Guarantee, as it relates to such Subsidiary, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Mandatory Redemption

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the notes, but the Issuer may be required to offer to purchase the notes as set forth below under Repurchase at the Option of Holders.

Optional Redemption

Prior to August 25, 2023 (one month prior to the maturity date of the notes), the Issuer may, at any time and from time to time, redeem all or a part of the notes, upon not less than 15 nor more than 60 days prior notice mailed by first class mail to each Holder s registered address, at a redemption price equal to the greater of (a) 100% of the principal amount of the notes redeemed, plus accrued and unpaid interest thereon to, but not including, the redemption date, and (b) the sum of the present values of 100% of the principal amount of the notes being redeemed and the remaining scheduled

payments of interest on the notes from the redemption date through August 25, 2023 (one month prior to the maturity date of the notes) (computed using a discount rate equal to the Treasury Rate as of such redemption date plus 25 basis points) (the ***Applicable Premium***), plus accrued and unpaid interest to, but not including, the redemption date.

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On and after August 25, 2023 (one month prior to the maturity date of the notes), the Issuer may on any one or more occasions redeem all or a part of the notes, upon not less than 15 nor more than 60 days prior notice mailed by first class mail to each Holder s registered address, at a redemption price equal to 100% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but not including, the redemption date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date.

The Trustee shall select the notes to be purchased in the manner described under Selection and Notice.

Any notice of redemption may, at the Issuer s option and discretion, be subject to one or more conditions precedent, including, but not limited to, completion of any debt or equity financing, acquisition or other corporate transaction. In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer s sole discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer s obligations with respect to such redemption may be performed by another Person (it being understood that any such provision for payment by another Person will not relieve the Issuer and the Guarantors from their obligations with respect to such redemption).

Redemption for Taxation Reasons

The Issuer will be entitled, at its option, to redeem the notes in whole if at any time it becomes obligated to pay additional amounts on the notes on the next interest payment date, but only if the obligation results from a change in, or an amendment to, the laws or treaties (including any regulations or official rulings promulgated thereunder) of a Relevant Tax Jurisdiction (or a political subdivision or taxing authority thereof or therein), or from a change in any official position regarding the interpretation, administration or application of those laws, treaties, regulations or official rulings (including a change resulting from a holding, judgment or order by a court of competent jurisdiction), that becomes effective and is announced after the Issue Date (or, if the applicable Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction on a date after the Issue Date, such later date) and provided the Issuer cannot avoid the obligation after taking reasonable measures to do so. If the Issuer redeems the notes in these circumstances, it will do so at a redemption price equal to 100% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, and any other amounts due to the redemption date.

If the Issuer becomes entitled to redeem the notes in these circumstances, it may do so at any time on a redemption date of its choice. However, the Issuer must give the Holders notice of the redemption not less than 15 days or more than 60 days before the redemption date and not more than 90 days before the next date on which it would be obligated to pay additional amounts. In addition, the Issuer s obligation to pay additional amounts must remain in effect when it gives the notice of redemption. Notice of the Issuer s intent to redeem the notes shall not be effective until such time as it delivers to the Trustee both a certificate signed by two of its officers stating that the obligation to pay additional amounts cannot be avoided by taking reasonable measures and an opinion of independent legal counsel or an independent auditor stating that the Issuer is obligated to pay additional amounts because of an amendment to or change in law, treaties or position as described in the preceding paragraph.

In addition to the Issuer s rights to redeem notes as set forth above, the Issuer may at any time and from time to time purchase notes in open-market transactions, tender offers, privately negotiated purchases or otherwise.

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Repurchase at the Option of Holders

Change of Control

If a Change of Control Triggering Event occurs, the Issuer will make an offer to purchase all of the notes pursuant to the offer described below (the ***Change of Control Offer***) at a price in cash (the ***Change of Control Payment***) equal to 101% of the aggregate principal amount thereof plus, in each case, accrued and unpaid interest, if any, to, but not including, the date of purchase, subject to the right of Holders of record of the notes on the relevant record date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control Triggering Event, the Issuer will send notice of such Change of Control Offer by first class mail, with a copy to the Trustee, to each Holder of the notes to the address of such Holder appearing in the security register with a copy to the Trustee or otherwise in accordance with the procedures of DTC, with the following information:

(1) a Change of Control Offer is being made pursuant to the covenant entitled Change of Control, and that all notes properly tendered pursuant to such Change of Control Offer will be accepted for payment;

(2) the purchase price and the purchase date, which will be no earlier than 30 days nor later than 60 days from the date such notice is mailed (the ***Change of Control Payment Date***);

(3) any note not properly tendered will remain outstanding and continue to accrue interest;

(4) unless the Issuer defaults in the payment of the Change of Control Payment, all notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on, but not including, the Change of Control Payment Date;

(5) Holders electing to have any notes purchased pursuant to a Change of Control Offer will be required to surrender such notes, with the form entitled Option of Holder to Elect Purchase on the reverse of such notes completed, to the paying agent specified in the notice at the address specified in the notice prior to the close of business on the third business day preceding the Change of Control Payment Date;

(6) Holders will be entitled to withdraw their tendered notes and their election to require the Issuer to purchase such notes; provided that the paying agent receives, not later than the close of business on the last day of the offer period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of notes tendered for purchase, and a statement that such Holder is withdrawing his tendered notes and his election to have such notes purchased;

(7) if such notice is mailed prior to the occurrence of a Change of Control Triggering Event, stating the Change of Control Offer is conditional on the occurrence of such Change of Control Triggering Event; and

(8) that Holders whose notes are being purchased only in part will be issued new notes equal in principal amount to the unpurchased portion of the notes surrendered, which unpurchased portion must be equal to $2,000 or an integral multiple of $1,000 in excess thereof.

While the notes are in global form and the Issuer makes an offer to purchase all of the notes pursuant to the Change of Control Offer, a Holder may exercise its option to elect for the purchase of the notes through the facilities of DTC, subject to its rules and regulations.

If Holders of not less than 90% in aggregate principal amount of the outstanding notes validly tender and do not withdraw such notes in a Change of Control Offer and the Issuer, or any other Person making a Change of Control Offer in lieu of the Issuer as described below, purchase all of the notes validly tendered and not withdrawn by such Holders, the Issuer will have the right, upon not less than 15 nor more than 60 days prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all notes that remain outstanding following such purchase at a redemption price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, to, but not including, the date of

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redemption, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date.

We will not be required to make a Change of Control Offer following a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all notes tendered and not withdrawn under such Change of Control Offer or (2) notice of redemption has been given pursuant to the Indenture as described under the caption Optional Redemption, unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditional upon such Change of Control.

The Issuer will comply with the requirements of Section 14(e) under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

On the Change of Control Payment Date, the Issuer will, to the extent permitted by law,

(1) accept for payment all notes or portions thereof properly tendered pursuant to the Change of Control Offer,

(2) deposit with the paying agent an amount equal to the aggregate Change of Control Payment in respect of all notes or portions thereof so tendered, and

(3) deliver, or cause to be delivered, to the Trustee for cancellation the notes so accepted together with an Officers Certificate stating that such notes or portions thereof have been tendered to and purchased by the Issuer.

The paying agent will promptly mail to each Holder of the notes the Change of Control Payment for such notes, and the Trustee will promptly authenticate and mail to each Holder a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; provided that each such new note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The Change of Control Triggering Event purchase feature of the notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control Triggering Event purchase feature is a result of negotiations between the underwriters and us. After the closing date, we have no present intention to engage in a transaction involving a Change of Control Triggering Event, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control Triggering Event under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Except for the limitations contained in Certain Covenants Liens , the Indenture will not contain any covenants or provisions that may afford Holders protection in a highly levered transaction.

Our revolving credit agreement provides that the occurrence of certain change of control events (including a Change of Control as defined under the Indenture) with respect to us would constitute a default thereunder. In the event a Change of Control occurs, we may seek the consent of our lenders or may attempt to refinance or repay the borrowings under the revolving credit agreement. If we do not obtain such consent or refinance or repay such borrowings, we may be in default under the revolving credit agreement, which may, in turn, constitute a default

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under the Indenture. In addition, future indebtedness that we may incur may contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require the repurchase of such indebtedness upon a Change of Control. The exercise by the Holders of their right to require us to repurchase their notes could cause a default under such indebtedness, even if a Change of Control itself does not, due to the financial effect of such repurchase on us. We cannot assure you that sufficient funds will be available when necessary to make any required repurchases.

The definition of Change of Control includes a disposition of all or substantially all of the assets of the Issuer to certain Persons. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of all or substantially all of the assets of the Issuer. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of the notes may require the Issuer to make an offer to repurchase the notes as described above.

The provisions under the Indenture relative to our obligation to make an offer to repurchase the notes as a result of a Change of Control Triggering Event may be waived or modified with the written consent of the Holders of a majority in principal amount of the notes then outstanding, including after the entry into an agreement that would result in the need to make a Change of Control Offer.

Selection and Notice

If less than all of the notes are to be redeemed at any time, selection of such notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange and DTC procedures, if any, on which such notes are listed, or, if such notes are not so listed, on a pro rata basis or by lot or such similar method in accordance with the procedures of DTC; provided that no notes of $2,000 or less shall be purchased or redeemed in part.

Notices of purchase or redemption shall be mailed by first class mail, postage prepaid, at least 15 but not more than 60 days before the purchase or redemption date to each Holder of notes to be purchased or redeemed at such Holder s registered address. If any note is to be purchased or redeemed in part only, any notice of purchase or redemption that relates to such note shall state the portion of the principal amount thereof that has been or is to be purchased or redeemed.

A new note in principal amount equal to the unpurchased or unredeemed portion of any note purchased or redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original note. On and after the purchase or redemption date, unless the Issuer defaults in payment of the purchase or redemption price, interest shall cease to accrue on notes or portions thereof purchased or called for redemption.

Certain Covenants

Liens

The Issuer will not create, incur, assume or otherwise cause or suffer to exist or become effective any Lien that secures obligations under any Indebtedness for borrowed money or any Capitalized Lease Obligations of the Issuer or any Subsidiary (the ***Initial Lien***) of any kind upon any of its property or assets, now owned or hereafter acquired, except any Initial Lien if (i) the notes are equally and ratably secured with (or on a senior basis to, in the case such Initial Lien secures any Subordinated Indebtedness) the obligations secured by such Initial Lien or (ii) such Initial Lien is a Permitted Lien. Any Lien created for the benefit of the Holders pursuant to clause (i) of the preceding

paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

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Amalgamation, Merger, Consolidation or Sale of All or Substantially All Assets

The Issuer may not consolidate, amalgamate or merge with or into or wind up into (whether or not the Issuer is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to any Person unless:

(1) the Issuer is the surviving corporation or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a Person organized or existing under the laws of a Permitted Jurisdiction (such Person, as the case may be, being herein called the ***Successor Company***);

(2) the Successor Company, if other than the Issuer, expressly assumes all the obligations of the Issuer under the Indenture and the notes pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(3) immediately after such transaction no Default or Event of Default exists; and

(4) the Issuer shall have delivered to the Trustee an Officers Certificate and an opinion of counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indentures, if any, comply with the Indenture and, if a supplemental indenture is required in connection with such transaction, such supplement shall comply with the applicable provisions of the Indenture.

The Successor Company will succeed to, and be substituted for the Issuer under the Indenture and the notes. Notwithstanding the foregoing clause (3),

(a) any Subsidiary may consolidate with, amalgamate or merge into or transfer all or part of its properties and assets to the Issuer; and

(b) the Issuer may amalgamate or merge with an Affiliate incorporated solely for the purpose of reincorporating the Issuer in any Permitted Jurisdiction.

For purposes of this covenant, the leasing of aircraft, engines, spare parts or similar assets in the ordinary course of business shall not be considered the leasing of all or substantially of the properties or assets of the Issuer.

Reports and Other Information

Notwithstanding that the Issuer may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the Securities and Exchange Commission, the Indenture will require the Issuer to file with the Commission (and make available to the Trustee and Holders (without exhibits), without cost to each Holder, within 15 days after it files them with the Commission),

(a) within 90 days (or any time period then in effect under the rules and regulations of the Exchange Act for a non-accelerated filer) plus any grace period provided by Rule 12b-25 under the Exchange Act, after the end of each fiscal year, annual reports on Form 10-K, or any successor or comparable form, containing the information required to be contained therein, or required in such successor or comparable form;

(b) within 45 days (or any time period then in effect under the rules and regulations of the Exchange Act) plus any grace period provided by Rule 12b-25 under the Exchange Act, after the end of each of the first three fiscal quarters of each fiscal year, reports on Form 10-Q, containing the information required to be contained therein, or any successor or comparable form;

(c) promptly from time to time after the occurrence of an event required to be therein reported, such other reports on Form 8-K, or any successor or comparable form; and

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(d) any other information, documents and other reports which the Issuer would be required to file with the Commission if it were subject to Section 13 or 15(d) of the Exchange Act;

provided that (A) at any time that the Issuer is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, none of such reports will be required to (i) comply with Section 302, 404 and 906 of the Sarbanes-Oxley Act of 2002, or related Items 307 and 308 of Regulation S-K promulgated by the Commission, or Item 10(e) of Regulation S-K (with respect to any non-GAAP financial measures contained therein), (ii) contain the information required by Items 201, 402, 403, 405, 406, 407, 701 or 703 of Regulation S-K, (iii) contain the separate financial information contemplated by Rule 3-10 of Regulation S-X promulgated by the Commission and (iv) provide financial statements in interactive data format using the eXtensible Business Reporting Language and (B) the Issuer shall not be so obligated to file such reports with the Commission if the Commission does not permit such filing, in which event the Issuer will make available such information to prospective purchasers of notes, in addition to providing such information to the Trustee and the Holders, in each case within 15 days after the time the Issuer would be required to file such information with the Commission, if it were subject to Section 13 or 15(d) of the Exchange Act.

The Issuer will be deemed to have furnished such information referred to in this covenant to the Trustee and the Holders of notes if the Issuer has filed or furnished such information in reports filed with the Commission and such reports are publicly available on the Commission s website; provided, however, that the Trustee shall have no obligation whatsoever to determine whether or not such information, documents or reports have been so filed or furnished.

Events of Default and Remedies

The following events constitute ***Events of Default*** with respect to the notes under the Indenture:

(1) default in payment when due and payable, upon redemption, acceleration or otherwise, of principal of, or premium, if any, on the notes issued under the Indenture;

(2) default for 30 days or more in the payment when due of interest on or with respect to the notes issued under the Indenture;

(3) failure by the Issuer for 90 days after receipt of written notice given by the Trustee or the Holders of at least 25% in principal amount of the notes then outstanding and issued under the Indenture to comply with any of its other agreements in the Indenture or the notes;

(4) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any Significant Subsidiary or the payment of which is guaranteed by the Issuer or any Significant Subsidiary, other than Indebtedness owed to the Issuer or a Significant Subsidiary, whether such Indebtedness or guarantee now exists or is created after the issuance of the notes, if both:

(a) such default either:

results from the failure to pay any such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods); or

relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated maturity; and

(b) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, aggregate to the greater of (i) $100.0 million and (ii) 1.5% of Total Assets or more at any one time outstanding;

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(5) failure by the Issuer or any Significant Subsidiary to pay final, non-appealable judgments aggregating in excess of the greater of (i) $100.0 million and (ii) 1.5% of Total Assets, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed; or

(6) certain events of bankruptcy or insolvency with respect to the Issuer or any Significant Subsidiary.

If any Event of Default (other than of a type specified in clause (6) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in principal amount of the then outstanding notes issued under the Indenture may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding notes issued under the Indenture to be due and payable immediately.

Upon the effectiveness of such declaration, such principal and interest will be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising under clause (6) of the first paragraph of this section, all outstanding notes will become due and payable without further action or notice. Holders may not enforce the Indenture or the notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding notes issued under the Indenture may direct the Trustee in its exercise of any trust or power. The Indenture will provide that the Trustee may withhold from Holders notice of any continuing Default or Event of Default, except a Default or Event of Default relating to the payment of principal, premium, if any, or interest on the notes, if it determines that withholding notice is in their interest. In addition, the Trustee shall have no obligation to accelerate the notes if in the best judgment of the Trustee acceleration is not in the best interest of the Holders.

The Indenture will provide that the Holders of a majority in aggregate principal amount of the then outstanding notes issued thereunder by written notice to the Trustee may on behalf of the Holders waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, premium, if any, or the principal of any note held by a non-consenting Holder. In the event of any Event of Default specified in clause (4), such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of the acceleration of the notes) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if within 20 days after such Event of Default arose

(x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged, or

(y) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default, or

(z) if the default that is the basis for such Event of Default has been cured.

The Indenture will provide that the Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Issuer is required, within ten Business Days, upon becoming aware of any Default or Event of Default or any default under any document, instrument or agreement representing Indebtedness of the Issuer, to deliver to the Trustee a statement specifying such Default or Event of Default.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Issuer or any Subsidiary shall have any liability for any obligations of the Issuer or any Subsidiary under the notes or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the Commission that such a waiver is against public policy.

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Legal Defeasance and Covenant Defeasance

The obligations of the Issuer under the Indenture will terminate (other than certain obligations) and will be released upon payment in full of all of the notes under the Indenture. The Issuer may, at its option and at any time, elect to have all of its obligations under the Indenture discharged (***Legal Defeasance***) and cure all then existing Events of Default except for:

(1) the rights of Holders of notes issued under the Indenture to receive payments in respect of the principal of, premium, if any, and interest on such notes when such payments are due solely out of the trust created pursuant to the Indenture,

(2) the Issuer s obligations under the Indenture concerning issuing temporary notes, registration of such notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payment and money for security payments held in trust,

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer s obligations in connection therewith, and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have its obligations released with respect to certain covenants that are described in the Indenture (***Covenant Defeasance***) and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default. In the event Covenant Defeasance occurs, certain events (not including bankruptcy, receivership, rehabilitation and insolvency events pertaining to the Issuer) described under Events of Default will no longer constitute an Event of Default.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars, Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest due on the notes on the stated maturity date or on the redemption date, as the case may be, of such principal, premium, if any, or interest on the notes; provided that, with respect to any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purpose of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit on the date of redemption (any such amount, the ***Applicable Premium Deficit***) only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officers Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

(2) in the case of Legal Defeasance, the Issuer shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that, subject to customary assumptions and exclusions,

(a) the Issuer has received from, or there has been published by, the United States Internal Revenue Service a ruling, or

(b) since the issuance of the notes, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel in the United States shall confirm that, subject to customary assumptions and exclusions, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

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(3) in the case of Covenant Defeasance, the Issuer shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that, subject to customary assumptions and exclusions, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default with respect to the outstanding notes (other than that resulting from borrowing funds to be applied to make such deposit or the granting of Liens in connection therewith) shall have occurred and be continuing on the date of such deposit;

(5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under any other material agreement or instrument (other than the Indenture) to which, the Issuer is a party or by which the Issuer is bound (other than that resulting from borrowing funds to be applied to make such deposit and the granting of Liens in connection therewith);

(6) the Issuer shall have delivered to the Trustee an Officers Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or any of the Guarantors; and

(7) the Issuer shall have delivered to the Trustee an Officers Certificate and an opinion of counsel in the United States (which opinion of counsel may be subject to customary assumptions and exclusions) each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect, when either:

(1) all notes theretofore authenticated and delivered, except lost stolen or destroyed notes which have been replaced or paid and notes for whose payment money has theretofore been deposited in trust, have been delivered to the Trustee for cancellation; or

(2) (a) all notes not theretofore delivered to such Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise or will become due and payable within one year, and the Issuer has irrevocably deposited or caused to be deposited with such Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, Government Securities, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest to pay and discharge the entire indebtedness on such notes not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; provided that, with respect to any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purpose of the Indenture to the extent that an

amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officers Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

(b) no Default or Event of Default with respect to the outstanding notes (other than that resulting from borrowing funds to be applied to make such deposit or the granting of Liens in connection therewith) shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer is a party or by which the Issuer is bound (other than an instrument to be terminated contemporaneously with or prior to the borrowing of funds to be applied to make such deposit and the granting of Liens in connection therewith);

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(c) the Issuer has paid or caused to be paid all sums payable by it under the Indenture; and

(d) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the notes at maturity or the redemption date, as the case may be.

In addition, the Issuer must deliver an Officers Certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents for the notes. The initial paying agent for the notes will be the Trustee.

The Issuer will also maintain a registrar. The initial registrar will be the Trustee. The registrar will maintain a register reflecting ownership of the notes outstanding from time to time and will make payments on and facilitate transfer of notes on behalf of the Issuer.

The Issuer may change the paying agents or the registrars without prior notice to the Holders. The Issuer may act as a paying agent or registrar.

Transfer and Exchange

A Holder may transfer or exchange notes in accordance with the Indenture. The registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuer is not required to transfer or exchange any note selected for redemption. Also, the Issuer is not required to transfer or exchange any note for a period of 15 days before the mailing of a notice of redemption of notes to be redeemed.

The registered Holder of a note will be treated as the owner of the note for all purposes.

Amendment, Supplement and Waiver

Except as provided in the next four succeeding paragraphs, the Indenture and the notes issued thereunder may be amended or supplemented with the consent of the Holders of a majority in principal amount of the notes then outstanding and issued under the Indenture, including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the notes, and any existing Default or Event of Default or compliance with any provision of the Indenture or the notes issued thereunder may be waived with the consent of the Holders of a majority in principal amount of t