AARIFS (25092) LLC
Form S-4
October 22, 2013

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As filed with the Securities and Exchange Commission on October 22, 2013

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AAR CORP.

(Exact name of Registrant as specified in its charter)

Delaware	**3720**	**36-2334820**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

One AAR Place
1100 N. Wood Dale Road
Wood Dale, Illinois 60191
(630) 227-2000
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

See Table of Additional Registrants Below

Robert J. Regan, Esq.	**Copy to:**
Vice President and General Counsel	
AAR Corp.	**Robert J. Minkus, Esq.**
One AAR Place	**Schiff Hardin LLP**
1100 N. Wood Dale Road	**233 S. Wacker Drive, Suite 6600**
Wood Dale, Illinois 60191	**Chicago, Illinois 60606**
(630) 227-2000	**(312) 258-5500**
(Name, address, including zip code, and telephone number, including area code, of agent for service)	

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this registration statement.

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ý	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

If applicable, place a ý in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issue Tender Offer) o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
7 1/4% Senior Notes Due 2022	$150,000,000	100%	$150,000,000	
Guarantees of the 7 1/4% Senior Notes	$150,000,000	(2)	(2)	
Total	$150,000,000		$150,000,000	$19,320

(1) Estimated pursuant to Rule 457(f) under the Securities Act of 1933, as amended, solely for the purposes of calculating the registration fee.

(2) Pursuant to Rule 457(n) under the Securities Act of 1933, as amended, no separate consideration will be received for the guarantee.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants 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 of 1933, as amended, 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.

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Table of Additional Registrants(1)(2)(3)

Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification No.
AAR Aircraft & Engine Sales & Leasing, Inc.	Illinois	36-3180893
AAR International Financial Services, L.L.C.	Illinois	36-4281013
AAR/SSB II, LLC	Illinois	36-4438985
AARIFS (304) LLC	Delaware	00-0000000
AARIFS (315) LLC	Delaware	00-0000000
AARIFS (662) LLC	Delaware	20-8824094
AARIFS (23734) LLC	Delaware	00-0000000
AARIFS (23779) LLC	Delaware	00-0000000
AARIFS (23780) LLC	Delaware	00-0000000
AARIFS (24750) LLC	Delaware	00-0000000
AARIFS (25092) LLC	Delaware	20-5949561
AARIFS (25093) LLC	Delaware	20-5950051
AARIFS A320 LLC	Delaware	20-3697195
AARIFS (342) LLC	Delaware	26-0229969
AARIFS (290) LLC	Delaware	00-0000000
AAR Aircraft Services, Inc.	Illinois	90-0168563
Aviation Maintenance Staffing, Inc.	Delaware	20-2466888
AAR Airlift Group, Inc.	Florida	59-3540727
AAR Landing Gear LLC	Florida	45-4127091
AAR International, Inc.	Illinois	36-2551481
AAR Australia, L.L.C.	Illinois	00-0000000
AAR Japan, Inc.	Illinois	38-3655764
Airinmar Holdings Limited(4)	England and Wales	00-0000000
Airinmar Group Limited(4)	England and Wales	00-0000000
Airinmar Limited(4)	England and Wales	00-0000000
Telair International GmbH(5)	Germany	00-0000000
Telair International AB(6)	Sweden	00-0000000
Nordisk Aviation Products AS(7)	Norway	00-0000000
AAR Manufacturing, Inc.	Illinois	38-2413129
Brown International Corporation	Alabama	63-0938781
EP Aviation, LLC	Delaware	54-2059107
AAR Parts Trading, Inc.	Illinois	36-3180895
AAR Power Services, Inc.	Illinois	36-4020610
AAR Allen Services, Inc.	Illinois	36-4020612

(1) The address and telephone number for the principal executive offices of each of the Additional Registrants organized in the U.S. is One AAR Place, 1100 N. Wood Dale Road, Wood Dale, Illinois 60191, (630) 227-2000.

(2) The name, address, including zip code, and telephone number, including area code, of agent for service for each of the Additional Registrants is Robert J. Regan, Esq., Vice President and General Counsel, AAR Corp., One AAR Place, 1100 N. Wood Dale Road, Wood Dale, Illinois 60191, (630) 227-2000.

(3) Copies of communications to any Additional Registrant should be sent to Robert J. Minkus, Esq., Schiff Hardin LLP, 233 S. Wacker Drive, Suite 6600, Chicago, Illinois 60606, (312) 258-5500.

(4) The address and telephone number for the principal executive offices of each of Airinmar Holdings Limited, Airinmar Group Limited and Airinmar Limited is 1 Ivanhoe Road, Hogwood Industrial Estate, Finchampstead, Wokingham, Berkshire, RG40 4QQ United Kingdom, +44 (0) 118 932 4018.

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(5) The address and telephone number for the principal executive offices of Telair International GmbH is Bodenschneidstraße 2, Miesbach, 83714 Germany, +49 (0) 8025 29-0.

(6) The address and telephone number for the principal executive offices of Telair International AB is Porfyrvagen 14, Lund SE-24478, Sweden, +46 46 385 800.

(7) The address and telephone number for the principal executive offices of Nordisk Aviation Products AS is Weidemanns Gate 8, Holmestrand 3080, Norway, +47 33 06 61 00.

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THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED OCTOBER 22, 2013

PROSPECTUS

AAR CORP.

OFFER TO EXCHANGE
$150,000,000 OF 7¼% SENIOR NOTES DUE 2022
FOR
$150,000,000 OF 7¼% SENIOR NOTES DUE 2022
WHICH HAVE BEEN REGISTERED
UNDER THE SECURITIES ACT OF 1933, AS AMENDED
THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON , 2013, UNLESS EXTENDED.

Terms of the exchange offer:

The notes being offered hereby (the "Exchange Notes") are being registered with the Securities and Exchange Commission and are being offered in exchange for all of the AAR CORP. outstanding 7¼% Senior Notes due 2022 (the "Restricted Notes") that were previously issued in an offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). The terms of the exchange offer are summarized below and are more fully described in this prospectus.

AAR will exchange all Restricted Notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer.

You may withdraw tenders of Restricted Notes at any time prior to the expiration of the exchange offer.

AAR believes that the exchange of Restricted Notes will not be a taxable event for U.S. federal income tax purposes, but you should see "The Exchange Offer Tax Consequences of the Exchange Offer" on page 23 of this prospectus for more information.

AAR will not receive any proceeds from the exchange offer.

The terms of the Exchange Notes are substantially identical to the Restricted Notes, except that the Exchange Notes are registered under the Securities Act and the transfer restrictions and registration rights applicable to the Restricted Notes do not apply to the Exchange Notes.

The Exchange Notes constitute a further issuance of the $175,000,000 aggregate principal amount of our 7 1/4% Senior Notes due 2022 issued on January 22, 2013 (in exchange for notes originally issued on January 23, 2012) and will form a single series with those notes. The Exchange Notes will have the same CUSIP number as, and upon completion of the exchange offer will trade interchangeably with, the 7 1/4% Senior Notes due 2022 issued in January 2013.

The Exchange Notes will be guaranteed on a senior unsecured basis by substantially all of AAR's subsidiaries.

AAR does not intend to list the Exchange Notes on any securities exchange or to have them approved for any automated quotation system.

See the section entitled "Description of the Notes" that begins on page 38 for more information about the Exchange Notes to be issued in this exchange offer.

Each broker-dealer that receives Exchange Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. The letter of transmittal states that by so acknowledging and delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for outstanding Restricted Notes where such outstanding Restricted Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. AAR has agreed that, for a period of 180 days after the expiration of this exchange offer (or such shorter period until the date on which a broker-dealer is no longer required to deliver a prospectus), AAR will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

This investment involves risks. See the section entitled "Risk Factors" that begins on page 10 for a discussion of the risks that you should consider prior to tendering your Restricted Notes in the exchange offer.

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

The date of this prospectus is , 2013.

This prospectus is first being mailed to all holders of the Restricted Notes on , 2013.

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NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY AAR CORP. OR ITS SUBSIDIARY GUARANTORS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL CREATE UNDER ANY CIRCUMSTANCES AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF AAR CORP. OR ITS SUBSIDIARY GUARANTORS SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SECURITIES OTHER THAN THOSE SPECIFICALLY OFFERED HEREBY OR AN OFFER TO SELL ANY SECURITIES OFFERED HEREBY IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THE INFORMATION CONTAINED IN THIS PROSPECTUS SPEAKS ONLY AS OF THE DATE OF THIS PROSPECTUS UNLESS THE INFORMATION SPECIFICALLY INDICATES THAT ANOTHER DATE APPLIES.

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IMPORTANT TERMS USED IN THIS PROSPECTUS

In this prospectus, unless the context indicates otherwise and except as expressly set forth in the section captioned "Description of the Notes," the terms the "Company," "AAR," "we," "us" and "our" refer to AAR CORP. and all entities owned or controlled by AAR CORP., taken as a whole. The term the "Issuer" refers solely to AAR CORP.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

This prospectus incorporates important business and financial information about the Company that is not included in or delivered with this prospectus. We incorporate by reference the following documents filed with the Securities and Exchange Commission (the "SEC"):

our Annual Report on Form 10-K for the fiscal year ended May 31, 2013;

our Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2013;

our Current Report on Form 8-K filed with the SEC on October 15, 2013; and

our definitive Proxy Statement on Schedule 14A, filed with the SEC on August 30, 2013.

We also incorporate by reference any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act, as amended (the "Exchange Act"), to the extent such documents are deemed "filed" for purposes of the Exchange Act, until we complete the offering of the Exchange Notes.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You can obtain any of the documents incorporated by reference through us, the SEC or the SEC's website, http://www.sec.gov. Documents we have incorporated by reference are available from us without charge, excluding exhibits to those documents unless we have specifically incorporated by reference such exhibits in this prospectus. Any person, including any beneficial owner, to whom this prospectus is delivered, may obtain the documents we have incorporated by reference in, but not delivered with, this prospectus by requesting them by telephone or in writing at the following address:

AAR CORP.
One AAR Place
1100 N. Wood Dale Road
Wood Dale, Illinois 60191
(630) 227-2000
Attn: Corporate Secretary

To obtain timely delivery you must request this information no later than five (5) business days before the date you must make your investment decision. Such date is , 2013.

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WHERE YOU CAN FIND MORE INFORMATION

AAR files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain additional information about the public reference room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a site on the Internet (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, including AAR.

We maintain an Internet site at www.aarcorp.com which contains information concerning AAR and its subsidiaries. The information contained at our Internet site is not incorporated by reference in this prospectus, and you should not consider it a part of this prospectus.

This prospectus forms part of the registration statement on Form S-4 filed by AAR CORP. and the other registrants named therein with the SEC under the Securities Act. This prospectus does not contain all the information set forth in the registration statement. Any statement made in this prospectus concerning the contents of any contract, agreement or other document is only a summary of the actual document. If we have filed any contract, agreement or other document as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the document or matter involved. Each statement regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document.

You should rely only on the information incorporated by reference or provided in this prospectus or any supplement to this prospectus. We have not authorized anyone else to provide you with different information. This prospectus is used to offer and sell the Exchange Notes referred to in this prospectus, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of the date of this prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated herein by reference contain statements that we believe are "forward-looking statements" under the meaning of the Private Securities Litigation Reform Act of 1995 and are intended to enjoy protection of the safe harbor for forward-looking statements provided by that Act. These forward-looking statements relate to, among other things, our strategic and business initiatives and plans for growth or operating changes; our financial condition and results of operation; future events, developments or performance; and management's expectations, beliefs, plans, estimates and projections. These forward-looking statements generally can be identified by use of phrases such as "believe," "plan," "expect," "anticipate," "intend," "forecast" or other similar words or phrases.

Forward-looking statements are our current estimates or expectations of future events or future results. Actual results could differ materially from the results indicated by these statements because the realization of those results is subject to many risks and uncertainties including:

- factors that adversely affect the commercial aviation industry;
- a reduction in the level of sales to the branches, agencies and departments of the U.S. government and their contractors (which were 35.7% of total sales in fiscal 2013);
- inability to integrate acquisitions effectively and execute our operational and financial plan related to the acquisitions;
- cost overruns and losses on fixed-price contracts;
- significant cost issues associated with the A400M Cargo system;

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a reduction in outsourcing by airlines necessary for continued success at our airframe maintenance, repair and overhaul facilities;

competition from other companies, including original equipment manufacturers, some of which have greater financial resources than we do;

changes in or non-compliance with laws and regulations that may affect certain of our aviation and government and defense related activities that are subject to licensing, certification and other regulatory requirements imposed by the FAA, the U.S. State Department and other regulatory agencies, both domestic and foreign;

non-compliance with laws and regulations relating to the formation, administration and performance of our U.S. government contracts;

a reduction in the need for airlift services in Afghanistan;

financial and operational risks arising as a result of operating internationally;

difficulties in re-leasing or selling aircraft and engines that are currently being leased;

limitations on our ability to access the debt and equity capital markets or to draw down funds under loan agreements;

non-compliance with restrictive and financial covenants contained in certain of our loan agreements;

exposure to product liability and property claims that may be in excess of our liability insurance coverage;

malicious software, attempts to gain unauthorized access to our sensitive information and other cyber security threats;

the outcome of any pending or future material litigation or environmental proceedings;

a need to make significant capital expenditures to keep pace with technological developments in our industry; and

a shortage of the skilled personnel on whom we depend to operate our business, or work stoppages.

For a discussion of these and other risks and uncertainties, refer to "Risk Factors" in our 2013 Annual Report on Form 10-K and our 2013 Quarterly Reports on Form 10-Q. You should read these factors and other cautionary statements made in this prospectus and the documents we incorporate by reference as being applicable to all related forward-looking statements wherever they appear in this prospectus and the documents incorporated by reference. While management believes these forward-looking statements are accurate and reasonable, uncertainties, risks and factors, including those described above, could cause actual results to differ materially from those reflected in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's judgment only as of the date of this prospectus or the date of the document incorporated by reference. Neither we nor our management undertakes an obligation to revise or update these forward-looking statements to reflect events and circumstances that arise after the date of this prospectus.

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PROSPECTUS SUMMARY

The following summary highlights some of the information from this prospectus and does not contain all the information that is important to you. Before deciding to participate in the exchange offer, you should read the entire prospectus, including the section entitled "Risk Factors" and our consolidated financial statements and the related notes and other information incorporated by reference herein. Some statements in this Prospectus Summary are forward-looking statements. See "Forward-Looking Statements."

AAR CORP.

Overview. AAR was founded in 1951, organized in 1955 and reincorporated in Delaware in 1966. We are a diversified provider of products and services to the worldwide aviation and government and defense markets. We offer a diverse range of products and services, including supply chain and performance-based logistics programs; maintenance, repair and overhaul of aircraft, landing gear and other airframe components; design and manufacture of specialized mobility and cargo systems and composite and other high-end precision machined structures; expeditionary airlift services; and aircraft sales and leasing.

Business Segments. We report our activities in two business segments: Aviation Services and Technology Products.

The Aviation Services segment provides aftermarket support and services and includes the sale and lease of a wide variety of new, overhauled and repaired engine and airframe parts and components to the commercial aviation and government and defense markets. We provide customized inventory supply chain management, performance based logistics programs, aircraft component repair management services, and aircraft modifications. The segment also includes repair, maintenance and overhaul of aircraft and landing gear and expeditionary airlift services.

Sales in the Technology Products segment are derived from the engineering, designing and manufacturing of containers, pallets and shelters used to support the U.S. military's requirements for a mobile and agile force and system integration services for specialized command and control systems. The segment also manufactures heavy-duty pallets and lightweight cargo containers and installs in-plane cargo loading and handling systems for the commercial market, and steel and composite machined and fabricated parts, components and sub-systems for various aerospace and defense programs.

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The Exchange Offer

On April 15, 2013, AAR completed the offering of $150.0 million aggregate principal amount of the Restricted Notes. The Restricted Notes were sold to qualified institutional buyers in accordance with Rule 144A under the Securities Act and outside the United States only to non-U.S. persons in accordance with Regulation S under the Securities Act. As part of the offering, we entered into a registration rights agreement with the initial purchasers of the Restricted Notes in which we agreed, among other things, to deliver this prospectus and to complete an exchange offer for the Restricted Notes. The summary below describes the principal terms of the exchange offer. The section of this prospectus entitled "The Exchange Offer" contains a more detailed description of the terms and conditions of the exchange offer.

Securities Offered	$150.0 million aggregate principal amount of 7¼% Senior Notes due 2022 which have been registered under the Securities Act, which we refer to as the "Exchange Notes". The form and terms of the Exchange Notes are identical in all material respects to those of the Restricted Notes. The Exchange Notes, however, will not contain transfer restrictions and registration rights applicable to the Restricted Notes. Both the Restricted Notes and the Exchange Notes constitute additional notes under an indenture pursuant to which we previously issued $175.0 million aggregate principal amount of 7¼% Senior Notes due 2022.
The Exchange Offer	AAR is offering to exchange $1,000 principal amount of the Exchange Notes for each $1,000 principal amount of outstanding Restricted Notes. In order to be exchanged, a Restricted Note must be properly tendered and accepted. All Restricted Notes that are validly tendered and not withdrawn will be exchanged. As of the date of this prospectus, there are $150.0 million in aggregate principal amount of the Restricted Notes outstanding. AAR will issue Exchange Notes promptly after the expiration of the exchange offer.
Resales	We are registering the exchange offer in reliance on the position enunciated by the staff of the SEC in Exxon Capital Holdings Corp., SEC No-Action Letter (April 13, 1988), Morgan Stanley & Co, Inc., SEC No-Action Letter (June 5, 1991), and Shearman & Sterling, SEC No-Action Letter (July 2, 1993). Based on interpretations by the staff of the SEC, as set forth in these no-action letters issued to third parties not related to us, we believe that the Exchange Notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act as long as: you are acquiring the Exchange Notes in the ordinary course of your business;

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	you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate, in a distribution of the Exchange Notes; and
	you are not our affiliate. Rule 405 under the Securities Act defines "affiliate" as a person that, directly or indirectly, controls or is controlled by, or is under common control with, a specified person. In the absence of an exemption, you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the Exchange Notes. If you fail to comply with these requirements, you may incur liabilities under the Securities Act, and we will not indemnify you for such liabilities. Each broker or dealer that receives Exchange Notes for its own account in exchange for Restricted Notes that were acquired as a result of market-making or other trading activities is deemed to acknowledge that it will comply with the registration and prospectus delivery requirements of the Securities Act in connection with any offer to resell, resale, or other transfer of the Exchange Notes issued in the exchange offer.
Record Date	We are mailing this prospectus and the related offer documents to the registered holders of the Restricted Notes on , 2013.
Expiration Date	11:59 p.m., New York City time, on , 2013, unless we extend the expiration date.
Withdrawal Rights	You may withdraw tenders of the Restricted Notes at any time prior to 11:59 p.m., New York City time, on the expiration date. For more information, see the section entitled "The Exchange Offer Terms of the Exchange Offer."
Conditions to the Exchange Offer	The exchange offer is subject to certain customary conditions, which we may waive in our sole discretion. For more information, see the section entitled "The Exchange Offer Conditions to the Exchange Offer." The exchange offer is not conditioned upon the exchange of any minimum principal amount of Restricted Notes.

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Procedures for Tendering Restricted Notes	All of the Restricted Notes are held in book-entry form through The Depository Trust Company ("DTC"). If you are a broker, dealer, commercial bank, trust company or other owner that holds Restricted Notes in book-entry form through DTC for your own account and you wish to accept the exchange offer, you must tender such Restricted Notes through DTC's automated tender offer program. If you are an owner of Restricted Notes that are held in book-entry form by a broker, dealer, commercial bank, trust company or other nominee on your behalf and you wish to accept the exchange offer, you must contact the broker, dealer, commercial bank, trust company or other nominee through which you own your Restricted Notes and instruct such nominee to tender on your behalf through DTC's automated tender offer program. By tendering your Restricted Notes, you will be deemed to represent to us, among other things, (1) that you are, or the person or entity receiving the Exchange Notes is, acquiring the Exchange Notes in the ordinary course of business, (2) that neither you nor any such other person or entity has any arrangement or understanding with any person to participate in the distribution of the Exchange Notes within the meaning of the Securities Act and (3) that neither you nor any such other person or entity is our affiliate within the meaning of Rule 405 under the Securities Act.
No Guaranteed Delivery Procedures	Because all of the Restricted Notes are held in book-entry form, we have not provided guaranteed delivery procedures.
Registration Rights Agreement	Contemporaneously with the initial sale of the Restricted Notes, we entered into a registration rights agreement with the initial purchasers pursuant to which we agreed, among other things, (1) to use our reasonable best efforts to consummate an exchange offer and (2) if required, to have a shelf registration statement declared effective with respect to resales of the Restricted Notes. This exchange offer is intended to satisfy those obligations set forth in the registration rights agreement. After the exchange offer is complete, except in limited circumstances with respect to specific types of holders of Restricted Notes, we will have no further obligation to provide for the registration under the Securities Act of such Restricted Notes. See the section entitled "The Exchange Offer."
Federal Income Tax Considerations	The exchange pursuant to the exchange offer will generally not be a taxable event for U.S. federal income tax purposes. For more details, see the section entitled "The Exchange Offer Tax Consequences of the Exchange Offer".

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Consequences of Failure to Exchange	If you do not exchange the Restricted Notes, they will remain entitled to all the rights and preferences and will continue to be subject to the limitations contained in the indenture governing the Restricted Notes. However, following the exchange offer, except in limited circumstances with respect to specific types of holders of Restricted Notes, we will have no further obligation to provide for the registration under the Securities Act of such Restricted Notes.
Absence of an Established Market for the Notes	We do not intend to apply for listing of the Exchange Notes on any securities exchange or for quotation of such notes. Although we understand that certain of the initial purchasers of the Restricted Notes intend to make a market in the Exchange Notes, they are not obligated to do so and may discontinue market-making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the Exchange Notes will develop or be maintained.
Use of Proceeds	We will not receive any proceeds from the exchange offer. For more details, see the "Use of Proceeds" section.
Exchange Agent	U.S. Bank National Association is serving as the exchange agent in connection with the exchange offer. The address, telephone number and facsimile number of the exchange agent are listed under the heading "The Exchange Offer Exchange Agent."

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The Exchange Notes

The form and terms of the Exchange Notes are the same as the form and terms of the Restricted Notes for which they are being exchanged, except that the Exchange Notes will be registered under the Securities Act. As a result, the Exchange Notes will not bear legends restricting their transfer and will not have provisions providing for the benefit of the registration rights or the obligation to pay additional interest because of our failure to register the Exchange Notes and complete this exchange offer as required. The Exchange Notes represent the same debt as the Restricted Notes for which they are being exchanged. Both the Restricted Notes and the Exchange Notes are governed by the same indenture, which also governs the $175.0 million aggregate principal amount of 7¼% Senior Notes 2022 that were issued in January 2013 in exchange for notes originally issued in January 2012. The summary below describes the principal terms of the Exchange Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of the Notes" section of this prospectus contains a more detailed description of the terms and conditions of the Exchange Notes. We use the term "notes" in this prospectus to collectively refer to the Restricted Notes and the Exchange Notes.

Issuer	AAR CORP.
Securities Offered	$150.0 million aggregate principal amount of 7¼% Senior Notes due 2022.
Maturity Date	January 15, 2022.
Interest	Interest on the Exchange Notes will accrue at a rate of 7.25% per annum, payable in cash semi-annually in arrears, on January 15 and July 15 of each year, commencing January 15, 2014.
Ranking	The Exchange Notes will be unsecured obligations and will rank equally in right of payment with all of our existing and future debt and senior in right of payment to any subordinated debt we may issue in the future. The Exchange Notes will be effectively subordinated to our secured debt, to the extent of the assets securing such debt. At August 31, 2013, our senior secured indebtedness totaled $72.9 million. Our senior unsecured indebtedness totaled $629.3 million at August 31, 2013.
Guarantees	The Exchange Notes will be fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by substantially all of our existing domestic and foreign subsidiaries (collectively, the "Guarantors"). Each guarantee will: rank senior in right of payment to all existing and future subordinated indebtedness of the applicable Guarantor; rank equally in right of payment with all existing and future senior indebtedness of the applicable Guarantor;

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	be effectively subordinated in right of payment to all of the applicable Guarantor's existing and future secured indebtedness to the extent of the collateral securing such indebtedness; and
	be effectively subordinated in right of payment to all indebtedness and other liabilities of any of our non-Guarantor subsidiaries. Any restricted subsidiary that guarantees any of our other debt or the debt of any domestic Guarantor will be required to become a Guarantor. Some of the Guarantors are unrestricted subsidiaries that will not be subject to the restrictive covenants in the indenture. For the twelve months ended August 31, 2013, our unrestricted subsidiaries represented 3.8% of our total assets, excluding intercompany assets, and had $2.2 million of total liabilities, including debt and trade payables but excluding intercompany liabilities. Some of the Guarantors are organized under the laws of countries other than the United States, which limit the amounts those Guarantors are permitted to pay under their guarantees. See "Risk Factors-Enforcement of the Guarantees against non-U.S. Guarantors may be subject to certain limitations under foreign law."
Optional Redemption	On or after January 15, 2017, we may redeem some or all of the Exchange Notes at the redemption prices listed in "Description of the Notes Optional Redemption." At any time prior to January 15, 2017, we may redeem some or all of the Exchange Notes at a redemption price equal to 100% of the principal amount plus a make-whole premium, together with accrued and unpaid interest, if any, to the redemption date. At any time prior to January 15, 2015 we may redeem up to 35% of the aggregate principal amount of the Exchange Notes at a redemption price of 107.250% of their principal amount, plus accrued and unpaid interest, if any, to the redemption date, with the net cash proceeds of certain equity offerings.
Change of Control	If a change of control of our company occurs, we must give holders the opportunity to sell their Exchange Notes to us at 101% of their principal amount plus accrued and unpaid interest. See "Description of the Notes Change of Control."
Certain Covenants	The indenture governing the notes, among other things, limits our ability and the ability of our restricted subsidiaries to:
	incur additional debt or sell preferred stock;
	pay dividends on, or redeem or repurchase, our stock or make other distributions with respect to any equity interests;

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	make certain investments;
	create liens;
	restrict dividend payments or other payments from subsidiaries to us;
	sell assets;
	engage in transactions with our affiliates;
	engage in sale and leaseback transactions; and
	engage in consolidations and mergers. These covenants are subject to a number of important exceptions, limitations and qualifications. See "Description of the Notes Certain Covenants."
Covenant Suspension	Many of the restrictive covenants in the indenture will be suspended during times when the Exchange Notes have investment grade ratings. See "Description of the Notes."
Unrestricted Subsidiaries	Two of our existing subsidiaries, AAR Aircraft & Engine Sales & Leasing, Inc. and AAR International Financial Services, L.L.C., and their respective subsidiaries, will be treated as unrestricted subsidiaries under the indenture and will not be subject to the restrictive covenants in the indenture. For the twelve months ended August 31, 2013, our unrestricted subsidiaries represented 1.6% of our net sales. As of August 31, 2013, our unrestricted subsidiaries represented 3.8% of our total assets, excluding intercompany assets, and had $2.2 million of total liabilities, including debt and trade payables but excluding intercompany liabilities. Although they are not subject to the restrictive covenants in the indenture, our existing unrestricted subsidiaries, together with substantially all our restricted subsidiaries, will guarantee the Exchange Notes.
Use of Proceeds	We will not receive any proceeds from the issuance of the Exchange Notes.
DTC Eligibility	The notes will be issued in fully registered book-entry form and will be represented by one or more permanent global securities without coupons. Global securities will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company in New York, New York. Beneficial interests in global securities will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, and your interest in any global security may not be exchanged for certificated notes, except in limited circumstances described herein. See "Book-Entry; Delivery and Form."

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Additional Notes	The Exchange Notes constitute a further issuance of the $175,000,000 aggregate principal amount of our 7¼% Senior Notes due 2022 issued on January 22, 2013 (in exchange for notes originally issued on January 23, 2012) and will form a single series with those notes. The Exchange Notes will have the same CUSIP number as, and upon completion of the exchange offer will trade interchangeably with, the 7¼% Senior Notes due 2022 issued in January 2013.
Trustee	U.S. Bank National Association
Form and Denomination	The Exchange Notes will be issued in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.
Governing Law	The State of New York

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RISK FACTORS

Investing in the Exchange Notes involves risk. Please see the "Risk Factors" section in AAR's 2013 Annual Report on Form 10-K, which is incorporated by reference in this prospectus. Prospective participants in the exchange offer should carefully consider all of the information contained or incorporated by reference in this prospectus, including the risks and uncertainties described below, in evaluating your participation in the exchange offer. The risks set forth below (with the exception of the "Risk Factors Associated with the Exchange Offer") are generally applicable to the Restricted Notes as well as the Exchange Notes.

Risk Factors Associated with the Exchange Offer

If you fail to follow the exchange offer procedures, your Restricted Notes will not be accepted for exchange.

We will not accept your Restricted Notes for exchange if you do not follow the exchange offer procedures as set forth in the letter of transmittal. We will issue Exchange Notes as part of this exchange offer only after timely receipt of your Restricted Notes, a proper "Agent's Message" and all other required documents. Therefore, if you want to tender your Restricted Notes, please allow sufficient time to allow for completion of the delivery procedures. If we do not receive your Restricted Notes, an Agent's Message and all other required documents by the expiration date of the exchange offer, we will not accept your Restricted Notes for exchange. We are under no duty to give notification of defects or irregularities with respect to the tenders of Restricted Notes for exchange. If there are defects or irregularities with respect to your tender of Restricted Notes, we will not accept your Restricted Notes for exchange unless we decide in our sole discretion to waive such defects or irregularities.

If you fail to exchange your Restricted Notes for Exchange Notes, they will continue to be subject to the existing transfer restrictions and you may not be able to sell them.

We did not register the Restricted Notes under the Securities Act or any applicable state or foreign securities laws, nor do we intend to do so following the exchange offer. Restricted Notes that are not tendered in the exchange offer will therefore continue to be subject to the existing transfer restrictions and may be transferred only in limited circumstances under applicable securities laws. As a result, if you hold Restricted Notes after the exchange offer, you may not be able to sell them. To the extent any Restricted Notes are tendered and accepted in the exchange offer, the trading market, if any, for the Restricted Notes that remain outstanding after the exchange offer may be adversely affected due to a reduction in market liquidity.

Because there is no public market for the Exchange Notes, you may not be able to resell them.

The Exchange Notes will be registered under the Securities Act but will constitute a new issue of securities with no established trading market, and there can be no assurance as to the liquidity of any trading market that may develop, the ability of holders to sell their Exchange Notes or the price at which the holders will be able to sell their Exchange Notes.

We understand that certain of the initial purchasers of the Restricted Notes intend to make a market in the Exchange Notes. However, they are not obligated to do so, and any market-making activity with respect to the Exchange Notes may be discontinued at any time without notice. In addition, any market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act and may be limited during the exchange offer or the pendency of an applicable shelf registration statement. There can be no assurance that an active market will exist for the Exchange Notes or that any trading market that does develop will be liquid.

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If you are a broker-dealer, your ability to transfer the Exchange Notes may be restricted.

A broker-dealer that purchased the Restricted Notes for its own account as part of market-making or trading activities must comply with the prospectus delivery requirements of the Securities Act when it sells the Exchange Notes. Our obligation to make this prospectus available to broker-dealers is limited. Consequently, we cannot guarantee that a proper prospectus will be available to broker-dealers wishing to resell their Exchange Notes.

Risk Factors Related to Our Indebtedness and the Notes

Our indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or in our industry, and prevent us from meeting our debt obligations, including our obligations under the notes.

As of August 31, 2013, our total indebtedness was $702.2 million. Our indebtedness could adversely impact our business, results of operations and financial condition, including:

- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations or make capital expenditures;
- increasing our vulnerability to general economic and industry conditions;
- making it more difficult for us to make payments on and satisfy our debt obligations including payments under the notes;
- restricting us from taking advantage of future business opportunities, including making strategic acquisitions;
- requiring us to sell assets and properties at an inopportune time;
- limiting our ability to obtain additional financing;
- limiting our ability to adjust to changing market conditions; and
- placing us at a competitive disadvantage compared to our competitors that have less indebtedness.

We will need to repay, extend or refinance certain of our debt, including the debt under our revolving credit agreement, prior to the maturity of the notes.

Certain of our debt, including all debt under our revolving credit agreement, is scheduled to mature prior to the stated maturity of the notes. If we are unable to repay, extend, or refinance any such debt, it would have a material adverse effect on our financial condition and would substantially decrease the market value of the notes. In addition, any debt that we incur to refinance such debt could also mature prior to the notes, and could therefore create the same refinancing risk.

If we default on our obligations to pay our other indebtedness or other obligations, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness or other obligations, including a default under our revolving credit agreement that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could make us unable to pay principal of and premium, if any, and interest on the notes, which would substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants,

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in the instruments governing our indebtedness (including our revolving credit agreement), we could be in default under the terms of the agreements governing such indebtedness.

A breach of any of these or other covenants in the instruments governing our indebtedness could result in a default under any of these agreements, and, by reason of cross-acceleration or cross-default provisions, our revolving credit agreement, the notes and any other indebtedness may then become immediately due and payable. Upon such a default, our creditors could declare all amounts outstanding to be immediately due and payable, and the lenders under our revolving credit agreement could terminate all commitments to extend further credit and could require us to deliver cash collateral for all outstanding letters of credit, which could have a material adverse effect on our business, results of operations and financial condition.

If our operating performance declines, we may in the future need to obtain waivers or amendments from the holders of our indebtedness to avoid an event of default. We may be unable to obtain any such waiver or amendment which could result in our default under the agreements governing our indebtedness, and the holders could exercise their rights and we could be forced into bankruptcy or liquidation.

The terms of our existing debt and the indenture governing the notes restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

Certain of our loan agreements and the indenture governing the notes contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including restrictions on our ability to:

incur additional indebtedness;

pay dividends or make other distributions or repurchase or redeem capital stock;

prepay, redeem or repurchase certain debt;

make loans and investments;

sell assets;

incur liens;

enter into transactions with affiliates;

alter the businesses we conduct;

enter into agreements restricting our subsidiaries' ability to pay dividends; and

consolidate, merge or sell all or substantially all of our assets.

In addition, certain of our loan agreements contain financial covenants that require us to comply with specified financial ratios and tests. Our ability to meet these financial ratios and tests can be affected by events beyond our control.

A breach of the covenants under the indenture governing the notes or under our existing loan agreements could result in an event of default under the applicable debt agreement. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of

any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under our revolving credit agreement would permit the lenders under our revolving credit agreement to terminate all commitments to extend further credit under that agreement. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

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As a result of these restrictions, we may be:

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

We and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described in this document.

Our subsidiaries and we may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in the agreements governing our indebtedness, including the indenture relating to the notes. Although the agreements governing our debt instruments contain restrictions regarding our incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and we could incur substantial additional indebtedness in compliance with these restrictions. If we add new indebtedness to our current debt levels, the related risks that we now face, including those described in this document, could increase.

Our subsidiaries may not be able to generate sufficient cash to service all of their and our indebtedness, including the notes.

If our subsidiaries' cash flows and capital resources are insufficient to fund our and their debt service obligations, we and our subsidiaries may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our and their indebtedness, including the notes. These alternative measures may not be successful and may not permit us and our subsidiaries to meet our and their scheduled debt service obligations. Our subsidiaries may not be able to consummate any asset disposition or, if so consummated, the proceeds realized from such asset disposition may not be adequate to meet all or any debt service obligations then due.

If an actual trading market does not develop for the notes, you may not be able to resell them quickly, for the price that you paid or at all.

There is no established trading market for the Restricted Notes. We do not intend to apply for the Restricted Notes to be listed on any securities exchange or to arrange for quotation of the Restricted Notes on any automated dealer quotation system. We understand that certain of the initial purchasers of the Restricted Notes intend to make a market in the Restricted Notes, but they are not obligated to do so. Each initial purchaser may discontinue any market making in the notes at any time, in its sole discretion. As a result, we cannot assure you as to the liquidity of any trading market for the Restricted Notes.

We also cannot assure you that you will be able to sell your Restricted Notes at a particular time or at all, or that the prices that you receive when you sell them will be favorable. If no active trading market develops, you may not be able to resell your Restricted Notes at their fair market value, or at all. The liquidity of, and trading market for, the Restricted Notes may also be adversely affected by, among other things:

- prevailing interest rates;
- the number of noteholders;
- our operating performance and financial condition;
- the interest of securities dealers in making a market; and

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the market for similar securities.

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

A downgrade, suspension or withdrawal of the rating of the notes could cause the liquidity or market value of the notes to decline.

The notes have been rated by nationally recognized statistical ratings organizations. The notes may in the future be rated by additional rating agencies. We cannot assure you that any rating so assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse change to our business, so warrant. Any lowering or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the notes.

We may be unable to repurchase notes in the event of a change of control.

Upon the occurrence of certain kinds of change of control events, you will have the right, as a holder of the notes, to require us to repurchase all outstanding notes at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. Any holders of debt securities that we may issue in the future that rank equally in right of payment with the notes may also have this right. We may not be able to pay you the required price for your notes at that time because we may not have available funds to pay the repurchase price. In addition, the terms of other existing or future debt may prevent us from paying you. Our failure to repurchase tendered notes or to make payments upon the exercise of the holders' option to require repurchase of the notes in the event of certain asset sales would constitute an event of default under the indenture governing the notes, which in turn would constitute a default under our revolving credit agreement. In addition, the occurrence of a change of control would also constitute an event of default under our credit agreement. Furthermore, any future indebtedness we may incur may restrict our ability to repurchase the notes, including following a change of control event. Any default under our revolving credit agreement would result in a default under the indenture governing the notes if the lenders accelerate the debt under our credit facility. See "Description of the Notes Change of Control."

The ability of holders of notes to require us to repurchase notes as a result of a disposition of "substantially all" of our assets or a change in the composition of our board of directors is uncertain.

The definition of change of control in the indenture governing the notes includes a phrase relating to the sale, transfer, conveyance or other disposition of "all or substantially all" of our and our subsidiaries' assets, taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase. Accordingly, the ability of a holder of notes to require us to repurchase such notes as a result of a sale, transfer, conveyance or other disposition of less than all of our and our subsidiaries' assets, taken as a whole, to another person or group is uncertain. The phrase "all or substantially all," as used in the definition of "Change of Control," has not been interpreted under New York law (which is the governing law of the indenture) to represent a specific quantitative test. As a result, it may be unclear as to whether a change of control has occurred and whether a holder of notes may require us to offer to purchase the notes as described above.

In addition, a recent Delaware Chancery Court decision raised questions about the enforceability of provisions similar to those in the indenture governing the notes related to the triggering of a change of control as a result of a change in the composition of a board of directors. In this decision, the court

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found that, for purposes of agreements such as the indenture, incumbent directors are permitted to approve as a director any person, including one nominated by a dissident stockholder and not recommended by the board for election, as long as the approval is granted in good faith and in accordance with the board's fiduciary duties. Accordingly, holders of the notes may not be able to require us to purchase their notes as a result of a change in the composition of the directors on our board. The same court also observed that certain provisions in indentures, such as continuing director provisions, could function to entrench an incumbent board of directors and could raise enforcement concerns if adopted in violation of a board's fiduciary duties. If such a provision were found unenforceable, holders of the notes would not be able to require us to repurchase their notes as a result of a change of control resulting from a change in the composition of our board. See "Description of the Notes Change of Control."

The notes will effectively rank junior to any of our or our subsidiaries' secured indebtedness.

The notes will be our general unsecured obligations. The notes will effectively rank junior to any of our secured indebtedness, including the loans secured by mortgages on our properties. The guarantees similarly will be general unsecured obligations of the subsidiary Guarantors that will effectively rank junior to the subsidiary Guarantors' secured indebtedness. In the event of our or one of our subsidiary's bankruptcy, liquidation, reorganization or other winding up, the assets that secure our or such subsidiary's debt will be available to pay obligations on the notes only after all amounts outstanding under such secured debt has been repaid in full from such assets. As a result, there may not be sufficient assets remaining to pay amounts due on any or all the notes then outstanding. At August 31, 2013, our senior secured indebtedness totaled $72.9 million. Our revolving credit agreement is currently unsecured, but it or any facility or other financing that replaces it could be secured in the future, without the notes being so secured.

The notes will be structurally subordinated to all obligations of our existing and future subsidiaries that are not and do not become Guarantors of the notes. As a result, the notes and the guarantees thereof will be effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of our non-Guarantor subsidiaries. In addition, any guarantee of the notes may be released in certain circumstances, including the sale of the relevant Guarantor, and some of the Guarantors are unrestricted subsidiaries which will not be subject to the restrictive covenants contained in the indenture.

Our subsidiaries that do not guarantee the notes will 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 payment. The notes will be structurally subordinated to all indebtedness and other obligations of any non-Guarantor subsidiary, such that in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any subsidiary that is not a Guarantor, all of that subsidiary's creditors (including trade creditors) would be entitled to payment in full out of that subsidiary's assets before we would be entitled to any payment. For the twelve months ended August 31, 2013, our non-Guarantor subsidiaries, in the aggregate, represented less than 2% of our net sales, income from continuing operations and cash flows from operating activities. As of August 31, 2013, our non-Guarantor subsidiaries, in the aggregate, represented less than 2% of our total assets, excluding intercompany assets, and stockholders equity.

In addition, our subsidiaries that provide, or will provide, guarantees of the notes will be automatically released from those guarantees upon the occurrence of certain events, including the following:

- a sale, exchange, transfer or disposition of capital stock in, such subsidiary Guarantor, or the sale or disposition of substantially all of the assets of such subsidiary Guarantor in a transaction that complies with the indenture governing the notes to a person that is not our affiliate;

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satisfaction and discharge of the indenture governing the notes;

upon a legal defeasance or covenant defeasance of the indenture governing the notes; or

the release, discharge or termination of such subsidiary Guarantor's guarantee of other debt which resulted in the guarantee of the notes, except a release, discharge or termination by or as a result of payment under such guarantee of other debt.

If any guarantee is released, no holder of the notes will have a claim as a creditor against that Guarantor, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that Guarantor will be effectively senior to the claim of any holders of the notes. See "Description of the Notes Guarantees."

Some of the Guarantors are unrestricted subsidiaries that will not be subject to the restrictive covenants in the indenture. As a result, these unrestricted subsidiary Guarantors will not be limited in their ability, among other things, to incur other debt (including debt that may be effectively senior to their guarantees of the notes), make investments or other restricted payments, or sell assets, all of which could adversely affect their ability to make payments under their guarantees of the notes. For the twelve months ended August 31, 2013, our unrestricted subsidiaries represented 1.6% of our net sales. As of August 31, 2013, our unrestricted subsidiaries represented 3.8% of our total assets, excluding intercompany assets, and had $2.2 million of total liabilities, including debt and trade payables but excluding intercompany liabilities.

Federal and state fraudulent transfer laws may permit a court to void the notes and/or the guarantees, 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 and the incurrence of the guarantees 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 or the guarantees thereof could be voided as a fraudulent transfer or conveyance if we or any of the Guarantors, as applicable, (a) issued the notes or incurred the guarantees with the intent of hindering, delaying or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantees and, in the case of (b) only, one of the following is also true at the time thereof:

we or any of the Guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantees;

the issuance of the notes or the incurrence of the guarantees left us or any of the Guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on the business;

we or any of the Guarantors intended to, or believed that we or such Guarantor would, incur debts beyond our or the Guarantor's ability to pay as they mature; or

we or any of the Guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against us or the Guarantor if, in either case, the judgment is unsatisfied after final judgment.

If a court were to find that the issuance of the notes or a guarantee was a fraudulent conveyance, the court could void the payment obligations under the notes or such guarantee or further subordinate the notes or such guarantee to presently existing and future indebtedness of ours or such Guarantor, or require the holders of the notes to repay any amounts received with respect to the notes or such guarantee. In a recent Florida bankruptcy case, subsidiary guarantees containing this kind of provision were found to be fraudulent conveyances and thus unenforceable and the court stated that this kind of limitation is ineffective. We do not know if that case will be followed if there is litigation on this point under the indenture governing the notes. However, if it is followed, the risk that the guarantees will be

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found to be fraudulent conveyances will be significantly increased. If a fraudulent conveyance is found to have occurred, you may not receive any repayment on the notes. Further, the voidance of the notes could result in an event of default with respect to our and our subsidiaries' other debt that could result in acceleration of that debt.

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 a valid antecedent debt is secured or satisfied. A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee to the extent the Guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the notes.

We cannot be certain as to the standards a court would use to determine whether or not we or the Guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the notes or the guarantees would be subordinated to our or any of our Guarantors' other debt. In general, however, a court would deem an entity insolvent if:

the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they became due.

If a court were to find that the issuance of the notes or the incurrence of a guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or that guarantee, could subordinate the notes or that guarantee to presently existing and future indebtedness of ours or of the related Guarantor or could require the holders of the notes to repay any amounts received with respect to that guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the avoidance of the notes could result in an event of default with respect to our and our subsidiaries' other debt that could result in acceleration of that debt.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the notes to other claims against us under the principle of equitable subordination if the court determines that (1) the holder of notes engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of notes and (3) equitable subordination is not inconsistent with the provisions of the bankruptcy code.

Enforcement of the guarantees against non-U.S. Guarantors may be subject to certain limitations under foreign law.

Several Guarantors are organized under the laws of countries other than the United States, including Germany, Norway, Sweden and England and Wales. These laws may limit the amount those Guarantors are permitted to pay under their guarantees. Some of these limitations are similar to limitations under U.S. federal and state law, but some are different. For example, German law permits the German Guarantor to make payments under its guarantee unless they would render the German Guarantor insolvent or reduce its share capital below the then registered level, whereas Norwegian and Swedish law limit the amount the Guarantors organized in those jurisdictions may pay under their guarantees to the amount that could be distributed as a dividend or to the extent the Guarantor has received a corporate benefit. For the twelve months ended August 31, 2013, the non-U.S. Guarantors represented 11.8% of our net sales, and as of August 31, 2013, those Guarantors represented 17.2% of our total assets, excluding intercompany assets, and had $95.3 million of total liabilities, including debt and trade payables but excluding intercompany liabilities.

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In addition, although the non-U.S. Guarantors are subject to jurisdiction in the United States, it may be difficult or impossible for investors to effect service of process on them within the United States, or to realize in the United States on any judgment against them. Therefore, collection of any judgment in respect of the guarantees of a non-U.S. Guarantor may have to be enforced in the courts of its home country.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on our indebtedness, including the notes, and to refinance our indebtedness and fund acquisitions and planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our revolving credit agreement in an amount sufficient to enable us to pay our indebtedness, including the notes, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness, including the notes, on or before maturity, sell assets, reduce or delay capital expenditures or seek additional equity financing. We may not be able to refinance any of our indebtedness, on commercially reasonable terms or at all.

Because your right to require repurchase of the notes is limited, the market price of the notes may decline if we enter into a transaction that is not a change of control under the indenture.

The term "change of control" is limited and may not include every event that might cause the market price of the notes to decline or result in a downgrade of the credit rating of the notes. Our obligation to repurchase the notes upon a change of control may not preserve the value of the notes in the event of a highly leveraged transaction, reorganization, merger or similar transaction. See "Description of the Notes Change of Control."

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USE OF PROCEEDS

The exchange offer is intended to satisfy our obligations under the registration rights agreement that we entered into with the initial purchasers in connection with the private offering of the Restricted Notes. We will not receive any cash proceeds from the issuance of the Exchange Notes. The Restricted Notes that are surrendered in exchange for the Exchange Notes will be retired and cancelled and cannot be reissued. As a result, the issuance of the Exchange Notes will not result in any increase or decrease in our indebtedness.

The net cash proceeds from the private offering of the Restricted Notes, after deducting initial purchaser discounts and fees and expenses, were approximately $157.5 million. We used the net proceeds from the private offering of the Restricted Notes to reduce the revolving commitment under our unsecured revolving credit agreement. Borrowings under our revolving credit agreement had an interest rate of 1.95% as of April 15, 2013 and matured on April 12, 2016, when the proceeds of the private offering of the Restricted Notes were used to repay borrowings. Our revolving credit agreement has subsequently been amended, and borrowings currently mature on April 24, 2018.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the periods indicated.

For the Quarter Ended	For the Fiscal Year Ended May 31,				
August 31, 2013	2013	2012	2011	2010	2009
3.0	2.5	2.9	3.6	2.9	3.2

For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of income from continuing operations before provision (benefit) for income taxes, adjusted for fixed charges. Fixed charges consist of interest, whether expensed or capitalized, amortization of debt expenses and one-third of rent expense under operating leases (estimated by management to be the interest factor of such rent expense).

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization (including short-term debt) as of August 31, 2013. The offering of the Restricted Notes closed on April 15, 2013, so the table below reflects the sale of the Restricted Notes and our use of the net proceeds of such sale. We will not receive any proceeds in connection with the issuance of the Exchange Notes in the exchange offer. You should read this table in conjunction with "Selected Financial Data" and "Description of Certain Indebtedness" appearing elsewhere in this prospectus and our Management's Discussion and Analysis of Financial Condition and Results of Operations, consolidated financial statements and related notes incorporated by reference in this prospectus. See "Where You Can Find More Information."

(in millions, except share data)	**As of August 31, 2013**
Cash and cash equivalents	$ 90.9
Debt:	
Revolving credit facility expiring April 24, 2018 with interest payable monthly	$ 120.0
Secured credit facility (secured by aircraft and related engines and components) due April 23, 2015 with floating interest rate, payable monthly	36.9
Note payable due March 15, 2014 with floating interest rate, payable monthly	0.8
Note payable due March 9, 2017 with floating interest rate, payable semi-annually on June 1 and December 1	35.0
7 1/4% Senior Notes due 2022	333.2
Mortgage loan (secured by Wood Dale, Illinois facility) due August 1, 2015 with interest at 5.01%	11.0
1.625% Convertible Senior Notes due 2014(1)	66.7
2.25% Convertible Senior Notes due 2016(1)	44.1
1.75% Convertible Senior Note due 2015(1)	29.5
Industrial revenue bond (secured by trust indenture on property, plant and equipment) due August 1, 2018 with floating interest rate, payable monthly	25.0
Total debt	702.2
Stockholders' equity:	
Preferred stock, $1.00 par value, authorized 250,000 shares; none issued	
Common stock, $1.00 par value, authorized 100,000,000 shares; issued and outstanding 44,689,937	44.7
Capital surplus	429.3
Retained earnings	599.8
Treasury stock, 5,107,851 shares at cost	(96.9)
Accumulated other comprehensive income (loss)	(38.6)
Total AAR stockholders' equity	938.3
Noncontrolling interest	1.1
Total equity	939.4
Total capitalization	$ 1,641.6

Notes:

(1) Net of unamortized discount. See Note 6 of Notes to Consolidated Financial Statements for the fiscal quarter ended and as of August 31, 2013, which are incorporated by reference herein.

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SELECTED FINANCIAL DATA

The following table sets forth summary historical consolidated financial data for each of the periods indicated and should be read in conjunction with our consolidated financial statements, condensed consolidated financial statements and related notes thereto incorporated by reference in this prospectus. Interim financial information is not necessarily indicative of the results that may be expected for the current fiscal year or any future period.

	Three Months Ended August 31,		For the Year Ended May 31,				
(in millions, except per share amounts)	**2013**	**2012**	**2013**	**2012**	**2011**	**2010**	**2009**
RESULTS OF OPERATIONS							
Sales from continuing operations(1)	$ 514.5	$ 550.5	$ 2,137.3	$ 2,065.0	$ 1,805.1	$ 1,352.2	$ 1,424.0
Gross profit(2)	84.7	90.3	314.2	318.6	307.1	243.5	241.6
Operating income(2)	38.2	38.4	122.6	130.7	133.6	90.3	102.9
(Loss) gain on extinguishment of debt(3)			(0.3)	(0.7)	0.1	0.9	14.7
Interest expense	11.0	10.6	41.6	37.7	30.7	26.8	31.4
Income from continuing operations(1)	18.0	18.3	55.5	68.0	69.8	43.2	58.7
Loss from discontinued operations(1)							(1.9)
Net income attributable to AAR	17.9	18.2	55.0	67.7	69.8	44.6	56.8
Share data:							
Earnings (loss) per share basic:							
Earnings from continuing operations	$ 0.45	$ 0.46	$ 1.38	$ 1.68	$ 1.76	$ 1.17	$ 1.54
Loss from discontinued operations							(0.05)
Earnings per share basic	$ 0.45	$ 0.46	$ 1.38	$ 1.68	$ 1.76	$ 1.17	$ 1.49
Earnings (loss) per share diluted:							
Earnings from continuing operations	$ 0.45	$ 0.45	$ 1.38	$ 1.65	$ 1.73	$ 1.16	$ 1.50
Loss from discontinued operations							(0.05)
Earnings per share diluted	$ 0.45	$ 0.45	$ 1.38	$ 1.65	$ 1.73	$ 1.16	$ 1.45
Weighted average common shares outstanding basic	38.6	38.5	38.3	38.8	38.4	38.2	38.1
Weighted average common shares outstanding diluted	39.0	41.7	40.6	43.1	43.6	43.1	42.8
FINANCIAL POSITION							
Total cash and cash equivalents	$ 90.9	$ 67.7	$ 75.3	$ 67.7	$ 57.4	$ 79.4	$ 112.5
Working capital	687.6	617.0	644.7	590.1	498.0	521.6	596.9
Total assets	2,192.2	2,170.3	2,136.9	2,195.7	1,703.7	1,500.2	1,375.9
Short-term recourse debt(4)	86.8	108.2	86.4	122.8	111.3	98.3	50.2
Short-term non-recourse debt					0.8	0.8	11.7
Long-term recourse debt(4)	615.4	679.4	622.2	669.4	314.0	317.6	302.8
Long-term non-recourse debt					11.0	11.9	16.7
Total recourse debt	702.2	787.6	708.6	792.2	425.3	415.9	353.0
Equity	939.4	882.1	919.5	866.0	835.3	746.4	696.7
Number of shares outstanding at end of year	39.6	39.9	39.4	40.3	39.8	39.5	38.9
Book value per share of common stock	$ 23.72	$ 22.11	$ 23.34	$ 21.50	$ 21.00	$ 18.90	$ 17.92

Notes:

(1)

In November 2008 we sold our industrial turbine unit located in Frankfort, New York. The operating results and the loss on disposal are classified as discontinued operations.

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(2)

In fiscal 2013, we recorded a $29.8 million charge due to lower revenue and profit expectations on a contract supporting the KC10 aircraft as a result of lower than expected flight hours of the KC10 aircraft and changes to our anticipated recovery of costs in excess of amounts billed within this contract.

(3)

During fiscal 2009, we retired $110.5 million par value of our convertible notes for $72.9 million cash. The gain after consideration of unamortized debt issuance costs was $14.7 million.

(4)

In April 2013, we sold $150.0 million principal amount of 7.25% Senior Notes due January 15, 2022. During fiscal 2013, we reduced the outstanding balance of our unsecured revolving credit facility to $120.0 million and repurchased $77.2 million 1.75% convertible notes due February 1, 2026, which was classified short-term at May 31, 2012. In fiscal 2012, we sold $175.0 million principal amount of 7.25% Senior Notes due January 15, 2022. See Note 2 of Notes to Consolidated Financial Statements for the year ended and as of May 31, 2013, which are incorporated by reference herein.

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THE EXCHANGE OFFER

Purpose and Effect of the Exchange Offer

On April 15, 2013, AAR CORP. sold $150.0 million in aggregate principal amount of the outstanding Restricted Notes in a private placement. The Restricted Notes were offered as additional notes under an indenture pursuant to which we previously issued $175.0 million aggregate principal amount of 7 1/4% Senior Notes due 2022. The Restricted Notes were sold to the initial purchasers who in turn resold the notes to a limited number of "Qualified Institutional Buyers," as defined under the Securities Act, and to certain non-U.S. persons in offshore transactions.

The exchange offer is designed to provide holders of Restricted Notes with an opportunity to acquire Exchange Notes which, unlike the Restricted Notes, will not be restricted securities and will be freely transferable at all times, subject to any restrictions on transfer imposed by state "blue sky" laws and provided that the holder is not our affiliate within the meaning of the Securities Act and represents that the Exchange Notes are being acquired in the ordinary course of the holder's business and the holder is not engaged in, and does not intend to engage in, a distribution of the Exchange Notes.

The outstanding Restricted Notes in the aggregate principal amount of $150.0 million were originally issued and sold on April 15, 2013, the issue date, to Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC and RBS Securities Inc. on behalf of themselves and as representatives of the several initial purchasers, pursuant to the purchase agreement dated as of April 10, 2013. The Restricted Notes were issued and sold in a transaction not registered under the Securities Act in reliance upon the exemption provided by Section 4(2) of the Securities Act. The concurrent resale of the Restricted Notes by the initial purchasers to investors was accomplished in reliance upon the exemption provided by Rule 144A and Regulation S under the Securities Act. The Restricted Notes are restricted securities and may not be reoffered, resold or transferred other than pursuant to a registration statement filed pursuant to the Securities Act or unless an exemption from the registration requirements of the Securities Act is available. Pursuant to Rule 144 under the Securities Act, the Restricted Notes may generally be resold (a) commencing six months after the issue date, in an amount up to, for any three-month period, the greater of 1% of the Restricted Notes then outstanding or the average weekly trading volume of the Restricted Notes during the four calendar weeks preceding the filing of the required notice of sale with the SEC so long as AAR CORP. remains current in its periodic filing obligations and (b) commencing one year after the issue date, in any amount and otherwise without restriction by a holder who is not, and has not been for the preceding three months, our affiliate. Certain other exemptions may also be available under other provisions of the federal securities laws for the resale of the Restricted Notes.

In connection with the sale of the Restricted Notes, we and the initial purchasers entered into a registration rights agreement, dated April 15, 2013 (the "registration rights agreement"). A copy of the registration rights agreement has been filed as an exhibit to the registration statement of which this prospectus is a part. Under the registration rights agreement, we agreed, at our own expense, within 365 calendar days after the closing of the offering of the Restricted Notes, to cause to become effective a registration statement regarding the exchange of the Restricted Notes for new Exchange Notes which are registered under the Securities Act. Once the exchange offer registration statement of which this prospectus forms a part has been declared effective, we will offer the Exchange Notes in exchange for surrender of the Restricted Notes. We will keep the exchange offer open for at least 20 business days (or longer if required by applicable law) after the date that notice of the exchange offer is mailed to holders of the Restricted Notes. For each Restricted Note surrendered to us pursuant to the exchange offer, the holder who surrendered such note will receive an Exchange Note having a principal amount equal to that of the surrendered note. Interest on each Exchange Note will accrue from the last interest payment date on which interest was paid on the Restricted Note surrendered in exchange therefor or, if

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no interest has been paid on such note, from the original issue date of such Restricted Note. You are a holder with respect to the exchange offer if you are a person in whose name any Restricted Notes are registered on our books or any person who has obtained a properly completed assignment of Restricted Notes from the registered holder.

In addition, in connection with any resales of Exchange Notes, any broker dealer (a "Participating Broker Dealer") which acquired the notes for its own account as a result of market making or other trading activities must deliver a prospectus meeting the requirements of the Securities Act. The SEC has taken the position that Participating Broker Dealers may fulfill their prospectus delivery requirements with respect to the Exchange Notes (other than a resale of an unsold allotment from the offering of the Restricted Notes) with the prospectus contained in the exchange offer registration statement. We have agreed to make available for a period ending on the earlier of (i) 180 days after consummation of the exchange offer and (ii) the date on which a broker-dealer has disposed of all its registrable securities, a prospectus meeting the requirements of the Securities Act to any Participating Broker Dealer and any other persons with similar prospectus delivery requirements, for use in connection with any resale of Exchange Notes. A Participating Broker Dealer or any other person that delivers such a prospectus to purchasers in connection with such resales will be subject to certain of the civil liability provisions under the Securities Act and will be bound by the provisions of the registration rights agreement (including certain indemnification rights and obligations thereunder).

Each holder of Restricted Notes who wishes to exchange them for Exchange Notes in the exchange offer will be required to make certain representations to us, including representations that:

any Exchange Notes to be received by it will be acquired in the ordinary course of its business;

it has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Notes;

it is not an "affiliate" (as defined in Rule 405 under the Securities Act) of AAR or, if it is such an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act, to the extent applicable; and

it is not acting on behalf of any person who could not truthfully make the foregoing representations.

In addition, the registration rights agreement provides that in the event that (i) any changes in law or the applicable interpretations of the staff of the SEC do not permit us to effect the exchange offer; (ii) for any other reason the exchange offer is not consummated within 365 calendar days after the closing of the offering of the Restricted Notes; (iii) under certain circumstances, if the initial purchasers shall so request; or (iv) any beneficial owner of the Restricted Notes is not eligible to participate in the exchange offer; we will, at our expense, (a) file with the SEC a shelf registration statement covering resales of the Restricted Notes, (b) use our reasonable best efforts to cause the shelf registration statement to be declared effective under the Securities Act as promptly as practicable and (c) use our reasonable best efforts to keep the shelf registration statement effective until the earlier of the second anniversary of the closing of the offering of the Restricted Notes and the date all Restricted Notes covered by the shelf registration statement have been sold in the manner set forth and as contemplated in the shelf registration statement. We will, in the event of the filing of the shelf registration statement, provide to each holder of the Restricted Notes copies of the prospectus which is a part of the shelf registration statement, notify each such holder when the shelf registration statement has become effective and take certain other actions as are required to permit unrestricted resales of the Restricted Notes. A holder of Restricted Notes that sells its Restricted Notes pursuant to the shelf registration statement generally (i) will be required to be named as a selling securityholder in the related prospectus and to deliver a prospectus to purchasers, (ii) will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and (iii) will be bound by the

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provisions of the registration rights agreement that are applicable to such a holder (including certain indemnification rights and obligations thereunder). In addition, each holder of Restricted Notes will be required to deliver information to be used in connection with the shelf registration statement and to provide comments on the shelf registration statement within the time periods set forth in the registration rights agreement to have its Restricted Notes included in the shelf registration statement and to benefit from the provisions regarding additional interest described in the following paragraph.

In the event that (i) the exchange offer is not consummated on or before 365 days after the closing of the offering of the Restricted Notes, (ii) a shelf registration statement is required to be filed pursuant to the registration rights agreement but has not been declared effective within 365 days after the closing of the offering of the Restricted Notes or (iii) the exchange offer registration statement or the shelf registration statement is declared effective but shall thereafter become unusable for a period in excess of 30 consecutive days, the interest rate borne by the notes will be increased by 0.25% per annum, beginning the day after the date specified in clause (i), (ii) or (iii) above, as applicable. Thereafter, the interest rate borne by the notes will be increased by an additional 0.25% per annum for each 90 day period that elapses before additional interest ceases to accrue in accordance with the following sentence; provided that the aggregate increase in such annual interest rate may in no event exceed 1.00%. Upon (x) the consummation of the exchange offer or the effectiveness of a shelf registration statement, as the case may be (in the case of clause (i) or (ii) above), or (y) the exchange offer registration statement or the shelf registration statement, together with any amendment or supplement thereto, becoming usable (in the case of clause (iii) above), the interest rate borne by the notes will be reduced to the original interest rate if we are otherwise in compliance with the terms of the registration rights agreement described in this paragraph; provided, however, that if, after any such reduction in interest rate, a different event specified in clause (i), (ii) or (iii) above occurs, the interest rate may again be increased pursuant to the foregoing provisions.

This summary of certain provisions of the registration rights agreement does not purport to be complete and is subject to, and is qualified in its entirety by, the complete provisions of the registration rights agreement, a copy of which has been filed as an exhibit to the registration statement of which this prospectus is a part.

Resale of the Exchange Notes

We have not requested, and do not intend to request, an interpretation by the staff of the SEC as to whether the Exchange Notes issued pursuant to the exchange offer in exchange for the Restricted Notes may be offered for sale, resold or otherwise transferred by any holder without compliance with the registration and prospectus delivery provisions of the Securities Act. Instead, under existing interpretations of the Securities Act by the staff of the SEC contained in the Exxon Capital Holdings Corp., SEC No-Action Letter (April 13, 1988), Morgan Stanley & Co, Inc., SEC No-Action Letter (June 5, 1991), and Shearman & Sterling, SEC No-Action Letter (July 2, 1993) issued to third parties not related to us and subject to the immediately following sentence, we believe that you may exchange Restricted Notes for Exchange Notes in the ordinary course of business and that the Exchange Notes would generally be freely transferable by holders thereof after the exchange offer without further registration under the Securities Act and without delivering to purchasers of the Exchange Notes a prospectus that satisfies the requirements of Section 10 of the Securities Act (subject to certain representations required to be made by each holder of the Restricted Notes, as set forth above). However, any purchaser of the Restricted Notes who is an "affiliate" of us and any purchaser of the Restricted Notes who intends to participate in the exchange offer for the purpose of distributing the Exchange Notes (i) will not be able to rely on the interpretations of the staff of the SEC, (ii) will not be able to tender its Restricted Notes in the exchange offer and (iii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the notes unless such sale or transfer is made pursuant to an exemption from such requirements.

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In addition, if:

- you are a broker-dealer tendering Restricted Notes purchased directly from us for your own account; or
- you acquire Exchange Notes in the exchange offer for the purpose of distributing or participating in the distribution of the Exchange Notes,

you cannot rely on the position of the staff of the SEC contained in such no-action letters and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction, unless an exemption from registration is otherwise available.

Each broker-dealer that receives Exchange Notes for its own account in exchange for Restricted Notes, which the broker-dealer acquired as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the Exchange Notes. The letter of transmittal states that by so acknowledging and delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. A broker-dealer may use this prospectus, as it may be amended or supplemented from time to time, in connection with resales of Exchange Notes received in exchange for Restricted Notes which the broker-dealer acquired as a result of market-making or other trading activities. See "Plan of Distribution" for a discussion of the exchange and resale obligations of broker-dealers in connection with the exchange offer.

Terms of the Exchange Offer

This prospectus and the accompanying letter of transmittal together constitute the exchange offer. Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept for exchange Restricted Notes which are properly tendered on or before the expiration date and are not withdrawn as permitted below. The expiration date for this exchange offer is 11:59 p.m., New York City time, on , 2013, or such later date and time to which we, in our sole discretion, extend the exchange offer (the "Expiration Date").

As of the date of this prospectus, $150.0 million in aggregate principal amount at maturity of the Restricted Notes are outstanding. This prospectus, together with the letter of transmittal, is being sent to all registered holders of the Restricted Notes as of the date of this prospectus. There will be no fixed record date for determining registered holders of the Restricted Notes entitled to participate in the exchange offer; however, holders of the Restricted Notes must cause their Restricted Notes to be tendered by book-entry transfer before the Expiration Date of the exchange offer to participate.

The form and terms of the Exchange Notes being issued in the exchange offer are the same as the form and terms of the Restricted Notes, except that:

- the Exchange Notes being issued in the exchange offer will have been registered under the Securities Act;
- the Exchange Notes being issued in the exchange offer will not bear the restrictive legends restricting their transfer under the Securities Act; and
- the Exchange Notes being issued in the exchange offer will not contain provisions providing for registration rights or the obligation to pay additional interest because of our failure to register the Exchange Notes and complete this exchange offer as required.

Outstanding Restricted Notes being tendered in the exchange offer must be in a minimum principal amount of $2,000 and integral multiples of $1,000 in excess thereof.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement and applicable federal securities laws. Restricted Notes that are not tendered for

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exchange under the exchange offer will remain outstanding and will be entitled to the rights under the indenture governing the notes. Except in limited circumstances, any Restricted Notes not tendered for exchange will not retain any rights under the registration rights agreement and will remain subject to transfer restrictions. See " Consequences of Failure to Exchange."

We will be deemed to have accepted validly tendered Restricted Notes when, as and if we give oral or written notice of their acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders for the purposes of receiving the Exchange Notes from us. If any tendered Restricted Notes are not accepted for exchange because of an invalid tender, the occurrence of other events set forth in this prospectus, or otherwise, those unaccepted Restricted Notes will be credited to an account maintained with DTC, without expense to the tendering holder of those Restricted Notes promptly after the termination or withdrawal or the exchange offer. See " Procedures for Tendering."

Subject to the instructions in the letter of transmittal, those who tender Restricted Notes in the exchange offer will not be required to pay brokerage commissions or fees or transfer taxes with respect to the exchange under the exchange offer. Except as set forth in instructions in the letter of transmittal, we will pay all charges and expenses, other than transfer taxes described below, in connection with the exchange offer. See " Fees and Expenses."

Expiration Date; Extensions, Amendments

The Expiration Date is 11:59 p.m., New York City time on , 2013, unless we, in our sole discretion, extend the Expiration Date. To extend the Expiration Date, we will notify the exchange agent of any extension by oral or written notice and we will notify the holders of Restricted Notes, or cause them to be notified, by making a public announcement of the extension, prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

We reserve the right, in our sole discretion, (1) to refuse to accept any Restricted Notes, to extend the Expiration Date or to terminate this exchange offer and not accept any Restricted Notes for exchange if any of the conditions set forth herein under " Conditions to the Exchange Offer" shall not have been satisfied or waived by us prior to the Expiration Date, by giving oral or written notice of such delay, extension or termination to the exchange agent; or (2) to amend the terms of this exchange offer in any manner deemed by us to be advantageous to the holders of the Restricted Notes. Any such refusal to accept, extension, termination or amendment will be followed as promptly as practicable by oral or written notice thereof to the exchange agent. If this exchange offer is amended in a manner determined by us to constitute a material change, or if we waive a material condition, we will promptly disclose the amendment or waiver in a manner reasonably calculated to inform the holders of Restricted Notes of the amendment or waiver, and extend the offer if required by law.

Without limiting the manner in which we may choose to make a public announcement of any delay, extension, amendment or termination of the exchange offer, we will have no obligation to publish, advertise or otherwise communicate that public announcement, other than by making a timely release to an appropriate news agency.

Conditions to the Exchange Offer

Without regard to other terms of the exchange offer, we are not required to accept for exchange, or to issue Exchange Notes in the exchange offer for, any Restricted Notes, and we may terminate or amend the exchange offer, at any time before the acceptance of Restricted Notes for exchange, if:

- any federal law, statute, rule or regulation is proposed, adopted or enacted which, in our judgment, might reasonably be expected to impair our ability to proceed with the exchange offer;

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any action or proceeding is instituted or threatened in any court or by or before any governmental agency with respect to the exchange offer that, in our judgment, might impair our ability to proceed with the exchange offer;

any stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939;

any governmental approval or approval by holders of the Restricted Notes has not been obtained if we, in our reasonable judgment, deem this approval necessary for the consummation of the exchange offer; or

there occurs a change in the current interpretation by the staff of the SEC which permits the Exchange Notes to be issued in the exchange offer to be offered for resale, resold and otherwise transferred by the holders of the Exchange Notes, other than broker-dealers and any holder which is an "affiliate" of ours within the meaning of Rule 405 under the Securities Act, without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the Exchange Notes acquired in the exchange offer are acquired in the ordinary course of that holder's business and that holder has no arrangement or understanding with any person to participate in the distribution of the Exchange Notes to be issued in the exchange offer.

The preceding conditions are for our sole benefit and we may assert them regardless of the circumstances giving rise to any such condition. The failure by us at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right, and each such right shall be deemed an ongoing right which may be asserted any time and from time to time by us. If we determine that any of these conditions is not satisfied, we may:

refuse to accept any Restricted Notes and return all tendered Restricted Notes to the tendering holders by crediting those Restricted Notes to an account maintained with DTC;

extend the Expiration Date and retain all Restricted Notes tendered before the Expiration Date of the exchange offer, subject, however, to the rights of the holders who have tendered the Restricted Notes to withdraw their Restricted Notes; or

waive unsatisfied conditions with respect to the exchange offer and accept all properly tendered Restricted Notes that have not been withdrawn. If the waiver constitutes a material change to the exchange offer, we will promptly disclose the waiver by means of a prospectus supplement that will be distributed to the registered holders of the Restricted Notes, and we will extend the exchange offer for a period of up to ten business days, depending on the significance of the waiver and the manner of disclosure of the registered holders of the Restricted Notes, if the exchange offer would otherwise expire during this period.

Procedures for Tendering

All of the Restricted Notes are held in book-entry form. Any broker, dealer, commercial bank, trust company or other owner who holds Restricted Notes for their own account in book-entry form and who wishes to tender the Restricted Notes in the exchange offer should tender the Restricted Notes by book-entry transfer. Any beneficial owner whose Restricted Notes are held in book-entry form through a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender Restricted Notes in the exchange offer should contact such broker, bank, dealer or other nominee and instruct such nominee to tender the Restricted Notes on such beneficial owner's behalf by book-entry transfer. In some cases, the bank, broker, dealer or other nominee may request submission of such instructions on a Beneficial Owner's Instruction Form. Please check with your nominee to determine the procedures for such firm.

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To effectively tender Restricted Notes by book-entry transfer to the account maintained by the exchange agent at DTC, a DTC participant must electronically transmit acceptance of the exchange offer through DTC's Automated Tender Offer Program ("ATOP"). DTC will then edit and verify the acceptance and send an agent's message (an "Agent's Message") to the exchange agent for its acceptance. An Agent's Message is a message transmitted by DTC to, and received by, the exchange agent and forming a part of the Book-Entry Confirmation (as defined below), which states that DTC has received an express acknowledgment from the DTC participant tendering Restricted Notes on behalf of the holder of such Restricted Notes that such DTC participant has received and agrees to be bound by the terms and conditions of the exchange offer as set forth in this prospectus and the related letter of transmittal and that we may enforce such agreement against such participant. A timely confirmation of a book-entry transfer of the Restricted Notes into the exchange agent's account at DTC (a "Book-Entry Confirmation"), pursuant to the book-entry transfer procedures described below, as well as an Agent's Message pursuant to DTC's ATOP system, and any other documents required by the letter of transmittal, must be received by the exchange agent on or prior to 11:59 p.m., New York City time, on the Expiration Date.

Any acceptance of an Agent's Message through DTC's ATOP system is at the election and risk of the person transmitting an Agent's Message, and delivery will be deemed made only when actually received or confirmed by the exchange agent. **Holders tendering Restricted Notes through DTC's ATOP system must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC.**

No Restricted Notes, Agent's Messages or other required documents should be sent to us. Delivery of all Restricted Notes, Agent's Messages and other documents must be made to the exchange agent.

The tender by a holder of Restricted Notes will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth herein and in the letter of transmittal. Holders of Original Holders of Restricted Notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee who wish to tender must contact such registered holder promptly and instruct such registered holder how to act on such non-registered holder's behalf.

All questions as to the validity, form, eligibility, time of receipt and withdrawal of the tendered Restricted Notes will be determined by us in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject any and all Restricted Notes not validly tendered or any Restricted Notes which, if accepted, would, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any irregularities or conditions of tender as to particular Restricted Notes. Our interpretation of the terms and conditions of this exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Restricted Notes must be cured within such time as we shall determine. None of us, the exchange agent, or any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of Restricted Notes, nor shall any of them incur any liability for failure to give such notification. Tenders of Restricted Notes will not be deemed to have been made until such irregularities have been cured or waived. Any Restricted Notes received by the exchange agent that are not validly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost to such holder by the exchange agent, unless otherwise provided in the letter of transmittal, promptly after the termination or withdrawal of the exchange offer.

We reserve the right, in our sole discretion, to purchase or make offers for any Restricted Notes after the Expiration Date, from time to time, through open market or privately negotiated transactions, one or more additional exchange or tender offers, or otherwise, as permitted by law, the indenture and our other debt agreements. Following consummation of this exchange offer, the terms of any such purchases or offers could differ materially from the terms of this exchange offer.

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By tendering, each holder will be required to make certain representations to us, as more fully described above under " Purpose and Effect of the Exchange Offer." In addition, see above the discussion set forth under the section entitled " Resale of the Exchange Notes" for restrictions and limitations applicable to any holder or any such other person who is an "affiliate" (as defined under Rule 405 of the Securities Act) of us or is engaged in or intends to engage in or has an arrangement or understanding with any person to participate in a distribution of Exchange Notes to be acquired in the exchange offer.

Acceptance of Restricted Notes for Exchange; Delivery of Exchange Notes Issued in the Exchange Offer

Upon satisfaction or waiver of all of the conditions to the exchange offer, we will accept, promptly after the Expiration Date, all Restricted Notes properly tendered and will issue Exchange Notes registered under the Securities Act. For purposes of the exchange offer, we will be deemed to have accepted properly tendered Restricted Notes for exchange when, as and if we have given oral or written notice to the exchange agent, with written confirmation of any oral notice to be given promptly thereafter. See " Conditions to the Exchange Offer" for a discussion of the conditions that must be satisfied before we accept any Restricted Notes for exchange.

For each Restricted Note accepted for exchange, the holder will receive an Exchange Note registered under the Securities Act having a principal amount equal to that of the surrendered Restricted Note. Accordingly, registered holders of Exchange Notes issued in the exchange offer on the relevant record date for the first interest payment date following the completion of the exchange offer will receive interest accruing from the most recent date to which interest has been paid or, if no interest has been paid on the Restricted Notes, from January 15, 2013. Restricted Notes that we accept for exchange will cease to accrue interest from and after the date of completion of the exchange offer. Under the registration rights agreement, we may be required to make additional payments in the form of additional interest to the holders of the Restricted Notes under circumstances relating to the timing of the exchange offer.

In all cases, we will issue Exchange Notes in the exchange offer for Restricted Notes that are accepted for exchange only after the exchange agent timely receives:

a timely book-entry confirmation of such Restricted Notes into the exchange agent's account at DTC;

an Agent's Message; and

all other required documents.

If for any reason set forth in the terms and conditions of the exchange offer we do not accept any tendered Restricted Notes, or if a holder submits Restricted Notes for a greater principal amount than the holder desires to exchange, we will return such unaccepted or non-exchanged Restricted Notes without cost to the tendering holder by crediting them to an account maintained with DTC promptly after the termination or withdrawal of the exchange offer.

Book-Entry Transfer

The exchange agent will establish an account with respect to the Restricted Notes at DTC for purposes of this exchange offer within two business days after the date of this prospectus. Any financial institution that is a participant in DTC's ATOP system may use DTC's ATOP procedures to tender Restricted Notes. Such participant may make book-entry delivery of Restricted Notes by causing DTC to transfer such Restricted Notes into the exchange agent's account at DTC in accordance with DTC's procedures for transfer. However, although delivery of Restricted Notes may be effected through book-entry transfer at DTC, an Agent's Message pursuant to the ATOP procedures and any other required documents must, in any case, be transmitted to and received by the exchange agent on or

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prior to the Expiration Date. Delivery of documents to DTC will not constitute valid delivery to the exchange agent.

No Guaranteed Delivery Procedures

We have not provided guaranteed delivery provisions in connection with the exchange offer. Holders must tender their Restricted Notes in accordance with the procedures set forth under " Procedures for Tendering."

Withdrawal of Tenders

Tenders of Restricted Notes may be properly withdrawn at any time prior to 11:59 p.m., New York City time, on the Expiration Date.

For a withdrawal of a tender to be effective, a written notice of withdrawal delivered by hand, overnight by courier or by mail, or a manually signed facsimile transmission, or a properly transmitted "Request Message" through DTC's ATOP system, must be received by the exchange agent prior to 11:59 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must:

- specify the number of the account at DTC from which the Restricted Notes were tendered and specify the name and number of the account at DTC to be credited with the properly withdrawn Restricted Notes and otherwise comply with the procedures of such facility;

- identify the Restricted Notes to be properly withdrawn, including the principal amount of such Restricted Notes; and

- contain a statement that such holder is withdrawing its election to have such Restricted Notes exchanged for Exchange Notes

All questions as to the validity, form, eligibility and time of receipt of such notice will be determined by us, and our determination shall be final and binding on all parties. Any Restricted Notes so properly withdrawn will be deemed not to have been validly tendered for exchange for purposes of this exchange offer and no Exchange Notes will be issued with respect thereto unless the Restricted Notes so withdrawn are validly re-tendered thereafter. Any Restricted Notes that have been tendered for exchange but are not exchanged for any reason will be returned to the tendering holder thereof without cost to such holder by crediting such Restricted Notes to an account maintained with DTC for the Restricted Notes promptly after the termination or withdrawal of the exchange offer. Properly withdrawn Restricted Notes may be re-tendered by following the procedures described above at any time on or prior to the Expiration Date.

Termination of Certain Rights

All rights given to holders of Restricted Notes under the registration rights agreement will terminate upon the consummation of the exchange offer except with respect to our duty:

- to use our commercially reasonable efforts to keep the shelf registration statement continuously effective, if requested by one or more broker-dealers, for a period ending on the earlier of (a) the second anniversary of the closing of the offering of the Restricted Notes and (b) the date all notes covered by the shelf registration statement have been sold in the manner set forth and as contemplated in the shelf registration statement;

- our obligation to make available for a period of up to 180 days after consummation of the exchange offer a prospectus meeting the requirements of the Securities Act to any Participating Broker Dealer and any other persons with similar prospectus delivery requirements, for use in connection with any resale of Exchange Notes; and

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under certain limited circumstances with respect to specific types of holders of Restricted Notes, we may have a further obligation to provide for the registration under the Securities Act of Restricted Notes held by such holders.

Exchange Agent

We have appointed U.S. Bank National Association as exchange agent in connection with the exchange offer. In such capacity, the exchange agent has no fiduciary duties to the holders of the notes and will be acting solely on the basis of our directions. Agent's Messages, Request Messages and all correspondence in connection with this exchange offer should be sent or delivered to the exchange agent through DTC's ATOP system or at the addresses set forth below, as applicable. We will pay the exchange agent reasonable and customary fees for its services, will reimburse it for its reasonable out-of-pocket expenses in connection therewith and subject to certain limitations will indemnify, defend and hold it and its directors, officers, employees, and agents harmless in its capacity as the exchange agent against any loss, liability, cost or expense arising out of or in connection with the exchange offer.

Holders should direct questions, requests for assistance and requests for additional copies of this prospectus or the letter of transmittal to the exchange agent addressed as follows:

By First Class Mail:

U.S. Bank National Association
Attn: Specialized Finance
60 Livingston Avenue-EP-MN-WS2N
St. Paul, MN 55107-2292

By Facsimile Transmission:
(for eligible institutions only)
651-466-7402

By Courier or Overnight Delivery:
U.S. Bank National Association
Attn: Specialized Finance
111 Fillmore Avenue
St. Paul, MN 55107-1402

Confirm by Telephone
800-934-6802 (Bondholder Services)

Fees and Expenses

The expense of soliciting tenders pursuant to the exchange offer will be borne by us. The principal solicitation is being made by mail. Additional solicitations may, however, be made by facsimile transmission, telephone, email or in person by our officers and other employees and those of our affiliates.

We have not retained any dealer-manager in connection with the exchange offer and we will not make any payments to brokers, dealers or other persons soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for its related reasonable out-of-pocket expenses. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this prospectus, letters of transmittal and related documents to the beneficial owners of the Restricted Notes and in handling or forwarding tenders for exchange.

Except as set forth below, holders who tender their Restricted Notes for exchange will not be obligated to pay any transfer taxes. A tendering holder handling the transaction through its broker, dealer, commercial bank, trust company or other institution may be required to pay brokerage fees or commissions. If Restricted Notes are to be issued for principal amounts not tendered or accepted for exchange in the name of any person other than the tendering holder, or if a transfer tax is imposed for any reason other than the exchange of Restricted Notes pursuant to the exchange offer, then the amount of any such transfer taxes, whether imposed on the registered holder or any other persons, will

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be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted, the amount of such transfer taxes will be billed directly to such tendering holder.

Consequences of Failure to Exchange Restricted Notes

Holders who desire to tender their Restricted Notes in exchange for Exchange Notes registered under the Securities Act should allow sufficient time to ensure timely delivery. Neither the exchange agent nor we are under any duty to give notification of defects or irregularities with respect to the tenders of Restricted Notes for exchange.

Restricted Notes that are not tendered, are tendered but subsequently withdrawn or are tendered but not accepted will, following the completion of the exchange offer, continue to be subject to the provisions in the indenture regarding the transfer and exchange of the Restricted Notes and the existing restrictions on transfer set forth in the legend on the Restricted Notes and in the offering memorandum dated April 10, 2013, relating to the Restricted Notes. The Restricted Notes that are not exchanged for Exchange Notes pursuant to the exchange offer will remain restricted securities within the meaning of Rule 144 under the Securities Act. Accordingly, such Restricted Notes may be resold only (i) to us or our subsidiaries, (ii) to a qualified institutional buyer in compliance with Rule 144A under the Securities Act, (iii) to an institutional accredited investor that, prior to such transfer, furnishes to the trustee (which is U.S. Bank National Association) a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Restricted Notes (the form of which letter can be obtained from the trustee) and, if requested by us and the trustee, an opinion of counsel acceptable to us that such transfer is in compliance with the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act or any other available exemption therefrom. The liquidity of the Restricted Notes could be adversely affected by the exchange offer.

Except in limited circumstances with respect to specific types of holders of Restricted Notes, we will have no further obligation to provide for the registration under the Securities Act of such Restricted Notes and, except under certain limited circumstances, we do not currently anticipate that we will take any action to register the Restricted Notes under the Securities Act or under any state securities laws.

Holders of the Exchange Notes issued in the exchange offer and any Restricted Notes which remain outstanding after completion of the exchange offer, together with holders of the previously issued $175.0 million aggregate principal amount of notes, will vote together as a single class for purposes of determining whether holders of the requisite percentage of the class have taken certain actions or exercised certain rights under the indenture.

Tax Consequences of the Exchange Offer

The exchange of Restricted Notes for Exchange Notes will not be treated as a taxable transaction for U.S. federal income tax purposes because the Exchange Notes will not be considered to differ materially in kind or in extent from the Restricted Notes. Rather, the Exchange Notes received by a holder of Restricted Notes will be treated as a continuation of such holder's investment in the Restricted Notes. As a result, there will be no material U.S. federal income tax consequences to holders exchanging Restricted Notes for Exchange Notes.

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Accounting Treatment

The Exchange Notes will be recorded at the same carrying value as the Restricted Notes, as reflected in our accounting records on the date of the exchange. Accordingly, no gain or loss for accounting purposes will be recognized.

Neither we nor our board of directors make any recommendation to holders of Restricted Notes as to whether to tender or refrain from tendering all or any portion of their Restricted Notes pursuant to the exchange offer. Moreover, no one has been authorized to make any such recommendation. Holders of Restricted Notes must make their own decision whether to tender pursuant to the exchange offer and, if so, the aggregate amount of Restricted Notes to tender, after reading this prospectus and the letter of transmittal and consulting with their advisors, if any, based on their own financial position and requirements.

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DESCRIPTION OF CERTAIN INDEBTEDNESS

Development Bank of Japan Loan Agreement

On March 9, 2012, AAR entered into a five year full amortization term loan agreement with Development Bank of Japan Inc. (the "DBJ Loan Agreement") to refinance a portion of indebtedness incurred to finance the acquisition of Telair and Nordisk. Borrowings under the DBJ Loan Agreement bear interest at the offered Eurodollar Rate (defined as the British Bankers Association LIBOR Rate) plus 250 basis points and are unsecured. As of August 31, 2013, $35.0 million was outstanding under this agreement.

Bank of America Revolving Credit Facility

On April 12, 2011, AAR entered into a credit agreement with various financial institutions, as lenders and Bank of America, N.A., as administrative agent for the lenders (and as currently amended, the "Credit Agreement"). As currently amended, the Credit Agreement provides us with unsecured revolving borrowing capacity of up to $475.0 million. Under certain circumstances, we may request an increase to the revolving commitment by an aggregate amount of up to $100.0 million. The term of our Credit Agreement extends to April 24, 2018. Borrowings under the Credit Agreement bear interest at the London Interbank Offered Rate ("LIBOR") plus 125 to 225 basis points based on certain financial measurements if a Eurodollar Rate loan, or at the offered fluctuating Base Rate plus 25 to 125 basis points based on certain financial measurements if a Base Rate loan. The net proceeds from the offering of the Restricted Notes were used to repay borrowings outstanding under the Credit Agreement. Borrowings outstanding under the Credit Agreement at August 31, 2013 were $120.0 million and there were approximately $15.1 million of outstanding letters of credit, which reduced the availability of this facility to $339.9 million.

The Credit Agreement will be fully and unconditionally guaranteed by each of our subsidiaries, existing and future, that guarantees the notes. A subsidiary may be released from its guarantee under the Credit Agreement if it ceases to be a restricted subsidiary, as defined in the Credit Agreement, as a result of a transaction permitted under the Credit Agreement. The Credit Agreement requires us to comply with certain financial covenants, including a fixed charge coverage ratio, a leverage ratio, and a minimum net worth. The Credit Agreement also contains certain affirmative and negative covenants, including those relating to financial reporting and notification, payment of indebtedness, taxes and other obligations, compliance with applicable laws, and limitations on additional liens, indebtedness, acquisitions, investments and disposition of assets. As of the date of this prospectus, we are in compliance with these covenants.

Master Loan Agreement

Our indirect subsidiary, EP Aviation, LLC ("EP Aviation"), is a borrower under a Master Loan Agreement with BMO Harris Bank, N.A. and The Huntington National Bank (the "Master Loan Agreement"). As amended on March 28, 2013, the Master Loan Agreement creates a $40.0 million secured credit facility. Loans under the Master Loan Agreement are secured by aircraft and related engines and components owned by EP Aviation and lease agreements by which such aircraft are leased, primarily to our subsidiary, AAR Airlift Group, Inc. The Master Loan Agreement expires on April 23, 2015. Borrowings under the Master Loan Agreement bear interest at LIBOR plus 175 basis points. The Master Loan Agreement requires EP Aviation to make prepayments of $775,000 each month beginning May 1, 2013. AAR has guaranteed the payment and performance obligations of EP Aviation under the Master Loan Agreement pursuant to a separate Guaranty Agreement. As of August 31, 2013, $36.9 million was outstanding under the Master Loan Agreement. The Master Loan Agreement requires us to comply with a fixed charge coverage ratio and contains certain other affirmative and negative covenants, including those relating to financial reporting and notification, payment of taxes

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and other obligations, compliance with applicable laws, and limitations on additional liens. As of the date of this prospectus, we are in compliance with these covenants.

1.625% Senior Convertible Notes due 2014 and 2.25% Senior Convertible Notes due 2016

During February 2008, we completed the sale of $250 million par value of convertible notes, consisting of $137.5 million aggregate principal amount of 1.625% convertible senior notes due 2014 and $112.5 million aggregate principal amount of 2.25% convertible senior notes due 2016. Interest on the notes is payable semiannually on March 1 and September 1. Holders may convert their notes based on a conversion rate of 28.6144 shares of our common stock per $1,000 principal amount of notes, which is equivalent to an initial conversion price of $34.95 per share, only under the following circumstances: (i) during any calendar quarter beginning after March 31, 2008 (and only during such calendar quarter) if, as of the last day of the preceding calendar quarter, the closing price of our common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of such preceding calendar quarter is more than 130% of the applicable conversion price per share of common stock on the last day of such preceding calendar quarter; (ii) during the five business day period after any five consecutive trading day period in which the trading price per $1,000 principal amount of notes of the applicable series for each day of that period was less than 98% of the product of the closing price of our common stock and the then applicable conversion rate; (iii) if a designated event or similar change of control transaction occurs; (iv) upon specified corporate transactions; or (v) beginning on February 1, 2014, in the case of the 2014 notes, or February 1, 2016, in the case of the 2016 notes, and ending at the close of business on the business day immediately preceding the applicable maturity date. Upon conversion, a holder of the notes will receive for each $1,000 principal amount, in lieu of common stock, an amount in cash equal to the lesser of (i) $1,000 and (ii) the conversion value of a number of shares of our common stock equal to the conversion rate. If the conversion value exceeds the principal amount, we will also deliver, at our election, cash or common stock or a combination thereof having a value equal to such excess amount.

The notes are senior, unsecured obligations and rank equal in right of payment with all of our existing and future unsecured and unsubordinated indebtedness.

1.75% Convertible Senior Notes due 2015

On February 14, 2013, we issued $30.0 million principal amount of convertible senior notes in exchange for a portion of our former 1.75% Convertible Senior Notes due 2026. The notes are due February 15, 2015 unless earlier redeemed, repurchased or converted, and bear interest at 1.75% payable semiannually on February 1 and August 1.

A holder may convert the notes into shares of common stock based on a conversion rate of 35.0777 shares per $1,000 principal amount of notes, which is equivalent to an initial conversion price of approximately $28.51 per share, under the following circumstances: (i) during any calendar quarter beginning after March 31, 2013 (and only during such calendar quarter), if, as of the last day of the preceding calendar quarter, the closing price of our common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of such preceding calendar quarter is more than 120% of the applicable conversion price per share of common stock on the last day of such preceding calendar quarter; (ii) upon a redemption notice; (iii) if a designated event or similar change of control transaction occurs; (iv) upon specified corporate transactions; or (v) during the ten trading day period ending at the close of business on the business day immediately preceding the states maturity date on the notes. Upon conversion, we will have the right to deliver, in lieu of shares of our common stock, cash or a combination of cash and shares of common stock, at our option, in an amount per note equal to the applicable conversion rate multiplied by the applicable stock price.

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We may redeem for cash all or a portion of the notes at any time in the event of a change of control transaction or on or after February 1, 2014 at a redemption price computed to result in a yield of 3.75% from the date of issuance to the redemption date. Holders of the notes have the right to require us to purchase for cash all or any portion of the notes if a designated event occurs at a price equal to 100% of the principal amount of the notes plus accrued interest and unpaid interest, if any, to the purchase date. The notes are senior, unsecured obligations and rank equal in right of payment with all other unsecured and unsubordinated indebtedness.

Wood Dale, Illinois Mortgage Note

On July 15, 2005, our subsidiary, AAR Wood Dale LLC, refinanced an existing mortgage on our Wood Dale, Illinois facility, borrowing $11.0 million at a fixed interest rate of 5.01%. Under the terms of the loan, interest is payable monthly, and the principal of $11.0 million is due August 1, 2015. The loan is secured by a mortgage on our Wood Dale, Illinois facility. At August 31, 2013, the net book value of our Wood Dale, Illinois facility was $12.4 million.

Industrial Revenue Bond

In connection with the acquisition of Avborne Heavy Maintenance, Inc., we assumed $25 million of industrial revenue bonds secured by maintenance hangars located at Miami International Airport. The bonds mature on August 1, 2018 and bear interest at a variable rate which was 0.11% at August 31, 2013.

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DESCRIPTION OF THE NOTES

We previously issued $175.0 million aggregate principal amount of 7¼% Senior Notes due 2022 under an indenture dated as of January 23, 2012, as supplemented as of November 30, 2012 (the "*indenture*") among AAR CORP., each Guarantor and U.S. Bank National Association, as trustee (the "*trustee*"), in a private transaction not subject to the requirements of the Securities Act of 1933, as amended (the "*Securities Act*"). In January 2013, all of those notes were exchanged for substantially identical notes also issued under the indenture (the "*Existing Notes*") that were registered with the Commission.

We issued the Restricted Notes, and we will issue the Exchange Notes, pursuant to the indenture. The Restricted Notes and the Exchange Notes constitute "Additional Notes" as such term is defined in the indenture. As a result of the issuance of the Restricted Notes, the Company has $325.0 million aggregate principal amount of 7¼% Senior Notes due 2022 outstanding. The Existing Notes, the Restricted Notes, the Exchange Notes and any other Additional Notes that are issued will be treated as a single class for all purposes under the indenture, including with respect to waivers, amendments, redemptions and Offers to Purchase. The Exchange Notes will have the same CUSIP number as, and upon completion of the exchange offer will trade interchangeably with, the Existing Notes.

The statements in this "Description of the Notes" relating to the indenture and the notes are summaries and are not a complete description thereof, and where reference is made to particular provisions, such provisions, including the definitions of certain terms, are qualified in their entirety by reference to all of the provisions of the indenture and the notes and those terms made part of the indenture by the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). Unless otherwise indicated, references in this "Description of the Notes" to Sections or Articles are references to sections and articles of the indenture.

In this "Description of the Notes," the word "*Company*" refers only to AAR CORP. and not to any of its subsidiaries. Unless the context otherwise requires, references to the "Notes" for all purposes under the indenture and in this "Description of the Notes" include the Existing Notes, the Restricted Notes, the Exchange Notes and any other Additional Notes (as defined below) that are issued. The definitions of certain terms used in this description are set forth throughout the text or under " Certain Definitions."

Principal, Maturity and Interest

The Notes will mature on January 15, 2022. There are currently $325.0 million aggregate principal amount of Notes outstanding. Subject to the covenant described under " Certain Covenants Limitation on Incurrence of Debt," the Company is permitted to issue further additional Notes under the indenture ("*Additional Notes*").

Interest on the Notes will be payable at 7.250% per annum. Interest on the Notes will be payable semi-annually in immediately available funds in arrears on January 15 and July 15, whether or not a business day, in the case of the Exchange Notes commencing on January 15, 2014. The Company will make each interest payment to the holders of record of the Notes on the immediately preceding January 1 and July 1. 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 and including, in the case of the Exchange Notes, April 15, 2013. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of and premium, if any, and interest on the Notes will be payable, and the Notes will be exchangeable and transferable, at the office or agency of the Company maintained for such purposes, which, initially, will be the corporate trust office of the trustee; *provided*, *however*, that payment of

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interest may be made at the option of the Company by check mailed to the person entitled thereto as shown on the security register.

Form of Notes

The Notes will be issued only in fully registered form without coupons and only in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The Notes will be initially in the form of one or more global notes. The global notes will be deposited with the trustee as custodian for The Depository Trust Company ("*DTC*"). Ownership of interests in the global notes, referred to in this description as "book entry interests," will be limited to persons that have accounts with DTC or their respective participants. The terms of the indenture provide for the issuance of definitive registered Notes in certain circumstances. Please see the section entitled "Book Entry, Delivery and Form."

The registered holder of a Note will be treated as the owner of it for all purposes.

Transfer and Exchange

A holder may transfer or exchange Notes in accordance with the indenture. The registrar for the Notes and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be made for any registration of transfer, exchange or redemption of the Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection with any such registration of transfer or exchange. The Company is not required to transfer or exchange any Note selected for redemption. Also, the Company is not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

Payments on the Notes; Paying Agent and Registrar

If a holder of the Notes has given wire transfer instructions to the Company at least 10 business days prior to the applicable payment date, the Company will pay all principal, interest and premium on that holder's Notes in accordance with those instructions. All other payments on Notes will be made at the office or agency of the paying agent and registrar unless the Company elects to make interest payments by check mailed to the holders at their addresses set forth in the register of holders; *provided* that all payments of principal, premium, if any, and interest with respect to the 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 account specified by DTC.

The trustee will initially act as paying agent and registrar. The Company may change the paying agent or registrar without prior notice to the holders, and the Company or any of its subsidiaries may act as paying agent or registrar.

Restricted and Unrestricted Subsidiaries

All of our Subsidiaries except AAR Aircraft & Engine Sales & Leasing, Inc., AAR International Financial Services, L.L.C., and their respective Subsidiaries are currently "Restricted Subsidiaries." However, under the circumstances described below under the subheading " Certain Covenants Limitation on Creation of Unrestricted Subsidiaries," any of our Restricted Subsidiaries may be designated as "Unrestricted Subsidiaries." Unrestricted Subsidiaries may guarantee the Notes but are not subject to many of the restrictive covenants in the indenture. For the twelve months ended August 31, 2013, our Unrestricted Subsidiaries represented 1.6% of our net sales. As of August 31, 2013, our Unrestricted Subsidiaries represented 3.8% of our total assets, excluding intercompany assets, and had $2.2 million of total liabilities, including debt and trade payables but excluding intercompany liabilities.

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Guarantees

General

The Notes are guaranteed, on a full, joint and several basis, by the Guarantors pursuant to a guarantee (the "*Note Guarantees*"). Substantially all of our Subsidiaries are Guarantors. The Note Guarantees are senior obligations of each Guarantor and rank equally with all existing and future senior Debt of such Guarantor. The Note Guarantees are effectively subordinated to any secured debt of such Guarantor to the extent of the assets securing such Debt. The indenture provides that the obligations of a Guarantor under its Note Guarantee will be limited to the maximum amount as will result in the obligations of such Guarantor under the Note Guarantee not to be deemed to constitute a fraudulent conveyance or fraudulent transfer under applicable federal, state or foreign law.

Several Guarantors are organized under the laws of countries other than the United States, including Germany, Norway, Sweden and England and Wales. These laws may limit the amount those Guarantors are permitted to pay under their guarantees. Some of these limitations are similar to limitations under U.S. federal and state law, but some are different. For example, German law permits the German Guarantor to make payments under its guarantee unless they would render the German Guarantor insolvent or reduce its share capital below the then registered level, whereas Norwegian and Swedish law limit the amount the Guarantors organized in those jurisdictions may pay under their guarantees to the amount that could be distributed as a dividend or to the extent the Guarantor has received a corporate benefit. For the twelve months ended August 31, 2013, the non-U.S. Guarantors represented 11.8% of our net sales and as of August 31, 2013, those Guarantors represented 17.2% of our total assets, excluding intercompany assets, and had $95.3 million of total liabilities, including debt and trade payables but excluding intercompany liabilities.

Not all of our Subsidiaries will guarantee the Notes. Claims of creditors of non-Guarantor Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred stockholders (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 Company, including holders of the Notes. For the twelve months ended August 31, 2013, our non-Guarantor subsidiaries, in the aggregate, represented less than 2% of our net sales, income from continuing operations and cash flows from operating activities. As of August 31, 2013, our non-Guarantor subsidiaries, in the aggregate, represented less than 2% of our total assets, excluding intercompany assets, and stockholders' equity.

The Guarantors include our existing Unrestricted Subsidiaries described above. These Unrestricted Subsidiaries are not subject to most of the restrictive covenants described in this "Description of the Notes." As a result, these Unrestricted Subsidiaries are not limited in their ability, among other things, to incur other debt (including debt that may be effectively senior to their Note Guarantees), make investments or other restricted payments, or sell assets, all of which could adversely affect their ability to make payments under their Note Guarantees.

Release of the Note Guarantees

Notwithstanding the covenant described below under the caption " Certain Covenants Additional Note Guarantees", each Note Guarantee shall provide by its terms that it shall be automatically and unconditionally released and discharged (and such covenant shall not apply) upon:

(1) a sale, exchange, transfer or disposition of Capital Stock in such Subsidiary (including by way of merger or consolidation) or the sale or disposition of all of the assets of such Guarantor, in each case made in compliance with the indenture to a person that is not an Affiliate of the Company;

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(2) satisfaction and discharge of the indenture as set forth below under " Satisfaction and Discharge of the Indenture; Defeasance";

(3) a legal defeasance or covenant defeasance of the indenture as described below under " Satisfaction and Discharge of the Indenture; Defeasance"; or

(4) the release, discharge or termination of the Guarantee which resulted in the creation of such Note Guarantee pursuant to the covenant described below under the caption " Certain Covenants Additional Note Guarantees", except a discharge, release or termination by or as a result of payment under such Guarantee.

Ranking of the Notes

The Notes will be general unsecured obligations of the Company. As a result, the Notes will rank:

- equally in right of payment with all existing and future senior debt of the Company;
- senior in right of payment to all existing and future debt of the Company, if any, that is by its terms expressly subordinated to the Notes;
- effectively subordinated to existing and future secured debt of the Company, to the extent of the assets securing such debt; and
- structurally junior to any debt or other liabilities of any subsidiary that does not guarantee the Notes.

As of August 31, 2013:

- the Company and its subsidiaries had total debt of approximately $702.2 million;
- the Company had total debt of approximately $676.4 million, of which approximately $47.9 million effectively ranked senior to the Notes to the extent of the assets securing such debt; and
- the Company and its subsidiaries had approximately $339.9 million of availability under the Company's revolving Credit Agreement with Bank of America, N.A., as administrative agent, and the other agents and lenders named therein (excluding outstanding letters of credit).

Ranking of the Note Guarantees

Each Note Guarantee is a general unsecured obligation of each Guarantor. As such, each Note Guarantee ranks:

- equally in right of payment with all existing and future senior debt of the applicable Guarantor;
- senior in right of payment to all existing and future debt of such Guarantor, if any, that is by its terms expressly subordinated to such Guarantor's Note Guarantee;
- effectively subordinated to all existing and future secured debt of such Guarantor, to the extent of the value of the Guarantor's assets securing such debt; and

structurally junior to any debt or other liabilities of any subsidiary of such Guarantor that is not itself a Guarantor.

Sinking Fund

There are no mandatory sinking fund payment obligations with respect to the Notes.

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Optional Redemption

The Notes are subject to redemption, at the option of the Company, in whole or in part, at any time on or after January 15, 2017 upon not less than 30 nor more than 60 days' notice at the Redemption Prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of holders of record on the relevant regular record date to receive interest due on an interest payment date that is on or prior to the redemption date), if redeemed during the 12-month period beginning on January 15 of the years indicated below:

Year	Redemption Price
2017	103.625%
2018	102.417%
2019	101.208%
2020 and thereafter	100.000%

At any time prior to January 15, 2017, the Company may, on one or more occasions, redeem all or any portion of the Notes, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of the date of redemption, including accrued and unpaid interest to the redemption date. In addition to the optional redemption provisions of the Notes in accordance with the provisions of the preceding paragraphs, prior to January 15, 2015, the Company may, with the net proceeds of one or more Qualified Equity Offerings, redeem up to 35% of the aggregate principal amount of the Notes (including any Additional Notes) at a Redemption Price equal to 107.250% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to the date of redemption; *provided* that at least 65% of the principal amount of Notes originally issued (including any Additional Notes) remains outstanding immediately after the occurrence of any such redemption (excluding Notes held by the Company or its Subsidiaries) and that any such redemption occurs within 90 days following the closing of any such Qualified Equity Offering. If less than all of the Notes are to be redeemed, the trustee will select the Notes or portions thereof to be redeemed by lot, pro rata or by any other method the trustee shall deem fair and appropriate (subject to DTC procedures).

No Notes of $2,000 or less shall be redeemed in part. Notices of redemption shall be mailed by first class mail (and, to the extent permitted by applicable DTC procedures or regulations, electronically) at least 30 days before the redemption date to each holder of Notes to be redeemed at its registered address. If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion of the Note will be issued in the name of the holder thereof upon cancellation of the Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

The Company may at any time, and from time to time, purchase Notes in the open market or otherwise, subject to compliance with applicable securities laws.

Change of Control

Upon the occurrence of a Change of Control, unless the Company has exercised its right to redeem all of the Notes as described under " Optional Redemption," the Company will make an Offer to Purchase all of the outstanding Notes at a Purchase Price in cash equal to 101% of the principal amount tendered, together with accrued interest, if any, to but not including the Purchase Date. For purposes of the foregoing, an Offer to Purchase shall be deemed to have been made if (i) within 60 days following the date of the consummation of a transaction or series of transactions that

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constitutes a Change of Control, the Company or a third party commences an Offer to Purchase for all outstanding Notes at the Purchase Price and (ii) all Notes properly tendered pursuant to the Offer to Purchase are purchased on the terms of such Offer to Purchase.

The phrase "all or substantially all," as used in the definition of "Change of Control," has not been interpreted under New York law (which is the governing law of the indenture) to represent a specific quantitative test. As a consequence, in the event the holders of the Notes elected to exercise their rights under the indenture and the Company elects to contest such election, there could be no assurance how a court interpreting New York law would interpret such phrase. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require the Company to make an Offer to Purchase the Notes as described above. In addition, a recent Delaware Chancery Court decision raised questions about the enforceability of provisions similar to those in the indenture related to the triggering of a change of control as a result of a change in the composition of a board of directors. In this decision, the court found that, for purposes of agreements such as the indenture, incumbent directors are permitted to approve as a director any person, including one nominated by a dissident stockholder and not recommended by the board for election, as long as the approval is granted in good faith and in accordance with the board's fiduciary duties. Accordingly, holders of the Notes may not be able to require us to purchase their Notes as a result of a change in the composition of the directors on our board. The same court also observed that certain provisions in indentures, such as continuing director provisions, could function to entrench an incumbent board of directors and could raise enforcement concerns if adopted in violation of a board's fiduciary duties. If such a provision were found unenforceable, holders of the Notes would not be able to require us to repurchase their Notes as a result of a Change of Control resulting from a change in the composition of our Board of Directors. The provisions of the indenture may not afford holders of the Notes protection in the event of a highly leveraged transaction, reorganization, restructuring, merger or similar transaction affecting the Company that may adversely affect holders, if such transaction is not the type of transaction included within the definition of Change of Control. A transaction involving the management of the Company or its Affiliates, or a transaction involving a recapitalization of the Company, will result in a Change of Control only if it is the type of transaction specified in such definition. The definition of Change of Control may be amended or modified with the written consent of a majority in aggregate principal amount of outstanding Notes. See " Amendment, Supplement and Waiver."

The Company will be required to comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws or regulations in connection with any repurchase of the Notes as described above. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the indenture, the Company will comply with the applicable securities laws and regulations and will be deemed to have complied with its obligations under the Change of Control provisions of the indenture by virtue of such compliance.

The Company will not be required to make an Offer to Purchase upon a Change of Control if (i) a third party makes such Offer to Purchase contemporaneously with or upon a Change of Control in the manner, at the times and otherwise in compliance with the requirements of the indenture and purchases all Notes validly tendered and not withdrawn under such Offer to Purchase or (ii) a notice of redemption has been given by the Company or a third party pursuant to the indenture as described above under the caption "Optional Redemption."

The Company's ability to pay cash to the holders of Notes upon a Change of Control may be limited by the Company's then existing financial resources. Further, the Credit Agreement contains, and future agreements of the Company may contain, prohibitions of certain events, including events that would constitute a Change of Control. If the exercise by the holders of Notes of their right to require the Company to repurchase the Notes upon a Change of Control occurred at the same time as a change of control event under one or more of the Company's other debt agreements, it would place

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even greater demands on the Company's then existing financial resources. See "Risk Factors Risk Factors Related to Our Indebtedness and the Notes."

Even if sufficient funds were otherwise available, the terms of the Credit Facilities (and other Debt) may prohibit the Company's prepayment of Notes before their scheduled maturity. Consequently, if the Company is not able to prepay the Credit Facilities or other Debt containing such restrictions or obtain requisite consents, the Company will be unable to fulfill its repurchase obligations, resulting in a default under the indenture.

In addition, an Offer to Purchase may be made by the Company or a third party in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of launching the Offer to Purchase.

Certain Covenants

Set forth below are summaries of certain covenants contained in the indenture.

Covenant Suspension

During any period of time (a "*Suspension Period*") that: (i) the Notes have Investment Grade Ratings from both Rating Agencies and (ii) no Default has occurred and is continuing under the indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "*Covenant Suspension Event*"), the Company and its Restricted Subsidiaries will not be subject to the following provisions of the indenture (collectively, the "*Suspended Covenants*"), and during a Suspension Period, the Company may not designate any of its Subsidiaries as Unrestricted Subsidiaries unless the Company could have designated such Subsidiaries as Unrestricted Subsidiaries in compliance with the indenture assuming the covenants set forth below had not been suspended:

(a) " Limitation on Incurrence of Debt";

(b) " Limitation on Restricted Payments";

(c) " Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

(d) " Limitation on Asset Sales";

(e) " Limitation on Transactions with Affiliates";

(f) " Additional Note Guarantees"; and

(g) clause (iii) of the first paragraph of " Consolidation, Merger, Conveyance, Transfer or Lease The Company".

In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants with respect to the Notes for any Suspension Period and, subsequently, (x) either one or both Rating Agencies withdraws or suspends its rating or downgrades the rating assigned to the Notes below an Investment Grade Rating or (y) the Company or any of its affiliates enters into an agreement to effect a transaction that would result in a Change of Control and either one or both Rating Agencies indicate that, if consummated, such transaction (alone or together with any related recapitalization or refinancing transactions) would cause such Rating Agency to withdraw or suspend its Investment Grade Rating or downgrade the ratings assigned to the Notes below an Investment Grade Rating (such date of withdrawal or downgrade in clause (x) or (y), a "*Reinstatement Date*"), then the Company and its Restricted Subsidiaries will after the Reinstatement Date again be subject to the Suspended Covenants with respect to future events for the benefit of the Notes. The Company shall provide written notice to the trustee and to the holders of Notes promptly upon the beginning or termination of any Suspension Period.

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On the Reinstatement Date, all Debt Incurred during a Suspension Period will be (i) classified as having been Incurred pursuant to the first paragraph of " Limitation on Incurrence of Debt" below or one of the clauses set forth in the definition of "Permitted Debt" to the extent such Debt would be permitted to be Incurred thereunder as of the Reinstatement Date and after giving effect to Debt Incurred prior to the Suspension Period and outstanding on the Reinstatement Date and (ii) subject to the covenants described below under the caption " Limitation on Incurrence of Debt" and " Additional Note Guarantees." To the extent such Debt would not be so permitted to be Incurred pursuant to the covenant described below under the caption " Limitation on Incurrence of Debt" such Debt will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (d) of the definition of Permitted Debt. To the extent Debt or Guarantees were Incurred prior to or during a Suspension Period, the Company and its Restricted Subsidiaries shall on the Reinstatement Date comply with the covenant described under " Additional Note Guarantees."

Calculations made after the Reinstatement Date of the amount available to be made as Restricted Payments under the covenant described below under the caption " Limitation on Restricted Payments" will be made as though such covenant had been in effect from the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will be allocated to the first paragraph or one of the clauses of the second paragraph of the covenant described below under the caption " Limitation on Restricted Payments" to the extent available, and any remaining balance shall be debited against the amount pursuant to clause (c) of the first paragraph of such covenant (except that no Default or Event of Default will be deemed to have occurred solely by reason of a Restricted Payment made during the Suspension Period).

Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during a Suspension Period (or on the Reinstatement Date or after a Suspension Period based solely on events that occurred during the Suspension Period).

There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Rating.

Limitation on Incurrence of Debt

The Company will not, and will not permit any Restricted Subsidiary to, Incur any Debt; *provided*, *however*, that the Company or any Guarantor may Incur Debt if, after giving effect to the Incurrence of such Debt and the receipt and application of the proceeds therefrom, (a) the Consolidated Fixed Charge Coverage Ratio of the Company and its Restricted Subsidiaries, determined on a *pro forma* basis as if any such Debt (including any other Debt, other than Debt Incurred under the revolving portion of a Credit Facility, being Incurred contemporaneously), and any other Debt (other than Debt Incurred under the revolving portion of the Credit Facility) Incurred since the beginning of the Four Quarter Period had been Incurred and the proceeds thereof had been applied at the beginning of the Four Quarter Period, and any other Debt repaid (other than Debt Incurred under the revolving portion of a Credit Facility) since the beginning of the Four Quarter Period had been repaid at the beginning of the Four Quarter Period, would be greater than 2.00 to 1.00, and (b) no Event of Default shall have occurred and be continuing at the time or as a consequence of the Incurrence of such Debt.

If the Debt which is the subject of a determination under this provision is Acquired Debt, or Debt Incurred in connection with the simultaneous acquisition of any person, business, property or assets, or Debt of an Unrestricted Subsidiary being designated as a Restricted Subsidiary, then such ratio shall be determined by giving effect (on a *pro forma* basis, as if the transaction had occurred at the beginning of the Four Quarter Period) to (x) the Incurrence of such Acquired Debt or such other Debt by the Company or any of its Restricted Subsidiaries and (y) the inclusion, in Consolidated Cash Flow, of the Consolidated Cash Flow of the acquired person, business, property or assets or redesignated Subsidiary.

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Notwithstanding the first paragraph above, the Company and its Restricted Subsidiaries may Incur Permitted Debt.

For purposes of determining any particular amount of Debt under this "Limitation on Incurrence of Debt" covenant, Guarantees or obligations with respect to letters of credit supporting Debt otherwise included in the determination of such particular amount shall not be included. For purposes of determining compliance with this "Limitation on Incurrence of Debt" covenant, in the event that an item of Debt meets the criteria of more than one of the types of Debt described above, including categories of Permitted Debt and under part (a) in the first paragraph of this "Limitation on Incurrence of Debt" covenant, the Company, in its sole discretion, shall classify, and from time to time may reclassify, all or any portion of such item of Debt, except that Debt outstanding under the Credit Agreement on the Issue Date shall at all times be treated as Incurred on the Issue Date pursuant to clause (a) of the definition of "Permitted Debt." For purposes of determining compliance of any non-U.S. dollar-denominated Debt with this covenant, the amount outstanding under U.S. dollar equivalent principal amount of Debt denominated in a foreign currency shall at all times be calculated based on the relevant currency exchange rate in effect on the date such Debt was Incurred, in the case of the term Debt, or first committed, in the cases of the revolving credit Debt, *provided*, *however*, that if such Debt is Incurred to Refinance other Debt denominated in the same or different currency, and such Refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such Refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Debt does not exceed the principal amount of such Debt being Refinanced.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, make any Restricted Payment unless, at the time of and after giving effect to the proposed Restricted Payment:

(a) no Default or Event of Default shall have occurred and be continuing or will occur as a consequence thereof;

(b) after giving effect to such Restricted Payment on a *pro forma* basis, the Company would be permitted to Incur at least $1.00 of additional Debt (other than Permitted Debt) pursuant to the provisions described in the first paragraph under the "Limitation on Incurrence of Debt" covenant; and

(c) after giving effect to such Restricted Payment on a *pro forma* basis, the aggregate amount expended or declared for all Restricted Payments made on or after the Issue Date (excluding Restricted Payments permitted by clauses (ii) through (vii) and clause (ix) of the next succeeding paragraph), shall not exceed the sum (without duplication) of:

(1) 50% of the Consolidated Net Income (or, if Consolidated Net Income shall be a deficit, minus 100% of such deficit) of the Company accrued on a cumulative basis during the period (taken as one accounting period) from the beginning of the first full fiscal quarter during which the Issue Date occurs and ending on the last day of the fiscal quarter immediately preceding the date of such proposed Restricted Payment, *plus*

(2) 100% of the aggregate net proceeds (including the Fair Market Value of property other than cash) received by the Company subsequent to the initial issuance of the Notes either (i) as a contribution to its common equity capital or (ii) from the issuance and sale of its Qualified Capital Interests, including Qualified Capital Interests issued upon the conversion of Debt and from the exercise of options, warrants or other rights to purchase such Qualified

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Capital Interests (other than, in each case, Capital Interests or Debt sold to a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company), *plus*

(3) to the extent that any Investment (other than Permitted Investments or Investments in Unrestricted Subsidiaries or Investments made in reliance on clause (ix) below) that was made on or after the Issue Date is sold for cash or otherwise disposed of, liquidated, redeemed, repurchased or repaid for cash or other assets, or to the extent the Company otherwise realizes any proceeds on the sale of such Investment or proceeds representing the return of capital on such Investment, the lesser of (i) the initial amount of such Investment, or (ii) to the extent not otherwise included in the calculation of Consolidated Net Income of the Company for such period, the net cash return of capital or net Fair Market Value of return of capital with respect to such Investment, less the cost of any such disposition or liquidation, *plus*

(4) to the extent that any Unrestricted Subsidiary of the Company designated as such on or after the Issue Date is redesignated as a Restricted Subsidiary (other than if originally designated as an Unrestricted Subsidiary in reliance on clause (ix) below), the lesser of (i) the Fair Market Value of the Company's Investment in such Subsidiary as of the date of such redesignation or (ii) such Fair Market Value as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary.

As of August 31, 2013, the amount available for Restricted Payments pursuant to this clause (c) was approximately $28.0 million.

Notwithstanding whether the foregoing provisions would prohibit the Company or any Restricted Subsidiary from making a Restricted Payment, the Company and any Restricted Subsidiary may make the following Restricted Payments:

(i) the payment of any dividend on Capital Interests in the Company or a Restricted Subsidiary within 60 days after declaration thereof if at the declaration date such payment were permitted by the foregoing provisions of this covenant;

(ii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of any Qualified Capital Interests of the Company by conversion into, or by or in exchange for, Qualified Capital Interests, or out of net cash proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company) of other Qualified Capital Interests of the Company;

(iii) the redemption, defeasance, repurchase or acquisition or retirement for value of any Debt of the Company or any Guarantor that is subordinate in right of payment to the Notes or the applicable Note Guarantee out of the net cash proceeds of a substantially concurrent issue and sale (other than to a Restricted Subsidiary) of (x) new subordinated Debt of the Company or such Guarantor, as the case may be, Incurred in accordance with the indenture, (y) Qualified Capital Interests of the Company or (z) in the case of a redemption, defeasance, repurchase or acquisition or retirement for value of Redeemable Capital Interests or Preferred Interests, of Redeemable Capital Interests or Preferred Interests that have terms that are not taken as a whole materially more burdensome to the Company and its Restricted Subsidiaries than the terms of the Capital Interests to be redeemed, defeased, repurchased or acquired;

(iv) the purchase, redemption, retirement or other acquisition for value of Capital Interests in the Company held by present or former employees, consultants, officers or directors of the Company or any of its Restricted Subsidiaries (or any of their respective permitted transferees, assigns, estates or heirs) upon death, disability, retirement or termination of employment or service or alteration of employment or service or similar status or pursuant to the terms of any agreement under which such Capital Interests were issued; *provided* that the aggregate cash consideration paid

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for such purchase, redemption, retirement or other acquisition of such Capital Interests does not exceed $10.0 million in any calendar year, *provided*, *further*, that any unused amounts in any calendar year may be carried forward to one or more future periods subject to a maximum aggregate amount of repurchases made pursuant to this clause (iv) not to exceed $25.0 million in any calendar year; *provided*, *however*, that such amount in any calendar year may be increased by an amount not to exceed the cash proceeds received by the Company or any Restricted Subsidiary from the sale of Qualified Capital Interests of the Company to employees, consultants, officers or directors of the Company and its Restricted Subsidiaries that occurs after the Issue Date; *provided*, *further*, *however*, that the amount of such cash proceeds utilized for any such repurchase, retirement, other acquisition or dividend will not increase the amount available for Restricted Payments under clause (c) of the first paragraph of this covenant;

(v) the repurchase of Capital Interests deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities;

(vi) the cash payment, in lieu of issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for the Capital Interests of the Company or a Restricted Subsidiary;

(vii) the declaration and payment of dividends to holders of any class or series of Capital Interests of the Company or any Restricted Subsidiary that constitute (A) Redeemable Capital Interests or (B) Preferred Interests the issuance of which has resulted in the Incurrence of Debt, in each case to the extent that the Debt Incurred in connection with such issuance was Incurred in compliance with the covenant described above under " Limitation on Incurrence of Debt" and such dividends are included in the definition of Consolidated Fixed Charges;

(viii) the declaration and payment of dividends to holders of common stock of the Company, or the repurchase of Capital Interests, in an aggregate amount not to exceed $35.0 million in any fiscal year;

(ix) to the extent no Event of Default has occurred and is continuing or will occur as a consequence thereof, other Restricted Payments not in excess of $100.0 million in the aggregate; and

(x) to the extent no Event of Default has occurred and is continuing or will occur as a consequence thereof, upon the occurrence of a Change of Control or an Asset Sale, the defeasance, redemption, repurchase or other acquisition of any subordinated Debt pursuant to provisions substantially similar to those described under " Change of Control" and " Limitation on Asset Sales" at a Purchase Price not greater than 101% of the principal amount thereof (in the case of a Change of Control) or at a percentage of the principal amount thereof not higher than the principal amount applicable to the Notes (in the case of an Asset Sale), plus any accrued and unpaid interest thereon; *provided* that prior to or contemporaneously with such defeasance, redemption, repurchase or other acquisition, the Company has made an Offer to Purchase with respect to the Notes and has repurchased all Notes validly tendered for payment and not withdrawn in connection therewith.

If any person in which an Investment is made, which Investment constitutes a Restricted Payment when made, thereafter becomes a Restricted Subsidiary in accordance with the indenture, all such Investments previously made in such person shall be Permitted Investments, and for the avoidance of doubt all such Investments shall no longer be counted as Restricted Payments for purposes of calculating the aggregate amount of Restricted Payments pursuant to clause (c) of the first paragraph under this "Limitation on Restricted Payments" covenant, in each case to the extent such Investments would otherwise be so counted.

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For purposes of this covenant, if a particular Restricted Payment involves a non-cash payment, including a distribution of assets, then such Restricted Payment shall be deemed to be an amount equal to the cash portion of such Restricted Payment, if any, plus an amount equal to the Fair Market Value of the non-cash portion of such Restricted Payment.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary, directly or indirectly, to enter into, create, incur, assume or suffer to exist any Liens of any kind, other than Permitted Liens, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom, which Liens secure Debt (the "*Initial Lien*"), without securing the Notes and any Note Guarantee, as the case may be, equally and ratably with (or prior to) the Debt secured by such Lien until such time as such Debt is no longer secured by such Lien; *provided* that if the Debt so secured is subordinated by its terms to the Notes or such Note Guarantee, the Lien securing such Debt will also be so subordinated by its terms to the Notes and such Note Guarantees at least to the same extent. Any such Lien thereby created to secure the Notes or any such Note Guarantee will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates or (ii) any sale, exchange or transfer to any person not an Affiliate of the Company of the property or assets secured by such Initial Lien, or of all of the Capital Interests held by the Company or any Restricted Subsidiary in, or all or substantially all the assets of, any Restricted Subsidiary creating such Initial Lien.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, cause or suffer to exist or become effective or enter into any encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Interests owned by the Company or any Restricted Subsidiary or pay any Debt or other obligation owed to the Company or any Restricted Subsidiary, (ii) make loans or advances to the Company or any Restricted Subsidiary or (iii) transfer any of its property or assets to the Company or any Restricted Subsidiary.

However, the preceding provisions will not apply to the following encumbrances or restrictions existing under or by reason of:

(a) any encumbrance or restriction in existence on the Issue Date, including those required by the Credit Agreement or by any other agreement or documents entered into in connection with the Credit Agreement and any amendments, modifications, restatements, renewals, increases, supplements or Refinancings, of any of the foregoing agreements or documents, *provided* that the amendments, modifications, restatements, renewals, increases, supplements or Refinancings, in the good faith judgment of the Company, are no more restrictive, taken as a whole, with respect to such dividend or other payment restrictions than those contained in these agreements on the Issue Date or Refinancings thereof;

(b) any encumbrance or restriction pursuant to an agreement relating to an acquisition of property, so long as the encumbrances or restrictions in any such agreement relate solely to the property so acquired (and are not or were not created in anticipation of or in connection with the acquisition thereof);

(c) any encumbrance or restriction which exists with respect to a person that becomes a Restricted Subsidiary or merges with or into a Restricted Subsidiary on or after the Issue Date, which is in existence at the time such person becomes a Restricted Subsidiary, but not created in connection with or in anticipation of such person becoming a Restricted Subsidiary, and which is not applicable to any person or the property or assets of any person other than such person or the property or assets of such person becoming a Restricted Subsidiary;

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(d) any encumbrance or restriction pursuant to an agreement effecting a permitted Refinancing or extension of Debt issued pursuant to an agreement containing any encumbrance or restriction referred to in the foregoing clauses (a) through (c), so long as the encumbrances and restrictions contained in any such Refinancing agreement are no less favorable in any material respect to the holders of the Notes than the encumbrances and restrictions contained in the agreements governing the Debt being Refinanced in the good faith judgment of the Company;

(e) customary provisions restricting subletting or assignment of any lease, contract, or license of the Company or any Restricted Subsidiary or provisions in agreements that restrict the assignment of such agreement or any rights thereunder;

(f) any encumbrance or restriction by reason of applicable law, rule, regulation or order;

(g) any encumbrance or restriction under the indenture and the Notes or the Note Guarantees (including the Exchange Notes and the Guarantees of the Exchange Notes);

(h) any encumbrance or restriction under an agreement relating to a disposition of assets or Capital Interests, including, without limitation, any agreement for the sale or other disposition of or by a Subsidiary that restricts distributions by that Subsidiary pending its sale or other disposition;

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

(j) customary provisions with respect to the disposition or distribution of assets or property in joint venture agreements, limited liability company agreements, partnership agreements, shareholder agreements, asset sale agreements, stock sale agreements, sale leaseback agreements and other similar agreements;

(k) any instrument governing any Debt or Capital Interest of a person acquired by the Company or any Restricted Subsidiary as in effect at the time of such acquisition (except to the extent such Debt or Capital Interest was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any person, or the properties or assets of any person, other than the person, or the property or assets of the person, so acquired, *provided* that, in the case of Debt, such Debt was permitted by the terms of the indenture to be Incurred;

(l) purchase money obligations (including Capital Lease Obligations) for property acquired in the ordinary course of business that impose restrictions on that property so acquired of the nature described in clause (iii) of the first paragraph hereof;

(m) Liens securing Debt otherwise permitted to be Incurred under the indenture, including the provisions of the covenant described above under the caption " Limitation on Liens," that limit the right of the debtor to dispose of the assets subject to such Liens;

(n) any Non-Recourse Receivable Subsidiary Indebtedness or other contractual requirements of a Receivable Subsidiary that is a Restricted Subsidiary in connection with a Qualified Receivables Transaction; *provided* that such restrictions apply only to such Receivable Subsidiary or the receivables and related assets described in the definition of Qualified Receivables Transaction which are subject to such Qualified Receivables Transaction; and

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

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Nothing contained in this "Limitation on Dividends and Other Payments Affecting Restricted Subsidiaries" covenant shall prevent the Company or any Restricted Subsidiary from (i) creating, incurring, assuming or suffering to exist any Liens in compliance with the "Limitation on Liens" covenant or (ii) restricting the sale or other disposition of property or assets of the Company or any Restricted Subsidiary that secure Debt of the Company or any Restricted Subsidiary Incurred in accordance with the "Limitation on Incurrence of Debt" and "Limitation on Liens" covenants in the indenture.

Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, consummate an Asset Sale unless:

(1) The Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Capital Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Eligible Cash Equivalents. For purposes of this clause (2), each of the following will be deemed to be cash:

(a) any liabilities, as shown on the most recent consolidated balance sheet of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assignment and assumption agreement that releases the Company or such Restricted Subsidiary from further liability;

(b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash within 360 days of their receipt to the extent of the cash received in that conversion; and

(c) any Designated Non-cash Consideration received by the Company or any such Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Noncash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed $100.0 million at the time of the receipt of such Designated Non-cash Consideration, with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value.

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Cash Proceeds at its option:

(i) to permanently repay Debt under the Credit Facilities and, if the obligation repaid is revolving credit Debt, to correspondingly reduce commitments with respect thereto;

(ii) to permanently reduce any Debt constituting Debt of a non-Guarantor Subsidiary of the Company owing to a person other than the Company or an Affiliate of the Company and, if the obligation repaid is revolving credit Debt, to correspondingly reduce commitments with respect thereto;

(iii) to acquire all or substantially all of the assets of, or any Capital Interests of, another Permitted Business, if, after giving effect to any such acquisition of Capital Interests, the Permitted Business is or becomes a Restricted Subsidiary;

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(iv) to make a capital expenditure in or that is used or useful in a Permitted Business or to make expenditures for maintenance, repair or improvement of existing properties and assets;

(v) to acquire other assets that are used or useful in a Permitted Business;

(vi) to repay or repurchase Debt secured by the assets of the Company or any Restricted Subsidiary; or

(vii) any combination of the foregoing.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph of this covenant will constitute "*Excess Proceeds.*" When the aggregate amount of Excess Proceeds exceeds $25.0 million, the Company will, within 30 days, make an Offer to Purchase to all holders of Notes, and to all holders of other Pari Passu Debt containing provisions similar to those set forth in the indenture with respect to asset sales, equal to the Excess Proceeds. The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those funds for any purpose not otherwise prohibited by the indenture and they will no longer constitute Excess Proceeds. If the aggregate principal amount of Notes and other Pari Passu Debt tendered into such Offer to Purchase exceeds the amount of Excess Proceeds, the Excess Proceeds will be allocated between the Notes and such other Pari Passu Debt based on the principal amount (or accreted value, if applicable) of the Notes and such other Pari Passu Debt tendered and the trustee will select the Notes to be purchased on a pro rata basis among all the Notes tendered (subject to DTC procedures). Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

The Company will comply with the requirements of Rule 14e-l under the Exchange Act and any other applicable securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Offer to Purchase. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the indenture, the Company will comply with the applicable securities laws and regulations and will be deemed to have complied with its obligations under the Asset Sale provisions of the indenture by virtue of such compliance.

Limitation on Transactions with Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of related transactions, contract, agreement, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each of the foregoing, an "*Affiliate Transaction*") involving aggregate consideration in excess of $50.0 million, unless:

(i) such Affiliate Transaction is on terms that are not materially less favorable to the Company or the relevant Subsidiary than those that could reasonably have been obtained in a comparable arm's-length transaction by the Company or such Subsidiary with an unaffiliated party; and

(ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $100.0 million, the Company delivers to the trustee a resolution adopted by the majority of the Board of Directors of the Company approving such Affiliate Transaction and set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above; and

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(iii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $100.0 million, the Company must obtain and deliver to the trustee a written opinion of a nationally recognized investment banking or accounting firm stating that the transaction is fair to the Company or such Restricted Subsidiary, as the case may be, from a financial point of view.

The foregoing limitations do not limit, and shall not apply to:

(1) Restricted Payments that are permitted by the provisions of the indenture described above under " Limitation on Restricted Payments";

(2) the payment of reasonable and customary compensation and indemnities and other benefits (including retirement, health, option, deferred compensation and other benefit plans) to members of the Board of Directors of the Company or a Restricted Subsidiary;

(3) the payment of reasonable and customary compensation and other benefits (including retirement, health, option, deferred compensation and other benefit plans) and indemnities to officers and employees of the Company or any Restricted Subsidiary;

(4) transactions between or among the Company and/or any Restricted Subsidiaries;

(5) any contribution of capital to the Company or any Restricted Subsidiary;

(6) transactions permitted by, and complying with, the provisions of the indenture described below under " Consolidation, Merger, Conveyance, Transfer or Lease"; and

(7) transactions effected as part of a Qualified Receivables Transaction.

Limitation on Sale and Leaseback Transactions

The Company will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction unless:

(i) the consideration received in such Sale and Leaseback Transaction is at least equal to the Fair Market Value of the property sold, as confirmed by an Officers' Certificate,

(ii) prior to and immediately after giving effect to the Attributable Debt in respect of such Sale and Leaseback Transaction, the Company and such Restricted Subsidiary comply with the "Limitation on Incurrence of Debt" covenant contained herein, and

(iii) at or after such time the Company and such Restricted Subsidiary also comply with the "Limitation on Asset Sales" covenant contained herein to the extent that it applies to such Sale and Leaseback Transaction.

Provision of Financial Information

Whether or not required by the Commission, so long as any Notes are outstanding, the Company will furnish to the trustee and the holders of Notes, or file electronically with the Commission through the Commission's Next-Generation EDGAR System (or any successor system), within the time periods specified in the Commission's rules and regulations:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Company's certified independent accountants; and

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(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file such reports.

In addition, whether or not required by the Commission, the Company will file a copy of all of the information and reports referred to in clauses (1) and (2) above with the Commission for public availability within the time periods specified in the Commission's rules and regulations (unless the Commission will not accept such a filing) and make such information available to prospective investors. In addition, the Company has agreed that, for so long as any Notes remain outstanding, it will furnish to the holders of the Notes and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

If the Company has designated any Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph shall include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries; *provided*, *however*, that the Company shall not be obligated to provide such financial information of the Unrestricted Subsidiaries so long as the consolidated total assets of all Unrestricted Subsidiaries in the aggregate (determined as of the end of the most recent fiscal quarter of the Company for which financial statements of the Company are available) are less than 25.0% of the consolidated total assets of the Company.

Additional Note Guarantees

The Company will not permit any Restricted Subsidiary, directly or indirectly, to Guarantee any Debt of the Company or any Guarantor that is a Domestic Subsidiary unless such Restricted Subsidiary (a) is a Guarantor or (b) (i) within 10 days executes and delivers to the trustee an Opinion of Counsel and a supplemental indenture providing for the Guarantee of the payment of the Notes by such Restricted Subsidiary, which Note Guarantee will rank senior in right of payment to or equally in right of payment with such Subsidiary's Guarantee of such other Debt (unless such other Debt is subordinated Debt, in which case the Note Guarantee must be senior to the Guarantee of such Debt).

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

Limitation on Creation of Unrestricted Subsidiaries

The Company may designate any Subsidiary to be an "Unrestricted Subsidiary" as provided below, in which event such Subsidiary and each other person that is then or thereafter becomes a Subsidiary of such Subsidiary will be deemed to be an Unrestricted Subsidiary.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Company designated as such by an Officers' Certificate as set forth below where neither the Company nor any Restricted Subsidiary (i) provides credit support for, or Guarantee of, any Debt of such Subsidiary or any Subsidiary of such Subsidiary (including any undertaking, agreement or instrument evidencing such Debt, but excluding in the case of a Receivables Subsidiary any Standard Securitization Undertakings) or (ii) is directly or indirectly liable for any Debt of such Subsidiary or any Subsidiary of such Subsidiary (except in the case of a Receivables Subsidiary any Standard Securitization Undertakings);

(2) any Subsidiary of an Unrestricted Subsidiary;

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(3) as of the Issue Date, AAR Aircraft & Engine Sales & Leasing, Inc. and any Subsidiary thereof; and

(4) as of the Issue Date, AAR International Financial Services, L.L.C. and any Subsidiary thereof.

The Company may designate any Subsidiary to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Interests of, or owns or holds any Lien on any property of, any other Restricted Subsidiary, *provided* that either:

(x) the Subsidiary to be so designated has total assets of $1,000 or less; or

(y) the Company could make a Restricted Payment at the time of designation in an amount equal to the greater of the Fair Market Value or book value of such Subsidiary pursuant to the "Limitation on Restricted Payments" covenant and such amount is thereafter treated as a Restricted Payment for the purpose of calculating the amount available for Restricted Payments thereunder.

An Unrestricted Subsidiary may be designated as a Restricted Subsidiary if (i) all the Debt of such Unrestricted Subsidiary could be Incurred under the "Limitation on Incurrence of Debt" covenant and (ii) all the Liens on the property and assets of such Unrestricted Subsidiary could be incurred pursuant to the "Limitation on Liens" covenant.

Consolidation, Merger, Conveyance, Transfer or Lease

The Company. The Company will not, in any transaction or series of transactions, consolidate with or merge into any other person (other than a merger of a Restricted Subsidiary into the Company in which the Company is the continuing person), or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the assets of the Company and its Restricted Subsidiaries (determined on a consolidated basis), taken as a whole, to any other person, unless:

(i) either: (a) the Company shall be the continuing person or (b) the person (if other than the Company) formed by such consolidation or into which the Company is merged, or the person that acquires, by sale, assignment, conveyance, transfer, lease or other disposition, all or substantially all of the property and assets of the Company (such person, the "Surviving Entity"), (1) shall be a corporation, partnership, limited liability company or similar entity organized and validly existing under the laws of the United States, any political subdivision thereof or any state thereof or the District of Columbia and (2) shall expressly assume, by a supplemental indenture, the due and punctual payment of all amounts due in respect of the principal of (and premium, if any) and interest on all the Notes and the performance of the covenants and obligations of the Company under the indenture and the Registration Rights Agreement;

(ii) immediately after giving effect to such transaction or series of transactions on a pro forma basis (including, without limitation, any Debt Incurred or anticipated to be Incurred in connection with or in respect of such transaction or series of transactions), no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(iii) immediately after giving effect to any such transaction or series of transactions on a pro forma basis (including, without limitation, any Debt Incurred or anticipated to be Incurred in connection with or in respect of such transaction or series of transactions) as if such transaction or series of transactions had occurred on the first day of the determination period, the Company (or the Surviving Entity if the Company is not continuing) could Incur $1.00 of additional Debt (other than Permitted Debt) under the provisions described in the first paragraph of " Limitation on Incurrence of Debt"; and

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(iv) the Company delivers, or causes to be delivered, to the trustee, in form satisfactory to the trustee, an Officers' Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger, sale, conveyance, assignment, transfer, lease or other disposition complies with the requirements of the indenture.

Notwithstanding the foregoing, failure to satisfy the requirements of the preceding clauses (ii) and (iii) will not prohibit:

(a) a merger between the Company and a Restricted Subsidiary that is a wholly owned Subsidiary of the Company; or

(b) a merger between the Company and an Affiliate formed solely for the purpose of converting the Company into a business entity organized under the laws of the United States or any political subdivision or state thereof; so long as, in each case, the amount of Debt of the Company and its Restricted Subsidiaries is not increased thereby.

For all purposes of the indenture and the Notes, Subsidiaries of any Surviving Entity will, upon such transaction or series of transactions, become Restricted Subsidiaries or Unrestricted Subsidiaries as provided pursuant to the indenture and all Debt, and all Liens on property or assets, of the Surviving Entity and its Subsidiaries that was not Debt, or were not Liens on property or assets, of the Company and its Subsidiaries immediately prior to such transaction or series of transactions shall be deemed to have been Incurred upon such transaction or series of transactions.

Upon any transaction or series of transactions that are of the type described in, and are effected in accordance with, conditions described in the immediately preceding paragraphs, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Company, under the indenture with the same effect as if such Surviving Entity had been named as the Company therein; and when a Surviving Entity duly assumes all of the obligations and covenants of the Company pursuant to the indenture and the Notes, except in the case of a lease, the predecessor person shall be relieved of all such obligations.

The Guarantors. A Guarantor will not, directly or indirectly: (1) consolidate or merge with or into another person (whether or not such Guarantor is the surviving person), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties and assets of the Guarantor, in one or more related transactions, to another person, other than the Company or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists;

(2) either:

(a) (A) the Guarantor is the surviving entity, or (B) the person formed by or surviving any such consolidation or merger (if other than the Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made (i) is organized or existing under the laws of the United States, any state thereof or the District of Columbia, (ii) assumes all the obligations of that Guarantor under the indenture, including its Note Guarantee, pursuant to a supplemental indenture satisfactory to the trustee and (iii) is a Restricted Subsidiary if the Guarantor is a Restricted Subsidiary; or

(b) such sale, assignment, transfer, conveyance or other disposition or consolidation or merger complies with the covenant described above under the caption " Limitation on Asset Sales;" and

(3) the Guarantor delivers, or causes to be delivered, to the trustee, in form satisfactory to the trustee, an Officers' Certificate and an Opinion of Counsel, each to the effect that such

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consolidation, merger, sale, conveyance, assignment, transfer, lease or other disposition complies with the requirements of the indenture.

Although there is a limited body of case law interpreting the phrase "all or 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 "all or substantially all" of the property or assets of a person.

Limitation on Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business.

Events of Default

Each of the following is an "Event of Default" under the indenture:

(1) default in the payment in respect of the principal of (or premium, if any, on) any Note when due and payable (whether at Stated Maturity or upon repurchase, acceleration, optional redemption or otherwise);

(2) default in the payment of any interest upon any Note when it becomes due and payable, and continuance of such default for a period of 30 days;

(3) failure to perform or comply with the indenture provisions described under " Provision of Financial Information" and continuance of such failure to perform or comply for a period of 120 days after written notice thereof has been given to the Company by the trustee or to the Company and the trustee by the holders of at least 25% in aggregate principal amount of the outstanding Notes;

(4) except as permitted by the indenture, any Note Guarantee of any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary), shall for any reason cease to be, or it shall be asserted by any Guarantor or the Company not to be, in full force and effect and enforceable in accordance with its terms;

(5) default in the performance, or breach, of any covenant or agreement of the Company or any Restricted Subsidiary in the indenture (other than a covenant or agreement a default in whose performance or whose breach is specifically dealt with in clauses (1), (2), (3) or (4) above), and continuance of such default or breach for a period of 60 days after written notice thereof has been given to the Company by the trustee or to the Company and the trustee by the holders of at least 25% in aggregate principal amount of the outstanding Notes;

(6) a default or defaults under any bonds, debentures, notes or other evidences of Debt (other than the Notes) by the Company or any Restricted Subsidiary having, individually or in the aggregate, a principal or similar amount outstanding of at least $75.0 million, whether such Debt now exists or shall hereafter be created, which default or defaults either (a) shall have resulted in the acceleration of the maturity of such Debt prior to its express maturity or (b) shall constitute a failure to pay principal of, or interest or premium on, such Debt when due and payable after the expiration of any applicable grace period with respect thereto;

(7) the entry against the Company or any Restricted Subsidiary of a final non-appealable judgment(s) for the payment of money in an aggregate amount in excess of $75.0 million (net of amounts covered by (x) insurance for which the insurer thereof has been notified of such claim and has not challenged such coverage or (y) valid third party indemnifications for which the indemnifying party thereof has been notified of such claim and has not challenged such

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indemnification), by a court or courts of competent jurisdiction, which judgment(s) remain undischarged, unwaived, unstayed, unbonded or unsatisfied for a period of 60 consecutive days; or

(8) certain events in bankruptcy, insolvency or reorganization affecting the Company or any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary).

If an Event of Default (other than an Event of Default specified in clause (8) above with respect to the Company) occurs and is continuing, then and in every such case the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding Notes may declare the principal of the Notes and any accrued interest on the Notes to be due and payable immediately by a notice in writing to the Company (and to the trustee if given by holders); *provided*, *however*, that after such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of the outstanding Notes may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the nonpayment of accelerated principal of or interest on the Notes, have been cured or waived as provided in the indenture and amounts owing to the trustee have been paid.

If an Event of Default specified in clause (8) above occurs with respect to the Company, the principal of and any accrued interest on the Notes then outstanding shall *ipso facto* become immediately due and payable without any declaration or other act on the part of the trustee or any holder. For further information as to waiver of defaults, see " Amendment, Supplement and Waiver." The trustee may withhold from holders of the Notes notice of any Default (except Default in payment of principal, premium, if any, and interest) if the trustee determines that withholding notice is in the interests of the holders to do so.

No holder of any Note will have any right to institute any proceeding with respect to the indenture or for any remedy thereunder, unless (x) such holder shall have previously given to the trustee written notice of a continuing Event of Default, (y) the holders of at least 25% in aggregate principal amount of the outstanding Notes shall have made written request to the trustee, and provided indemnity reasonably satisfactory to the trustee, to institute such proceeding as trustee, and (z) the trustee shall not have received from the holders of a majority in aggregate principal amount of the outstanding Notes a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. Such limitations do not apply, however, to a suit instituted by a holder of a Note directly (as opposed to through the trustee) for enforcement of payment of the principal of (and premium, if any) or interest on such Note on or after the respective due dates expressed in such Note.

The Company will be required to furnish to the trustee annually a statement as to compliance with the indenture. The Company also is required to notify the trustee if it becomes aware of the occurrence of any Default or Event of Default.

Amendment, Supplement and Waiver

Without the consent of any holders of the Notes, the Company, the Guarantors and the trustee, at any time and from time to time, may enter into one or more indentures supplemental to the indenture for any of the following purposes:

(1) to evidence the succession of a person to the Company and the assumption by any such successor of the covenants of the Company in the indenture and the Notes;

(2) to add to the covenants of the Company for the benefit of the holders, or to surrender any right or power herein conferred upon the Company;

(3) to add additional Events of Default;

(4) to provide for uncertificated Notes in addition to or in place of the certificated Notes;

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(5) to evidence and provide for the acceptance of appointment under the indenture by a successor trustee;

(6) to provide for or confirm the issuance of Additional Notes in accordance with the terms of the indenture;

(7) to add a Guarantor or to evidence the release of a Guarantor in accordance with the indenture;

(8) to cure any ambiguity, defect, omission, mistake or inconsistency;

(9) to make any other provisions with respect to matters or questions arising under the indenture, *provided* that such actions pursuant to this clause (9) shall not adversely affect the interests of the holders of the Notes in any material respect, as determined in good faith by the Company;

(10) to conform the text of the indenture or the Notes to any provision of this "Description of the Notes" to the extent that the trustee has received an Officers' Certificate stating that such text constitutes an unintended conflict with the description of the corresponding provision in this "Description of the Notes"; or

(11) to effect or maintain the qualification of the indenture under the Trust Indenture Act.

With the consent of the holders of not less than a majority in aggregate principal amount of the outstanding Notes, the Company, the Guarantors and the trustee may enter into an indenture or indentures supplemental to the indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the indenture or the Notes or of modifying in any manner the rights of the holders of the Notes under the indenture, including the definitions therein; *provided*, *however*, that no such supplemental indenture shall, without the consent of the holder of each outstanding Note affected thereby:

(1) change the Stated Maturity of any Note or of any installment of interest on any Note, or reduce the amount payable in respect of the principal thereof or the rate of interest thereon or any premium payable thereon, or reduce the amount that would be due and payable on acceleration of the maturity thereof, or change the place of payment where, or the coin or currency in which, any Note or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof, or change the date on which any Notes may be subject to redemption or reduce the Redemption Price therefor,

(2) reduce the percentage in aggregate principal amount of the outstanding Notes, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver (of compliance with certain provisions of the indenture or certain defaults thereunder and their consequences) provided for in the indenture,

(3) modify the obligations of the Company to make an Offer to Purchase upon a Change of Control if such modification was done after the occurrence of such Change of Control,

(4) modify any provision of the indenture affecting the ranking of the Notes or any Note Guarantee in a manner adverse to the holders of the Notes,

(5) modify any provision specifying requirements to effect waiver of defaults or certain covenants, except to increase any such percentage required for such actions or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding Note affected thereby, or

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(6) release any Note Guarantees required to be maintained under the indenture (other than in accordance with the terms of the indenture).

The holders of not less than a majority in aggregate principal amount of the outstanding Notes may on behalf of the holders of all the Notes waive any past default under the indenture and its consequences, except a default:

(1) in any payment in respect of the principal of (or premium, if any) or interest on any Notes (including any Note which is required to have been purchased pursuant to an Offer to Purchase which has been made by the Company), or

(2) in respect of a covenant or provision thereof which under the indenture cannot be modified or amended without the consent of the holder of each outstanding Note affected.

Satisfaction and Discharge of the Indenture; Defeasance

The Company and the Guarantors may terminate the obligations under the indenture when:

(1) either: (A) all Notes theretofore authenticated and delivered have been delivered to the trustee for cancellation, or (B) all such Notes not theretofore delivered to the trustee for cancellation (i) have become due and payable or (ii) will become due and payable within one year or are to be called for redemption within one year (a "*Discharge*") under irrevocable arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in the name, and at the expense, of the Company, and the Company has irrevocably deposited or caused to be deposited with the trustee funds in an amount sufficient to pay and discharge the entire indebtedness on the Notes, not theretofore delivered to the trustee for cancellation, for principal of, premium, if any, and interest to the Stated Maturity or date of redemption;

(2) the Company has paid or caused to be paid all other sums then due and payable under the indenture by the Company;

(3) the Company has delivered irrevocable instructions to the trustee under the indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be; and

(4) the Company has delivered to the trustee an Officers' Certificate and an Opinion of Counsel reasonably acceptable to the trustee, each to the effect that all conditions precedent under the indenture relating to the Discharge have been complied with.

The Company may elect, at its option, to have its obligations discharged with respect to the outstanding Notes and the indenture ("*defeasance*"). Such defeasance means that the Company will be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes and the Company and the Guarantors will be deemed to have terminated the indenture, except for:

(1) the rights of holders of such Notes to receive payments in respect of the principal of and any premium and interest on such Notes when payments are due,

(2) the Company's obligations with respect to such Notes concerning issuing temporary Notes, registration of 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,

(4) the Company's right of optional redemption, and

(5) the defeasance provisions of the indenture.

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In addition, the Company may elect, at its option, to have its obligations released with respect to certain covenants, including, without limitation, its obligation to make Offers to Purchase in connection with Asset Sales and any Change of Control, in the indenture ("*covenant defeasance*") and any omission to comply with such obligation shall not constitute a Default or an Event of Default with respect to the Notes. In the event covenant defeasance occurs, certain events (not including non-payment and bankruptcy and insolvency events) described under " Events of Default" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either defeasance or covenant defeasance with respect to outstanding Notes:

(1) the Company must irrevocably have deposited or caused to be deposited with the trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to the benefit of the holders of such Notes: (A) money in an amount, or (B) U.S. government obligations, which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than the due date of any payment, money in an amount or (C) a combination thereof, in each case sufficient without reinvestment, in the opinion of a nationally recognized investment bank, appraisal firm, or firm of independent public accountants expressed in a written certification thereof delivered to the trustee, to pay and discharge, and which shall be applied by the trustee to pay and discharge, the entire indebtedness in respect of the principal of and premium, if any, and interest on such Notes on the Stated Maturity thereof or (if the Company has made irrevocable arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in the name and at the expense of the Company) the redemption date thereof, as the case may be, in accordance with the terms of the indenture and such Notes;

(2) in the case of defeasance, the Company shall have delivered to the trustee an Opinion of Counsel stating that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of the indenture, there has been a change in the applicable United States federal income tax law (whether by statute or judicial precedent), in either case (A) or (B) to the effect that, and based thereon such opinion shall confirm that, the holders of such Notes will not recognize gain or loss for United States federal income tax purposes as a result of the deposit, defeasance and discharge to be effected with respect to such Notes and will be subject to United States federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit, defeasance and discharge were not to occur;

(3) in the case of covenant defeasance, the Company shall have delivered to the trustee an Opinion of Counsel to the effect that the holders of such outstanding Notes will not recognize gain or loss for United States federal income tax purposes as a result of the deposit and covenant defeasance to be effected with respect to such Notes and will be subject to federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit and covenant defeasance were not to occur;

(4) no Default or Event of Default with respect to the outstanding Notes shall have occurred and be continuing at the time of such deposit after giving effect thereto (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the grant of any Lien to secure such borrowing);

(5) such defeasance or covenant defeasance shall not cause the trustee to have a conflicting interest within the meaning of the Trust Indenture Act (assuming all Notes are in default within the meaning of such Act);

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(6) such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or material instrument (other than the indenture) to which the Company is a party or by which the Company is bound; and

(7) the Company shall have delivered to the trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent with respect to such defeasance or covenant defeasance have been complied with.

Notwithstanding the foregoing, the Opinion of Counsel required by clause (2) above with respect to a defeasance need not be delivered if all Notes not theretofore delivered to the trustee for cancellation (x) have become due and payable, or (y) will become due and payable at Stated Maturity within one year under arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in the name, and at the expense, of the Company.

The Trustee

U.S. Bank National Association, the trustee under the indenture, is the initial paying agent and registrar for the Notes. The trustee from time to time may extend credit to the Company in the normal course of business. Except during the continuance of an Event of Default, the trustee will perform only such duties as are specifically set forth in the indenture. During the continuance of an Event of Default that has not been cured or waived, the trustee will exercise such of the rights and powers vested in it by the indenture and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The indenture and the Trust Indenture Act contain certain limitations on the rights of the trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases or to realize on certain property received in respect of any such claim as security or otherwise. The trustee is permitted to engage in other transactions; however, if it acquires any "conflicting interest" (as defined in the Trust Indenture Act) it must eliminate such conflict within 90 days, apply to the Commission for permission to continue or resign.

The holders of a majority in principal amount of the outstanding Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee, subject to certain exceptions. The indenture provides that in case an Event of Default has occurred and is continuing, the trustee shall exercise such of the rights and powers vested in it by the indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. Subject to such provisions, the trustee shall be under no obligation to exercise any of the rights or powers vested in it by the indenture at the request or direction of any of the holders pursuant to the indenture, unless such holders shall have provided to the trustee security or indemnity satisfactory to the trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

No recourse may, to the full extent permitted by applicable law, be taken, directly or indirectly, with respect to the obligations of the Company or any Guarantors on the Notes or under the indenture or any related documents, any certificate or other writing delivered in connection therewith, against (i) the trustee in its individual capacity, or (ii) any partner, owner, beneficiary, agent, officer, director, employee, agent, successor or assign of the trustee, each in its individual capacity, or (iii) any holder of equity in the trustee.

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No Personal Liability of Stockholders, Partners, Officers or Directors

No director, officer, employee, stockholder, general or limited partner or incorporator, past, present or future, of the Company or any of its Subsidiaries, as such or in such capacity, shall have any personal liability for any obligations of the Company under the Notes or the indenture, or any Guarantor under any Note Guarantee or the indenture by reason of his, her or its status as such director, officer, employee, stockholder, general or limited partner or incorporator. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

Governing Law

The indenture and the Notes are governed by, and will be construed in accordance with, the laws of the State of New York.

Certain Definitions

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

"*Acquired Debt*" means Debt (1) of a person (including an Unrestricted Subsidiary) existing at the time such person becomes a Restricted Subsidiary or (2) assumed in connection with the acquisition of assets from such person. Acquired Debt shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets.