

AIR LEASE CORP  
 Form 424B2  
 November 14, 2017  
Table of Contents

Filed Pursuant to Rule 424(b)(2)  
 Registration No. 333-207308

### CALCULATION OF REGISTRATION FEE

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price per Unit</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)</b>
2.750% Senior Notes due 2023	\$600,000,000	99.046%	\$594,276,000	\$73,987.36
3.625% Senior Notes due 2027	\$500,000,000	98.945%	\$494,725,000	\$61,593.26
Total	\$1,100,000,000		\$1,089,001,000	\$135,580.62

- (1) The filing fee is calculated in accordance with Rule 457(r) and Rule 457(o) of the Securities Act of 1933, as amended, by multiplying the proposed maximum aggregate offering price of the securities offered by the fee payment rate in effect on the date of fee payment.

**Table of Contents**

**PROSPECTUS SUPPLEMENT**

**(To prospectus dated October 6, 2015)**

**\$1,100,000,000**

**Air Lease Corporation**

**\$600,000,000 2.750% Senior Notes due 2023**

**\$500,000,000 3.625% Senior Notes due 2027**

We are offering \$600,000,000 aggregate principal amount of 2.750% Senior Notes due 2023, or the 2023 notes, and \$500,000,000 aggregate principal amount of 3.625% Senior Notes due 2027, or the 2027 notes. We refer to the 2023 notes and the 2027 notes each as a series of notes and, collectively, as the notes. We will pay interest on the 2023 notes semi-annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2018. We will pay interest on the 2027 notes semi-annually in arrears on June 1 and December 1 of each year, beginning on June 1, 2018. The 2023 notes will mature on January 15, 2023. The 2027 notes will mature on December 1, 2027. We may redeem the notes at our option, in whole or in part, at any time and from time to time, at the applicable redemption prices described in this prospectus supplement under *Description of Notes Optional Redemption*. If a Change of Control Repurchase Event, as defined herein, occurs, unless we have exercised our option to redeem all of the notes of a series, holders of the notes of such series may require us to repurchase the applicable notes at the prices described in this prospectus supplement under *Description of Notes Repurchase Upon Change of Control Repurchase Event*.

The notes will be general unsecured senior obligations and rank equally in right of payment with our existing and future unsecured senior indebtedness. The notes will be issued only in registered form in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Each series of notes is a new issue of securities with no established trading market. We do not intend to apply to list either series of notes on any securities exchange or include either series of notes in any automated quotation system.

**Investing in the notes involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement and those incorporated by reference herein to read about certain factors you should consider before buying the notes.**

	Per 2023		Per 2027	
	Note	Total	Note	Total
Public offering price(1)	99.046%	\$ 594,276,000	98.945%	\$ 494,725,000
Underwriting discount	0.600%	\$ 3,600,000	0.650%	\$ 3,250,000
Proceeds, before expenses, to us(1)	98.446%	\$ 590,676,000	98.295%	\$ 491,475,000

(1) Plus accrued interest from November 20, 2017 if settlement occurs after that date.

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

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, S.A., and Euroclear Bank S.A./N.V., as operator of the Euroclear System, against payment in New York, New York on or about November 20, 2017 which is the fifth business day following the date of this prospectus supplement.

*Joint Book-Running Managers*

<b>BofA Merrill Lynch</b>	<b>J.P. Morgan</b>	<b>Lloyds Securities</b>	<b>Mizuho Securities</b>
<b>BMO Capital Markets</b>	<b>BNP PARIBAS</b>	<b>Citigroup</b>	<b>Commonwealth Bank of Australia</b>
<b>Fifth Third Securities</b>	<b>Goldman Sachs &amp; Co. LLC</b>		<b>ICBC Standard Bank Plc</b>
<b>KeyBanc Capital Markets</b>	<b>Loop Capital Markets</b>	<b>Morgan Stanley</b>	<b>MUFG</b>
<b>RBC Capital Markets</b>	<b>SOCIETE GENERALE</b>	<b>SunTrust Robinson Humphrey</b>	<b>Wells Fargo Securities</b>

**Prospectus Supplement dated November 13, 2017**

**Table of Contents**

This prospectus supplement, the accompanying prospectus and any free-writing prospectus that we prepare or authorize, contain and incorporate by reference information that you should consider when making your investment decision. We have not, and the underwriters and their affiliates and agents have not, authorized anyone to provide you with any information or represent anything about us other than what is contained or incorporated by reference in this prospectus supplement or the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We are not, and the underwriters and their affiliates and agents are not, making any offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus prepared by us or on our behalf is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

**TABLE OF CONTENTS****Prospectus Supplement**

	<b>Page</b>
<u>About this Prospectus Supplement</u>	S-ii
<u>Forward-Looking Statements</u>	S-ii
<u>Summary</u>	S-1
<u>Risk Factors</u>	S-7
<u>Use of Proceeds</u>	S-13
<u>Capitalization</u>	S-14
<u>Ratio of Earnings to Fixed Charges</u>	S-15
<u>Description of Notes</u>	S-16
<u>Book-Entry, Delivery and Form</u>	S-30
<u>Material United States Federal Income Tax Considerations</u>	S-33
<u>Certain Considerations Applicable to ERISA, Governmental and Other Plan Investors</u>	S-38
<u>Underwriting</u>	S-41
<u>Legal Matters</u>	S-47
<u>Experts</u>	S-47
<u>Where You Can Find More Information</u>	S-48
<u>Incorporation by Reference</u>	S-49

**Prospectus**

<u>About This Prospectus</u>	1
<u>Where You Can Find More Information</u>	2
<u>Incorporation by Reference</u>	2
<u>Forward-Looking Statements</u>	3
<u>Air Lease Corporation</u>	5
<u>Risk Factors</u>	5
<u>Ratios of Earnings to Fixed Charges</u>	6
<u>Use of Proceeds</u>	7
Table of Contents	4

<u>Description of Debt Securities</u>	8
<u>Description of Capital Stock</u>	15
<u>Description of Warrants</u>	20
<u>Description of Depositary Shares</u>	21
<u>Description of Rights</u>	24
<u>Description of Purchase Contracts</u>	25
<u>Description of Units</u>	27
<u>Certain Relationships and Related Party Transaction with Selling Stockholders</u>	28
<u>Selling Stockholders</u>	29
<u>Plan of Distribution</u>	33
<u>Legal Matters</u>	37
<u>Experts</u>	37

---

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering, the notes and matters relating to us and our financial performance and condition. The second part is the accompanying prospectus, which provides a more general description of the terms and conditions of the various securities we may, from time to time, offer under our registration statement on Form S-3 that we filed with the Securities and Exchange Commission (the SEC) utilizing a shelf registration process, some of which may not apply to this offering. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

It is important for you to read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You also should read and consider the information in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus and the additional information described under *Where You Can Find More Information* on page S-48 of this prospectus supplement and page 2 of the accompanying prospectus.

When this prospectus supplement uses the terms Company, ALC, we, our and us, they refer to Air Lease Corporation and its consolidated subsidiaries unless otherwise stated or the context otherwise requires.

**FORWARD-LOOKING STATEMENTS**

Statements in this prospectus supplement and the accompanying prospectus, including the documents that are incorporated by reference, that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These forward-looking statements are based on our current intent, belief and expectations. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as anticipate, believes, can, could, may, predict, potential, should, will, estimate, plans, projects, continuing, ongoing, expects, intends, seeks a phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in such statements. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of the factors discussed in the section titled *Risk Factors* beginning on page S-7 of this prospectus supplement and in our most recent Annual Report on Form 10-K, as revised or supplemented by any subsequent Quarterly Report on Form 10-Q filed with the SEC, and elsewhere in this prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference in this prospectus supplement and the accompanying prospectus, including the following factors, among others:

our inability to make acquisitions of, or lease, aircraft on favorable terms;

our inability to sell aircraft on favorable terms;

our inability to obtain additional financing on favorable terms, if required, to complete the acquisition of sufficient aircraft as currently contemplated or to fund the operations and growth of our business;

our inability to effectively oversee our managed fleet;

our inability to obtain refinancing prior to the time our debt matures;

impaired financial condition and liquidity of our lessees;

deterioration of economic conditions in the commercial aviation industry generally;

increased maintenance, operating or other expenses or changes in the timing thereof;

S-ii

**Table of Contents**

changes in the regulatory environment;

our inability to effectively deploy the net proceeds from our capital raising activities, including from the issue of the notes; and

potential natural disasters and terrorist attacks and the amount of our insurance coverage, if any, relating thereto.

All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from our expectations. You are therefore cautioned not to place undue reliance on such statements. Any forward-looking statements are qualified in their entirety by reference to the risk factors discussed throughout this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

S-iii



---

**Table of Contents**

**SUMMARY**

*This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary sets forth the material terms of this offering but does not contain all of the information that you should consider before deciding to invest in the notes. You should read the entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, carefully before making an investment decision, including the section titled *Risk Factors* beginning on page S-7 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2016 incorporated herein by reference.*

**Air Lease Corporation**

Air Lease Corporation is a leading aircraft leasing company that was founded by aircraft leasing industry pioneer, Steven F. Udvar-Házy. We are principally engaged in purchasing new commercial jet transport aircraft directly from aircraft manufacturers, such as The Boeing Company ( Boeing ) and Airbus S.A.S. ( Airbus ), and leasing those aircraft to airlines throughout the world. In addition to our leasing activities, we sell aircraft from our operating lease portfolio to third parties, including other leasing companies, financial services companies and airlines. We also provide fleet management services to investors and owners of aircraft portfolios for a management fee. Our operating performance is driven by the growth of our fleet, the terms of our leases, the interest rates on our debt, and the aggregate amount of our indebtedness, supplemented by the gains from our aircraft sales and trading activities and our management fees.

We currently have relationships with over 200 airlines across 70 countries. We operate our business on a global basis, providing aircraft to airline customers in every major geographical region, including markets such as Asia, the Pacific Rim, Latin America, the Middle East, Europe, Africa and North America. Many of these markets are experiencing increased demand for passenger airline travel and have lower market saturation than more mature markets such as the United States and Western Europe. We expect that these markets will also present significant replacement opportunities in upcoming years as many airlines look to replace aging aircraft with new, modern technology, fuel efficient jet aircraft. An important focus of our strategy is meeting the needs of this replacement market. Airlines in some of these markets have fewer financing alternatives, enabling us to command relatively higher lease rates compared to those in more mature markets.

We mitigate the risks of owning and leasing aircraft through careful management and diversification of our leases and lessees by geography, lease term, and aircraft age and type. We believe that diversification of our operating lease portfolio reduces the risks associated with individual lessee defaults and adverse geopolitical and regional economic events. We mitigate the risks associated with cyclical variations in the airline industry by managing customer concentrations and lease maturities in our operating lease portfolio to minimize periods of concentrated lease expirations. In order to maximize residual values and minimize the risk of obsolescence, our strategy is to own an aircraft during the first third of its expected 25 year useful life.

As of September 30, 2017, we owned 236 aircraft with a net book value of \$12.7 billion. The weighted average lease term remaining of our operating lease portfolio was 6.8 years and the weighted average age of our fleet was 3.7 years as of September 30, 2017. Our fleet grew by 5.2% based on net book value of \$12.7 billion as of September 30, 2017 compared to \$12.0 billion as of December 31, 2016. In addition, our managed fleet increased to 51 aircraft as of September 30, 2017, from 30 aircraft as of December 31, 2016. As of September 30, 2017, we had a globally diversified customer base comprised of 90 airlines in 55 countries. As of September 30, 2017, all of the aircraft in our operating lease portfolio were subject to lease, except for one aircraft, which is in transition to the follow-on lessee and is currently subject to a signed lease agreement.

S-1

**Table of Contents**

As of September 30, 2017, we had, in the aggregate, 372 aircraft on order with Boeing and Airbus for delivery through 2023, with an estimated aggregate commitment of \$28.1 billion, making us one of the world's largest customers for new commercial jet aircraft.

We ended the third quarter of 2017 with \$23.3 billion in committed minimum future rental payments. This includes \$9.6 billion in contracted minimum rental payments on the aircraft in our existing fleet and \$13.7 billion in minimum future rental payments related to aircraft that will deliver during the remainder of 2017 through 2021.

We finance the purchase of aircraft and our business with available cash balances, internally generated funds, including aircraft sales and trading activities, and debt financings. We have structured ourselves to have an investment-grade credit profile and our debt financing strategy has focused on funding our business on an unsecured basis, with a limited utilization of export credit or secured financing. We ended the third quarter of 2017 with total debt outstanding, net of discounts and issuance costs, of \$9.2 billion, of which 78.1% was at a fixed rate and 94.0% of which was unsecured, with a composite cost of funds of 3.11%.

Air Lease Corporation is incorporated in Delaware. Our principal executive office is located at 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067. Our telephone number is (310) 553-0555 and our website is [www.airleasecorp.com](http://www.airleasecorp.com). Information included or referred to on, or otherwise accessible through, our website is not intended to form a part of or be incorporated by reference into this prospectus supplement or the accompanying prospectus.

**Table of Contents**

**THE OFFERING**

*The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus supplement contains a more detailed description of the terms and conditions of the notes. As used in this section Summary The Offering, the Company, we, our, and us refer to Air Lease Corporation only and not to its subsidiaries.*

Issuer	Air Lease Corporation, a Delaware corporation.
Securities	<p>\$600,000,000 aggregate principal amount of 2.750% Senior Notes due 2023 (the 2023 notes ).</p> <p>\$500,000,000 aggregate principal amount of 3.625% Senior Notes due 2027 (the 2027 notes and, collectively with the 2023 notes, the notes ).</p>
Maturity	<p>The 2023 notes will mature on January 15, 2023.</p> <p>The 2027 notes will mature on December 1, 2027.</p>
Offering Price	<p>99.046% of the principal amount plus accrued interest, if any, from November 20, 2017, for the 2023 notes.</p> <p>98.945% of the principal amount plus accrued interest, if any, from November 20, 2017 for the 2027 notes.</p>
Interest Rate	<p>2.750% per annum for the 2023 notes.</p> <p>3.625% per annum for the 2027 notes.</p>
Interest Payment Dates	<p>January 15 and July 15, commencing July 15, 2018 (long first coupon), for the 2023 notes.</p> <p>June 1 and December 1, commencing June 1, 2018 (long first coupon), for the 2027 notes.</p>



**Table of Contents**

On any date prior to September 1, 2027, we may redeem the 2027 notes at our option, in whole or in part, at a redemption price equal to 100% of the aggregate principal amount of the 2027 notes plus an Applicable Premium, plus accrued and unpaid interest, if any, to the redemption date. On or after September 1, 2027, we may redeem the 2027 notes at our option, in whole or in part, at a redemption price equal to 100% of the aggregate principal amount of the 2027 notes plus accrued and unpaid interest, if any, to the redemption date. See *Description of Notes Optional Redemption*.

Change of Control

If a Change of Control Repurchase Event occurs, unless we have exercised our option to redeem all of the notes of a series (as described in this prospectus supplement under *Description of Notes Optional Redemption* ), holders of the notes of such series may require us to repurchase the applicable notes at the prices described in this prospectus supplement under *Description of Notes Repurchase Upon Change of Control Repurchase Event*.

Ranking

The notes will be our senior unsecured obligations and will:

rank senior in right of payment to all of our future subordinated indebtedness;

rank equally in right of payment with all of our existing and future senior indebtedness;

be effectively subordinated to any of our existing and future secured debt, to the extent of the value of the assets securing such debt; and

be structurally subordinated to all of the existing and future indebtedness and other liabilities (including trade payables) of each of our subsidiaries.

As of September 30, 2017, we and our subsidiaries had approximately \$9.2 billion of total consolidated indebtedness, net of discounts and issuance costs, and we (excluding our subsidiaries) had \$8.8 billion of unsecured indebtedness, net of discounts and issuance costs. As of November 10, 2017, our total consolidated indebtedness, net of discounts and issuance costs, was approximately \$9.3 billion.

As of September 30, 2017, assuming the notes had been issued (but without giving effect to the application of the net proceeds we receive from the offering in the manner described under *Use of Proceeds* ):

we and our subsidiaries would have had approximately \$10.3 billion of total consolidated indebtedness (including the notes), net of discounts and issuance costs;

we (excluding our subsidiaries) would have had approximately \$9.9 billion of unsecured indebtedness (including the notes), net of discounts and issuance costs;

**Table of Contents**

our subsidiaries would have had approximately \$557.9 million of total indebtedness, all of which would have been structurally senior to the notes; and

we (excluding our subsidiaries) would have had guaranties of subsidiary indebtedness of approximately \$342.8 million that were secured by pledges of our equity in such subsidiaries, and no other secured indebtedness, and a limited unsecured (10%) guarantee of approximately \$215.2 million of subsidiary indebtedness.

Covenants

The supplemental indentures governing the notes will include certain restrictions on liens and mergers, consolidations and transfers of substantially all of our assets. These covenants are subject to important qualifications and exceptions. See *Description of Notes Certain Covenants* in this prospectus supplement.

Absence of Public Market for the Notes

Each series of notes is a new issue of securities with no established trading market. We do not intend to apply to list either series of notes on any securities exchange or include either series of notes in any automated quotation system. Accordingly, a liquid market for the notes may not develop. The underwriters have advised us that they currently intend to make a market in each series of notes. However, they are not obligated to do so, and any market making with respect to the notes may be discontinued without notice.

Use of Proceeds

We estimate that the net proceeds from this offering will be approximately \$1.081 billion, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate purposes, which may include, among other things, the purchase of commercial aircraft and the repayment of existing indebtedness. Affiliates of the underwriters may receive a portion of the net proceeds to the extent we use net proceeds to repay indebtedness under which certain of the underwriters or their affiliates are lenders. See *Use of Proceeds*.

Form and Denomination

The notes will be issued in fully registered form in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Book-Entry Form

The notes will be issued in book-entry form and will be represented by permanent global certificates deposited with, or on behalf of, The Depository Trust Company ( DTC ) and registered in the name of Cede &



Co., DTC's nominee. Beneficial interests in the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee; and these interests may not be exchanged for certificated notes, except in limited circumstances. See *Book-Entry, Delivery and Form*.

Trustee

Deutsche Bank Trust Company Americas.

S-5

**Table of Contents**

Governing Law

New York.

Risk Factors

In evaluating an investment in the notes, you should carefully consider, along with the other information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, the specific factors set forth under *Risk Factors* beginning on page S-7 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2016 incorporated herein by reference for risks involved with an investment in the notes.

S-6

---

**Table of Contents**

**RISK FACTORS**

*An investment in the notes involves certain risks. You should carefully consider the risks described below and in the accompanying prospectus, as well as the risk factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before making an investment decision. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also materially and adversely affect our business, financial condition or results of operations. The trading price of the notes could decline due to any of these risks, and you may lose all or a substantial part of your investment. This prospectus supplement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described or incorporated by reference in this prospectus supplement and the accompanying prospectus.*

*Unless the context otherwise requires, as used in this Risk Factors section, we, our, and us refer to Air Lease Corporation only and not to its subsidiaries. For purposes of this section, the term indenture as it relates to a particular series of notes refers to the indenture, dated October 11, 2012, between us and Deutsche Bank Trust Company Americas, as trustee, together with the respective supplemental indenture that will establish and govern the terms of such series of notes offered hereby.*

**Risks Relating to Our Indebtedness and the Notes**

***Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes.***

We and our subsidiaries have, and after the offering of the notes will continue to have, a significant amount of indebtedness. As of September 30, 2017, our total consolidated indebtedness, net of discounts and issuance costs, was approximately \$9.2 billion. As of November 10, 2017, our total consolidated indebtedness, net of discounts and issuance costs, was approximately \$9.3 billion and we expect this amount to grow as we acquire more aircraft.

Subject to the limits contained in the agreements governing our existing and future indebtedness and the indenture, we may be able to incur substantial additional debt from time to time to finance aircraft, working capital, capital expenditures, investments or acquisitions, and for other purposes. If we do so, the risks related to our high level of debt could intensify. Specifically, our level of debt could have important consequences to the holders of the notes, including the following:

making it more difficult for us to satisfy our payment obligations with respect to the notes and our other debt;

limiting our ability to obtain additional financing to fund the acquisition of aircraft or for other corporate requirements;

requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for dividends, aircraft acquisitions and other general corporate purposes;

increasing our vulnerability to general negative economic and industry conditions;

exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our various credit facilities, are at variable rates of interest;

limiting our flexibility in planning for and reacting to changes in the aircraft industry;

placing us at a disadvantage compared to other competitors; and

increasing our cost of borrowing.

S-7

---

**Table of Contents**

In addition, certain agreements governing our existing indebtedness contain financial maintenance covenants that require us to satisfy certain ratios and maintain minimum net worth, and other restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, may result in the acceleration of some or all our debt, including the notes.

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

Our ability to make scheduled payments on or refinance our debt obligations, including the notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal of, premium, if any, or interest on our indebtedness, including the notes.

As of September 30, 2017, after giving effect to this offering, we would have had approximately \$10.3 billion in consolidated debt outstanding, net of discounts and issuance costs, and we expect this amount to grow as we acquire more aircraft. Unless extended or refinanced, a substantial amount of our outstanding indebtedness may mature or fully amortize before the maturity of the notes offered hereby. If our cash flows and capital resources are insufficient to fund our debt service obligations, and if we are unable to refinance our maturity debt on acceptable terms, we could face substantial liquidity problems and could be forced to reduce or delay aircraft purchases or to dispose of material assets or leases, or seek additional debt or equity capital or to restructure our indebtedness, including the notes. We may not be able to effect timely any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. Certain agreements governing our existing indebtedness restrict our ability to dispose of assets and use the proceeds from those dispositions. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. See *Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Debt and Contractual Obligations* and Note 2 to our Consolidated Financial Statements, each in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and *Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Debt and Contractual Obligations* and Note 4 to our Consolidated Financial Statements, each in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, which are incorporated herein by reference.

In addition, we conduct substantially all of our operations through our subsidiaries. None of our subsidiaries will guarantee or otherwise be obligated to pay any of our obligations under the notes. For the nine months ended September 30, 2017, our subsidiaries generated substantially all of our consolidated revenue and operating cash flow. As of September 30, 2017, our subsidiaries held 100% of our aircraft assets and had approximately \$557.9 million of total indebtedness, all of which is structurally senior to the notes, and we have provided a limited (10%) unsecured guarantee of approximately \$215.2 million of certain of our subsidiary secured term loans. Our subsidiaries do not have any obligation to pay amounts due on the notes or to make funds available for that purpose; however, our subsidiaries have covenanted to become guarantors of certain of our other outstanding indebtedness in certain circumstances and may in the future guarantee other indebtedness of ours. Repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividends, distributions or otherwise. Our subsidiaries may not be able to, or may not be permitted to, make distributions to us sufficient to enable us to make payments in respect of our indebtedness, and to the extent our subsidiaries have provided guarantees of our other indebtedness, the notes will be structurally subordinated to such guaranteed indebtedness. Each subsidiary is a distinct legal entity, and legal and contractual restrictions may limit our

ability to obtain cash from our subsidiaries. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes. For additional risks related to our subsidiaries ability to

S-8

**Table of Contents**

make payments and distributions to us, see the risk factor titled *Certain of our subsidiaries may be restricted in their ability to make distributions to us which would negatively affect our financial condition and cash flow* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which is incorporated herein by reference. Also, as of September 30, 2017, we had pledged our interests in our subsidiaries to secure our guarantees of approximately \$342.8 million of subsidiary indebtedness. Any foreclosure on these interests by our lenders could reduce our cash available to pay our obligations under the notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the notes.

If we cannot make scheduled payments on our indebtedness, we will be in default and holders of our debt securities or our lenders, as applicable, may be able to declare such indebtedness to be due and payable, terminate commitments to lend money, foreclose against the assets, if any, securing such indebtedness or pursue other remedies, including potentially forcing us into bankruptcy or liquidation. All of these events could result in you losing your entire investment in the notes.

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

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

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

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

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

restrict our ability to repurchase or prepay our securities; or

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

For these reasons, you should not consider the lien or merger and consolidation covenants in the indenture as significant factors in evaluating whether to invest in the notes.

***Negative changes in our credit ratings may limit our ability to secure financing, increase our borrowing costs and adversely affect the market value and liquidity of your notes.***

We are currently subject to periodic review by independent credit rating agencies Standard & Poor's Rating Services ( S&P ), Fitch Ratings, Inc. ( Fitch ) and Kroll Bond Ratings ( Kroll ), each of which currently maintains investment grade credit ratings with respect to our company and certain of our debt securities, and we may become subject to periodic review by other independent credit rating agencies in the future. An increase in the level of our outstanding indebtedness, or other events that could have an adverse impact on our business, properties, financial condition, results of operations or prospects, may cause S&P, Fitch or Kroll, or, in the future, other rating agencies, to downgrade or withdraw our debt credit rating generally, and/or the ratings on the notes, which could adversely impact the trading prices for, and/or the liquidity of, the notes.

The credit ratings assigned to the notes are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the view of the applicable rating agency at the time the rating is

S-9



---

**Table of Contents**

issued. We cannot assure you that these credit ratings will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the applicable rating agency, if, in such rating agency's sole judgment, circumstances so warrant. Ratings are not a recommendation to buy, sell or hold any security. Each agency's rating should be evaluated independently of any other agency's rating. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the trading prices for, or liquidity of, the notes, increase our corporate borrowing costs and limit our access to the capital markets and result in more restrictive covenants in future debt agreements.

***The credit ratings assigned to each series of notes may not reflect all risks of an investment in the applicable notes.***

The credit ratings assigned to each series of notes will reflect the rating agencies' assessments of our ability to make payments on the applicable notes when due. Consequently, real or anticipated changes in these credit ratings will generally affect the market value of the notes. These credit ratings, however, may not reflect the potential impact of risks related to structure, market or other factors related to the value of the notes.

***The notes will be effectively subordinated to our secured indebtedness to the extent of the value of the property securing that indebtedness.***

The notes will not be secured by any of our or our subsidiaries' assets. As a result, the notes will be effectively subordinated to our and such subsidiary's indebtedness with respect to the assets that secure such indebtedness. As of September 30, 2017, we had guarantees of subsidiary indebtedness of approximately \$342.8 million secured by pledges of the equity of our subsidiaries, and our subsidiaries had approximately \$557.9 million of secured indebtedness outstanding. In addition, we and our subsidiaries may incur additional secured debt in the future. As a result of this effective subordination, upon a default in payment on, or the acceleration of, any of this secured indebtedness, or in the event of bankruptcy, insolvency, liquidation, dissolution or reorganization of our company or any subsidiary or subsidiaries, the proceeds from the sale of assets securing our or our subsidiaries' secured indebtedness or guarantees will only be available to pay obligations on the notes and other senior unsecured obligations after such secured debt has been paid in full. Consequently, the holders of the notes may receive less, ratably, than the holders of secured or guaranteed debt in the event of our or our subsidiaries' bankruptcy, insolvency, liquidation, dissolution or reorganization.

***The notes will be structurally subordinated to all obligations of our existing and future subsidiaries.***

The notes will not be guaranteed by any of our subsidiaries and our subsidiaries 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. However, our subsidiaries have covenanted to become guarantors of certain of our other indebtedness in certain circumstances and may in the future guarantee other indebtedness of ours. Accordingly, the notes will be structurally subordinated to all indebtedness and other obligations of any subsidiary, including any guarantees issued by such subsidiaries, such that in the event of bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up of any such subsidiary, all of that subsidiary's creditors (including secured creditors and trade creditors) would be entitled to payment in full out of that subsidiary's assets before we would be entitled to any payment. The indenture does not contain any limitations on the ability of our subsidiaries to incur or guarantee additional indebtedness or the amount of other liabilities, such as trade payables, that may be incurred or guaranteed by these subsidiaries.

For the nine months ended September 30, 2017, our subsidiaries generated substantially all of our consolidated revenue and operating cash flow. As of September 30, 2017, our subsidiaries held 100% of our aircraft assets and had approximately \$557.9 million of total indebtedness, all of which is structurally senior to the notes.



---

**Table of Contents**

***We may not be able to repurchase the notes upon a Change of Control Repurchase Event, and not every change of control or other significant transaction will constitute a Change of Control Repurchase Event.***

Upon the occurrence of a Change of Control Repurchase Event, unless we have exercised our right to redeem all of the notes of a series, each holder of the notes of such series will have the right to require us to repurchase all or any part of such holder's notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. If we experience a Change of Control Repurchase Event, there can be no assurance that we would have sufficient financial resources available to satisfy our obligations to repurchase the notes and any other indebtedness that may be required to be repaid or repurchased as a result of such event. Our failure to repurchase the notes as required under the indenture governing the notes would result in a default under the indenture, which could have material adverse consequences for us and the holders of the notes. A default under the indenture could also lead to a default under the agreements governing our existing or future indebtedness. See *Description of Notes Repurchase Upon Change of Control Repurchase Event*.

Additionally, under certain of the agreements governing our other indebtedness, a change of control (as defined therein) may constitute an event of default thereunder, but not constitute a Change of Control Repurchase Event with respect to the notes, and may permit the lenders to accelerate the maturity of such indebtedness or may require us to offer to purchase such other indebtedness, often at a premium. In addition, certain important corporate events, such as leveraged recapitalizations, may not, under the indenture, constitute a Change of Control Repurchase Event that would require us to repurchase the notes, even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes.

***Holders of the notes may not be able to determine when a change of control giving rise to their right to have the notes repurchased has occurred following a sale of substantially all of our assets.***

One of the circumstances under which a change of control may occur is upon the sale, lease or other transfer of all or substantially all of our consolidated assets. There is no precise, established definition of the phrase substantially all under applicable law and the interpretation of that phrase will likely depend upon particular facts and circumstances. Accordingly, the ability of a holder of notes to determine that such holder may require us to repurchase its notes as a result of a sale of all or substantially all of our consolidated assets to another person may be uncertain.

***An active trading market may not develop for either series of notes.***

Each series of notes is a new issue of securities for which there is no established trading market. We do not intend to apply to list either series of notes on any securities exchange or include either series of notes in any automated quotation system. Certain underwriters may make a market in the notes as permitted by applicable laws and regulations. The underwriters have advised us that they intend to make a market in each series of notes as permitted by applicable laws and regulations. However, the underwriters are not obligated to make a market in each a series of notes and, if commenced, they may discontinue their market-making activities at any time without notice.

Therefore, an active market for either series of notes may not develop or be maintained, which could adversely affect the market price and liquidity of the notes. In that case, the holders of the notes may not be able to sell their notes at a particular time or at a favorable price. The liquidity of any market for a series of notes will depend on a number of factors, including but not limited to:

the amount of notes of such series issued;

the number of holders of the notes of such series and their intent to hold notes to maturity or for shorter periods;

our operating performance and financial condition;

the prospects for companies in our industry generally;

S-11

**Table of Contents**

the markets for such series of notes and similar securities and the state of credit markets generally;

the interest of securities dealers in making a market in such series of notes; and

prevailing interest rates and yields on alternative investments.

We cannot assure you that an active market for either series of notes will develop or will continue, if developed.

***The market value of the notes may be subject to substantial volatility.***

Historically, the debt market has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for each series of notes may not be free from similar disruptions and any such disruptions could adversely affect the prices at which the holders of notes may sell their notes. The debt market can experience sudden and sharp price swings, which can be exacerbated by factors such as (i) large or sustained sales by major investors in debt, (ii) a default by a high-profile issuer, (iii) civil, geopolitical, and regional economic events or (iv) simply a change in investors' psychology regarding debt. Such turmoil in the debt markets may cause a reduction of liquidity in the secondary market for your notes.

A real or perceived economic downturn could cause a decline in the market value of the notes. Moreover, if one of the major rating agencies lowers its credit rating on us or either series of notes, the market value of such series of notes will likely decline. Therefore, holders of the notes may be unable to sell their notes at a particular time or, in the event they are able to sell their notes, the price that they receive when they sell may not be favorable.

***An increase in interest rates could result in a decrease in the relative value of the notes.***

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase the notes and market interest rates increase, the market values of your notes may decline. We cannot predict the future level of market interest rates.

***Redemption may adversely affect your return on the notes, and you will have reinvestment risks.***

As described under *Description of Notes Optional Redemption*, we may redeem the notes at our option, in whole or in part at any time and from time to time, at the applicable redemption price described therein. Consequently, we may choose to redeem your notes at times when prevailing interest rates are lower than the interest rate paid on your notes. As a result, you may not be able to reinvest the redemption proceeds in a comparable debt instrument at an effective interest rate or yield as high as the interest rates or yield on your notes being redeemed.

**Table of Contents**

**USE OF PROCEEDS**

We estimate that our net proceeds from this offering will be approximately \$1.081 billion, after deducting the underwriting discount and estimated offering expenses payable by us.

We currently intend to use the net proceeds of this offering for general corporate purposes, which may include, among other things, the purchase of commercial aircraft and the repayment of existing indebtedness. Affiliates of the underwriters may receive a portion of the net proceeds to the extent we use net proceeds to repay indebtedness under which certain of the underwriters or their affiliates are lenders. Pending any specific application, we may temporarily invest funds in short-term investments, including marketable securities.

S-13

**Table of Contents****CAPITALIZATION**

The following table sets forth our unaudited cash and cash equivalents and capitalization as of September 30, 2017:

on an actual basis; and

on an as adjusted basis to reflect the sale of the notes, after deducting the underwriting discount and estimated offering expenses payable by us, but not the application of the net proceeds therefrom. See *Use of Proceeds*.

You should read the information set forth below in conjunction with *Management's Discussion and Analysis of Financial Condition and Results of Operations* and our financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017, which are incorporated herein by reference.

(in thousands, except share amounts)	As of September 30, 2017 (Unaudited)	
	Actual	As adjusted
Cash and cash equivalents	\$ 226,019	\$ 1,307,270
Restricted cash	19,411	19,411
Existing debt financing, net of discounts and issuance costs(1)	\$ 9,237,320	\$ 9,237,320
2.750% Senior Notes due 2023 offered hereby, net of discount and estimated issuance costs		590,226
3.625% Senior Notes due 2027 offered hereby, net of discount and estimated issuance costs		491,025
Debt financing, net of discounts and estimated issuance costs	\$ 9,237,320	\$ 10,318,571
Shareholders' equity:		
Preferred stock, \$0.01 par value; 50,000,000 shares authorized, no shares issued or outstanding, actual and as adjusted		
Class A common stock, \$0.01 par value; 500,000,000 shares authorized, 103,239,538 shares issued and outstanding	1,032	1,032
Class B non-voting common stock, \$0.01 par value; 10,000,000 shares authorized, no shares issued or outstanding		
Paid-in capital	2,248,950	2,248,950
Retained earnings	1,405,601	1,405,601
Total shareholders' equity	\$ 3,655,583	\$ 3,655,583
Total capitalization	\$ 12,892,903	\$ 13,974,154

- (1) As of November 10, 2017, our total consolidated indebtedness outstanding, net of discounts and issuance costs, was approximately \$9.3 billion.

S-14



**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

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

For purposes of determining the ratio of earnings to fixed charges, earnings consist of net income before income taxes and fixed charges, less interest capitalized during the period. Fixed charges consist of interest expense, interest capitalized during the period and an interest factor of rents. The interest factor of rents consists of one-third of rent expense, which we deem to be representative of the interest factor inherent in rents.

	<b>Nine Months Ended September 30, 2017 (Unaudited)</b>	<b>Year Ended December 31,</b>				
		<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Ratio of earnings to fixed charges	2.64	2.65	2.15	2.33	2.16	2.10

S-15

---

**Table of Contents**

**DESCRIPTION OF NOTES**

This description of the particular terms of the 2.750% Senior Notes due 2023 and the 3.625% Senior Notes due 2027 offered by this prospectus supplement (the 2023 Notes and the 2027 Notes, respectively, each a series of notes and, collectively, the Notes), which term shall include the Notes issued on the Issue Date and any Additional Notes) supplements, and to the extent inconsistent replaces, the description of the general terms and provisions of the debt securities under *Description of Debt Securities* in the accompanying prospectus (the Base Prospectus).

**General**

The 2023 Notes and 2027 Notes will initially be issued in an aggregate principal amount of \$600,000,000 and \$500,000,000, respectively. The Notes will be senior unsecured debt securities. We will issue the Notes under an indenture dated as of October 11, 2012 (the Base Indenture) between us and Deutsche Bank Trust Company Americas, as trustee (the Trustee), as it may be amended or supplemented in accordance with its terms, including pursuant to the supplemental indenture that relates to the 2023 Notes or the 2027 Notes, as applicable, that will set forth and govern the terms of the 2023 Notes or 2027 Notes offered hereby, as applicable, (each a Supplemental Indenture and each Supplemental Indenture together with the Base Indenture, the Indenture as it relates to the applicable series of Notes), as well as the terms made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. The issue date of the notes will be November 20, 2017 (the Issue Date).

The Indenture does not limit the amount of debt securities that may be issued thereunder, nor does it limit the amount of other debt or other securities that we or our Subsidiaries may issue. We may, from time to time, without the consent of the holders of the Notes of either series, issue Notes of a particular series under the Indenture in addition, and with identical terms (other than the public offering price, issue date and in some cases first interest payment date), to the Notes of that series offered by this prospectus supplement (the Additional Notes), provided such Additional Notes are fungible with the Notes of that series offered hereby or are issued under separate CUSIP numbers (or other relevant identifying numbers). The statements in this prospectus supplement concerning the Notes and the Indenture are not complete and you should refer to the provisions in the Indenture, which are controlling. Whenever we refer to provisions of the Indenture, those provisions are incorporated in this prospectus supplement by reference as a part of the statements we are making, and the statements are qualified in their entirety by these references. To the extent any provision of either Supplemental Indenture is inconsistent with any provision of the Base Indenture, the applicable Supplemental Indenture shall govern with respect to that series of Notes.

You will find the definitions of capitalized terms used in this *Description of Notes* under the heading *Description of Notes Certain Definitions* herein. For purposes of this *Description of Notes*, references to the Company, we, our refer only to Air Lease Corporation and not to its Subsidiaries. Air Lease Corporation is the issuer of all of the notes offered under this prospectus supplement. Certain defined terms used in this *Description of Notes* but not defined herein have the meanings assigned to them in the Indenture.

**Maturity**

The 2023 Notes will mature on January 15, 2023 and the 2027 Notes will mature on December 1, 2027.

**Interest**

The 2023 Notes will bear interest at the rate of 2.750% per year and the 2027 Notes will bear interest at the rate of 3.625% per year. Interest on the Notes will accrue from and including November 20, 2017. We will pay interest on the 2023 Notes semi-annually in arrears on January 15 and July 15 of each year to the person in whose name the

2023 Note is registered at the close of business on the preceding January 1 or July 1, respectively. We

S-16

## **Table of Contents**

will pay interest on the 2027 Notes semi-annually in arrears on June 1 and December 1 of each year to the person in whose name the 2027 Note is registered at the close of business on the preceding May 15 or November 15, respectively. We will make the first interest payment on the 2023 Notes on July 15, 2018. We will make the first interest payment on the 2027 Notes on June 1, 2018.

Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months. If any interest payment date, stated maturity date or redemption date of a Note is not a business day, the payment otherwise required to be made on such date may be made on the next business day with the same force and effect as if made on such interest payment date, stated maturity date or redemption date, as the case may be, and no interest shall accrue on the amount so payable for the period from and after such interest payment date, stated maturity date or redemption date, as the case may be. All payments will be made in United States dollars.

## **Ranking**

The Notes will be senior obligations of the Company and will rank equal in right of payment with any existing and future senior indebtedness of the Company, without giving effect to collateral arrangements. The Notes will be effectively subordinated to all secured indebtedness of the Company to the extent of the value of the pledged assets and will be structurally subordinated to all indebtedness and other liabilities of any Subsidiary. The Notes will be senior in right of payment to any existing and future obligations of the Company that are expressly subordinated or junior in right of payment to the Notes pursuant to a written agreement.

## **Denominations**

The authorized minimum denominations of the Notes will be \$2,000 or any amount in excess of \$2,000 which is an integral multiple of \$1,000.

## **Optional Redemption**

The Company may redeem the 2023 Notes at its option, in whole or in part, on any date prior to December 15, 2022, at a redemption price equal to 100% of the aggregate principal amount of the 2023 Notes plus the Applicable Premium, plus accrued and unpaid interest, if any, to the redemption date. On or after December 15, 2022, the Company may redeem the 2023 Notes at its option, in whole or in part, at a redemption price equal to 100% of the aggregate principal amount of the 2023 Notes plus accrued and unpaid interest, if any, to the redemption date. The Company may redeem the 2027 Notes at its option, in whole or in part, on any date prior to September 1, 2027, at a redemption price equal to 100% of the aggregate principal amount of the 2027 Notes plus the Applicable Premium, plus accrued and unpaid interest, if any, to the redemption date. On or after September 1, 2027, the Company may redeem the 2027 Notes at its option, in whole or in part, at a redemption price equal to 100% of the aggregate principal amount of the 2027 Notes plus accrued and unpaid interest, if any, to the redemption date. If a Note is redeemed on or after a record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the holder of record as of such record date.

The Company generally will be required to provide notices of redemption not less than 30 days but not more than 60 days before the redemption date to each holder whose Notes are to be redeemed at such holder's registered address or otherwise in accordance with the procedures of the depository.

Unless we default in payment of the redemption price, from and after the applicable redemption date, interest will cease to accrue on the Notes or portions thereof called for redemption. In the case of any partial redemption, selection of the Notes for redemption will be made by the Trustee by lot in compliance with the applicable procedures of DTC,

although no Note of \$2,000 in principal amount or less will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original Note upon written direction by such holder.

S-17

## **Table of Contents**

Any redemption notice may, at the Company's discretion, be subject to one or more conditions precedent, including completion of a corporate transaction. In such event, the related notice of redemption shall describe each such condition and, if applicable, shall state that, at the Company's discretion, the date of redemption may be delayed until such time as any or all such conditions shall be satisfied or waived (provided that in no event shall such date of redemption be delayed to a date later than 60 days after the date on which such notice was given), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the date of redemption, or by the date of redemption as so delayed.

### **Repurchase Upon Change of Control Repurchase Event**

Upon the occurrence of a Change of Control Repurchase Event, unless we have exercised our right to redeem all of the Notes of a series as described under *Description of Notes Optional Redemption*, we will make an offer to purchase all the Notes of such series as described below (the *Change of Control Offer*), at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. If a Note is repurchased pursuant to a Change of Control Offer on or after a record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the holder of record as of such record date.

Within 30 days following the date upon which the Change of Control Repurchase Event occurred, or at our option, prior to any Change of Control but after the public announcement of the pending Change of Control, we will be required to provide a notice to each holder of Notes of such series, with a copy to the Trustee, which notice will govern the terms of the Change of Control Offer. Such notice will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is sent, other than as may be required by law (the *Change of Control Payment Date*). The notice, if sent prior to the date of consummation of the Change of Control, will state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date; provided, that if such Change of Control is consummated after such proposed Change of Control Payment Date and such Change of Control Offer is therefore not consummated, the Company shall make a Change of Control Offer within 30 days following the later of the consummation of such Change of Control or a Below Investment Grade Rating Event.

Holders of Notes electing to have Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled *Option of Holder to Elect Purchase* on the reverse of such Notes completed, to the paying agent at the address specified in the notice, or transfer such Notes to the paying agent by book-entry transfer pursuant to the applicable procedures of the paying agent, prior to the close of business on the third Business Day prior to the Change of Control Payment Date.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest to the Change of Control Payment Date will be paid on the relevant interest payment date to the Person in whose name a Note is registered at the close of business on such record date.

We will not be required to make a Change of Control Offer if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by us and such third party purchases all Notes validly tendered and not withdrawn under its offer.

The Company will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of the conflict.



---

## **Table of Contents**

The Change of Control provisions described above may deter certain mergers, tender offers and other takeover attempts involving the Company by increasing the capital required to effectuate such transactions. The definition of Change of Control includes a disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries taken as a whole under certain circumstances. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of all or substantially all of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether the Company is obligated to make an offer to repurchase the Notes as described above. Certain provisions under the Indenture relative to the Company's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes.

## **Defeasance**

The Company may, at its option and at any time, elect to have all of its obligations discharged with respect to the outstanding Notes of either series (subject to the survival of certain provisions) ( legal defeasance ) or to be released from its obligations under certain of the covenants governing the Notes of either series ( covenant defeasance ), in each case, to the extent set forth in, and subject to the terms of, the Indenture.

The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its legal defeasance option, payment of the Notes of the applicable series may not be accelerated because of an Event of Default (as described in *Description of Notes Events of Default* ) with respect to the Notes of that series. If the Company exercises its covenant defeasance option, payment of the Notes of the applicable series may not be accelerated because of an Event of Default that resulted from failure of the Company to comply with its obligations under any covenant subject to defeasance, which includes the covenants described in *Description of Notes Certain Covenants Limitation on Liens* and the obligations of the Company under *Description of Notes Repurchase Upon Change of Control Repurchase Event*.

In order to exercise either legal defeasance or covenant defeasance under the Indenture with respect to a series of Notes, the Indenture requires, among other conditions, that the Company irrevocably deposit with the Trustee, in trust, for the benefit of the holders, money, U.S. Government Obligations, or a combination thereof, in amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal, premium, if any, and interest due on the outstanding Notes of the applicable series on the Stated Maturity or on the applicable redemption date, as the case may be. In addition, the Company shall deliver to the Trustee an Officers Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) stating that all conditions precedent to such defeasance have been satisfied.

## **Satisfaction and Discharge**

The Indenture will be discharged as to all Notes of a series and will cease to be of further effect as to all Notes of such series, when either:

- (1) all Notes of such series that have been authenticated and delivered (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust) have been delivered to the Trustee for cancellation; or



(2) (a) all Notes of such series not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the giving of a notice of redemption or otherwise, will become due and payable within one year or are to be called for redemption 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, and the Company has irrevocably deposited or caused to be

S-19

## **Table of Contents**

deposited with the Trustee, as trust funds in trust solely for the benefit of the holders, cash in U.S. dollars, U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient, to pay and discharge the entire indebtedness on the Notes of such series not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption, as the case may be;

- (b) no Default or Event of Default with respect to such series of Notes has occurred and is continuing on the date of such deposit or will occur as a result of such deposit (other than a Default or an Event of Default resulting from the borrowing of funds to be applied to make such deposit and any similar and simultaneous deposit relating to other indebtedness and, in each case, the granting of Liens in connection therewith) and the deposit will 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;
- (c) the Company has paid or caused to be paid all sums payable or due and owing by the Company under the Indenture as it relates to the Notes of such series; and
- (d) the Company has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes of such series at maturity or the redemption date, as the case may be.

In addition, the Company shall deliver to the Trustee an Officers Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) stating that all conditions precedent to satisfaction and discharge have been satisfied.

## **No Sinking Fund**

There will be no sinking fund in respect of the Notes.

## **Payments on the Notes; Paying Agent and Registrar**

We have initially appointed the Trustee to act as our paying agent (the Paying Agent ) and registrar (the Registrar ). We may change the Paying Agent or the Registrar without prior notice to the holders, and the Company or any of its Subsidiaries may act as Paying Agent or Registrar.

We will pay principal of, premium, if any, and interest on Notes in global form registered in the name of or held by DTC or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global Note. 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 Trustee or the Company may require a holder, among other things, to furnish appropriate endorsements and transfer documents in a form satisfactory to the Registrar and the Company. No service charge will be imposed for any registration of transfer or exchange of Notes, but holders may be required to pay a sum sufficient to cover any transfer tax or other governmental charge payable in connection therewith. 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 providing a notice of

redemption with respect to Notes to be redeemed.

**Certain Covenants**

*Limitation on Liens*

Except as provided below, the Company will not, and will not permit any Subsidiary to, at any time pledge or otherwise subject to any Lien any of its or such Subsidiary's property, tangible or intangible, real or personal

S-20

---

**Table of Contents**

(hereinafter "property"), without thereby expressly securing the Notes (together, if the Company so chooses, with any other securities entitled to the benefit of a similar covenant) equally and ratably with any and all other indebtedness for borrowed money or Capital Leases, including any guarantee, secured by such Lien, so long as any such other indebtedness or Capital Lease shall be so secured, and the Company covenants that if and when any such Lien is created, the Notes will be so secured thereby; provided, that, this restriction shall not apply to any Lien on any property existing as of the Issue Date or to the following Liens securing indebtedness for borrowed money or Capital Leases, including any guarantee:

- (1) any Lien on any property (including Aircraft Assets and Capital Stock in any Special Purpose Aircraft Financing Entity) securing Non-Recourse Indebtedness;
- (2) any Lien on any property (including Aircraft Assets and Capital Stock in any Special Purpose Aircraft Financing Entity) (a) existing at the time of acquisition of such property or the entity owning such property (including acquisition through merger or consolidation), or (b) given to secure the payment of all or any part of the purchase, lease or acquisition thereof or the cost of construction, repair, refurbishment, modification or improvement of property (including Aircraft Assets and Capital Stock in any Special Purpose Aircraft Financing Entity) or to secure any indebtedness (including ECA Indebtedness) or Capital Lease incurred prior thereto, at the time of, or within 180 days (18 months in the case of Aircraft Assets and Capital Stock in any Special Purpose Aircraft Financing Entity) after, the acquisition, construction, repair, refurbishment, modification or improvement of property (including Aircraft Assets and Capital Stock in any Special Purpose Aircraft Financing Entity) for the purpose of financing all or part of the purchase, lease or acquisition thereof or the cost of construction, repair, refurbishment, modification or improvement;
- (3) Liens by a Subsidiary as security for indebtedness owed to the Company or any Subsidiary;
- (4) a banker's lien or right of offset of the holder of such indebtedness in favor of any lender of moneys or holder of commercial paper of the Company or any Subsidiary in the ordinary course of business on moneys of the Company or such Subsidiary deposited with such lender or holder in the ordinary course of business;
- (5) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien existing on the Issue Date or referred to in the foregoing clauses including in connection with the refinancing of indebtedness of the Company and its Subsidiaries secured by such Lien; and
- (6) other Liens not permitted by any of subsections (1) through (5) above on any property, now owned or hereafter acquired; provided, that, no such Liens shall be incurred pursuant to this subsection (6) if the aggregate principal amount of outstanding indebtedness (without duplication for any guarantee of such indebtedness) and Capital Leases secured by Liens incurred pursuant to this subsection (6) subsequent to the Issue Date, including the Lien proposed to be incurred, shall exceed 20% of Consolidated Tangible Assets after giving effect to such incurrence and the use of proceeds of such indebtedness or Capital Leases.

This covenant does not limit Liens that do not secure indebtedness for borrowed money or Capital Leases.

Any lien that is granted to secure the Notes pursuant to the preceding two paragraphs will be automatically released and discharged at the same time as the release (other than through the exercise of remedies with respect thereto) of each lien that gave rise to such obligation to secure the Notes under the preceding two paragraphs.

***Merger and Consolidation***

The following description applies in lieu of the description in the Base Prospectus under the caption *Description of Debt Securities Consolidation, Merger and Sale of Assets*. The Company will not consolidate with or merge with or into or wind up into (whether or not the Company is the surviving corporation), or sell,

S-21

---

**Table of Contents**

assign, convey, transfer, lease or otherwise dispose of all or substantially all of the Company's properties and assets, in one or more related transactions, to any Person unless:

- (1) the resulting, surviving or transferee Person (the Successor Company) is a Person organized and existing under the laws of the United States of America, any state or territory thereof or the District of Columbia;
- (2) the Successor Company (if other than the Company) expressly assumes all of the obligations of the Company under the Notes and the Indenture pursuant to a supplemental indenture;
- (3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and
- (4) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, winding up or disposition, and such supplemental indenture, if any, comply with the Indenture.

For the purpose of this covenant, Aircraft Asset leasing in the ordinary course of business of the Company or any of its Subsidiaries shall not be considered the leasing of all or substantially all of the Company's consolidated assets.

**Events of Default**

The following description applies in lieu of the description in the Base Prospectus under the caption *Description of Debt Securities Events of Default and Modification and Waiver Waiver of Default*. Events of Default with regard to each series of Notes will be as follows:

- (1) default in any payment of interest on any Note of such series when due, which default continues for a period of 30 days;
- (2) default in the payment of principal of, or premium, if any, on any Note of such series when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) default in the performance, or breach, of any covenant or warranty of the Company in the Indenture with respect to the Notes of such series (other than a covenant or warranty with respect to which a default in performance or breach is elsewhere in this section specifically addressed or which covenant or warranty has been included in the Indenture solely for the benefit of one or more series of notes other than the Notes of such series), and continuance of such default or breach for a period of 90 consecutive days after there has been given, by registered or certified mail, 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 of such series, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a Notice of Default under the Indenture;

- (4) default under any mortgage, indenture (including the Indenture) or instrument under which there is issued, or which secures or evidences, any indebtedness for borrowed money of the Company (or the payment of which is guaranteed by the Company) (other than indebtedness owed to any Subsidiary or Non-Recourse Indebtedness of the Company) now existing or hereafter created, which default shall constitute a failure by the Company to pay principal in an amount exceeding \$200.0 million (the Threshold Amount ) when due and payable by the Company at final stated maturity, after expiration of any applicable grace period with respect thereto (such default, a payment default ), or shall have resulted in an aggregate principal amount of such indebtedness exceeding the Threshold Amount becoming due and payable by the Company prior to the date on which it would otherwise have become due and payable (such default, an acceleration default ); provided, however, that in connection with any series of the Convertible Notes, (a) any conversion of such indebtedness by a holder thereof into shares of common stock, cash or a combination of cash and shares of common stock, (b) the rights of holders of such indebtedness to convert into shares of common stock, cash or a combination of cash

S-22

---

**Table of Contents**

and shares of common stock and (c) the rights of holders of such indebtedness to require any repurchase by the Company of such indebtedness in cash upon a fundamental change shall not, in itself, constitute an Event of Default hereunder; or

- (5) certain events of bankruptcy, insolvency or reorganization of the Company and, in the case of an involuntary insolvency proceeding, such proceeding remains unstayed for a period of 90 consecutive days.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs with respect to a series of Notes and is continuing, the Trustee or the holders of at least 25% in principal amount of the then outstanding Notes of such series may declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all the Notes of such series to be due and payable by notice in writing to the Company (and to the Trustee if given by holders). Upon such a declaration, such principal, premium, if any, and accrued and unpaid interest, if any, will be due and payable immediately.

In the event of a declaration of acceleration of a series of Notes solely because an Event of Default described in clause (4) above has occurred and is continuing, the declaration of acceleration of such series of Notes shall be automatically rescinded and annulled (i) if the default or defaults triggering such Event of Default pursuant to clause (4) shall be remedied or cured by the Company or waived by the holders of the relevant indebtedness within 30 days after the declaration of acceleration with respect thereto, (ii) the rescission and annulment of the acceleration of such series of Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (iii) all Events of Default with respect to such series of Notes, except non-payment of principal of, or premium, if any, or interest on, such Notes that have become due solely by such declaration of acceleration of the Notes of such series, have been cured or waived as provided below.

If an Event of Default described in clause (5) above occurs with respect to a series of Notes and is continuing, the principal of, premium, if any, and accrued and unpaid interest, if any, on all the Notes of such series will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holders.

The holders of a majority in principal amount of the outstanding Notes of a series may waive all past defaults with respect to such series of Notes, but may not waive a continuing default (a) in the payment of the principal of, premium, if any, or interest on any Note of such series held by a non-consenting holder (including in connection with a Change of Control Repurchase Event), or (b) in respect of a covenant or provision hereof that under the Indenture cannot be modified or amended without the consent of the holder of each outstanding Note of such series affected. Pursuant to the terms of the Indenture, the holders of a majority in principal amount of outstanding Notes of such series may rescind and annul a declaration of acceleration (and its consequences) with respect to such series of Notes if (i) the Company has deposited with the Trustee a sum sufficient to pay all principal, premium, interest and funds advanced by the Trustee and the reasonable compensation, expenses and disbursements of the Trustee, its agents and its counsel, (ii) all Events of Default with respect to such series of Notes, except nonpayment of principal, premium, if any, or interest on such Notes that became due solely because of the acceleration of the Notes of such series, have been cured or waived pursuant to the Indenture and (iii) such rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Any application by the Trustee for written instructions from the requisite amount of holders may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under the Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions from the requisite amount of holders in response to



such application specifying the action to be taken or omitted.

S-23

**Table of Contents**

Except to enforce the right to receive payment of principal, premium, if any, or interest when due, no holder may institute any proceeding, judicial or otherwise, with respect to the Indenture or a series of Notes, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless:

- (1) an Event of Default has occurred with respect to such series of Notes and is continuing and such holder has previously given written notice to the Trustee of such Event of Default and the continuance thereof;
- (2) the holders of not less than 25% in principal amount of the outstanding Notes of such series have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee thereunder;
- (3) such holder or holders have offered to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request;
- (4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of a majority in principal amount of the outstanding Notes of such series.

No one or more of holders will have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other holders, or to obtain or to seek to obtain priority or preference over any other of holders or to enforce any right under the Indenture, except, in each case, in the manner herein provided and for the equal and ratable benefit of all holders.

Subject to certain restrictions, the holders of a majority in principal amount of the then outstanding Notes of a series may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee with respect to the Notes of such series. The Indenture provides that in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use under the circumstances in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with any law, rule, regulation or court order or the Indenture or the Notes of such series, or that the Trustee determines in good faith is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing with respect to a series of Notes, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture and such series of Notes at the request or direction of any of the holders unless such holders have offered to the Trustee indemnity or security reasonably satisfactory to it against any costs, expenses and liabilities.

The Indenture provides that within 60 days following the date on which the Company becomes aware of a Default or receives notice of such Default, as applicable, if such Default is continuing, the Company will deliver a certificate to the Trustee specifying any events which would constitute a Default, their status and what action the Company is

taking or proposing to take in respect thereof. The Indenture provides further that if a Default occurs and is continuing and is known to the Trustee, the Trustee will provide each holder of Notes for which the Default has occurred and is continuing notice of the Default within 90 days after it occurs. Except in the case of a Default in the payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold from the holders notice of any continuing Default if the Trustee determines in good faith that withholding the notice is in the interests of the holders. Further, in the case of any default in the performance, or breach, of any covenant or warranty by the Company with respect to the Notes, which default must continue for a period of 90 consecutive days after there 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 of the principal amount of outstanding Notes of a series of Notes for which the Default has occurred and is continuing, no such notice to holders must be given until at least 90 days

S-24

**Table of Contents**

after the occurrence thereof. In addition, the Company is required to deliver to the Trustee, within 120 days after the end of each fiscal year ending after the Issue Date, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year.

**Amendments and Waivers**

The Indenture and either series of Notes may be amended as described in the Base Prospectus under *Description of Debt Securities Modification and Waiver Modification of Indenture* ; provided that no amendment, supplement or waiver may, without the consent of each holder of Notes affected, change the time at which any Note may be redeemed or repurchased as described above under *Optional Redemption* or *Repurchase Upon Change of Control Repurchase Event*, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise (except amendments to the definition of *Change of Control* or *Below Investment Grade Rating Event* ); and provided further that, without the consent of any holder, the Company and the Trustee may amend the Indenture and the Notes to add to or change any of the provisions of the Indenture or the terms of the Notes to such extent as shall be necessary to permit or facilitate the issuance of Notes of such series in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of Notes of such series in uncertificated form, only if, in each case in this proviso, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Internal Revenue Code of 1986, as amended (the *Code* ).

**Certain Definitions**

The following defined terms are applicable to the Notes in addition to any other defined terms in the Indenture that are not defined herein. To the extent any term defined herein or in either Supplemental Indenture is inconsistent with a defined term in the Base Indenture, this prospectus supplement and the applicable Supplemental Indenture shall govern.

**Aircraft Assets** means (x) aircraft, airframes, engines (including spare engines), propellers, parts and other operating assets and pre- delivery payments relating to any of the items in this clause (x); and (y) intermediate or operating leases relating to any of the items in the foregoing clause (x).

**ALC Maillot** means ALC Maillot Jaune Borrower, LLC, a Delaware limited liability company.

**ALC Warehouse** means ALC Warehouse Borrower, LLC, a Delaware limited liability company.

**Applicable Premium** means, (A) with respect to a 2023 Note on any date of redemption, the excess, if any, of (x) the present value as of such date of redemption of (i) 100% of the principal amount of such 2023 Note plus (ii) all required interest payments due on such 2023 Note through December 15, 2022 assuming such 2023 Note matured on such date (excluding accrued but unpaid interest to the date of redemption), computed using a discount rate equal to the Treasury Rate as of such date of redemption plus 15 basis points, over (y) the then outstanding principal of such 2023 Note and (B) with respect to a 2027 Note on any date of redemption, the excess, if any, of (x) the present value as of such date of redemption of (i) 100% of the principal amount of such 2027 Note plus (ii) all required interest payments due on such 2027 Note through September 1, 2027 assuming such 2027 Note matured on such date (excluding accrued but unpaid interest to the date of redemption), computed using a discount rate equal to the Treasury Rate as of such date of redemption plus 25 basis points, over (y) the then outstanding principal of such 2027 Note.

**Below Investment Grade Rating Event** means with respect to either series of Notes that at any time within 60 days (which period shall be extended so long as the rating of the applicable series of Notes is under publicly announced

consideration for possible downgrade by any of the Rating Agencies) from the date of the public notice of a Change of Control or of the Company's intention or that of any Person to effect a Change of Control,

S-25

---

**Table of Contents**

the rating on the applicable series of Notes is lowered, and such Notes are rated below an Investment Grade Rating, by (i) one Rating Agency if such Notes are rated by less than two Rating Agencies, (ii) both Rating Agencies if such Notes are rated by two Rating Agencies or (iii) at least a majority of such Rating Agencies if such Notes are rated by three or more Rating Agencies; provided, that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

**Capital Lease** means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with generally accepted accounting principles.

**Capital Stock** of a Person means all equity interests in such Person, including any common stock, preferred stock, limited liability or partnership interests (whether general or limited), and all warrants or options with respect to, or other rights to purchase, the foregoing, but excluding Convertible Notes and other indebtedness (other than preferred stock) convertible into equity.

**Change of Control** means the occurrence of any one of the following:

a person or group within the meaning of Section 13(d) of the Exchange Act other than the Company, a direct or indirect Subsidiary, or any employee or executive benefit plan of the Company and/or its Subsidiaries, has become the beneficial owner, as defined in Rule 13d-3 under the Exchange Act, of the Company's Common Stock representing more than 50% of the total voting power of all Common Stock of the Company then outstanding and constituting Voting Stock;

the consummation of (i) any consolidation or merger of the Company pursuant to which the Company's Common Stock will be converted into the right to obtain cash, securities of a Person other than the Company, or other property; or (ii) any sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any other Person other than a direct or indirect Subsidiary of the Company; provided, that Aircraft Asset leasing in the ordinary course of business of the Company or any of its Subsidiaries shall not be considered the leasing of all or substantially all of the Company's consolidated assets; provided further, however, that a transaction described in clause (i) or (ii) in which the holders of the Company's Common Stock immediately prior to such transaction own or hold, directly or indirectly, more than 50% of the voting power of all Common Stock of the continuing or surviving corporation or the transferee, or the parent thereof, outstanding immediately after such transaction and constituting Voting Stock shall not constitute a Change of Control; or

the adoption of a plan relating to the Company's liquidation or dissolution.

**Change of Control Repurchase Event** with respect to either series of Notes means the occurrence of both a Change of Control and a Below Investment Grade Rating Event with respect to such series of Notes.

Consolidated Tangible Assets at any date, means the total assets of the Company and its Subsidiaries reported on the most recently prepared consolidated balance sheet of the Company filed with the Commission or delivered to the Trustee as of the end of a fiscal quarter, less all assets shown on such consolidated balance sheet that are classified and accounted for as intangible assets of the Company or any of its Subsidiaries or that otherwise would be considered intangible assets under generally accepted accounting principles, including, without limitation, franchises, patents and patent applications, trademarks, brand names, unamortized debt discount and goodwill.

---

**Table of Contents**

**Convertible Notes** means indebtedness of the Company that is optionally convertible into Capital Stock of the Company (and/or cash based on the value of such Capital Stock) and/or indebtedness of a Subsidiary of the Company that is optionally exchangeable for Capital Stock of the Company (and/or cash based on the value of such Capital Stock).

**Default** means any event that is, or after the notice or passage of time or both would be, an Event of Default.

**ECA Indebtedness** means any indebtedness incurred in order to fund the deliveries of new Aircraft Assets, which indebtedness is guaranteed by one or more Export Credit Agencies, including guarantees thereof by the Company or any of its Subsidiaries.

**Export Credit Agencies** means collectively, the export credit agencies or other governmental authorities that provide export financing of new Aircraft Assets (including, but not limited to, the Brazilian Development Bank, Compagnie Francaise d Assurance pour le Commerce Extérieur, Her Britannic Majesty's Secretary of State acting by the Export Credits Guarantee Department, Euler-Hermes Kreditversicherungs AG, the Export-Import Bank of the United States, the Export Development Canada or any successor thereto).

**Investment Grade Rating** means a rating equal to or higher than BBB by S&P, or the equivalent of any other Rating Agency, as applicable, or in each case the equivalent under any successor category of such Rating Agency.

**Lien** means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any Capital Lease, upon or with respect to any property or asset of such Person.

**Non-Recourse Indebtedness** means, with respect to any Person, any indebtedness of such Person or its Subsidiaries that is, by its terms, recourse only to specific assets and non-recourse to the assets of such Person generally and that is neither guaranteed by any Affiliate (other than a Subsidiary) of such Person or would become the obligation of any Affiliate (other than a Subsidiary) of such Person upon a default thereunder, other than (i) recourse for fraud, misrepresentation, misapplication of cash, waste, environmental claims and liabilities, prohibited transfers, violations of single purpose entity covenants and other circumstances customarily excluded by institutional lenders from exculpation provisions and/or included in separate guaranty or indemnification agreements in non-recourse financings, (ii) recourse to the equity interests of such Person or its Subsidiaries and to a guarantee by the Company or any Affiliate of the Company that does not exceed 10% of the outstanding indebtedness of such Person and its Subsidiaries, including such a guarantee of Warehouse Facility Indebtedness, and (iii) the existence of a guarantee that does not constitute a guarantee of payment of principal, interest or premium on indebtedness.

**Rating Agency** means S&P and any additional rating agency that provides a rating with respect to the Notes and is a nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act ( "NRSRO" ); provided, that if any such Rating Agency ceases to provide rating services to issuers or investors, the Company may appoint a replacement for such Rating Agency that is a NRSRO.

**S&P** means Standard & Poor's Ratings Services or any successor to its rating agency business.

**Special Purpose Aircraft Financing Entity** means a Subsidiary of the Company (x) that engages in no business other than the purchase, finance, refinance, lease, sale and management of Aircraft Assets, the ownership of Special Purpose Aircraft Financing Entities and business incidental thereto; (y) substantially all of the assets of which are comprised of Aircraft Assets and/or Capital Stock in Special Purpose Aircraft Financing Entities; and (z) that is not obligated under, or the organizational documents or financing documents of which prevent it from incurring, in each case, indebtedness



for money borrowed other than indebtedness incurred to

S-27

---

**Table of Contents**

finance or refinance the purchase, lease or acquisition of Aircraft Assets and the purchase of Special Purpose Aircraft Financing Entities or the cost of construction, repair, refurbishment, modification or improvement thereof.

Subsidiary of any Person means (x) any corporation, association or similar business entity (other than a partnership, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors or trustees thereof (or Persons performing similar functions) or (y) any partnership, limited liability company, trust or similar entity of which more than 50% of the capital accounts, distribution rights or total equity, as applicable, is, in the case of clauses (x) and (y), at the time owned, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary will refer to a Subsidiary of the Company.

Treasury Rate means as of any date of redemption of (A) the 2023 Notes the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent statistical release designated as H.15 under the caption Treasury constant maturities or any successor publication which is published at least weekly by the Board of Governors of the Federal Reserve System (or companion online data resource published by the Board of Governors of the Federal Reserve System) and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity that has become publicly available at least two Business Days prior to the redemption date (or, if such statistical release is no longer published, any publicly available source or similar market data)) most nearly equal to the period from the redemption date to December 15, 2022; provided, however, that if the period from the redemption date to December 15, 2022 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to December 15, 2022 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used or (B) the 2027 Notes the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent statistical release designated as H.15 under the caption Treasury constant maturities or any successor publication which is published at least weekly by the Board of Governors of the Federal Reserve System (or companion online data resource published by the Board of Governors of the Federal Reserve System) and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity that has become publicly available at least two Business Days prior to the redemption date (or, if such statistical release is no longer published, any publicly available source or similar market data)) most nearly equal to the period from the redemption date to September 1, 2027; provided, however, that if the period from the redemption date to September 1, 2027 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to September 1, 2027 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

U.S. Government Obligation means (x) any security that is (i) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case (i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended from time to time) as custodian with respect to any U.S. Government Obligation that is specified in clause (x) above and held by such bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or

interest on any U.S. Government Obligation which is so

S-28

**Table of Contents**

specified and held, provided, that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

**Voting Stock** means Capital Stock of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect the corporate directors (or Persons performing similar functions).

**Warehouse Facility Indebtedness** means indebtedness under (i) that certain Amended and Restated Warehouse Loan Agreement, dated as of June 21, 2013 and as amended as of October 14, 2013, July 23, 2014 and December 24, 2015, among ALC Warehouse, the lenders party thereto and Credit Suisse AG, New York Branch, as Agent, and (ii) that certain Second Amended and Restated Credit Agreement, dated as of March 27, 2014, among ALC Maillot, the subsidiary guarantors party thereto, the lenders party thereto, Credit Agricole Corporate and Investment Bank, as administrative agent, and Deutsche Bank Trust Company Americas, as collateral agent; in the case of each of the foregoing clauses (i) and (ii) as any such agreement may be amended, supplemented, extended, refinanced, renewed or replaced.

---

**Table of Contents**

**BOOK-ENTRY, DELIVERY AND FORM**

**Book-Entry Procedures**

Each series of notes will be issued in the form of one or more fully registered global securities in a minimum denomination of \$2,000 or integral multiples of \$1,000 in excess thereof that will be deposited with DTC in New York, New York or its nominee. This means that the Company will not issue certificates to each holder. Each global security will be issued in the name of Cede & Co., DTC's nominee, which will keep a computerized record of its participants (for example, your broker) whose clients have purchased notes. The participant will then keep a record of its clients who purchased the notes. Unless it is exchanged in whole or in part for a certificate, a global security may not be transferred, except that DTC, its nominees, and their successors may transfer a global security as a whole to one another.

Beneficial interests in global securities will be shown on, and transfers of global securities will be made only through, records maintained by DTC and its participants. If you are not a participant in DTC, you may beneficially own notes held by DTC only through a participant.

The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and laws may impair the ability to transfer beneficial interests in a global security.

DTC has provided the Company with the following information: DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC holds securities that its direct participants deposit with DTC. DTC also facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in direct participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of notes represented by one or more global securities under the DTC system must be made by or through direct participants, which will receive a credit for the notes on DTC's records. The ownership interest of each beneficial owner of each note is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in notes, except in the event that use of the book-entry system for the notes is discontinued or in other limited circumstances set forth in the indenture governing the notes.

To facilitate subsequent transfers, all notes deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized

S-30

## **Table of Contents**

representative of DTC. The deposit of notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the notes; DTC's records reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Delivery of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices, if any, will be sent to DTC. If less than all of the notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the notes. Under its usual procedures, DTC mails an omnibus proxy to the Company as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds and distributions on the notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Company or the paying agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of each participant and not of DTC, the paying agent, or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Company or the paying agent, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

A beneficial owner must give notice to elect to have its notes purchased or tendered, through its participant, to the paying agent, and will effect delivery of the notes by causing the direct participant to transfer the participant's interest in the notes, on DTC's records, to the paying agent. The requirement for physical delivery of the notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the notes are transferred by direct participants on DTC's records and followed by a book-entry credit of tendered securities to the paying agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to us or the paying agent. Under such circumstances, in the event that a successor securities depository is not obtained, note certificates are required to be printed and delivered. The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but the Company takes no responsibility for its accuracy.

## **Same-day Settlement and Payment**

The notes will trade in the same-day funds settlement system of DTC until maturity or until the Company issues the notes in certificated form. DTC will therefore require secondary market trading activity in the notes to settle in immediately available funds. The Company can give no assurance as to the effect, if any, of settlement in immediately available funds on trading activity in the notes.

S-31



**Table of Contents**

**Euroclear and Clearstream, Luxembourg**

If the depository for a global security is DTC, you may hold interests in the global notes through Euroclear Bank S.A./N.V., as operator of the Euroclear System ( Euroclear ) or Clearstream Banking, S.A. ( Clearstream, Luxembourg ), in each case, as a participant in DTC.

Euroclear and Clearstream, Luxembourg will hold interests, in each case, on behalf of their participants through customers' securities accounts in the names of Euroclear and Clearstream, Luxembourg on the books of their respective depositories, which in turn will hold such interests in customers' securities in the depositories' names on DTC's books.

Payments, deliveries, transfers, exchanges, notices and other matters relating to the notes made through Euroclear or Clearstream, Luxembourg must comply with the rules and procedures of those systems. Those systems could change their rules and procedures at any time. The Company has no control over those systems or their participants, and the Company takes no responsibility for their activities. Transactions between participants in Euroclear or Clearstream, Luxembourg, on the one hand, and other participants in DTC, on the other hand, would also be subject to DTC's rules and procedures.

Investors will be able to make and receive through Euroclear and Clearstream, Luxembourg payments, deliveries, transfers, exchanges, notices and other transactions involving any securities held through those systems only on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, U.S. investors who hold their interests in the notes through these systems and wish, on a particular day, to transfer their interests, or to receive or make a payment or delivery or exercise any other right with respect to their interests, may find that the transaction will not be effected until the next business day in Luxembourg or Brussels, as applicable. Thus, investors who wish to exercise rights that expire on a particular day may need to act before the expiration date. In addition, investors who hold their interests through both DTC and Euroclear or Clearstream, Luxembourg may need to make special arrangements to finance any purchase or sales of their interests between the U.S. and European clearing systems, and those transactions may settle later than transactions within one clearing system.

---

**Table of Contents**

**MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following discussion is a summary of material U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the notes, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or foreign tax laws are not discussed. This discussion is based on the Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (IRS), all in effect as of the date of this offering. These authorities may change or be subject to differing interpretations. Any such change may be applied retroactively in a manner that could adversely affect a holder of the notes. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position regarding the tax consequences of the purchase, ownership and disposition of the notes.

This discussion is limited to holders who hold the notes as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). In addition, this discussion is limited to persons purchasing the notes for cash at original issue and at their original issue price within the meaning of Section 1273 of the Code (i.e., the first price at which a substantial amount of the notes is sold to the public for cash other than to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). This discussion does not address the Medicare tax imposed on certain investment income. In addition, this discussion does not address U.S. federal income tax consequences relevant to a holder's particular circumstances or consequences relevant to holders subject to particular rules, including, without limitation:

U.S. expatriates and former citizens or long-term residents of the United States;

persons subject to the alternative minimum tax;

U.S. holders (defined below) whose functional currency is not the dollar;

persons holding the notes as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;

banks, insurance companies and other financial institutions;

real estate investment trusts or regulated investment companies;

brokers, dealers or traders in securities;

controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax;

S corporations or other entities or arrangements treated as partnerships for U.S. federal income tax purposes;

tax-exempt organizations or governmental organizations; and

persons deemed to sell the notes under the constructive sale provisions of the Code.

If an entity classified as a partnership for U.S. federal income tax purposes holds the notes, the tax treatment of a partner in the partnership generally will depend on the status of the partner, upon the activities of the partnership, and upon certain determinations made at the partner level. Accordingly, entities classified as partnerships considering an investment in the notes and their partners should consult their tax advisors regarding the U.S. federal income tax consequences to