UNITED RENTALS NORTH AMERICA INC
Form 424B2
February 22, 2017

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Filed Pursuant to Rule 424(b)(2)
Registration Statement No. 333-201927

The information in this preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, but is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Preliminary Prospectus Supplement
PROSPECTUS SUPPLEMENT
(To prospectus dated March 12, 2015)

SUBJECT TO COMPLETION DATED FEBRUARY 22, 2017

United Rentals (North America), Inc.

$250,000,000 5.875% Senior Notes due 2026
$250,000,000 5.500% Senior Notes due 2027

Issue Price for Reopened 2026 Notes:	**% plus accrued interest from September 15, 2016**
Issue Price for Reopened 2027 Notes:	**% plus accrued interest from February 15, 2017**

We are offering $250,000,000 of 5.875% Senior Notes due 2026, which we refer to as the "reopened 2026 notes," and $250,000,000 of 5.500% Senior Notes due 2027, which we refer to as the "reopened 2027 notes."

Reopened 2026 notes. The reopened 2026 notes will have identical terms, be fungible with and be part of a single series of senior debt securities with the $750,000,000 principal amount of 5.875% Senior Notes due 2026, which we refer to as the "original 2026 notes," issued on May 13, 2016. We refer to the reopened 2026 notes and original 2026 notes together as the "2026 notes." The outstanding aggregate principal amount of the 2026 notes, after issuance of the reopened 2026 notes, will be $1 billion. We will pay interest on the reopened 2026 notes semi-annually in cash in arrears on March 15 and September 15 of each year, starting on March 15, 2017. The 2026 notes will mature on September 15, 2026. We may redeem some or all of the 2026 notes on or after September 15, 2021, at the redemption prices set forth in this prospectus supplement, plus accrued and unpaid interest, if any, to the redemption date. We also may redeem some or all of the 2026 notes at any time prior to September 15, 2021, at a price equal to 100% of the aggregate principal amount of the 2026 notes to be redeemed, plus a make-whole premium and accrued and unpaid interest, if any, to the redemption date. In addition, at any time on or prior to September 15, 2019, we may redeem up to 40% of the aggregate principal amount of the 2026 notes with the net cash proceeds of certain equity offerings at a redemption price equal to 105.875% of the aggregate principal amount of the 2026 notes plus accrued and unpaid interest, if any, to the redemption date.

Reopened 2027 notes. The reopened 2027 notes will have identical terms, be fungible with and be part of a single series of senior debt securities with the $750,000,000 principal amount of 5.500% Senior Notes due 2027, which we refer to as the "original 2027 notes," issued on November 7, 2016. We refer to the reopened 2027 notes and original 2027 notes together as the "2027 notes" (and, together with the 2026 notes, the "notes"). The outstanding aggregate principal amount of the 2027 notes, after issuance of the reopened 2027 notes, will be $1 billion. We will pay interest on the reopened 2027 notes semi-annually in cash in arrears on February 15 and August 15 of each year, except that the last payment of interest will be made on May 15, 2027. The first such interest payment will be made on August 15, 2017. The 2027 notes will mature on May 15, 2027. We may redeem some or all of the 2027 notes on or after May 15, 2022, at the redemption prices set forth in this prospectus supplement, plus accrued and unpaid interest, if any, to the redemption date. We also may redeem some or all of the 2027 notes at any time prior to May 15, 2022, at a price equal to 100% of the aggregate principal amount of the 2027 notes to be redeemed, plus a make-whole premium and accrued and unpaid interest, if any, to the redemption date. In addition, at any time on or prior to May 15, 2020, we may redeem up to 40% of the aggregate principal amount of the 2027 notes with the net cash proceeds of certain equity offerings at a redemption price equal to 105.50% of the aggregate principal amount of the 2027 notes plus accrued and unpaid interest, if any, to the redemption date.

The reopened notes will be our senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior indebtedness, effectively junior to any of our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness and senior in right of payment to any of our existing and future subordinated indebtedness. Our obligations under the reopened notes will be guaranteed on a senior unsecured basis by our parent company, United Rentals, Inc. and, subject to limited exceptions, our current and future domestic subsidiaries. The guarantees will rank equally in right of payment with all of the guarantors' existing and future senior indebtedness, effectively junior to any existing and future secured indebtedness of the guarantors to the extent of the value of the assets securing such indebtedness and senior in right of payment to any existing and future subordinated indebtedness of the guarantors.

Our foreign subsidiaries will not be guarantors. The reopened notes will be issued only in registered form in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

For a more detailed description of the reopened notes, see "Description of the Reopened 2026 Notes" and "Description of the Reopened 2027 Notes."

The reopened notes offered by this prospectus supplement will not be listed on any securities exchange. Currently, there is no public market for the notes.

Investing in the reopened notes involves risks. See "Risk Factors" beginning on page S-21 of this prospectus supplement and "Item 1A Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference herein.

	Public Offering Price[1][2]	Underwriting Discount and Commissions	Proceeds, before expenses, to us[1][2]
Per 5.875% Senior Note due 2026	%	%	%
Total	$	$	$
Per 5.500% Senior Note due 2027	%	%	%
Total	$	$	$
Total	$	$	$

(1) Public offering price and proceeds, before expenses, to us do not include the amount of accrued interest on the reopened 2026 notes offered hereby from September 15, 2016 to, but excluding, the delivery date. All pre-issuance accrued interest from September 15, 2016 will be paid by the purchasers of the reopened 2026 notes offered hereby. On March 15, 2017, we will pay this pre-issuance accrued interest to the holders of the reopened 2026 notes offered hereby on the applicable record date along with interest accrued on the reopened 2026 notes offered hereby from the date of delivery to the interest payment date. Interest on the reopened 2026 notes will accrue from September 15, 2016.

(2) Public offering price and proceeds, before expenses, to us do not include the amount of accrued interest on the reopened 2027 notes offered hereby from February 15, 2017 to, but excluding, the delivery date. All pre-issuance accrued interest from February 15, 2017 will be paid by the purchasers of the reopened 2027 notes offered hereby. On August 15, 2017, we will pay this pre-issuance accrued interest to the holders of the reopened 2027 notes offered hereby on the applicable record date along with interest accrued on the reopened 2027 notes offered hereby from the date of delivery to the interest payment date. Interest on the reopened 2027 notes will accrue from February 15, 2017.

Neither the Securities and Exchange Commission nor any state securities commission 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 reopened 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 on or about , 2017.

Joint Book-Running Managers

Wells Fargo Securities **BofA Merrill Lynch** **Morgan Stanley**

Barclays **Citigroup** **Deutsche Bank Securities**

J.P. Morgan **MUFG** **Scotiabank**

Co-Managers

BMO Capital Markets **PNC Capital Markets LLC** **SunTrust Robinson Humphrey**

The date of this prospectus supplement is February , 2017

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Prospectus Supplement

Prospectus

We are responsible for the information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to give you any other information, and we take no responsibility for any other information that others may give you. This prospectus supplement and the accompanying prospectus are an offer to sell only the reopened notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus is current only as of their respective dates.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of reopened notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

Unless otherwise indicated or the context otherwise requires, (1) the term "URNA" refers to United Rentals (North America), Inc., the issuer of the notes, and not to its parent or any of its subsidiaries, (2) the term "Holdings" refers to United Rentals, Inc., the parent of URNA and a guarantor of the notes, and not to any of its subsidiaries, and (3) the terms "United Rentals," "we," "us," our," "our company" or "the Company" refer to Holdings and its subsidiaries.

We are responsible for the information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to give you any other information, and we take no responsibility for any other information that others may give you. We are not,

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and the underwriters are not, making an offer to sell the reopened notes in any jurisdiction where the offer or sale is not permitted or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. You should not assume that the information in this prospectus supplement, the accompanying prospectus or any document incorporated by reference herein is accurate or complete as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date.

WHERE YOU CAN FIND MORE INFORMATION

We are required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). You may read and copy any documents filed by us with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Our filings with the SEC are also available to the public through the SEC's Internet website at *http://www.sec.gov*.

We also make available on our Internet website, free of charge, our annual, quarterly and current reports, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website address is *http://www.unitedrentals.com*. The information contained on our website is not incorporated by reference into this document.

We have filed with the SEC a registration statement on Form S-3 relating to the reopened notes offered by this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus are parts of the registration statement and do not contain all of the information in the registration statement. Whenever a reference is made in this prospectus supplement or the accompanying prospectus to a contract or other document of ours, please be aware that the reference is only a summary and that you should refer to the exhibits that are a part of the registration statement and the documents incorporated by reference herein for a copy of that contract or other document. You may review a copy of the registration statement at the SEC's Public Reference Room in Washington, D.C., as well as through the SEC's Internet website listed above.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC's rules allow us to "incorporate by reference" the documents that we file with the SEC. This means that we can disclose important information to you by referring you to those documents. Any information referred to in this way is considered part of this prospectus supplement from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus supplement will automatically update and, where applicable, supersede any information contained in this prospectus supplement.

We incorporate by reference into this prospectus supplement the following documents or information filed by us with the SEC (other than, in each case, documents (or portions thereof) or information deemed to have been furnished and not filed in accordance with SEC rules and regulations):

(1) Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed on January 25, 2017 (our "Annual Report");

(2) the information responsive to Part III of the Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed on January 27, 2016, provided in our Definitive Proxy Statement on Schedule 14A for the Annual Meeting of Stockholders on May 3, 2016 and filed on March 21, 2016;

(3) Current Report on Form 8-K filed on January 25, 2017 (but excluding Item 2.02 and the related exhibit);

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(4) Current Report on Form 8-K filed on January 27, 2017; and

(5) All documents subsequently filed by us pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus supplement until we sell all of the securities that may be offered by this prospectus supplement.

We will provide, free of charge, to each person, including any beneficial owner, to whom this prospectus supplement is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus supplement, excluding exhibits to those documents, unless such exhibits are specifically incorporated by reference into those documents. You can request those documents from United Rentals, Inc. at 100 First Stamford Place, Suite 700, Stamford, Connecticut, 06902, Attention: Corporate Secretary, telephone number (203) 618-7342.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "seek," "on-track," "plan," "project," "forecast," "intend" or "anticipate," or the negative thereof or comparable terminology, or by discussions of strategy or outlook. You are cautioned that our business and operations are subject to a variety of risks and uncertainties, many of which are beyond our control, and, consequently, our actual results may differ materially from those projected.

Factors that could cause our actual results to differ materially from those projected include, but are not limited to, the following:

- the possibility that companies or assets that we have acquired or may acquire, in our specialty business or otherwise, could have undiscovered liabilities or involve other unexpected costs that may strain our management capabilities or may be difficult to integrate;
- the cyclical nature of our business, which is highly sensitive to North American construction and industrial activities; if construction or industrial activity decline, our revenues and, because many of our costs are fixed, our profitability may be adversely affected;
- our significant indebtedness (which totaled approximately $8.8 billion at December 31, 2016, on an as adjusted basis) requires us to use a substantial portion of our cash flow for debt service and can constrain our flexibility in responding to unanticipated or adverse business conditions;
- inability to refinance our indebtedness on terms that are favorable to us, or at all;
- incurrence of additional debt, which could exacerbate the risks associated with our current level of indebtedness;
- noncompliance with financial or other covenants in our debt agreements, which could result in our lenders terminating the agreements and requiring us to repay outstanding borrowings;
- restrictive covenants and amount of borrowings permitted in our debt instruments, which can limit our financial and operational flexibility;
- overcapacity of fleet in the equipment rental industry;

inability to benefit from government spending, including spending associated with infrastructure projects;

fluctuations in the price of our common stock and inability to complete stock repurchases in the time frame and/or on the terms anticipated;

rates we charge and time utilization we achieve being less than anticipated;

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inability to manage credit risk adequately or to collect on contracts with a large number of customers;

inability to access the capital that our businesses or growth plans may require;

incurrence of impairment charges;

trends in oil and natural gas could adversely affect the demand for our services and products;

the fact that our holding company structure requires us to depend in part on distributions from subsidiaries and such distributions could be limited by contractual or legal restrictions;

increases in our loss reserves to address business operations or other claims and any claims that exceed our established levels of reserves;

incurrence of additional expenses (including indemnification obligations) and other costs in connection with litigation, regulatory and investigatory matters;

the outcome or other potential consequences of regulatory matters and commercial litigation;

shortfalls in our insurance coverage;

our charter provisions as well as provisions of certain debt agreements and our significant indebtedness may have the effect of making more difficult or otherwise discouraging, delaying or deterring a takeover or other change of control of us;

turnover in our management team and inability to attract and retain key personnel;

costs we incur being more than anticipated, and the inability to realize expected savings in the amounts or time frames planned;

dependence on key suppliers to obtain equipment and other supplies for our business on acceptable terms;

inability to sell our new or used fleet in the amounts, or at the prices, we expect;

competition from existing and new competitors;

risks related to security breaches, cybersecurity attacks and other significant disruptions in our information technology systems;

the costs of complying with environmental, safety and foreign law and regulations, as well as other risks associated with non-U.S. operations, including currency exchange risk;

labor disputes, work stoppages or other labor difficulties, which may impact our productivity, and potential enactment of new legislation or other changes in law affecting our labor relations or operations generally;

increases in our maintenance and replacement costs and/or decreases in the residual value of our equipment; and

other factors discussed in the section titled "*Risk Factors*" of this prospectus supplement and the section titled "*Item 1A Risk Factors*" and elsewhere in our Annual Report.

For a more complete description of these and other possible risks and uncertainties, please refer to our Annual Report, as well as to our subsequent filings with the SEC. Our forward-looking statements contained herein speak only as of the date hereof, and we make no commitment to update or publicly release any revisions to forward-looking statements in order to reflect new information or subsequent events, circumstances or changes in expectations.

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INDUSTRY AND MARKET DATA

We obtained the industry, market and competitive position data used throughout this prospectus supplement and in the documents incorporated by reference herein from our own internal estimates and research, as well as from industry publications and research, surveys and studies conducted by third parties. Industry publications, studies and surveys generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that each of these publications, studies and surveys is reliable, we have not independently verified industry, market and competitive position data from third-party sources. While we believe our internal business research is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary does not contain all the information you should consider before investing in the reopened notes. You should read this entire prospectus supplement and the accompanying prospectus, including the information incorporated by reference in this prospectus supplement and the accompanying prospectus, including the financial data and related notes, before making an investment decision.

Our Company

United Rentals is the largest equipment rental company in the world. Our customer service network consists of 887 rental locations in the United States and Canada as well as centralized call centers and online capabilities. We offer approximately 3,200 classes of equipment for rent to construction and industrial companies, manufacturers, utilities, municipalities, homeowners, government entities and other customers. In 2016, we generated total revenue of $5.8 billion, including $4.9 billion of equipment rental revenue.

As of December 31, 2016, our fleet of rental equipment included approximately 440,000 units. The total original equipment cost of our fleet ("OEC"), based on the initial consideration paid, was $9.0 billion at December 31, 2016. The fleet includes:

General construction and industrial equipment, such as backhoes, skid-steer loaders, forklifts, earthmoving equipment and materials handling equipment. In 2016, general construction and industrial equipment accounted for approximately 43 percent of our equipment rental revenue;

Aerial work platforms, such as boom lifts and scissor lifts. In 2016, aerial work platforms accounted for approximately 32 percent of our equipment rental revenue;

General tools and light equipment, such as pressure washers, water pumps and power tools. In 2016, general tools and light equipment accounted for approximately 8 percent of our equipment rental revenue;

Power and HVAC (heating, ventilating and air conditioning) equipment, such as portable diesel generators, electrical distribution equipment, and temperature control equipment. In 2016, power and HVAC equipment accounted for approximately 7 percent of our equipment rental revenue;

Trench safety equipment, such as trench shields, aluminum hydraulic shoring systems, slide rails, crossing plates, construction lasers and line testing equipment for underground work. In 2016, trench safety equipment accounted for approximately 6 percent of our equipment rental revenue; and

Pumps, primarily used by energy and petrochemical customers. In 2016, pumps accounted for approximately 4 percent of our equipment rental revenue.

In addition to renting equipment, we sell new and used equipment as well as related parts and service, and contractor supplies.

Our principal executive offices are located at 100 First Stamford Place, Suite 700, Stamford, Connecticut, 06902, and our telephone number is (203) 618-7342.

Pending NES Acquisition

On January 25, 2017, we entered into a definitive merger agreement (the "NES Merger Agreement") with NES Rentals Holdings II, Inc. ("NES"), pursuant to which we have agreed to acquire NES in an all cash transaction (the "NES Acquisition"). Holders of NES common stock will each receive a pro rata share of the base consideration of $965 million, which is subject to the terms and conditions in the NES

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Merger Agreement, including customary purchase price adjustments (including adjustments for NES's existing debt) and adjustments for rental fleet sales and purchases. The merger and related fees and expenses will be funded through available cash, drawings on current debt facilities and the proceeds of the reopened notes offered by this prospectus supplement.

NES is one of the ten largest general equipment rental companies in the United States, specializing in providing aerial equipment to approximately 18,000 customers across the industrial and non-residential construction sectors. Based in Chicago, NES has 73 branches and approximately 1,100 employees, with a concentration in the eastern half of the United States. In 2016, NES generated $369 million of total revenue, $79.5 million of net income and $155.4 million of adjusted EBITDA. As of December 31, 2016, NES had approximately $900 million of fleet at original equipment cost. See below for a discussion of NES's EBITDA and adjusted EBITDA and a reconciliation of NES's EBITDA and adjusted EBITDA to net income.

The addition of NES's branch footprint will increase our density in strategically important markets, including the East Coast, Gulf States and the Midwest. The combined operations are expected to strengthen our relationships with local and strategic accounts in the construction and industrial sectors. This is expected to enhance cross-selling opportunities and drive revenue synergies. The combined operations are also expected to create meaningful opportunities for cost synergies in areas such as corporate overhead, operational efficiencies and purchasing.

The proposed merger is subject to Hart-Scott-Rodino antitrust clearance and other customary conditions. We expect the merger to close early in the second quarter of 2017.

EBITDA for NES represents the sum of net income, benefit for income taxes, interest expense, depreciation of rental equipment and non-rental depreciation. Adjusted EBITDA for NES represents EBITDA plus the gain on the sale of equity interest. EBITDA and adjusted EBITDA are "non-GAAP financial measures" as defined under the rules of the Securities and Exchange Commission and, accordingly, should not be considered as alternatives to net income or as indicators of operating performance. Management believes that EBITDA and adjusted EBITDA, when viewed with NES's results under U.S. generally accepted accounting principles ("GAAP") and the accompanying reconciliations, provide useful information about NES's operating performance. NES's definitions of EBITDA and adjusted EBITDA may differ from the definitions used by other companies and may not be comparable to similarly titled measures used by other companies, including United Rentals. The table below provides a reconciliation between NES's net income and NES's EBITDA and adjusted EBITDA for the year ended December 31, 2016 (amounts are in millions):

Net income	$	79.5
Benefit for income taxes		(51.9)
Interest expense		37.6
Depreciation of rental equipment		95.5
Non-rental depreciation		2.1
EBITDA		**162.8**
Gain on the sale of equity interest[(1)]		(7.4)
Adjusted EBITDA		**155.4**

(1) In 2016, NES sold its equity interest in a successor company and recognized a gain of $7.4 million.

The NES financial information has not been compiled or examined by our independent registered public accounting firm, nor has our independent registered public accounting firm performed any procedures with respect to this financial information or expressed any opinion or any form of assurance on

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such financial information. We caution investors not to place undue reliance on the NES financial information.

Business Strategy

For the past several years, we have executed a strategy focused on improving the profitability of our core equipment rental business through revenue growth, margin expansion and operational efficiencies. In particular, we have focused on customer segmentation, customer service differentiation, rate management, fleet management and operational efficiency.

In 2017, we expect to continue our disciplined focus on increasing our profitability and return on invested capital. In particular, our strategy calls for:

A consistently superior standard of service to customers, often provided through a single point of contact;

The further optimization of our customer mix and fleet mix, with a dual objective: to enhance our performance in serving our current customer base, and to focus on the accounts and customer types that are best suited to our strategy for profitable growth. We believe these efforts will lead to even better service of our target accounts, primarily large construction and industrial customers, as well as select local contractors. Our fleet team's analyses are aligned with these objectives to identify trends in equipment categories and define action plans that can generate improved returns;

A continued focus on "Lean" management techniques, including kaizen processes focused on continuous improvement. As of December 31, 2016, we have trained over 3,100 employees, over 70 percent of our district managers and over 60 percent of our branch managers on the Lean kaizen process. We continue to implement this program across our branch network, with the objectives of: reducing the cycle time associated with renting our equipment to customers; improving invoice accuracy and service quality; reducing the elapsed time for equipment pickup and delivery; and improving the effectiveness and efficiency of our repair and maintenance operations;

The implementation of Project XL, which is a set of eight specific work streams focused on driving profitable growth through revenue opportunities and generating incremental profitability through cost savings across our business; and

The continued expansion of our trench, power and pump footprint, as well as our tools offering, and the cross-selling of these services throughout our network. We plan to open at least 17 specialty rental branches/tool hubs in 2017, and continue to invest in specialty rental fleet to further position United Rentals as a single source provider of total jobsite solutions through our extensive product and service resources and technology offerings.

Competitive Advantages

We believe that we benefit from the following competitive advantages:

Large and Diverse Rental Fleet. Our large and diverse fleet allows us to serve large customers that require substantial quantities and/or wide varieties of equipment. We believe our ability to serve such customers should allow us to improve our performance and enhance our market leadership position.

We manage our rental fleet, which is the largest and most comprehensive in the industry, utilizing a life-cycle approach that focuses on satisfying customer demand and optimizing utilization levels. As part of this life-cycle approach, we closely monitor repair and maintenance expense and can anticipate, based on our extensive experience with a large and diverse fleet, the optimum time to dispose of an asset. Our fleet age, which is calculated on an OEC-weighted basis, was 45.2 months at December 31, 2016.

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Significant Purchasing Power. We purchase large amounts of equipment, contractor supplies and other items, which enables us to negotiate favorable pricing, warranty and other terms with our vendors.

National Account Program. Our national account sales force is dedicated to establishing and expanding relationships with large companies, particularly those with a national or multi-regional presence. National accounts are generally defined as customers with potential annual equipment rental spend of at least $500,000 or customers doing business in multiple states. We offer our national account customers the benefits of a consistent level of service across North America, a wide selection of equipment and a single point of contact for all their equipment needs. National accounts are a subset of key accounts, which are our accounts that are managed by a single point of contact. Establishing a single point of contact for our key accounts helps us provide customer service management that is more consistent and satisfactory. During the year ended December 31, 2016, 45 percent of our equipment rental revenue was derived from national accounts, and 70 percent of our equipment rental revenue was derived from accounts, including national accounts and other key accounts, that are managed by a single point of contact.

Operating Efficiencies. We benefit from the following operating efficiencies:

Equipment Sharing Among Branches. Each branch within a region can access equipment located elsewhere in the region. This fleet sharing increases equipment utilization because equipment that is idle at one branch can be marketed and rented through other branches. Additionally, fleet sharing allows us to be more disciplined with our capital spend.

Customer Care Center. We have a Customer Care Center (the "CCC") with locations in Tampa, Florida and Charlotte, North Carolina that handles all telephone calls to our customer service telephone line, 1-800-UR-RENTS. The CCC handles many of the 1-800-UR-RENTS telephone calls without having to route them to individual branches, and allows us to provide a more uniform quality experience to customers, manage fleet sharing more effectively and free up branch employee time.

Consolidation of Common Functions. We reduce costs through the consolidation of functions that are common to our branches, such as accounts payable, payroll, benefits and risk management, information technology and credit and collection.

Information Technology Systems. We have a wide variety of information technology systems, some proprietary and some licensed, that supports our operations. Our information technology infrastructure facilitates our ability to make rapid and informed decisions, respond quickly to changing market conditions and share rental equipment among branches. We have an in-house team of information technology specialists that supports our systems.

Our information technology systems are accessible to management, branch and call center personnel. Leveraging information technology to achieve greater efficiencies and improve customer service is a critical element of our strategy. Each branch is equipped with one or more workstations that are electronically linked to our other locations and to our data center. Rental transactions can be entered at these workstations and processed on a real-time basis.

Our information technology systems:

enable branch personnel to (i) determine equipment availability, (ii) access all equipment within a geographic region and arrange for equipment to be delivered from anywhere in the region directly to the customer, (iii) monitor business activity on a real-time basis and (iv) obtain customized reports on a wide range of operating and financial data, including equipment utilization, rental rate trends, maintenance histories and customer transaction histories;

permit customers to access their accounts online; and

allow management to obtain a wide range of operational and financial data.

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We have a fully functional back-up facility designed to enable business continuity for our core rental and financial systems in the event that our main computer facility becomes inoperative. This back-up facility also allows us to perform system upgrades and maintenance without interfering with the normal ongoing operation of our information technology systems.

Strong Brand Recognition. As the largest equipment rental company in the world, we have strong brand recognition, which helps us to attract new customers and build customer loyalty.

Geographic and Customer Diversity. We have 887 rental locations in 49 U.S. states and every Canadian province and serve customers that range from Fortune 500 companies to small businesses and homeowners. We believe that our geographic and customer diversity provides us with many advantages including:

- enabling us to better serve national account customers with multiple locations;
- helping us achieve favorable resale prices by allowing us to access used equipment resale markets across North America; and
- reducing our dependence on any particular customer.

Strong and Motivated Branch Management. Each of our full-service branches has a manager who is supervised by a district manager. We believe that our managers are among the most knowledgeable and experienced in the industry, and we empower them, within budgetary guidelines, to make day-to-day decisions concerning branch matters. Each regional office has a management team that monitors branch, district and regional performance with extensive systems and controls, including performance benchmarks and detailed monthly operating reviews.

Employee Training Programs. We are dedicated to providing training and development opportunities to our employees. In 2016, our employees enhanced their skills through approximately 500,000 hours of training, including safety training, sales and leadership training, equipment-related training from our suppliers and online courses covering a variety of relevant subjects.

Risk Management and Safety Programs. Our risk management department is staffed by experienced professionals directing the procurement of insurance, managing claims made against the Company, and developing loss prevention programs to address workplace safety, driver safety and customer safety. The department's primary focus is on the protection of our employees and assets, as well as protecting the Company from liability for accidental loss.

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The Offering of the Reopened 2026 Notes

Issuer	United Rentals (North America), Inc.
Reopened 2026 Notes Offered	$250 million aggregate principal amount of 5.875% Senior Notes due 2026.
Total Aggregate Amount of 2026 Notes Outstanding Upon Completion of this Offering	$1 billion (of which $750 million was issued on May 13, 2016).
Maturity	September 15, 2026.
Interest	5.875% per annum, payable semi-annually in cash in arrears on March 15 and September 15. The next interest payment date is March 15, 2017. Interest will accrue from September 15, 2016.
Ranking	The reopened 2026 notes will be senior unsecured obligations of URNA and will rank equally in right of payment with all of URNA's existing and future senior indebtedness, effectively junior to any of URNA's existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and senior in right of payment to any of URNA's existing and future subordinated indebtedness. As of December 31, 2016, on an as adjusted basis, after giving effect to the issuance of the reopened notes and related guarantees, additional borrowings of approximately $523 million under our senior secured asset-based revolving credit facility (the "ABL Facility") to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom as described under "*Use of Proceeds*," the reopened 2026 notes would have ranked: equally in right of payment with $4.8 billion principal amount of URNA's other senior unsecured obligations, comprised of: $475 million principal amount of $7^5/_8$% Senior Notes due 2022, $925 million principal amount of $6^1/_8$% Senior Notes due 2023, $850 million principal amount of $5^3/_4$% Senior Notes due 2024, $800 million principal amount of $5^1/_2$% Senior Notes due 2025, $750 million principal amount of original 2026 notes, and $1 billion principal amount of $5^1/_2$% Senior Notes due 2027, including the $250 million reopened 2027 notes to be issued concurrently with the reopened 2026 notes; effectively junior to $3.2 billion of URNA's secured obligations, comprised of:

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	$2.074 billion of URNA's outstanding borrowings under the ABL Facility (excluding $286 million of additional borrowing capacity, net of outstanding letters of credit of $36 million),
	$1 billion principal amount of 4⅝% Senior Secured Notes due 2023,
	URNA's guarantee obligations in respect of $103 million of the outstanding borrowings of the subsidiary guarantors under the ABL Facility,
	$53 million in capital leases, and
	URNA's guarantee obligations in respect of $8 million of capital leases of the subsidiary guarantors; and
	effectively junior to:
	$568 million of indebtedness of URNA's special purpose vehicle in connection with the accounts receivable securitization facility,
	$3 million of capital leases of Holdings, and
	$7 million of capital leases of URNA's subsidiaries that are not guarantors. Most of URNA's U.S. receivable assets have been sold to a special purpose vehicle in connection with the accounts receivable securitization facility (the accounts receivable in the collateral pool being the lenders' only source of payment under that facility). See "*Capitalization*."
Guarantees	The reopened 2026 notes will be guaranteed on a senior unsecured basis by Holdings and, subject to limited exceptions, URNA's current and future domestic subsidiaries. The guarantees will be senior unsecured obligations of the guarantors and will rank equally in right of payment with all of the existing and future senior unsecured indebtedness of the guarantors, effectively junior to any existing and future secured indebtedness of the guarantors to the extent of the value of the assets securing such indebtedness, and senior in right of payment to all existing and future subordinated indebtedness of the guarantors. The reopened 2026 notes will not be guaranteed by URNA's foreign or unrestricted subsidiaries or any foreign subsidiary holding company or any subsidiary of a foreign subsidiary, unless URNA determines otherwise. During any period when the 2026 notes are rated investment grade by both Standard & Poor's Ratings Services ("S&P") and Moody's Investors Service, Inc. ("Moody's") or, in certain circumstances, another nationally recognized statistical rating agency selected by URNA, provided at such time no default under the 2026 Indenture (as defined below) has occurred and is continuing, URNA may request to release the guarantee of any subsidiary guarantor.

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As of December 31, 2016, on an as adjusted basis after giving effect to the issuance of the reopened notes and related guarantees, additional borrowings of approximately $523 million under the ABL Facility to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom as described under "*Use of Proceeds*," the guarantees would have ranked:

equally in right of payment with $4.8 billion of the guarantors' other senior unsecured obligations, comprised of the guarantors' guarantee obligations in respect of:

$475 million principal amount of 7⅝% Senior Notes due 2022,

$925 million principal amount of 6⅛% Senior Notes due 2023,

$850 million principal amount of 5¾% Senior Notes due 2024,

$800 million principal amount of 5½% Senior Notes due 2025,

$750 million principal amount of original 2026 notes, and

$1 billion principal amount of 5½% Senior Notes due 2027, including the $250 million reopened 2027 notes to be issued concurrently with the reopened 2026 notes;

effectively junior to $3.2 billion of the guarantors' secured obligations, comprised of:

the guarantors' guarantee obligations in respect of $2.074 billion of URNA's outstanding borrowings under the ABL Facility,

$103 million of the outstanding borrowings of the subsidiary guarantors under the ABL Facility,

the guarantors' guarantee obligations in respect of $1 billion principal amount of 4⅝% Senior Secured Notes due 2023,

the guarantors' guarantee obligations in respect of $53 million in URNA's capital leases,

$3 million of capital leases of Holdings, and

$8 million of capital leases of the subsidiary guarantors; and

effectively junior to:

$568 million of indebtedness of URNA's special purpose vehicle in connection with the accounts receivable securitization facility, and

$7 million of capital leases of URNA's subsidiaries that are not guarantors.

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	The non-guarantor subsidiaries of URNA accounted for $223 million, or 8%, of our adjusted EBITDA for the year ended December 31, 2016. The non-guarantor subsidiaries of URNA accounted for $510 million, or 9%, of our total revenues for the year ended December 31, 2016. The non-guarantor subsidiaries of URNA accounted for $1.893 billion, or 16%, of our total assets, and $698 million, or 7%, of our total liabilities, at December 31, 2016.
Optional Redemption	URNA may, at its option, redeem some or all of the 2026 notes at any time on or after September 15, 2021 at the redemption prices listed under "*Description of the Reopened 2026 Notes Optional Redemption*," plus accrued and unpaid interest, if any, to the redemption date. At any time prior to September 15, 2021, URNA may redeem some or all of the 2026 notes at a price equal to 100% of the aggregate principal amount of the 2026 notes to be redeemed, plus a "make-whole" premium and accrued and unpaid interest, if any, to the redemption date. In addition, at any time on or prior to September 15, 2019, URNA may, at its option, on one or more occasions, redeem up to 40% of the aggregate principal amount of the 2026 notes with the net cash proceeds of certain equity offerings, at a price equal to 105.875% of the aggregate principal amount of the 2026 notes redeemed plus accrued and unpaid interest, if any, to the redemption date. See "*Description of the Reopened 2026 Notes Optional Redemption*."
Change of Control	If we experience specific kinds of change of control events, we must offer to repurchase the 2026 notes at a price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date. See "*Description of the Reopened 2026 Notes Change of Control*."

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Certain Covenants	The indenture (the "2026 Indenture") governing the 2026 notes contains certain covenants applicable to URNA and its restricted subsidiaries, including limitations on: (1) liens; (2) indebtedness; (3) mergers, consolidations and acquisitions; (4) sales, transfers and other dispositions of assets; (5) loans and other investments; (6) dividends and other distributions, stock repurchases and redemptions and other restricted payments; (7) restrictions affecting subsidiaries; (8) transactions with affiliates; and (9) designations of unrestricted subsidiaries. Each of these covenants is subject to important exceptions and qualifications. In addition, many of the restrictive covenants will not apply to us during any period when the 2026 notes are rated investment grade by both S&P and Moody's or, in certain circumstances, another rating agency selected by us, provided at such time no default under the 2026 Indenture has occurred and is continuing. See "*Description of the Reopened 2026 Notes Certain Covenants*" and "*Description of the Reopened 2026 Notes Consolidation, Merger, Sale of Assets, etc.*"
Use of Proceeds	We anticipate that we will receive approximately $246 million in net proceeds from the sale of the reopened 2026 notes, after underwriting discounts and commissions and payment of estimated fees and expenses. We expect to use these net proceeds, together with net proceeds from the sale of the reopened 2027 notes and additional borrowings of approximately $523 million under the ABL Facility, to finance the NES Acquisition and to pay related fees and expenses. See "*Use of Proceeds*." Pending the payment of the purchase price for the NES Acquisition, the net proceeds from this offering will be applied to reduce borrowings under the ABL Facility. We expect to then borrow under the ABL Facility to fund the NES Acquisition. In the event the NES Acquisition is not consummated, the net proceeds from this offering that were used to repay borrowings under the ABL Facility may be reborrowed for general corporate purposes. For information regarding our outstanding senior indebtedness, including maturity and applicable interest rates, see "*Capitalization*", note 11 to our consolidated financial statements for the year ended December 31, 2016 in our Annual Report, which is incorporated by reference herein.
Book-Entry Form	The reopened 2026 notes will be issued in book-entry form and will be represented by one or more global securities registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Beneficial interests in the reopened 2026 notes will be evidenced by, and transfers will be effected only through, records maintained by participants in DTC.

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No Public Trading Market Listing	The original 2026 notes are not listed on any securities exchange or any automated dealer quotation system, and we do not intend to list the reopened 2026 notes on any national securities exchange or automated dealer quotation system. The underwriters have advised us that they currently intend to continue to make a market in the 2026 notes. However, they are not obligated to do so and any market making with respect to the 2026 notes may be discontinued without notice. Accordingly, we cannot assure you that a liquid market for the 2026 notes will be maintained.
Trustee	Wells Fargo Bank, National Association.
Governing Law	The reopened 2026 notes and the 2026 Indenture under which they will be issued will be governed by the laws of the State of New York.
Risk Factors	Investing in the reopened 2026 notes involves risks. You should carefully consider the information under the section titled "*Risk Factors*" beginning on page S-21 and all other information contained or incorporated by reference in this prospectus supplement prior to investing in the reopened 2026 notes. In particular, we urge you to carefully consider the information set forth in the section titled "*Risk Factors*" and in "*Item 1A Risk Factors*" of our Annual Report for a description of certain risks you should consider before investing in the reopened 2026 notes.

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The Offering of the Reopened 2027 Notes

Issuer	United Rentals (North America), Inc.
Reopened 2027 Notes Offered	$250 million aggregate principal amount of 5.500% Senior Notes due 2027.
Total Aggregate Amount of 2027 Notes Outstanding Upon Completion of this Offering	$1 billion (of which $750 million was issued on November 7, 2016).
Maturity	May 15, 2027.
Interest	5.500% per annum, payable semi-annually in cash in arrears on February 15 and August 15, except that the last payment of interest will be made on May 15, 2027. The next interest payment date is August 15, 2017. Interest will accrue from February 15, 2017.
Ranking	The reopened 2027 notes will be senior unsecured obligations of URNA and will rank equally in right of payment with all of URNA's existing and future senior indebtedness, effectively junior to any of URNA's existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and senior in right of payment to any of URNA's existing and future subordinated indebtedness. As of December 31, 2016, on an as adjusted basis, after giving effect to the issuance of the reopened notes and related guarantees, additional borrowings of approximately $523 million under our senior secured asset-based revolving credit facility (the "ABL Facility") to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom as described under "*Use of Proceeds*," the reopened 2027 notes would have ranked: equally in right of payment with $4.8 billion principal amount of URNA's other senior unsecured obligations, comprised of: $475 million principal amount of $7^5/_8$% Senior Notes due 2022, $925 million principal amount of $6^1/_8$% Senior Notes due 2023, $850 million principal amount of $5^3/_4$% Senior Notes due 2024, $800 million principal amount of $5^1/_2$% Senior Notes due 2025, $1 billion principal amount of $5^7/_8$% Senior Notes due 2026, including the $250 million reopened 2026 notes to be issued concurrently with the reopened 2027 notes, and $750 million principal amount of original 2027 notes;

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effectively junior to $3.2 billion of URNA's secured obligations, comprised of:

$2.074 billion of URNA's outstanding borrowings under the ABL Facility (excluding $286 million of additional borrowing capacity, net of outstanding letters of credit of $36 million),

$1 billion principal amount of 4$^{5}/_{8}$% Senior Secured Notes due 2023,

URNA's guarantee obligations in respect of $103 million of the outstanding borrowings of the subsidiary guarantors under the ABL Facility,

$53 million in capital leases, and

URNA's guarantee obligations in respect of $8 million of capital leases of the subsidiary guarantors; and

effectively junior to:

$568 million of indebtedness of URNA's special purpose vehicle in connection with the accounts receivable securitization facility,

$3 million of capital leases of Holdings, and

$7 million of capital leases of URNA's subsidiaries that are not guarantors.

Most of URNA's U.S. receivable assets have been sold to a special purpose vehicle in connection with the accounts receivable securitization facility (the accounts receivable in the collateral pool being the lenders' only source of payment under that facility). See "*Capitalization*."

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Guarantees

The reopened 2027 notes will be guaranteed on a senior unsecured basis by Holdings and, subject to limited exceptions, URNA's current and future domestic subsidiaries. The guarantees will be senior unsecured obligations of the guarantors and will rank equally in right of payment with all of the existing and future senior unsecured indebtedness of the guarantors, effectively junior to any existing and future secured indebtedness of the guarantors to the extent of the value of the assets securing such indebtedness, and senior in right of payment to all existing and future subordinated indebtedness of the guarantors. The reopened 2027 notes will not be guaranteed by URNA's foreign or unrestricted subsidiaries or any foreign subsidiary holding company or any subsidiary of a foreign subsidiary, unless URNA determines otherwise. During any period when the 2027 notes are rated investment grade by both Standard & Poor's Ratings Services ("S&P") and Moody's Investors Service, Inc. ("Moody's") or, in certain circumstances, another nationally recognized statistical rating agency selected by URNA, provided at such time no default under the 2027 Indenture (as defined below) has occurred and is continuing, URNA may request to release the guarantee of any subsidiary guarantor.

As of December 31, 2016, on an as adjusted basis after giving effect to the issuance of the reopened notes and related guarantees, additional borrowings of approximately $523 million under the ABL Facility to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom as described under "*Use of Proceeds*," the guarantees would have ranked:

equally in right of payment with $4.8 billion of the guarantors' other senior unsecured obligations, comprised of the guarantors' guarantee obligations in respect of:

$475 million principal amount of $7^5/_8$% Senior Notes due 2022,

$925 million principal amount of $6^1/_8$% Senior Notes due 2023,

$850 million principal amount of $5^3/_4$% Senior Notes due 2024,

$800 million principal amount of $5^1/_2$% Senior Notes due 2025,

$1 billion principal amount of $5^7/_8$% Senior Notes due 2026, including the $250 million reopened 2026 notes to be issued concurrently with the reopened 2027 notes, and

$750 million principal amount of original 2027 notes;

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effectively junior to $3.2 billion of the guarantors' secured obligations, comprised of:

the guarantors' guarantee obligations in respect of $2.074 billion of URNA's outstanding borrowings under the ABL Facility,

$103 million of the outstanding borrowings of the subsidiary guarantors under the ABL Facility,

the guarantors' guarantee obligations in respect of $1 billion principal amount of 4⅝% Senior Secured Notes due 2023,

the guarantors' guarantee obligations in respect of $53 million in URNA's capital leases,

$3 million of capital leases of Holdings, and

$8 million of capital leases of the subsidiary guarantors; and

effectively junior to:

$568 million of indebtedness of URNA's special purpose vehicle in connection with the accounts receivable securitization facility, and

$7 million of capital leases of URNA's subsidiaries that are not guarantors.

The non-guarantor subsidiaries of URNA accounted for $223 million, or 8%, of our adjusted EBITDA for the year ended December 31, 2016. The non-guarantor subsidiaries of URNA accounted for $510 million, or 9%, of our total revenues for the year ended December 31, 2016. The non-guarantor subsidiaries of URNA accounted for $1.893 billion, or 16%, of our total assets, and $698 million, or 7%, of our total liabilities, at December 31, 2016.

Optional Redemption

URNA may, at its option, redeem some or all of the 2027 notes at any time on or after May 15, 2022 at the redemption prices listed under "*Description of the Reopened 2027 Notes Optional Redemption*," plus accrued and unpaid interest, if any, to the redemption date.

At any time prior to May 15, 2022, URNA may redeem some or all of the 2027 notes at a price equal to 100% of the aggregate principal amount of the 2027 notes to be redeemed, plus a "make-whole" premium and accrued and unpaid interest, if any, to the redemption date.

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	In addition, at any time on or prior to May 15, 2020, URNA may, at its option, on one or more occasions, redeem up to 40% of the aggregate principal amount of the 2027 notes with the net cash proceeds of certain equity offerings, at a price equal to 105.50% of the aggregate principal amount of the 2027 notes redeemed plus accrued and unpaid interest, if any, to the redemption date. See "*Description of the Reopened 2027 Notes Optional Redemption*."
Change of Control	If we experience specific kinds of change of control events, we must offer to repurchase the 2027 notes at a price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date. See "*Description of the Reopened 2027 Notes Change of Control*."
Certain Covenants	The indenture (the "2027 Indenture") governing the 2027 notes contains certain covenants applicable to URNA and its restricted subsidiaries, including limitations on: (1) liens; (2) indebtedness; (3) mergers, consolidations and acquisitions; (4) sales, transfers and other dispositions of assets; (5) loans and other investments; (6) dividends and other distributions, stock repurchases and redemptions and other restricted payments; (7) restrictions affecting subsidiaries; (8) transactions with affiliates; and (9) designations of unrestricted subsidiaries. Each of these covenants is subject to important exceptions and qualifications. In addition, many of the restrictive covenants will not apply to us during any period when the 2027 notes are rated investment grade by both S&P and Moody's or, in certain circumstances, another rating agency selected by us, provided at such time no default under the 2027 Indenture has occurred and is continuing. See "*Description of the Reopened 2027 Notes Certain Covenants*" and "*Description of the Reopened 2027 Notes Consolidation, Merger, Sale of Assets, etc.*"
Use of Proceeds	We anticipate that we will receive approximately $246 million in net proceeds from the sale of the reopened 2027 notes, after underwriting discounts and commissions and payment of estimated fees and expenses. We expect to use these net proceeds, together with net proceeds from the sale of the reopened 2026 notes and additional borrowings of approximately $523 million under the ABL Facility, to finance the NES Acquisition and to pay related fees and expenses. See "*Use of Proceeds*." Pending the payment of the purchase price for the NES Acquisition, the net proceeds from this offering will be applied to reduce borrowings under the ABL Facility. We expect to then borrow under the ABL Facility to fund the NES Acquisition. In the event the NES Acquisition is not consummated, the net proceeds from this offering that were used to repay borrowings under the ABL Facility may be reborrowed for general corporate purposes.

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	For information regarding our outstanding senior indebtedness, including maturity and applicable interest rates, see "*Capitalization*", note 11 to our consolidated financial statements for the year ended December 31, 2016 in our Annual Report, which is incorporated by reference herein.
Book-Entry Form	The reopened 2027 notes will be issued in book-entry form and will be represented by one or more global securities registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Beneficial interests in the reopened 2027 notes will be evidenced by, and transfers will be effected only through, records maintained by participants in DTC.
No Public Trading Market Listing	The original 2027 notes are not listed on any securities exchange or any automated dealer quotation system, and we do not intend to list the reopened 2027 notes on any national securities exchange or automated dealer quotation system. The underwriters have advised us that they currently intend to continue to make a market in the 2027 notes. However, they are not obligated to do so and any market making with respect to the 2027 notes may be discontinued without notice. Accordingly, we cannot assure you that a liquid market for the 2027 notes will be maintained.
Trustee	Wells Fargo Bank, National Association.
Governing Law	The reopened 2027 notes and the 2027 Indenture under which they will be issued will be governed by the laws of the State of New York.
Risk Factors	Investing in the reopened 2027 notes involves risks. You should carefully consider the information under the section titled "*Risk Factors*" beginning on page S-21 and all other information contained or incorporated by reference in this prospectus supplement prior to investing in the reopened 2027 notes. In particular, we urge you to carefully consider the information set forth in the section titled "*Risk Factors*" and in "*Item 1A Risk Factors*" of our Annual Report for a description of certain risks you should consider before investing in the reopened 2027 notes.

Conflicts of Interest

Because, pending the payment of the purchase price for the NES Acquisition, we intend to use the net proceeds from this offering to temporarily repay indebtedness owed to the underwriters and certain affiliates of the underwriters who are lenders under the ABL Facility as described under "*Use of Proceeds*," there is a "conflict of interest" as that term is defined in the rules of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Accordingly, this offering is being made in compliance with FINRA Rule 5121. J.P. Morgan Securities LLC is assuming the responsibility of acting as the qualified independent underwriter in preparing this prospectus supplement, in pricing the offering and conducting due diligence. No underwriter having a conflict of interest under FINRA Rule 5121 will sell to a discretionary account any security with respect to which the conflict exists, unless the member has received specific written approval of the transaction from the account holder and retains documentation of the approval in its records.

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Summary Historical Financial Information of United Rentals

The following table sets forth our summary historical financial data for the periods, and as of the dates, indicated. The summary consolidated financial information for the years ended December 31, 2016, 2015 and 2014 and as of December 31, 2016 and 2015 has been derived from our audited consolidated financial statements and the notes to those statements and other information included in our Annual Report, which is incorporated by reference herein. The summary consolidated financial information as of December 31, 2014 has been derived from our audited consolidated financial statements and the notes to those statements and other information included in our Annual Report for the year ended December 31, 2015, which is not incorporated by reference herein. Our consolidated financial statements included in our Annual Report have been audited by Ernst & Young LLP, our independent registered public accounting firm, as set forth in their report thereon, which is incorporated by reference herein.

In April 2014, we acquired certain assets of the following four entities: National Pump & Compressor, Ltd., Canadian Pump and Compressor Ltd., GulfCo Industrial Equipment, LP and LD Services, LLC (collectively "National Pump"). The results of National Pump's operations have been included in our consolidated financial statements since the acquisition date. The financial data below do not reflect or give pro forma effect to the NES Acquisition.

Our historical financial data is not necessarily indicative of our future performance. Because the data in this table is only a summary and does not provide all of the data contained in our financial statements, the information should be read in conjunction with the sections titled "*Use of Proceeds*" and "*Capitalization*" in this prospectus supplement, "*Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the financial statements and related notes thereto in our Annual Report. For more information about how to obtain copies of our Annual Report, see "*Where You Can Find More Information*" on page S-ii of this prospectus supplement.

	Year Ended December 31,		
	2016	2015	2014
	(in millions, except ratios)		
Income statement data:			
Total revenues	$ 5,762	$ 5,817	$ 5,685
Total cost of revenues	3,359	3,337	3,253
Gross profit	2,403	2,480	2,432
Selling, general and administrative expenses	719	714	758
Merger related costs		(26)	11
Restructuring charge	14	6	(1)
Non-rental depreciation and amortization	255	268	273
Operating income	1,415	1,518	1,391
Interest expense, net	511	567	555
Other income, net	(5)	(12)	(14)
Income before provision for income taxes	909	963	850
Provision for income taxes	343	378	310
Net income	$ 566	$ 585	$ 540
Balance sheet data:			
Total assets	$ 11,988	$ 12,083	$ 12,129
Total debt	7,790	8,162	7,962
Total stockholders' equity	1,648	1,476	1,796
Other financial data:			

Adjusted EBITDA[(1)]	$ 2,759	$ 2,832	$ 2,718

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	Year Ended December 31,		
	2016	2015	2014
	(in millions, except ratios)		
Ratio of earnings to fixed charges	3.0x	3.0x	2.6x

(1) EBITDA represents the sum of net income, provision for income taxes, interest expense, net, depreciation of rental equipment and non-rental depreciation and amortization. Adjusted EBITDA represents EBITDA plus the sum of the merger related costs, restructuring charge, stock compensation expense, net, and the impact of the fair value mark-up of the acquired fleet of RSC Holdings Inc. ("RSC"). These items are excluded from adjusted EBITDA internally when evaluating our operating performance and for strategic planning and forecasting purposes, and allow investors to make a more meaningful comparison between our core business operating results over different periods of time, as well as with those of other similar companies. Management believes that EBITDA and adjusted EBITDA, when viewed with the Company's results under GAAP and the accompanying reconciliations, provide useful information about operating performance and period-over-period growth, and provide additional information that is useful for evaluating the operating performance of our core business without regard to potential distortions. Additionally, management believes that EBITDA and adjusted EBITDA help investors gain an understanding of the factors and trends affecting our ongoing cash earnings, from which capital investments are made and debt is serviced. However, EBITDA and adjusted EBITDA are not measures of financial performance or liquidity under GAAP and, accordingly, should not be considered as alternatives to net income or cash flow from operating activities as indicators of operating performance or liquidity. In addition, the Company's definitions of EBITDA and adjusted EBITDA may differ from the definitions used by other companies and may not be comparable to similarly titled measures used by other companies, including NES.

The table below provides a reconciliation between net income and EBITDA and adjusted EBITDA:

	Year Ended December 31,		
	2016	2015	2014
	(in millions)		
Net income	$ 566	$ 585	$ 540
Provision for income taxes	343	378	310
Interest expense, net	511	567	555
Depreciation of rental equipment	990	976	921
Non-rental depreciation and amortization	255	268	273
EBITDA	**2,665**	**2,774**	**2,599**
Merger related costs[(1)]		(26)	11
Restructuring charge[(2)]	14	6	(1)
Stock compensation expense, net[(3)]	45	49	74
Impact of the fair value mark-up of acquired RSC fleet[(4)]	35	29	35
Adjusted EBITDA	**$ 2,759**	**$ 2,832**	**$ 2,718**

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The table below provides a reconciliation between net cash provided by operating activities and EBITDA and adjusted EBITDA:

	Year Ended December 31,		
	2016	2015	2014
	(in millions)		
Net cash provided by operating activities	$ 1,953	$ 1,995	$ 1,801
Adjustments for items included in net cash provided by operating activities but excluded from the calculation of EBITDA:			
Amortization of deferred financing costs and original issue discounts	(9)	(10)	(17)
Gain on sales of rental equipment	204	227	229
Gain on sales of non-rental equipment	4	8	11
Merger related costs[1]		26	(11)
Restructuring charge[2]	(14)	(6)	1
Stock compensation expense, net[3]	(45)	(49)	(74)
Loss on extinguishment of debt securities and amendment of ABL Facility	(101)	(123)	(80)
Changes in assets and liabilities	101	194	182
Excess tax benefits from share-based payment arrangements	58	5	
Cash paid for interest	415	447	457
Cash paid for income taxes, net	99	60	100
EBITDA	**2,665**	**2,774**	**2,599**
Add back:			
Merger related costs[1]		(26)	11
Restructuring charge[2]	14	6	(1)
Stock compensation expense, net[3]	45	49	74
Impact of the fair value mark-up of acquired RSC fleet[4]	35	29	35
Adjusted EBITDA	**$ 2,759**	**$ 2,832**	**$ 2,718**

(1) This reflects transaction costs associated with the acquisition of National Pump. The income for the year ended December 31, 2015 reflects a decline in the fair value of the contingent cash consideration component of the National Pump purchase price.

(2) This reflects severance costs and branch closure charges associated with our restructuring programs, all of which were closed as of December 31, 2016.

(3) Represents non-cash, share-based payments associated with the granting of equity instruments.

(4) This reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in the RSC acquisition and subsequently sold.

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RISK FACTORS

Investing in the reopened notes involves risks. You should carefully consider the risks described below and the risk factors incorporated by reference herein, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before you invest in the reopened notes. Certain risks related to us and our business are contained in the section titled "*Item 1A Risk Factors*" and elsewhere in our Annual Report, which is incorporated by reference in this prospectus supplement and the accompanying prospectus (and in any of our annual or quarterly reports for a subsequent year or quarter that we file with the SEC and that are so incorporated). See "*Where You Can Find More Information*" on page S-ii of this prospectus supplement and in the accompanying prospectus for information about how to obtain a copy of these documents. The risks and uncertainties described below and incorporated by reference into this prospectus supplement and the accompanying prospectus are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occurs, our business, financial condition and results of operations could be materially affected. In that case, the value of the reopened notes could decline substantially.

Risks Relating to Our Indebtedness

Our significant indebtedness exposes us to various risks.

At December 31, 2016, on a pro forma basis after giving effect to the issuance of the reopened notes and related guarantees, additional borrowings of approximately $523 million under the ABL Facility to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom as described under "*Use of Proceeds*," our total indebtedness was approximately $8.8 billion. Our substantial indebtedness could adversely affect our business, results of operations and financial condition in a number of ways by, among other things:

- increasing our vulnerability to, and limiting our flexibility to plan for, or react to, adverse economic, industry or competitive developments;
- making it more difficult to pay or refinance our debts as they become due during periods of adverse economic, financial market or industry conditions;
- requiring us to devote a substantial portion of our cash flow to debt service, reducing the funds available for other purposes, including funding working capital, capital expenditures, acquisitions, execution of our growth strategy and other general corporate purposes, or otherwise constraining our financial flexibility;
- restricting our ability to move operating cash flows to Holdings. URNA's payment capacity is restricted under the covenants in the indentures governing its outstanding indebtedness;
- affecting our ability to obtain additional financing for working capital, acquisitions or other purposes, particularly since substantially all of our assets are subject to security interests relating to existing indebtedness;
- decreasing our profitability or cash flow;
- causing us to be less able to take advantage of significant business opportunities, such as acquisition opportunities, and to react to changes in market or industry conditions;

causing us to be disadvantaged compared to competitors with less debt and lower debt service requirements;

resulting in a downgrade in our credit rating or the credit ratings of any of the indebtedness of our subsidiaries, which could increase the cost of further borrowings;

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requiring our debt to become due and payable upon a change in control; and

limiting our ability to borrow additional monies in the future to fund working capital, capital expenditures and other general corporate purposes.

A portion of our indebtedness bears interest at variable rates that are linked to changing market interest rates. As a result, an increase in market interest rates would increase our interest expense and our debt service obligations. At December 31, 2016, on a pro forma basis after giving effect to the issuance of the reopened notes and related guarantees, additional borrowings of approximately $523 million under the ABL Facility to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom, we had $2.7 billion of indebtedness that bears interest at variable rates, representing 31% of our total indebtedness.

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

We depend on cash on hand and cash flows from operations to make scheduled debt payments. To a significant extent, our ability to do so is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We may not be able to generate sufficient cash flow from operations to repay our indebtedness when it becomes due and to meet our other cash needs. If we are unable to service our indebtedness and fund our operations, we will have to adopt an alternative strategy that may include:

reducing or delaying capital expenditures;

limiting our growth;

seeking additional capital;

selling assets; or

restructuring or refinancing our indebtedness.

Even if we adopt an alternative strategy, the strategy may not be successful and we may continue to be unable to service our indebtedness and fund our operations.

We may not be able to refinance our indebtedness on favorable terms, if at all. Our inability to refinance our indebtedness, including the reopened notes, could materially and adversely affect our liquidity and our ongoing results of operations.

Our ability to refinance indebtedness will depend in part on our operating and financial performance, which, in turn, is subject to prevailing economic conditions and to financial, business, legislative, regulatory and other factors beyond our control. In addition, prevailing interest rates or other factors at the time of refinancing could increase our interest expense. A refinancing of our indebtedness could also require us to comply with more onerous covenants and further restrict our business operations. Our inability to refinance our indebtedness or to do so upon attractive terms could materially and adversely affect our business, prospects, results of operations, financial condition and cash flows, and make us vulnerable to adverse industry and general economic conditions.

We may be able to incur substantially more debt and take other actions that could diminish our ability to make payments on our indebtedness, including the reopened notes, when due, which could further exacerbate the risks associated with our current level of indebtedness.

Despite our indebtedness level, we may be able to incur substantially more indebtedness in the future. We are not fully restricted under the terms of the indentures or agreements governing our current indebtedness from incurring additional debt, securing existing or future debt, recapitalizing our debt or

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taking a number of other actions, any of which could diminish our ability to make payments on our indebtedness when due and further exacerbate the risks associated with our current level of indebtedness.

If new debt is added to our or any of our existing and future subsidiaries' current debt, the related risks that we now face could intensify.

If we are unable to satisfy the financial and other covenants in certain of our debt agreements, our lenders could elect to terminate the agreements and require us to repay the outstanding borrowings, or we could face other substantial costs.

The only financial covenant that currently exists under the ABL Facility is the fixed charge coverage ratio. Subject to certain limited exceptions specified in the ABL Facility, the fixed charge coverage ratio covenant under the ABL Facility will only apply in the future if specified availability under the ABL Facility falls below 10 percent of the maximum revolver amount under the ABL Facility. When certain conditions are met, cash and cash equivalents and borrowing base collateral in excess of the ABL Facility size may be included when calculating specified availability under the ABL Facility. As of December 31, 2016, specified availability under the ABL Facility exceeded the required threshold and, as a result, the maintenance covenant was inapplicable. Under our accounts receivable securitization facility, we are required, among other things, to maintain certain financial tests relating to: (i) the default ratio, (ii) the delinquency ratio, (iii) the dilution ratio and (iv) days sales outstanding. The accounts receivable securitization facility also requires us to comply with the fixed charge coverage ratio under the ABL Facility, to the extent the ratio is applicable under the ABL Facility. If we are unable to satisfy these or any of the other relevant covenants, the lenders could elect to terminate the ABL Facility and/or the accounts receivable securitization facility and require us to repay outstanding borrowings. In such event, unless we are able to refinance the indebtedness coming due and replace the ABL Facility, accounts receivable securitization facility and/or the other agreements governing our debt, we would likely not have sufficient liquidity for our business needs and would be forced to adopt an alternative strategy as described above. Even if we adopt an alternative strategy, the strategy may not be successful and we may not have sufficient liquidity to service our debt and fund our operations. Future debt arrangements we enter into may contain similar provisions.

Restrictive covenants in certain of the agreements and instruments governing our indebtedness may adversely affect our financial and operational flexibility.

In addition to financial covenants, various other covenants in the ABL Facility, accounts receivable securitization facility and the other agreements governing our debt impose significant operating and financial restrictions on us and our restricted subsidiaries. Such covenants include, among other things, limitations on: (i) liens; (ii) sale-leaseback transactions; (iii) indebtedness; (iv) mergers, consolidations and acquisitions; (v) sales, transfers and other dispositions of assets; (vi) loans and other investments; (vii) dividends and other distributions, stock repurchases and redemptions and other restricted payments; (viii) dividends, other payments and other matters affecting subsidiaries; (ix) transactions with affiliates; and (x) issuances of preferred stock of certain subsidiaries. Future debt agreements we enter into may include similar provisions.

These restrictions may also make more difficult or discourage a takeover of us, whether favored or opposed by our management and/or our Board of Directors.

Our ability to comply with these covenants may be affected by events beyond our control, and any material deviations from our forecasts could require us to seek waivers or amendments of covenants or alternative sources of financing, or to reduce expenditures. We cannot guarantee that such waivers, amendments or alternative financing could be obtained or, if obtained, would be on terms acceptable to us.

A breach of any of the covenants or restrictions contained in these agreements could result in an event of default. Such a default could allow our debt holders to accelerate repayment of the related debt, as well

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as any other debt to which a cross-acceleration or cross-default provision applies, and/or to declare all borrowings outstanding under these agreements to be due and payable. If our debt is accelerated, our assets may not be sufficient to repay such debt, including the reopened notes.

The amount of borrowings permitted under our ABL Facility may fluctuate significantly, which may adversely affect our liquidity, results of operations and financial position.

The amount of borrowings permitted at any time under our ABL Facility is limited to a periodic borrowing base valuation of the collateral thereunder. As a result, our access to credit under our ABL Facility is potentially subject to significant fluctuations depending on the value of the borrowing base of eligible assets as of any measurement date, as well as certain discretionary rights of the agent in respect of the calculation of such borrowing base value. The inability to borrow under our ABL Facility may adversely affect our liquidity, results of operations and financial position.

We rely on available borrowings under the ABL Facility and the accounts receivable securitization facility for cash to operate our business, which subjects us to market and counterparty risk, some of which is beyond our control.

In addition to cash we generate from our business, our principal existing sources of cash are borrowings available under the ABL Facility and the accounts receivable securitization facility. If our access to such financing was unavailable or reduced, or if such financing were to become significantly more expensive for any reason, we may not be able to fund daily operations, which would cause material harm to our business or could affect our ability to operate our business as a going concern. In addition, if certain of our lenders experience difficulties that render them unable to fund future draws on the facilities, we may not be able to access all or a portion of these funds, which could have similar adverse consequences.

Risks Relating to the Reopened Notes

None of URNA's foreign subsidiaries, unrestricted subsidiaries, subsidiaries that are foreign subsidiary holding companies or subsidiaries of foreign subsidiaries will be guarantors with respect to the reopened notes, unless URNA determines otherwise, therefore, any claims you may have in respect of the reopened notes will be structurally subordinated to the liabilities of those subsidiaries.

None of URNA's foreign subsidiaries, unrestricted subsidiaries or subsidiaries that are foreign subsidiary holding companies or subsidiaries of foreign subsidiaries will guarantee the reopened notes, unless URNA determines otherwise. If any of such non-guarantor subsidiaries becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, holders of its indebtedness and its trade creditors generally will be entitled to payment on their claims from the assets of such subsidiary before any of those assets would be made available to us. Consequently, your claims in respect of the reopened notes will be structurally subordinated to all of the existing and future liabilities, including trade payables, of URNA's non-guarantor subsidiaries. The indentures governing the notes do not prohibit URNA from having subsidiaries that are not guarantors in the future.

The non-guarantor subsidiaries accounted for approximately 9% of our total revenues for the year ended December 31, 2016. As of December 31, 2016, the non-guarantor subsidiaries accounted for approximately 8% of our rental equipment, approximately 16% of our total assets, and approximately 7% of our total liabilities.

Although the indentures limit the incurrence of indebtedness and issuance of preferred stock of or by certain of our subsidiaries, such limitation is subject to a number of significant qualifications.

Moreover, the indentures do not impose any limitation on the incurrence by such subsidiaries of liabilities that are not considered indebtedness under the indentures. See the sections titled "*Description of the 2026 Reopened Notes Certain Covenants Limitation on Indebtedness*" and "*Description of the 2027 Reopened Notes Certain Covenants Limitation on Indebtedness.*"

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A portion of our operations is currently conducted through URNA's subsidiaries and URNA will depend in part on distributions from these subsidiaries in order to pay amounts due on the reopened notes. Certain provisions of law or contractual restrictions could limit distributions from URNA's subsidiaries.

A portion of our operations is conducted through URNA's subsidiaries. The effect of this structure is that URNA will depend in part on the earnings of its subsidiaries, and the payment or other distribution to it of these earnings, in order to meet its obligations under the reopened notes and its other debt. Provisions of law, such as those requiring that dividends be paid only from surplus, could limit the ability of URNA's subsidiaries to make payments or other distributions to it. Furthermore, these subsidiaries could in certain circumstances agree to contractual restrictions on their ability to make distributions. These restrictions could also render the subsidiary guarantors financially or contractually unable to make payments under their guarantees of the reopened notes.

Holdings' primary asset is its equity interest in URNA.

The reopened notes will be guaranteed by Holdings. However, substantially all of Holdings' net worth is attributable to the stock of URNA owned by Holdings and all of its operations are conducted through URNA. Consequently, the Holdings guarantee will not give holders of the reopened notes a claim to significant assets other than those to which they already have a claim as URNA's direct creditors. Furthermore, substantially all of Holdings' assets are subject to a security interest in favor of the lenders under the ABL Facility, which gives these lenders a first-priority claim to such assets.

A guarantee by a subsidiary guarantor could be voided if the subsidiary guarantor fraudulently transferred the guarantee at the time it incurred the indebtedness, which could result in the holders of the reopened notes being able to rely only on URNA and Holdings to satisfy claims.

A guarantee by one of our subsidiary guarantors that is found to be a fraudulent transfer may be voided under the fraudulent transfer laws described below. The application of these laws requires the making of complex factual determinations and estimates as to which there may be different opinions and views.

In general, federal and state fraudulent transfer laws provide that a guarantee by a subsidiary guarantor can be voided, or claims under a guarantee by a subsidiary guarantor may be subordinated to all other debts of that subsidiary guarantor if, among other things, at the time it incurred the indebtedness evidenced by its guarantee:

- the subsidiary guarantor intended to hinder, delay or defraud any present or future creditor; or
- the subsidiary guarantor received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee; and
  - was insolvent or rendered insolvent by reason of such incurrence;
  - was engaged in a business or transaction for which the subsidiary guarantor's remaining assets constituted unreasonably small capital; or
  - intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

In addition, any payment by that subsidiary guarantor under a guarantee could be voided and required to be returned to the subsidiary guarantor or to a fund for the benefit of the creditors of the subsidiary guarantor.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, a subsidiary guarantor would be considered insolvent if:

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

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

it could not pay its debts as they become due.

We cannot predict:

what standard a court would apply in order to determine whether a subsidiary guarantor was insolvent as of the date it issued the guarantee or whether, regardless of the method of valuation, a court would determine that the subsidiary guarantor was insolvent on that date; or

whether a court would determine that the payments under the guarantee constituted fraudulent transfers or conveyances on other grounds.

In the event that the guarantee of the reopened notes by a subsidiary guarantor is voided as a fraudulent conveyance, holders of the reopened notes would effectively be subordinated to all indebtedness and other liabilities of that subsidiary guarantor.

If we experience a change of control, URNA will be required to make an offer to repurchase the reopened notes. However, URNA may be unable to do so due to lack of funds or covenant restrictions.

If we experience a change of control (as defined in the indentures governing the notes), URNA will be required to make an offer to repurchase all outstanding reopened notes at the applicable percentage of their principal amount, plus accrued but unpaid interest, if any, to the date of repurchase. However, URNA may be unable to do so because:

URNA might not have enough available funds, particularly since a change of control could cause part or all of our other indebtedness to become due; and

the agreements governing the ABL Facility would, and other indebtedness may, prohibit URNA from repurchasing the reopened notes, unless we were able to obtain a waiver or refinance such indebtedness.

A failure to make an offer to repurchase the reopened notes upon a change of control would give rise to an event of default under the indentures governing the notes and could result in an acceleration of amounts due thereunder. Any such default and acceleration under one indenture could trigger a cross-default under our and URNA's other indebtedness. In addition, any such default under one indenture would trigger a default under the ABL Facility (which could result in the acceleration of all indebtedness thereunder) and a termination event under our accounts receivable securitization facility. A change of control (as defined in the agreement governing the ABL Facility), in and of itself, is also an event of default under the ABL Facility, which would entitle our lenders to accelerate all amounts owing thereunder. In the event of any such acceleration, there can be no assurance that we will have enough cash to repay our outstanding indebtedness, including the reopened notes. In addition, such acceleration could cause a default under the reopened notes.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to our debt securities could cause the liquidity or market value of the reopened notes to decline significantly and increase our cost of borrowing.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. In general, rating agencies base their ratings on many quantitative and qualitative factors, including, but not limited to, capital adequacy, liquidity, asset quality, business mix and quality of earnings, and, as a result, we may not be able to maintain our current credit ratings.

Credit rating agencies continually review their ratings for the companies that they follow, including us. Borrowing under the ABL Facility, as well as the future incurrence of additional secured or additional

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unsecured indebtedness, may cause the rating agencies to reassess the ratings assigned to our debt securities. Any such action may lead to a downgrade of any rating assigned to the notes or in the assignment of a rating for the notes that is lower than might otherwise be the case. Real or anticipated changes in our credit ratings could cause the liquidity or market value of the reopened notes to decline significantly.

There can be no assurance that the ratings assigned by S&P and Moody's to the notes will remain for any given period of time or that these ratings will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes in our company, so warrant. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. Neither we nor any underwriter undertakes any obligation to maintain the ratings or to advise holders of the reopened notes of any changes in ratings. Each agency's rating should be evaluated independently of any other agency's rating.

There may be no public market for the reopened notes.

As with the original notes, we do not intend to apply for listing of the reopened notes on any securities exchange or any automated dealer quotation system. The underwriters have advised us that they presently intend to continue to make a market in the notes. The underwriters are not obligated, however, to make a market in the notes, and may discontinue any such market-making at any time at their sole discretion. In addition, any market-making activity will be subject to the limits imposed by securities laws. Accordingly, we cannot assure you as to:

- the liquidity or sustainability of any market for the reopened notes;
- your ability to sell the reopened notes; or
- the price at which you would be able to sell your reopened notes.

If a market for the reopened notes does exist, it is possible that you will not be able to sell your reopened notes at a particular time or that the price that you receive when you sell will be favorable. It is also possible that any trading market that does exist for the reopened notes will not be liquid. Future trading prices of the reopened notes will depend on many factors, including:

- our operating performance, financial condition and prospects, or the operating performance, financial condition and prospects of companies in the equipment rental industry generally;
- the interest of securities dealers in making a market for the notes;
- prevailing interest rates; and
- the market for similar securities.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused volatility in prices. If a market for the notes exists, it is possible that the market for the notes will be subject to disruptions and price volatility. Any disruptions may have a negative effect on holders of the reopened notes, regardless of our operating performance, financial condition and prospects.

Many of the covenants contained in the indentures and, if requested by us, the subsidiary guarantees, will not be applicable during any period when the notes are rated investment grade by S&P and Moody's or, in certain circumstances, another rating agency selected by us.

Many of the covenants in the indentures governing the notes will not apply to us during any period when the notes are rated investment grade by both S&P and Moody's or, in certain circumstances, another nationally recognized statistical rating agency selected by us, provided that at such time no default under the applicable indenture has occurred and is continuing. These covenants restrict, among other things, our

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ability to pay dividends, to incur debt and to enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade, or that if they are rated investment grade, the notes will maintain such ratings. However, suspension of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force, and the effects of any such actions will be permitted to remain in place even if the notes are subsequently downgraded below investment grade and the covenants are reinstated. Please see "*Description of the Reopened 2026 Notes Certain Covenants Covenant Suspension*" and "*Description of the Reopened 2027 Notes Certain Covenants Covenant Suspension*."

During any period when the notes are rated investment grade by both S&P and Moody's or, in certain circumstances, another nationally recognized statistical rating agency selected by us, provided that at such time no default under the applicable indenture has occurred and is continuing, we may request to release the guarantee of any subsidiary guarantor. In the event that the guarantee of the notes by a subsidiary guarantor is released, holders of the reopened notes would effectively be subordinated to all indebtedness and other liabilities of that subsidiary guarantor. Please see "*Description of the Reopened 2026 Notes Guarantees*" and "*Description of the Reopened 2027 Notes Guarantees*."

The reopened notes will be effectively subordinated to URNA's and each guarantor's secured indebtedness, in each case to the extent of the value of the assets securing such indebtedness.

The reopened notes will be URNA's senior unsecured obligations and will be effectively subordinated to all of URNA's and each guarantor's secured indebtedness, to the extent of the value of the collateral. Our U.S. dollar borrowings under the ABL Facility and our senior secured notes are secured by substantially all of our and the guarantors' assets. Most of our U.S. receivable assets have been sold to a bankruptcy remote special purpose entity in connection with our accounts receivable securitization facility (the accounts receivable in the collateral pool being the lenders' only source of payment under that facility). The lenders under the ABL Facility, the holders of the secured notes or the holders of other secured indebtedness will be entitled to exercise the remedies available to a secured lender under applicable law (in addition to any remedies that may be available under documents pertaining to the ABL Facility, the senior secured notes or our other secured indebtedness). The exercise of such remedies may adversely affect our ability to meet our financial obligations under the reopened notes.

As of December 31, 2016, on an as adjusted basis after giving effect to the issuance of the reopened notes and related guarantees, additional borrowings of approximately $523 million under the ABL Facility to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom as described under "*Use of Proceeds*," our total indebtedness was approximately $8.8 billion, and:

- URNA and the guarantors of the reopened notes had outstanding an aggregate of $2.177 billion of indebtedness secured by a first-priority lien outstanding and $286 million of borrowing capacity under the ABL Facility (net of outstanding letters of credit of $36 million), subject to, among other things, their maintenance of a sufficient borrowing base under such facility;

- URNA and the guarantors of the reopened notes had outstanding an aggregate principal amount of $1 billion of indebtedness secured on a second-priority lien basis under URNA's senior secured notes (which are guaranteed by the guarantors); and

- URNA and the guarantors of the reopened notes had outstanding an aggregate of $64 million of indebtedness under capital leases secured by assets that do not constitute collateral under the ABL Facility and URNA's senior secured notes.

Under the terms of the agreements governing our debt, we may incur significant amounts of additional secured indebtedness.

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Risks Related to the Proposed NES Acquisition

We cannot assure you that the proposed NES Acquisition will be completed.

There are a number of risks and uncertainties relating to the NES Acquisition. For example, the NES Acquisition may not be completed, or may not be completed in the timeframe, on the terms or in the manner currently anticipated, as a result of a number of factors, including, among other things, the failure of one or more of the conditions to closing. There can be no assurance that the conditions to closing of the NES Acquisition will be satisfied or waived or that other events will not intervene to delay or result in the failure to close the NES Acquisition. The NES Merger Agreement may be terminated by the parties thereto under certain circumstances, including, without limitation, if the NES Acquisition has not been completed by October 25, 2017, which date is subject to extension by written agreement of the parties. Any delay in closing or a failure to close could have a negative impact on our business and the trading price of our securities, including our reopened notes.

In addition, to complete the NES Acquisition, we need to obtain approvals or consents from, and make filings with, certain applicable governmental authorities. While we believe that we will receive all required approvals for the NES Acquisition, there can be no assurance as to the receipt or timing of receipt of these approvals. The receipt of such approvals may be conditional upon actions that we are not obligated to take under the NES Merger Agreement, which could result in the termination of the NES Merger Agreement by us, or, if such approvals are received, their terms could have a detrimental impact on us following the completion of the NES Acquisition. A substantial delay in obtaining any required authorizations, approvals or consents, or the imposition of unfavorable terms, conditions or restrictions contained in such authorizations, approvals or consents, could prevent the completion of the NES Acquisition or have an adverse effect on the anticipated benefits of the NES Acquisition, thereby adversely impacting our business, financial condition or results of operations.

In the event the NES Acquisition is not completed, we will not be required to redeem the reopened notes, and the net proceeds from this offering that were used to repay borrowings under the ABL Facility may be reborrowed for general corporate purposes.

We may fail to realize the growth prospects and other benefits anticipated as a result of the NES Acquisition.

The success of the NES Acquisition will depend, in part, on our ability to realize the anticipated business opportunities and growth prospects from the NES Acquisition. We may never realize these business opportunities and growth prospects. The NES Acquisition and related integration will require significant efforts and expenditures. Our management might have its attention diverted while trying to integrate operations and corporate and administrative infrastructures and the cost of integration may exceed our expectations. We may also be required to make unanticipated capital expenditures or investments in order to maintain, improve or sustain the acquired operations or take writeoffs or impairment charges and may be subject to unanticipated or unknown liabilities relating to the NES Acquisition. If any of these factors limit our ability to complete the NES Acquisition and integration of operations successfully or on a timely basis, our expectations of future results of operations following the NES Acquisition might not be met.

In addition, it is possible that the integration process could result in the loss of key employees, the disruption of ongoing businesses, tax costs or inefficiencies, or inconsistencies in standards, controls, information technology systems, procedures and policies, any of which could adversely affect our ability to achieve the anticipated benefits of the NES Acquisition and could harm our financial performance.

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USE OF PROCEEDS

We anticipate that we will receive approximately $492 million in net proceeds from the sale of the reopened notes, after underwriting discounts and commissions and payment of estimated fees and expenses. We expect to use the net proceeds from this offering and from additional borrowings of approximately $523 million under the ABL Facility to finance the NES Acquisition and to pay related fees and expenses.

Pending the payment of the purchase price for the NES Acquisition, the net proceeds from this offering will be applied to reduce borrowings under the ABL Facility. We expect to then borrow under the ABL Facility to fund the NES Acquisition.

In the event the NES Acquisition is not consummated, the net proceeds from this offering that were used to repay borrowings under the ABL Facility may be reborrowed for general corporate purposes.

As of December 31, 2016, on an as adjusted basis after giving effect to the issuance of the reopened notes and the related guarantees, additional borrowings of approximately $523 million under the ABL Facility to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom, we had $2.177 billion outstanding under the ABL Facility (with a carrying value of $2.168 billion). The ABL Facility currently bears interest at a rate of 2.3% and matures on June 8, 2021. The borrowings under the ABL Facility, which will be reduced with the net proceeds from the sale of the reopened notes until reborrowed in connection with the consummation of the NES Acquisition, were used for general corporate purposes, including working capital needs and the financing of share repurchases. For more information regarding our outstanding senior indebtedness, including maturities and applicable interest rates, see "*Capitalization*" and note 11 to our consolidated financial statements for the year ended December 31, 2016 in our Annual Report, which is incorporated by reference herein.

Affiliates of Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, and Citigroup Global Capital Markets Inc. are joint lead arrangers and joint book-runners under the ABL Facility, each of which is acting as an underwriter for this offering, and affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated are the agent, U.S. swingline lender, U.S. letter of credit issuer, Canadian swingline lender and Canadian letter of credit issuer under the ABL Facility. An affiliate of Scotia Capital (USA) Inc. is the administrative agent under our accounts receivable securitization facility. In addition, certain affiliates of each of the underwriters are lenders under the ABL Facility and/or under our accounts receivable securitization facility. As described above, we intend to use the net proceeds from this offering to temporarily repay indebtedness owed to the underwriters and certain affiliates of the underwriters who are lenders under the ABL Facility, and such underwriters (or their affiliates) therefore may receive more than 5 percent of the net proceeds from this offering through the repayment of such debt, which creates a conflict of interest under FINRA Rule 5121. This offering is therefore being made in compliance with Rule 5121 and J.P. Morgan Securities LLC is assuming the responsibilities of acting as a qualified independent underwriter in preparing this prospectus supplement, in pricing the offering and conducting due diligence. Aside from its relative portion of the underwriting discount set forth on the cover page of this prospectus supplement, J.P. Morgan Securities LLC will not receive any fees for serving as a qualified independent underwriter in connection with this offering. We have agreed to indemnify J.P. Morgan Securities LLC against liabilities incurred in connection with acting as the qualified independent underwriter, including liabilities under the Securities Act and the Exchange Act. No underwriter having a conflicting interest under Rule 5121 will sell to a discretionary account any security with respect to which the conflict exists, unless the member has received specific written approval of the transaction from the account holder and retains documentation of the approval in its records.

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CAPITALIZATION

The following table presents our consolidated cash position and consolidated capitalization as of December 31, 2016: (1) on an actual basis and (2) as adjusted for (i) the issuance of the reopened notes and related guarantees, (ii) additional borrowings of approximately $523 million under the ABL Facility to finance the NES Acquisition (and pay related fees and expenses) and (iii) the assumed application of the net proceeds therefrom, as described under "*Use of Proceeds*." For information regarding our outstanding senior indebtedness, including maturity and applicable interest rates, see note 11 to our consolidated financial statements for the year ended December 31, 2016 in our Annual Report, which is incorporated by reference herein. This table is derived from and should be read in conjunction with our audited consolidated financial statements incorporated in this prospectus supplement by reference to our Annual Report. See "*Incorporation of Certain Information by Reference*" beginning on page S-iii of this prospectus supplement.

	At December 31, 2016	
	Actual	As Adjusted[1]
	(in millions)	
Cash and cash equivalents	$ 312	$ 312
Debt:		
ABL Facility[2]	1,645	2,168
Accounts receivable securitization facility[3]	568	568
4⅝% Senior Secured Notes due 2023[4]	991	991
Capital leases	71	71
7⅝% Senior Notes due 2022[5]	469	469
6⅛% Senior Notes due 2023[6]	936	936
5¾% Senior Notes due 2024[7]	839	839
5½% Senior Notes due 2025[8]	792	792
5⅞% Senior Notes due 2026 (including the reopened 2026 notes offered hereby)[9]	740	986
5½% Senior Notes due 2027 (including the reopened 2027 notes offered hereby)[10]	739	985
Total debt	7,790	8,805
Total stockholders' equity[11]	1,648	1,618
Total capitalization	$ 9,438	$ 10,423

(1) The "as adjusted" column is presented for illustrative purposes only.

(2) At December 31, 2016, on an actual basis, $809 million was available under our ABL Facility, and on an as adjusted basis, $286 million was available under our ABL Facility. The interest rate applicable to the ABL Facility was 2.3% at December 31, 2016. Pending the payment of the purchase price for the NES Acquisition, the net proceeds from this offering will be applied to reduce borrowings under the ABL Facility. We expect to then borrow under the ABL Facility to fund the NES Acquisition.

(3) At December 31, 2016, $57 million was available under our accounts receivable securitization facility. The interest rate applicable to the accounts receivable securitization facility was 1.5% at December 31, 2016. Borrowings under the accounts receivable securitization facility are permitted only to the extent that the face amount of the receivables in the collateral pool, net of applicable reserves and other deductions, exceeds the outstanding loans. As of December 31, 2016, there were $655 million of receivables, net of applicable reserves and other deductions, in the collateral pool.

(4) The difference between the carrying value of the 4⅝% Senior Secured Notes due 2023 and the $1 billion principal amount of these notes relates to $9 million of unamortized debt issuance costs.

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(5) The difference between the carrying value of the 7 5/8% Senior Notes due 2022 and the $475 million principal amount of these notes relates to $6 million of unamortized debt issuance costs.

(6) The difference between the carrying value of the 6 1/8% Senior Notes due 2023 and the $925 million principal amount of these notes relates to (i) the $21 million unamortized portion of the original issue premium recognized in conjunction with the issuance of these notes, which is being amortized through the maturity date of these notes, and (ii) $10 million of unamortized debt issuance costs.

(7) The difference between the carrying value of the 5 3/4% Senior Notes due 2024 and the $850 million principal amount of these notes relates to $11 million of unamortized debt issuance costs.

(8) The difference between the carrying value of the 5 1/2% Senior Notes due 2025 and the $800 million principal amount of these notes relates to $8 million of unamortized debt issuance costs.

(9) The difference between the as adjusted carrying value of the 5 7/8% Senior Notes due 2026 and the $1 billion principal amount of these notes relates to $14 million of unamortized debt issuance costs.

(10) The difference between the as adjusted carrying value of the 5 1/2% Senior Notes due 2027 and the $1 billion principal amount of these notes relates to $15 million of unamortized debt issuance costs.

(11) We expect to incur approximately $50 million in financial and legal advisory fees in connection with the NES Acquisition. The after-tax impact of these fees is reflected as a reduction of adjusted stockholders' equity.

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DESCRIPTION OF THE REOPENED 2026 NOTES

We will issue the reopened 2026 notes (together with the original 2026 notes, the "2026 Notes") under the indenture (the "2026 Indenture"), dated as of May 13, 2016, among us, the Guarantors and Wells Fargo Bank, National Association, as trustee (the "Trustee").

The terms of the 2026 Notes will include those expressly set forth in the 2026 Indenture and those made part of the 2026 Indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The following description is a summary of the material provisions of the 2026 Notes and the 2026 Indenture and does not purport to be complete. This summary is subject to and is qualified by reference to all of the provisions of the 2026 Notes and the 2026 Indenture, including the definitions of certain terms used in the 2026 Indenture. We urge you to read these documents because they, and not this description, define your rights as a holder of the reopened 2026 notes. Copies of the 2026 Indenture are available as set forth below under "*Additional Information*."

Certain terms used in this description are defined under the caption "*Certain Definitions*." Defined terms used in this description but not defined under "*Certain Definitions*" will have the meanings assigned to them in the 2026 Indenture. Unless the context otherwise requires, references to "*2026 Notes*" include the original 2026 notes, the reopened 2026 notes offered hereby and any other Additional Notes (as defined below). In this description, the words "*Company*," "*we*" and "*our*" refer only to United Rentals (North America), Inc. and not to any of its subsidiaries.

Brief Description of the 2026 Notes

The 2026 Notes will be:

- general unsecured obligations of the Company;
- *pari passu* in right of payment with all existing and future senior Indebtedness of the Company;
- effectively junior to all of the Company's existing and future secured Indebtedness to the extent of the value of the collateral securing such Indebtedness;
- senior in right of payment to any existing and future Subordinated Indebtedness of the Company; and
- guaranteed by Holdings and the Subsidiary Guarantors.

The Company's Subsidiaries, with limited exceptions, are "Restricted Subsidiaries." As of and for the year ended December 31, 2016, the Unrestricted Subsidiaries represented 7% of Holdings' total assets and had no revenue. Under the circumstances described below under the captions "*Certain Covenants Limitation on Designations of Unrestricted Subsidiaries*" and "*Certain Covenants Limitation on Restricted Payments*," the Company will be permitted to designate certain of its other Subsidiaries as "Unrestricted Subsidiaries." The Company's Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the 2026 Indenture. The Company's Unrestricted Subsidiaries will not guarantee the 2026 Notes.

As of December 31, 2016, on an as adjusted basis, after giving effect to the issuance of the reopened 2026 notes and the guarantees (the "Guarantees"), the issuance of the reopened 2027 notes and the related guarantees, additional borrowings of approximately $523 million under the Credit Agreement to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom as described under "*Use of Proceeds*," the reopened 2026 notes would have ranked (1) equally in right of payment with $4.8 billion principal amount of our other senior unsecured obligations, comprised of $475 million principal amount of 7⅝% Senior Notes due 2022, $925 million principal amount of 6⅛ Senior Notes due 2023, $850 million principal amount of 5¾% Senior Notes due 2024, $800 million principal amount of 5½% Senior Notes due 2025, $750 million principal amount of

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original 2026 notes and $1 billion principal amount of 5½% Senior Notes due 2027 (including the $250 million of reopened 2027 notes to be issued concurrently with the reopened 2026 notes); (2) effectively junior to approximately $3.2 billion of our secured obligations, comprised of (i) $2.074 billion of our outstanding borrowings under the Credit Agreement (excluding $286 million of additional borrowing capacity, net of outstanding letters of credit of $36 million), (ii) $1 billion principal amount of the Secured Notes, (iii) our guarantee obligations in respect of $103 million of the outstanding borrowings of our Subsidiary Guarantors under the Credit Agreement, (iv) $53 million in capital leases and (v) our guarantee obligations in respect of $8 million of capital leases of our Subsidiary Guarantors; and (3) effectively junior to (i) $568 million of indebtedness of our special purpose vehicle in connection with the Existing Securitization Facility, (ii) $7 million of capital leases of our Subsidiaries that are not Guarantors and (iii) $3 million of capital leases of Holdings. Most of our U.S. receivable assets have been sold to our special purpose vehicle in connection with our Existing Securitization Facility (the accounts receivable in the collateral pool being the lenders' only source of payment under that facility). See "*Capitalization*."

Principal, Maturity and Interest

The Company will issue the reopened 2026 notes in this offering in an aggregate principal amount of $250 million. Upon issuance of the reopened 2026 notes, the aggregate principal amount outstanding of our 2026 Notes will be $1 billion. The reopened 2026 notes will have identical terms, be fungible with and be part of a single series of senior debt securities with the original 2026 notes.

The 2026 Notes will mature on September 15, 2026. Subject to its compliance with the covenant described under the caption " *Certain Covenants Limitation on Indebtedness*," the Company will be permitted to issue additional 2026 Notes under the 2026 Indenture (the "Additional Notes"). The 2026 Notes offered hereby and any Additional Notes will rank equally and be treated as a single class for all purposes of the 2026 Indenture, including waivers, amendments, redemptions and offers to purchase. Interest on the 2026 Notes will accrue at the rate of 5.875% per annum and will be payable semiannually in arrears on March 15 and September 15 of each year, to the holders of record of 2026 Notes at the close of business on March 1 and September 1, respectively, immediately preceding such interest payment date. The next interest payment with respect to the 2026 Notes will be made on March 15, 2017.

Interest on the 2026 Notes will accrue from the most recent date to which interest has been paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The reopened 2026 notes will be issued only in registered form without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof. Principal of, premium, if any, and interest on the 2026 Notes will be payable, and the 2026 Notes will be transferable, at the designated corporate trust office or agency of the Trustee in the City of New York maintained for such purposes. In addition, interest may be paid at the option of the Company by check mailed to the person entitled thereto as shown on the security register. No service charge will be made for any transfer, exchange or redemption of 2026 Notes, except in certain circumstances for any tax or other governmental charge that may be imposed in connection therewith.

Initial settlement for the reopened 2026 notes will be made in same-day funds. The 2026 Notes are expected to trade in the Same-Day Funds Settlement System of The Depository Trust Company ("DTC") until maturity, and secondary market trading activity for the 2026 Notes will therefore settle in same-day funds.

Guarantees

Holdings and the Subsidiary Guarantors will fully and unconditionally guarantee, on a senior unsecured basis, jointly and severally, to each holder of the 2026 Notes and the Trustee under the 2026 Indenture, the full and prompt performance of the Company's obligations under the 2026 Indenture and

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such 2026 Notes, including the payment of principal of, premium, if any, and interest on the 2026 Notes. Subject to limited exceptions, the Subsidiary Guarantors are the current and future Domestic Restricted Subsidiaries of the Company, other than (unless otherwise determined by the Company) any Foreign Subsidiary Holding Company or Subsidiary of a Foreign Subsidiary.

The obligations of each Subsidiary Guarantor will be limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of such Subsidiary Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Subsidiary Guarantor in respect of the obligations of such other Subsidiary Guarantor under its guarantee or pursuant to its contribution obligations under the 2026 Indenture, will result in the obligations of such Subsidiary Guarantor under the guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. See "*Risk Factors Risks Relating to the Reopened Notes A guarantee by a subsidiary guarantor could be voided if the subsidiary guarantor fraudulently transferred the guarantee at the time it incurred the indebtedness, which could result in the holders of the reopened notes being able to rely only on URNA and Holdings to satisfy claims*."

Each Subsidiary Guarantor that makes a payment under its guarantee of the 2026 Notes will be entitled to a contribution from each other Guarantor of the 2026 Notes in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP (for purposes hereof, Holdings' net assets shall be those of all its consolidated Subsidiaries other than the Subsidiary Guarantors); *provided*, *however*, that during a Default, the right to receive payment in respect of such right of contribution shall be suspended until the payment in full of all guaranteed obligations under the 2026 Indenture.

Each guarantee of the 2026 Notes:

will be a general unsecured obligation of that Guarantor;

will be *pari passu* in right of payment with all existing and future senior Indebtedness of that Guarantor;

will be effectively junior to all of that Guarantor's existing and future secured Indebtedness to the extent of the value of the collateral securing such Indebtedness; and

will be senior in right of payment to any existing and future Subordinated Indebtedness of that Guarantor.

As of December 31, 2016, on an as adjusted basis, after giving effect to the issuance of the reopened 2026 notes and the Guarantees, the issuance of the reopened 2027 notes and the related guarantees, additional borrowings of approximately $523 million under the Credit Agreement to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom as described under "*Use of Proceeds*," the Guarantees would have ranked (1) equally in right of payment with approximately $4.8 billion of the Guarantors' other senior unsecured obligations, comprised of the Guarantors' guarantee obligations in respect of (a) $475 million principal amount of 7$^{5}/_{8}$% Senior Notes due 2022, (b) $925 million principal amount of the 6$^{1}/_{8}$% Senior Notes due 2023, (c) $850 million principal amount of 5$^{3}/_{4}$% Senior Notes due 2024, (d) $800 million principal amount of 5$^{1}/_{2}$% Senior Notes due 2025, (e) $750 million principal amount of original 2026 notes and (f) $1 billion principal amount of 5$^{1}/_{2}$% Senior Notes due 2027 (including the $250 million of reopened 2027 notes to be issued concurrently with the reopened 2026 notes); (2) effectively junior to approximately $3.2 billion of the Guarantors' secured obligations, comprised of (i) the Guarantors' guarantee obligations in respect of $2.074 billion of our outstanding borrowings under the Credit Agreement, (ii) $103 million of the outstanding borrowings of our Subsidiary Guarantors under the Credit Agreement, (iii) the Guarantors' guarantee obligations in respect of $1 billion principal amount of the Secured Notes, (iv) the Guarantors' guarantee obligations in respect of $53 million in our capital leases, (v) $8 million of capital leases of our Subsidiary Guarantors and (vi) $3 million of capital leases of Holdings; and (3) effectively junior to (i) $568 million of indebtedness of

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our special purpose vehicle in connection with the Existing Securitization Facility and (ii) $7 million of capital leases of our Subsidiaries that are not Guarantors. See "*Capitalization*."

The Subsidiaries that are not Guarantors accounted for $223 million, or 8%, of our adjusted EBITDA for the year ended December 31, 2016. The Subsidiaries that are not Guarantors accounted for $510 million, or 9%, of our total revenues for the year ended December 31, 2016. The non-guarantor subsidiaries of URNA accounted for $1.893 billion, or 16%, of our total assets, and $698 million, or 7%, of our total liabilities, at December 31, 2016.

Although the 2026 Indenture limits the incurrence of Indebtedness and the issuance of preferred stock of certain of our Subsidiaries, such limitation is subject to a number of significant qualifications. Moreover, the 2026 Indenture does not impose any limitation on the incurrence by such Subsidiaries of liabilities that are not considered Indebtedness under the 2026 Indenture. See " *Certain Covenants Limitation on Indebtedness*."

The guarantee of a Subsidiary Guarantor will be released:

(1) upon the sale or other disposition (including by way of consolidation or merger) of all of the Capital Stock of such Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary; *provided* such sale or disposition is permitted by the 2026 Indenture;

(2) upon the sale or disposition of all or substantially all the assets of such Subsidiary Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary; *provided* such sale or disposition is permitted by the 2026 Indenture;

(3) upon the liquidation or dissolution of such Guarantor; *provided* that no Default or Event of Default shall occur as a result thereof or has occurred and is continuing;

(4) upon Legal Defeasance, Covenant Defeasance or satisfaction and discharge of the 2026 Indenture;

(5) if the Company properly designates any Restricted Subsidiary that is a Subsidiary Guarantor under the 2026 Indenture as an Unrestricted Subsidiary;

(6) at the Company's request, during any Suspension Period; or

(7) at such time as such Subsidiary Guarantor does not have any other Indebtedness outstanding that would have required such Subsidiary Guarantor to enter into a Guaranty Agreement pursuant to the covenant described under " *Certain Covenants Additional Subsidiary Guarantors*," except as a result of a payment in respect of such other Indebtedness by such Subsidiary Guarantor.

Optional Redemption

Except as set forth below, we will not be entitled to redeem the 2026 Notes at our option prior to September 15, 2021.

The 2026 Notes will be redeemable at our option, in whole or in part, at any time on or after September 15, 2021, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if

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redeemed during the twelve-month period beginning on September 15 of each of the years indicated below:

Year	Redemption Price
2021	102.938%
2022	101.958%
2023	100.979%
2024 and thereafter	100.000%

In addition, at any time, or from time to time, on or prior to September 15, 2019, we may, at our option, use the net cash proceeds of one or more Equity Offerings to redeem up to an aggregate of 40.0% of the principal amount of the 2026 Notes at a redemption price equal to 105.875% of the principal amount of the 2026 Notes, plus accrued and unpaid interest, if any, thereon to the redemption date; *provided*, *however*, that (1) at least 50.0% of the aggregate principal amount of 2026 Notes issued (including any Additional Notes, but excluding 2026 Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption and (2) the redemption occurs within 120 days of the consummation of any such Equity Offering.

Prior to September 15, 2021, we will be entitled at our option to redeem the 2026 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2026 Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, the redemption date (subject to the right of holders on the relevant record date to receive interest due on the relevant interest payment date).

Mandatory Redemption

The Company is not required to make mandatory redemption or sinking fund payments with respect to the 2026 Notes.

Selection and Notice of Redemption

In the event that less than all of the 2026 Notes are to be redeemed at any time, selection of such 2026 Notes for redemption will be made on a pro rata basis (subject to the rules of DTC) unless otherwise required by law or applicable stock exchange requirements; *provided*, *however*, that such 2026 Notes shall only be redeemable in principal amounts of $2,000 or an integral multiple of $1,000 in excess thereof. Notice of redemption shall be delivered electronically or mailed by first-class mail to each holder of the 2026 Notes to be redeemed at its registered address, at least 30 but not more than 60 days before the redemption date, except that redemption notices may be delivered electronically or mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance or a satisfaction and discharge of the 2026 Notes.

Notices of redemption may be subject to the satisfaction of one or more conditions precedent established by us in our sole discretion. In addition, we may provide in any notice of redemption for the 2026 Notes that payment of the redemption price and the performance of our obligations with respect to such redemption may be performed by another Person.

If any 2026 Note is to be redeemed in part only, the notice of redemption that relates to such 2026 Note shall state the portion of the principal amount thereof to be redeemed. A new 2026 Note in a principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon surrender for cancellation of the original 2026 Note. 2026 Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest will cease to accrue on 2026 Notes or portions thereof called for redemption, unless we default in the payment of the redemption price.

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Change of Control

Upon the occurrence of a Change of Control after the Issue Date, we shall be obligated to make an offer to purchase all of the then outstanding 2026 Notes (a "Change of Control Offer"), on a business day (the "Change of Control Purchase Date") not more than 60 nor less than 30 days following the delivery to each holder of the 2026 Notes of a notice of the Change of Control (a "Change of Control Notice"). The Change of Control Offer shall be at a purchase price in cash (the "Change of Control Purchase Price") equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, thereon to the Change of Control Purchase Date, subject to the rights of holders of the 2026 Notes on the relevant record date to receive interest due on the relevant interest payment date. We shall be required to purchase all 2026 Notes tendered pursuant to the Change of Control Offer and not withdrawn. The Change of Control Offer is required to remain open for at least 20 business days.

In order to effect such Change of Control Offer, we shall, not later than the 30th day after the Change of Control, deliver the Change of Control Notice to each holder of the 2026 Notes, which notice shall govern the terms of the Change of Control Offer and shall state, among other things, (i) that a Change of Control has occurred and that such holder has the right to require the Company to purchase such holder's 2026 Notes at the Change of Control Purchase Price, (ii) the date which shall be the Change of Control Purchase Date and (iii) the procedures that holders of the 2026 Notes must follow to accept the Change of Control Offer. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable to a Change of Control Offer and the repurchase of 2026 Notes pursuant thereto. The provisions described above that require the Company to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the 2026 Indenture are applicable.

Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Company will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the 2026 Indenture applicable to a Change of Control Offer made by the Company and purchases all 2026 Notes properly tendered and not withdrawn under the Change of Control Offer or (2) notice of redemption for all outstanding 2026 Notes has been given pursuant to the 2026 Indenture as described above under the caption " *Optional Redemption*," unless and until there is a default in payment of the applicable redemption price.

The use of the term "all or substantially all" in provisions of the 2026 Indenture such as clause (b) of the definition of "Change of Control" and under " *Consolidation, Merger, Sale of Assets, etc.*" has no clearly established meaning under New York law (which governs the 2026 Indenture) and has been the subject of limited judicial interpretation in only a few jurisdictions. Accordingly, there may be a degree of uncertainty in ascertaining whether any particular transaction would involve a disposition of "all or substantially all" of the assets of a person, which uncertainty should be considered by prospective purchasers of 2026 Notes.

The provisions under the 2026 Indenture set forth above relating to the Company's obligations to make a Change of Control Offer may, prior to the occurrence of a Change of Control, be waived or modified with the consent of the holders of a majority in principal amount of the then outstanding 2026 Notes issued under the 2026 Indenture. Following the occurrence of a Change of Control, any change, amendment or modification in any material respect of the obligation of the Company to make and consummate a Change of Control Offer may only be effected with the consent of each holder of the 2026 Notes affected thereby. See " *Amendments and Waivers*."

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Certain Covenants

Effectiveness of Covenants. The 2026 Indenture contains covenants including, among others, the covenants described below.

During any period of time that: (a) the 2026 Notes have Investment Grade Ratings from both Rating Agencies, and (b) no Default has occurred and is continuing under the 2026 Indenture (the occurrence of the events described in the foregoing clauses (a) and (b) being collectively referred to as a "Covenant Suspension Event"), the Company and its Restricted Subsidiaries will not be subject to the following provisions of the 2026 Indenture (collectively, the "Suspended Covenants"):

(1) " Limitation on Indebtedness";

(2) " Limitation on Restricted Payments";

(3) " Disposition of Proceeds of Asset Sales";

(4) " Limitation on Preferred Stock of Restricted Subsidiaries";

(5) " Limitation on Transactions with Affiliates";

(6) " Limitation on Dividends and other Payment Restrictions Affecting Restricted Subsidiaries";

(7) " Additional Subsidiary Guarantors"; and

(8) clause (c) of the first paragraph of " Consolidation, Merger, Sale of Assets, etc."

In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants under the 2026 Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the 2026 Notes below an Investment Grade Rating, then the Company and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the 2026 Indenture with respect to future events.

The period of time between the occurrence of a Covenant Suspension Event and the Reversion Date is referred to in this description as the "Suspension Period." Upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds from Asset Sales will be reset at zero. With respect to Restricted Payments made after the Reversion Date, the amount of Restricted Payments made since the Issue Date will be calculated as though the covenant described under the heading " *Limitation on Restricted Payments*" had been in effect during the Suspension Period. No Subsidiary may be designated as an Unrestricted Subsidiary during the Suspension Period, unless such designation would have complied with the covenant described under the heading " *Limitation on Designations of Unrestricted Subsidiaries*" as if the Suspended Covenants were in effect during such period. In addition, all Indebtedness incurred will be classified as having been incurred pursuant to clause (c) of paragraph (2) of " *Limitation on Indebtedness*." Any Preferred Stock issued during the Suspension Period will be classified as having been issued pursuant to " *Limitation on Preferred Stock of Restricted Subsidiaries*." In addition, for purposes of the covenant described under the heading " *Transactions with Affiliates*," all agreements and arrangements entered into by the Company and any Restricted Subsidiary during the Suspension Period prior to such Reversion Date will be deemed to have been entered into on or prior to the Issue Date, and for purposes of the covenant described under the heading " *Limitation on Dividends and other Payment Restrictions Affecting Restricted Subsidiaries*," all contracts entered into during the Suspension Period prior to such Reversion Date that contain any of the restrictions contemplated by such covenant will be deemed to have been existing on the Issue Date.

During the Suspension Period, any reference in "Permitted Liens" and " *Limitation on Designations of Unrestricted Subsidiaries*" to any provision described under the heading " *Limitation on Indebtedness*"

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or any provision thereof will be construed as if such covenant had remained in effect since the Issue Date and during the Suspension Period.

During the Suspension Period, the obligation to grant further guarantees will be suspended. Upon the Reversion Date, the obligation to grant guarantees pursuant to the covenant described under the heading " *Additional Subsidiary Guarantors*" will be reinstated (and the Reversion Date will be deemed to be the date on which any guaranteed Indebtedness was incurred for purposes of the covenant described under the heading " *Additional Subsidiary Guarantors*"). In addition, any guarantees that were terminated as described under " *Guarantees*" will be required to be reinstated promptly and in no event later than 30 days after the Reversion Date to the extent such guarantees would otherwise be required to be provided hereunder.

Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of any failure to comply with the Suspended Covenants during any Suspension Period and the Company and any Restricted Subsidiary will be permitted, following a Reversion Date, without causing a Default or Event of Default or breach of any of the Suspended Covenants (notwithstanding the reinstatement thereof) under the 2026 Indenture, to honor, comply with or otherwise perform any contractual commitments or obligations entered into during a Suspension Period following a Reversion Date and to consummate the transactions contemplated thereby.

There can be no assurance that the 2026 Notes will ever achieve or maintain Investment Grade Ratings.

Limitation on Indebtedness. (1) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, issue, assume, guarantee or in any manner become directly or indirectly liable, contingently or otherwise (in each case, to "incur"), for the payment of any Indebtedness (including any Acquired Indebtedness); *provided*, *however*, that the Company and any Restricted Subsidiary will be permitted to incur Indebtedness (including Acquired Indebtedness) if the Consolidated Fixed Charge Coverage Ratio of the Company and its Restricted Subsidiaries is at least 2.00:1.00.

(2)

Paragraph (1) of this covenant will not prohibit the incurrence of any of the following items of Indebtedness:

(a)

Indebtedness incurred by the Company and Restricted Subsidiaries pursuant to Credit Facilities; *provided*, *however*, that, immediately after giving effect to any such incurrence, the aggregate principal amount of all Indebtedness incurred under this clause (a) and then outstanding does not exceed the greater of (i) $5.0 billion and (ii) 85.0% of Consolidated Net Tangible Assets;

(b)

Indebtedness of the Company and the Guarantors related to the 2026 Notes issued on the Issue Date and the guarantees of such 2026 Notes;

(c)

the incurrence by the Company or any Restricted Subsidiary of the Existing Indebtedness;

(d)

Indebtedness of the Company or any Restricted Subsidiary under equipment purchase or lines of credit, or for Capitalized Lease Obligations or Purchase Money Obligations; *provided* that, immediately after giving effect to any such incurrence, the aggregate principal amount of Indebtedness incurred under this clause (d) and then outstanding does not exceed the greater of $575.0 million and 7.5% of Consolidated Net Tangible Assets;

(e)

Indebtedness of the Company or any Restricted Subsidiary incurred in respect of (i) performance bonds, completion guarantees, surety bonds, bankers' acceptances, letters of credit or other similar bonds, instruments or obligations in the ordinary course of business, including Indebtedness evidenced by letters of credit issued in the ordinary course of business to support the insurance or self-insurance obligations of the Company or any of its Restricted Subsidiaries (including to secure workers' compensation and other similar insurance coverages), but excluding letters of credit issued in respect of or to secure money borrowed, (ii) obligations under Hedging

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Obligations entered into for bona fide hedging purposes of the Company and not for speculative purposes, (iii) financing of insurance premiums in the ordinary course of business or (iv) cash management obligations and netting, overdraft protection and other similar facilities or arrangements, in each case arising under standard business terms of any bank at which the Company or any Restricted Subsidiary maintains such facility or arrangement;

(f)

Indebtedness consisting of accommodation guarantees for the benefit of trade creditors of the Company or any Restricted Subsidiary;

(g)

Indebtedness of the Company or a Restricted Subsidiary owed to and held by the Company or another Restricted Subsidiary; *provided*, *however*, that:

(i)

if the Company or any Guarantor is the obligor on such Indebtedness and the payee is not the Company or a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all obligations then due with respect to the 2026 Notes, in the case of the Company, or the guarantee of the 2026 Notes, in the case of a Guarantor; and

(ii)

any transfer of such Indebtedness by the Company or a Restricted Subsidiary (other than to the Company or another Restricted Subsidiary) or the sale, transfer or other disposition by the Company or any Restricted Subsidiary of Capital Stock of a Restricted Subsidiary (other than to the Company or a Restricted Subsidiary) that results in such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary shall, in each case, be deemed to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (g);

(h)

Indebtedness arising from (i) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that such Indebtedness is extinguished within five business days of incurrence and (ii) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased or rented in the ordinary course of business;

(i)

Indebtedness of:

(x)

the Company, to the extent the proceeds thereof are used to renew, refund, refinance, amend, extend, defease or discharge any Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness) that was permitted to be incurred by the 2026 Indenture pursuant to paragraph (1) of this covenant or pursuant to this clause (i) or clause (b), (c) or (o) of this paragraph (2); and

(y)

any Restricted Subsidiary, to the extent the proceeds thereof are used to renew, refund, refinance, amend, extend, defease or discharge any Indebtedness of such Restricted Subsidiary (other than intercompany Indebtedness) that was permitted to be incurred by the 2026 Indenture pursuant to paragraph (1) of this covenant or pursuant to this clause (i) or clause (b), (c) or (o) of this paragraph (2); *provided*, *however*, that:

(A)

the principal amount of Indebtedness incurred pursuant to this clause (i) (or, if such Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof, the original issue price of such Indebtedness) shall not exceed the sum of the principal amount of Indebtedness so refinanced, plus the amount of any accrued and unpaid interest and any premium required to be paid in connection with such refinancing pursuant to the terms of such Indebtedness or the amount of any premium reasonably determined by the Company as necessary to accomplish such refinancing by means of a tender offer or privately negotiated purchase, plus the amount of expenses in connection therewith; and

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(B) in the case of Indebtedness incurred by the Company pursuant to this clause (i) to refinance Subordinated Indebtedness, such Indebtedness;

(I) has no scheduled principal payment prior to the 91st day after the Maturity Date; and

(II) has an Average Life to Stated Maturity greater than the remaining Average Life to Stated Maturity of the 2026 Notes issued under the 2026 Indenture;

(j) Indebtedness of Foreign Subsidiaries incurred to finance the working capital of such Foreign Subsidiaries;

(k) Indebtedness arising from agreements of the Company or any Restricted Subsidiary providing for guarantees, indemnification, obligations in respect of earnouts or other purchase price adjustments or holdback of purchase price or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or Subsidiary, other than guarantees of Indebtedness incurred by any person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

(l) Indebtedness arising from the making of Standard Securitization Undertakings by the Company or any Restricted Subsidiary;

(m) guarantees by the Company or a Restricted Subsidiary of Indebtedness that was permitted to be incurred by the Company or any Restricted Subsidiary under the 2026 Indenture; *provided* that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the 2026 Notes, then the guarantee shall be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(n) guarantees or other Indebtedness in respect of Indebtedness of (i) an Unrestricted Subsidiary, (ii) a Person in which the Company or a Restricted Subsidiary has a minority interest or (iii) joint ventures or similar arrangements; *provided, however*, that at the time of incurrence of any Indebtedness pursuant to this clause (n) the aggregate principal amount of all guarantees and other Indebtedness incurred under this clause (n) and then outstanding does not exceed the greater of $385.0 million and 5.0% of Consolidated Net Tangible Assets;

(o) Indebtedness of (i) the Company or any Restricted Subsidiary incurred to finance or refinance, or otherwise incurred in connection with, any acquisition of assets (including capital stock), business or Person, or any merger or consolidation of any Person with or into the Company or any Restricted Subsidiary, or (ii) any Person that is acquired by or merged or consolidated with or into the Company or any Restricted Subsidiary (including Indebtedness thereof incurred in connection with any such acquisition, merger or consolidation); *provided* that on the date of such acquisition, merger or consolidation, after giving effect thereto, either (x) the Company could incur at least $1.00 of additional Indebtedness pursuant to paragraph (1) above or (y) the Consolidated Fixed Charge Coverage Ratio of the Company would equal or be greater than the Consolidated Fixed Charge Coverage Ratio of the Company immediately prior to giving effect thereto; and

(p) Indebtedness of the Company or any Restricted Subsidiary, in addition to that described in clauses (a) through (o) of this paragraph (2); *provided* that immediately after giving effect to any such incurrence, the aggregate principal amount of Indebtedness incurred pursuant to this clause (p) and then outstanding does not exceed the greater of $765.0 million and 10.0% of Consolidated Net Tangible Assets.

For the purposes of determining compliance with, and the outstanding principal amount of Indebtedness incurred pursuant to and in compliance with, this covenant, (i) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in paragraphs (1) and (2) of this

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covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one or a combination of the clauses of paragraph (1) or (2) of this covenant; *provided* that (i) Indebtedness outstanding on the Issue Date under the Credit Agreement shall be treated as incurred pursuant to clause (a) of paragraph (2) above, and (ii) any other obligation of the obligor on such Indebtedness (or of any other Person who could have incurred such Indebtedness under this covenant) arising under any guarantee, Lien or letter of credit, bankers' acceptance or other similar instrument or obligation supporting such Indebtedness shall be disregarded to the extent that such guarantee, Lien or letter of credit, bankers' acceptance or other similar instrument or obligation secures the principal amount of such Indebtedness.

Except as provided in the following paragraph with respect to Indebtedness denominated in a foreign currency, the amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(a) the Fair Market Value of such assets at the date of determination; and

(b) the amount of the Indebtedness of the other Person.

For purposes of determining compliance with any dollar-denominated restriction on the incurrence of Indebtedness denominated in a foreign currency, the dollar-equivalent principal amount of such Indebtedness incurred pursuant thereto shall be calculated based on the relevant currency exchange rate in effect on the date that such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that (x) the dollar-equivalent principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date, (y) if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency (or in a different currency from such Indebtedness so being incurred), and such refinancing would cause the applicable dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness, calculated as described in the following sentence, does not exceed (i) the outstanding or committed principal amount (whichever is higher) of such Indebtedness being refinanced plus (ii) the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing and (z) the dollar-equivalent principal amount of Indebtedness denominated in a foreign currency and incurred pursuant to a Credit Facility shall be calculated based on the relevant currency exchange rate in effect on, at the Company's option, (i) the Issue Date, (ii) any date on which any of the respective commitments under such Credit Facility shall be reallocated between or among facilities or subfacilities thereunder, or on which such rate is otherwise calculated for any purpose thereunder or (iii) the date of such incurrence. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

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Limitation on Restricted Payments. The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly:

(a) declare or pay any dividend or make any other distribution or payment on or in respect of Capital Stock of the Company or any Restricted Subsidiary or make any payment to the direct or indirect holders (in their capacities as such) of Capital Stock of the Company or any Restricted Subsidiary (other than dividends or distributions payable solely in Capital Stock of the Company (other than Redeemable Capital Stock) or in options, warrants or other rights to purchase Capital Stock of the Company (other than Redeemable Capital Stock)) (other than the declaration or payment of dividends or other distributions to the extent declared or paid to the Company or any Restricted Subsidiary);

(b) purchase, redeem, defease or otherwise acquire or retire for value any Capital Stock of the Company or any options, warrants, or other rights to purchase any such Capital Stock of the Company or any direct or indirect parent of the Company (other than any such securities owned by the Company or a Restricted Subsidiary and any acquisition of Capital Stock deemed to occur upon the exercise of options if such Capital Stock represents a portion of the exercise price thereof);

(c) make any principal payment on, or purchase, defease, repurchase, redeem or otherwise acquire or retire for value, prior to any scheduled maturity, scheduled repayment, scheduled sinking fund payment or other Stated Maturity, any Subordinated Indebtedness (other than (A) any such Subordinated Indebtedness owned by the Company or a Restricted Subsidiary or (B) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value (collectively, for purposes of this clause (c), a "purchase") of Subordinated Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment, final maturity or exercise of a right to put on a set scheduled date (but not including any put right in connection with a change of control event), in each case due within one year of the date of such purchase; *provided* that, in the case of any such purchase in anticipation of the exercise of a put right, at the time of such purchase, it is more likely than not, in the good faith judgment of the Board of Directors of the Company, that such put right would be exercised if such put right were exercisable on the date of such purchase); or

(d) make any Investment (other than any Permitted Investment) in any Person,

(such payments or Investments described in the preceding clauses (a), (b), (c) and (d) are collectively referred to as "Restricted Payments"), unless, immediately after giving effect to the proposed Restricted Payment (the amount of any such Restricted Payment, if other than cash, shall be the Fair Market Value of the asset(s) proposed to be transferred by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment):

(A) no Default or Event of Default shall have occurred and be continuing (or would result therefrom);

(B) the Company would be able to incur $1.00 of additional Indebtedness pursuant to paragraph (1) of the covenant described under " *Limitation on Indebtedness*" above; and

(C) the aggregate amount of such Restricted Payment together with all other Restricted Payments (including the Fair Market Value of any non-cash Restricted Payments) declared or made since the Issue Date would not exceed the sum of (without duplication) of:

(1) 50.0% of the Consolidated Net Income of the Company accrued during the period (treated as one accounting period) from January 1, 2012 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such

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Restricted Payment (or, if such aggregate cumulative Consolidated Net Income of the Company for such period shall be a deficit, minus 100% of such deficit);

(2) the aggregate net cash proceeds and the Fair Market Value of property or assets received by the Company as capital contributions to the Company after March 9, 2012 or from the issuance or sale of Capital Stock (excluding Redeemable Capital Stock of the Company) of the Company to any Person (other than an issuance or sale to a Subsidiary of the Company and other than an issuance or sale to an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) after March 9, 2012;

(3) the aggregate net cash proceeds received by the Company from any Person (other than a Subsidiary of the Company) upon the exercise of any options, warrants or rights to purchase shares of Capital Stock (other than Redeemable Capital Stock) of the Company;

(4) the aggregate net cash proceeds and the Fair Market Value of property or assets received after March 9, 2012 by the Company or any Restricted Subsidiary from any Person (other than a Subsidiary of the Company) for Indebtedness that has been converted or exchanged into or for Capital Stock (other than Redeemable Capital Stock) of the Company or Holdings (to the extent such Indebtedness was originally sold by the Company for cash), plus the aggregate amount of cash and the Fair Market Value of any property received by the Company or any Restricted Subsidiary (other than from a Subsidiary of the Company) in connection with such conversion or exchange;

(5) in the case of the disposition or repayment of any Investment constituting a Restricted Payment made after March 9, 2012, an amount equal to the proceeds or return of capital with respect to such Investment less the cost of the disposition of such Investment;

(6) the aggregate amount equal to the net reduction in Investments (other than Permitted Investments) in Unrestricted Subsidiaries resulting from dividends, distributions, interest payments, return of capital, repayments of Investments or other transfers of assets to the Company or any Restricted Subsidiary from any Unrestricted Subsidiary; and

(7) so long as the Designation thereof was treated as a Restricted Payment made after March 9, 2012, with respect to any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary in accordance with " *Limitation on Designations of Unrestricted Subsidiaries*" below, the Fair Market Value of the Company's interest in such Subsidiary.

As of December 31, 2016, the amount available for Restricted Payments under clause (C) of the immediately preceding paragraph was $1.056 billion. None of the foregoing provisions will prohibit the following; *provided* that with respect to payments pursuant to clauses (i), (iv), (v), (vii), (viii), (x), (xvi) and (xvii) below, no Default or Event of Default has occurred and is continuing:

(i) the payment of any dividend or distribution within 60 days after the date of its declaration, if at the date of declaration such payment would be permitted by the first paragraph of this covenant;

(ii) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of, a substantially concurrent sale (other than to a Subsidiary of the Company) of Capital Stock of the Company (other than Redeemable Capital Stock) or from a substantially concurrent cash capital contribution to the Company; *provided*, *however*, that such cash proceeds are excluded from clause (C) of the first paragraph of this covenant;

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(iii) any redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Indebtedness by exchange for, or out of the net cash proceeds of, a substantially concurrent issue and sale of Indebtedness of the Company which:

(1) has no scheduled principal payment prior to the 91st day after the Maturity Date; and

(2) has an Average Life to Stated Maturity greater than the remaining Average Life to Stated Maturity of the 2026 Notes issued under the 2026 Indenture;

(iv) payments to purchase Capital Stock of the Company or Holdings from officers of the Company or Holdings in an amount not to exceed the sum of (1) $20.0 million plus (2) $15.0 million multiplied by the number of calendar years that have commenced since March 9, 2012;

(v) payments (other than those covered by clause (iv) above) to purchase Capital Stock of the Company or Holdings from management or employees of the Company or any of its Subsidiaries, or their authorized representatives, upon the death, disability or termination of employment of such employees, in aggregate amounts under this clause (v) not to exceed $15.0 million in any fiscal year of the Company;

(vi) [reserved];

(vii) within 60 days after the consummation of a Change of Control Offer with respect to a Change of Control described under " *Change of Control*" above (including the purchase of the 2026 Notes tendered), any purchase or redemption of Subordinated Indebtedness or any Capital Stock of Holdings, the Company or any Restricted Subsidiaries required pursuant to the terms thereof as a result of such Change of Control at a purchase or redemption price not to exceed 101% of the outstanding principal amount or liquidation amount thereof, plus accrued and unpaid interest or dividends (if any); *provided*, *however*, that at the time of such purchase or redemption no Default shall have occurred and be continuing (or would result therefrom);

(viii) within 60 days after the consummation of an Asset Sale Offer with respect to an Asset Sale described under " *Disposition of Proceeds of Asset Sales*" below (including the purchase of the 2026 Notes tendered), any purchase or redemption of Subordinated Indebtedness or any Capital Stock of Holdings, the Company or any Restricted Subsidiaries required pursuant to the terms thereof as a result of such Asset Sale; *provided*, *however*, that at the time of such purchase or redemption no Default shall have occurred and be continuing (or would result therefrom);

(ix) payments to Holdings in an amount sufficient to enable Holdings to pay:

(1) its taxes, legal, accounting, payroll, benefits, incentive compensation, insurance and corporate overhead expenses (including SEC, stock exchange and transfer agency fees and expenses);

(2) trade, lease, payroll, benefits, incentive compensation and other obligations in respect of goods to be delivered to, services (including management and consulting services) performed for and properties used by, the Company and the Restricted Subsidiaries;

(3) the purchase price for Investments in other persons; *provided*, *however*, that promptly following such Investment either:

(x)

such other person either becomes a Restricted Subsidiary or is merged or consolidated with, or transfers or conveys all or substantially all of its assets to, the Company or a Restricted Subsidiary, or the Company or a Restricted Subsidiary is merged with or into such other person; or

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(y) such Investment would otherwise be permitted under the 2026 Indenture if made by the Company and such Investment is contributed or transferred by Holdings to the Company or a Restricted Subsidiary;

(4) reasonable and customary incidental expenses as determined in good faith by the Board of Directors of Holdings; and

(5) costs and expenses incurred by Holdings in relation to the Transactions and the National Pump Transactions.

(x) cash payments in lieu of the issuance of fractional shares in connection with the exercise of any warrants, options or other securities convertible into or exchangeable for Capital Stock of Holdings, the Company or any Restricted Subsidiary;

(xi) the deemed repurchase of Capital Stock on the cashless exercise of stock options;

(xii) the payment of any dividend or distribution by a Restricted Subsidiary to the holders of its Capital Stock on a pro rata basis;

(xiii) any Investment made in a Special Purpose Vehicle in connection with a Securitization Transaction, which Investment consists of the assets described in the definition of "Equipment Securitization Transaction" or "Receivables Securitization Transaction";

(xiv) any Restricted Payment made in connection with the consummation of the National Pump Transactions, including payments made by the Company to Holdings necessary to consummate the National Pump Transactions;

(xv) Investments constituting Restricted Payments made as a result of the receipt of non-cash consideration from any Asset Sale or other sale of assets or property made pursuant to and in compliance with the 2026 Indenture;

(xvi) any Restricted Payment so long as immediately after the making of such Restricted Payment, the Total Indebtedness Leverage Ratio does not exceed 3.75:1.00; and

(xvii) any Restricted Payment in an amount which, when taken together with all Restricted Payments made after the Issue Date pursuant to this clause (xvii), does not exceed $300.0 million.

Any payments made pursuant to clauses (i), (xvi) or (xvii) of this paragraph shall be taken into account, and any payments made pursuant to other clauses of this paragraph shall be excluded, in calculating the amount of Restricted Payments pursuant to clause (C) of the first paragraph of this covenant.

The Company, in its sole discretion, may classify or reclassify (x) any Permitted Investment as being made in whole or in part as a permitted Restricted Payment or (y) any Restricted Payment as being made in whole or in part as a Permitted Investment (to the extent such Restricted Payment qualifies as a Permitted Investment).

The Company, in its sole discretion, may classify any Investment or other Restricted Payment as being made in part under one of the provisions of this covenant (or, in the case of any Investment, the definition of "Permitted Investments") and in part under one or more other such provisions (or, as applicable, clauses).

Limitation on Liens. The Company will not, and will not permit any Restricted Subsidiary to create, incur, assume or suffer to exist any Lien (the "Initial Lien") of any kind (except for Permitted Liens) securing any Indebtedness, unless the 2026 Notes are equally and ratably secured (except that Liens securing Subordinated Indebtedness shall be expressly subordinate to Liens securing the 2026 Notes to the same extent such Subordinated Indebtedness is subordinate to the 2026 Notes). Any Lien created for the benefit of the holders of the 2026 Notes pursuant to the preceding sentence shall provide by its terms that

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such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

Disposition of Proceeds of Asset Sales. The Company will not, and will not permit any Restricted Subsidiary to, make any Asset Sale unless:

(a) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other person assuming responsibility for, any liabilities, contingent or otherwise) at the time of such Asset Sale at least equal to the Fair Market Value of the shares or assets sold or otherwise disposed of; and

(b) at least 75.0% of such consideration consists of cash or Cash Equivalents; *provided*, *however*, that this limitation will not apply to any Asset Sale in which the cash or Cash Equivalent portion of the consideration received therefrom, determined in accordance with the foregoing provision, is equal to or greater than what the after-tax proceeds would have been had such Asset Sale complied with the aforementioned 75.0% limitation.

Within 365 days of the later of an Asset Sale and the date of receipt of Net Cash Proceeds from such Asset Sale, the Company or such Restricted Subsidiary, as the case may be, may apply the Net Cash Proceeds from such Asset Sale to (1) to the extent the Company or such Restricted Subsidiary elects or is required to the terms thereof, to repay (or, in the case of letters of credit, bankers' acceptances or other similar instruments, cash collateralize) Indebtedness and to correspondingly reduce commitments with respect thereto (in each case other than Subordinated Indebtedness and Indebtedness owed to the Company or a Restricted Subsidiary) or (2) invest in properties or assets that are used or useful in the business of the Company and its Restricted Subsidiaries conducted at such time or in businesses reasonably related thereto or in Capital Stock of a Person, the principal portion of whose assets consist of such property or assets (collectively, "Replacement Assets"); *provided*, *however*, that any such reinvestment in Replacement Assets made pursuant to a definitive binding agreement or commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day or within such longer period of time authorized by the Board of Directors as is necessary to consummate such investment; *provided* that in the event such binding agreement or commitment is later canceled or terminated for any reason before such Net Cash Proceeds are so applied, the Company or such Restricted Subsidiary may satisfy its obligations as to any Net Cash Proceeds by entering into another binding agreement or commitment within six months of such cancellation or termination of the prior binding agreement or commitment or treating such Net Cash Proceeds as Excess Proceeds; *provided*, *further*, that the Company or such Restricted Subsidiary may only enter into such an agreement or commitment under the foregoing provision one time with respect to each Asset Sale. Any Net Cash Proceeds from any Asset Sale that are not used in accordance with the preceding sentence constitute "Excess Proceeds" subject to disposition as provided below.

When the aggregate amount of Excess Proceeds equals or exceeds $75.0 million, the Company shall make an offer to purchase (an "Asset Sale Offer"), from all holders of the 2026 Notes and, to the extent the Company elects or is required by the terms thereof, all holders of other Indebtedness that is *pari passu* in right of payment with the 2026 Notes containing provisions similar to those set forth in the 2026 Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets, pro rata in proportion to the respective principal amounts of the 2026 Notes and such other Indebtedness to be purchased or redeemed, the maximum principal amount of 2026 Notes and such other *pari passu* Indebtedness that may be purchased with the Excess Proceeds.

The offer price for the 2026 Notes in any Asset Sale Offer will be equal to 100% of the principal amount of the 2026 Notes plus accrued and unpaid interest, if any, to the purchase date and the offer price for any other Indebtedness that is *pari passu* in right of payment with the 2026 Notes, as applicable, will be as set forth in the documentation governing such Indebtedness (the "Asset Sale Offer Price") and will be

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payable in cash. If any Excess Proceeds remain after an Asset Sale Offer, the Company may use such Excess Proceeds for general corporate purposes. If the Asset Sale Offer Price with respect to 2026 Notes tendered into such Asset Sale Offer exceeds the Excess Proceeds allocable to the 2026 Notes, 2026 Notes to be purchased will be selected on a pro rata basis. The 2026 Notes shall be purchased by the Company on a date that is not earlier than 30 days and not later than 60 days from the date the notice is given to holders, or such later date as may be necessary for the Company to comply with the requirements under the Exchange Act. Upon completion of such Asset Sale Offer, the amount of Excess Proceeds shall be reset to zero.

The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder, to the extent such laws and regulations are applicable, in the event that an Asset Sale occurs and the Company is required to purchase 2026 Notes as described above.

For the purposes of paragraph (b) above, the following are deemed to be cash: (1) the assumption of Indebtedness of the Company or any Restricted Subsidiary to the extent the Company or such Restricted Subsidiary is released from all liability on payment of the principal amount of such Indebtedness in connection with such Asset Sale, (2) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale to the extent that the Company and each other Restricted Subsidiary are released in full from any guarantee of payment of the principal amount of such Indebtedness in connection with such Asset Sale, (3) securities, notes or other obligations received by the Company or any Restricted Subsidiary from the transferee that are converted by the Company or such Restricted Subsidiary into cash within 180 days, (4) consideration consisting of Indebtedness of the Company or any Restricted Subsidiary (*provided* that such Indebtedness is not expressly subordinated in right of payment to the 2026 Notes), (5) Replacement Assets or (6) any Designated Non-cash Consideration received by the Company or any of its Restricted Subsidiaries in an Asset Sale; *provided*, *however*, that the aggregate Fair Market Value of all Designated Non-cash Consideration received and treated as cash pursuant to this clause is not to exceed, at any time, an aggregate amount outstanding equal to the greater of $150.0 million and 2.0% of Consolidated Net Tangible Assets as of the date of the applicable Asset Sale, without giving effect to changes in value subsequent to the receipt of such Designated Non-cash Consideration.

Limitation on Preferred Stock of Restricted Subsidiaries. The Company will not permit any Restricted Subsidiary to issue any Preferred Stock other than Preferred Stock issued to the Company or a Wholly Owned Restricted Subsidiary. The Company will not sell, transfer or otherwise dispose of Preferred Stock issued by a Restricted Subsidiary or permit a Restricted Subsidiary to sell, transfer or otherwise dispose of Preferred Stock issued by a Restricted Subsidiary, other than to the Company or a Wholly Owned Restricted Subsidiary. Notwithstanding the foregoing, nothing in such covenant will prohibit Preferred Stock (other than Redeemable Capital Stock) issued by a Person prior to the time:

(A) such person becomes a Restricted Subsidiary;

(B) such person merges with or into a Restricted Subsidiary; or

(C) a Restricted Subsidiary merges with or into such person;

provided, *however*, that such Preferred Stock was not issued or incurred by such person in anticipation of a transaction contemplated by subclauses (A), (B), or (C) above.

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Limitation on Transactions with Affiliates. The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the sale, transfer, disposition, purchase, exchange or lease of assets, property or services) with, or for the benefit of, any of its Affiliates involving aggregate consideration in excess of $10.0 million, except:

(a) on terms that are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those which could have been obtained in a comparable transaction at such time from persons who are not Affiliates of the Company;

(b) with respect to a transaction or series of related transactions involving aggregate payments or value equal to or greater than $75.0 million, the Company shall have delivered an officers' certificate to the Trustee certifying that such transaction or transactions comply with the preceding clause (a); and

(c) with respect to a transaction or series of related transactions involving aggregate payments or value equal to or greater than $200.0 million, such transaction or transactions shall have been approved by a majority of the Disinterested Members of the Board of Directors of the Company.

Notwithstanding the foregoing, the restrictions set forth in this covenant shall not apply to:

(i) transactions with or among the Company and the Restricted Subsidiaries;

(ii) transactions in the ordinary course of business, or approved by a majority of the Board of Directors of the Company, between the Company or any Restricted Subsidiary and any Affiliate of the Company that is a joint venture or similar entity;

(iii) (A) customary directors' fees, indemnification and similar arrangements, consulting fees, employee salaries, bonuses or employment agreements, collective bargaining agreements, compensation or employee benefit arrangements and incentive arrangements with any officer, director or employee of the Company or any Restricted Subsidiary entered into in the ordinary course of business and (B) any transaction with an officer or director in the ordinary course of business not involving more than $1.0 million in any one year;

(iv) Restricted Payments made in compliance with " *Limitation on Restricted Payments*" above;

(v) loans and advances to officers, directors and employees of the Company or any Restricted Subsidiary for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business;

(vi) transactions pursuant to agreements in effect on the Issue Date;

(vii) any sale, conveyance or other transfer of assets customarily transferred in a Securitization Transaction to a Special Purpose Vehicle;

(viii) transactions with customers, clients, suppliers, joint venture partners, joint ventures, including their members or partners, or purchasers or sellers of goods or services, in each case in the ordinary course of business, including pursuant to joint venture agreements, and otherwise in compliance with the terms of the 2026 Indenture which are, in the aggregate (taking into account all the costs and benefits associated with such transactions), materially no less favorable to the Company or the applicable Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or that Restricted Subsidiary with an unrelated person or entity, in the good faith determination of the Company's Board of

Directors or its senior management, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

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(ix) any issuance or sale of Capital Stock (other than Redeemable Capital Stock) of the Company or any capital contribution to the Company;

(x) the Transactions and the National Pump Transactions, including the payment of all fees and expenses relating thereto and the payments to be made by the Company to Holdings in connection therewith; and

(xi) transactions in which Holdings or a Restricted Subsidiary, as the case may be, delivers to the trustee a letter from an accounting, appraisal or investment banking firm of national standing stating that the financial terms of such transaction either (x) are fair to Holdings or such Restricted Subsidiary, as applicable, from a financial point of view (or words of similar import) or (y) meet the requirements of clause (a) of the first paragraph of this covenant.

Limitation on Dividends and other Payment Restrictions Affecting Restricted Subsidiaries. The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits;

(b) pay any Indebtedness owed to the Company or any other Restricted Subsidiary;

(c) make loans or advances to the Company or any other Restricted Subsidiary; or

(d) transfer any of its properties or assets to the Company or any other Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of:

(i) applicable law or any applicable rule, regulation or order;

(ii) (A) customary non-assignment provisions of any contract or any lease governing a leasehold interest of the Company or any Restricted Subsidiary and (B) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(iii) customary restrictions on transfers of property subject to a Lien permitted under the 2026 Indenture;

(iv) instruments governing Indebtedness as in effect on the Issue Date;

(v) any agreement or other instrument of a Person, or relating to Indebtedness or Capital Stock of a Person, which Person is acquired by or merged or consolidated with the Company or any Restricted Subsidiary, or which agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets from such Person, as in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

(vi) an agreement entered into for the sale or disposition of Capital Stock or assets of a Restricted Subsidiary or an agreement entered into for the sale of specified assets (in either case, so long as such encumbrance or restriction, by its terms, terminates on the earlier of the termination of such agreement or the consummation of such agreement and so long as such restriction applies only to the Capital Stock or assets to be sold);

(vii) any agreement in effect on the Issue Date;

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(viii) any Indebtedness incurred pursuant to clause (a) of paragraph (2) of the covenant described under " *Limitation on Indebtedness*"; the 2026 Notes, the 2026 Indenture and the guarantees thereunder;

(ix) joint venture agreements and other similar agreements that prohibit actions of the type described in clauses (a), (b), (c) and (d) above, which prohibitions are applicable only to the entity or assets that are the subject of such arrangements;

(x) any agreement entered into with respect to a Special Purpose Vehicle in connection with a Securitization Transaction, containing customary restrictions required by the institutional sponsor or arranger of such Securitization Transaction in similar types of documents relating to the purchase of similar assets in connection with the financing thereof;

(xi) restrictions relating to Foreign Subsidiaries contained in Indebtedness incurred pursuant to the covenant described under " *Limitation on Indebtedness"*;

(xii) (A) on cash or other deposits or net worth imposed by customers or suppliers under agreements entered into in the ordinary course of business, (B) that arises or is agreed to in the ordinary course of business and does not detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or such Restricted Subsidiary or adversely affect the ability of the Company to make interest and principal payments with respect to the 2026 Notes or (C) pursuant to Interest Rate Protection Agreements;

(xiii) an agreement or instrument relating to any Indebtedness permitted to be incurred subsequent to the Issue Date pursuant to the covenant described under " *Limitation on Indebtedness*" (A) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the 2026 Notes than the encumbrances and restrictions contained in instruments governing Indebtedness as in effect on the Issue Date (as determined in good faith by the Company) or (B) if such encumbrance or restriction is not materially more disadvantageous to the holders of the 2026 Notes than is customary in comparable financings (as determined in good faith by the Company) and either (x) the Company determines in good faith that such encumbrance or restriction will not materially affect the Company's ability to make principal or interest payments on the 2026 Notes or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness;

(xiv) Purchase Money Obligations with respect to property or assets acquired in the ordinary course of business that impose encumbrances or restrictions on the property or assets so acquired; and

(xv) any agreement that amends, extends, refinances, renews or replaces any agreement described in the foregoing clauses; *provided*, *however*, that the terms and conditions of any such agreement are not materially less favorable, taken as a whole, to the holders of the 2026 Notes with respect to such dividend and payment restrictions than those under or pursuant to the agreement amended, extended, refinanced, renewed or replaced.

Limitation on Designations of Unrestricted Subsidiaries. The Company may designate any Restricted Subsidiary as an "Unrestricted Subsidiary" under the 2026 Indenture (a "Designation") only if:

(i) no Default shall have occurred and be continuing at the time of or after giving effect to such Designation;

(ii) the Company would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation) pursuant to the covenant described under " *Limitation*

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on Restricted Payments" above in an amount (the "Designation Amount") equal to the Fair Market Value of the Company's interest in such Subsidiary on such date; and

(iii) the Company would be permitted under the 2026 Indenture to incur $1.00 of additional Indebtedness pursuant to paragraph (1) of the covenant described under " *Limitation on Indebtedness*" at the time of such Designation (assuming the effectiveness of such Designation).

In the event of any such Designation, the Company shall be deemed to have made an Investment constituting a Restricted Payment pursuant to the covenant " *Limitation on Restricted Payments*" for all purposes of the 2026 Indenture in the Designation Amount.

All Subsidiaries of Unrestricted Subsidiaries shall automatically be deemed to be Unrestricted Subsidiaries.

The Company may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "Revocation") if:

(i) no Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and

(ii) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if incurred at such time, have been permitted to be incurred for all purposes of the 2026 Indenture.

All Designations and Revocations must be evidenced by board resolutions of the Company delivered to the Trustee certifying compliance with the foregoing provisions.

Additional Subsidiary Guarantors. The Company will cause each Domestic Restricted Subsidiary, other than (unless otherwise determined by the Company) any Foreign Subsidiary Holding Company or Subsidiary of a Foreign Subsidiary, that guarantees any Indebtedness of the Company or of any other Restricted Subsidiary incurred pursuant to clause (a) of paragraph (2) of the covenant described under " *Limitation on Indebtedness*" to, within a reasonable time thereafter, execute and deliver to the Trustee a Guaranty Agreement pursuant to which such Domestic Restricted Subsidiary will guarantee payment of the 2026 Notes on the same terms and conditions as those set forth in the 2026 Indenture, subject to any limitations that apply to the guarantee of Indebtedness giving rise to the requirement to guarantee the 2026 Notes. This covenant shall not apply to any of the Company's Subsidiaries that have been properly designated as an Unrestricted Subsidiary.

Reporting Requirements. For so long as the 2026 Notes are outstanding, whether or not the Company is subject to Section 13(a) or 15(d) of the Exchange Act, or any successor provision thereto, the Company shall file with the SEC (if permitted by SEC practice and applicable law and regulations) the annual reports, quarterly reports and other documents which the Company would have been required to file with the SEC pursuant to such Section 13(a) or 15(d) or any successor provision thereto if the Company were so subject, such documents to be filed with the SEC on or prior to the respective dates (the "Required Filing Dates") by which the Company would have been required so to file such documents if the Company were so subject. If, notwithstanding the preceding sentence, filing such documents by the Company with the SEC is not permitted by SEC practice or applicable law or regulations, the Company shall transmit (or cause to be transmitted) electronically or by mail to all holders of the 2026 Notes, as their names and addresses appear in the 2026 Note register, copies of such documents within 30 days after the Required Filing Date (or make such documents available on a website maintained by the Company or Holdings).

Consolidation, Merger, Sale of Assets, etc.

The Company will not, directly or indirectly, in any transaction or series of transactions, merge or consolidate with or into, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets as an entirety to, any Person or Persons, and the Company will not permit any

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Restricted Subsidiary to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of the Company or the Company and its Restricted Subsidiaries, taken as a whole, to any other person or persons, unless at the time and after giving effect thereto:

(a) either:

(i) if the transaction or transactions is a merger or consolidation, the Company or such Restricted Subsidiary, as the case may be, shall be the surviving person of such merger or consolidation; or

(ii) the Person formed by such consolidation or into which the Company, or such Restricted Subsidiary, as the case may be, is merged or to which the properties and assets of the Company or such Restricted Subsidiary, as the case may be, substantially as an entirety, are transferred (any such surviving person or transferee person being the "Surviving Entity") shall be a corporation organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and shall expressly assume pursuant to a supplemental indenture and such other necessary agreements reasonably satisfactory to the Trustee all the obligations of the Company or such Restricted Subsidiary, as the case may be, under the 2026 Notes and the 2026 Indenture;

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

(c) except in the case of any merger of the Company with any wholly owned Subsidiary of the Company or any merger of Restricted Subsidiaries (and, in each case, no other persons), (i) the Company or the Surviving Entity, as the case may be, after giving effect to such transaction or series of transactions on a pro forma basis (including, without limitation, any Indebtedness incurred or anticipated to be incurred in connection with or in respect of such transaction or series of transactions), could incur $1.00 of additional Indebtedness pursuant to paragraph (1) of the covenant described under "*Certain Covenants Limitation on Indebtedness*" (assuming a market rate of interest with respect to such additional Indebtedness) or (ii) the Consolidated Fixed Charge Coverage Ratio of the Company (or, if applicable, the successor company with respect thereto) would equal or exceed the Consolidated Fixed Charge Coverage Ratio of the Company immediately prior to giving effect to such transaction.

In connection with any consolidation, merger, transfer, lease, assignment or other disposition contemplated hereby, the Company shall deliver, or cause to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, transfer, lease, assignment or other disposition and the supplemental indenture in respect thereof comply with the requirements under the 2026 Indenture.

Upon any consolidation or merger, or any sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company in accordance with the immediately preceding paragraphs, the successor person formed by such consolidation or into which the Company or a Restricted Subsidiary, as the case may be, is merged or the successor person to which such sale, assignment, conveyance, transfer, lease or disposition is made shall succeed to, and be substituted for, and may exercise every right and power of the Company under the 2026 Notes and the 2026 Indenture with the same effect as if such successor had been named as the Company in the 2026 Notes and the 2026 Indenture and, except in the case of a lease, the Company or such Restricted Subsidiary shall be released and discharged from its obligations thereunder.

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The 2026 Indenture provides that for all purposes of the 2026 Indenture and the 2026 Notes (including the provision of this covenant and the covenants described in " *Certain Covenants Limitation on Indebtedness*," " *Certain Covenants Limitation on Restricted Payments*" and " *Certain Covenants Limitation on Liens*"), Subsidiaries of any surviving person shall, upon such transaction or series of related transactions, become Restricted Subsidiaries unless and until designated Unrestricted Subsidiaries pursuant to and in accordance with " *Certain Covenants Limitation on Designations of Unrestricted Subsidiaries*" and all Indebtedness, and all Liens on property or assets, of the Company and the Restricted Subsidiaries in existence immediately after such transaction or series of related transactions will be deemed to have been incurred upon such transaction or series of related transactions.

Events of Default

The following will be "Events of Default" under the 2026 Indenture:

(i) default in the payment of the principal of or premium, if any, when due and payable, on any of the 2026 Notes (at Stated Maturity, upon optional redemption, required purchase or otherwise);

(ii) default in the payment of an installment of interest, if any, on any of the 2026 Notes, when due and payable, for 30 days;

(iii) default in the performance of, or breach of, the provisions set forth under " *Consolidation, Merger, Sale of Assets, etc.*";

(iv) failure to comply with any of its obligations in connection with a Change of Control (other than a default with respect to the failure to purchase the 2026 Notes), for a period of 30 days after written notice of such failure has been given to the Company by the Trustee or the holders of at least 25.0% in aggregate principal amount of the outstanding 2026 Notes;

(v) default in the performance of, or breach of, any covenant or agreement of the Company or the Guarantors under the 2026 Indenture (other than a default in the performance or breach of a covenant or agreement which is specifically dealt with in clause (i), (ii), (iii) or (iv)) and such default or breach shall continue for a period of 60 days after written notice has been given, by certified mail:

(x) to the Company by the Trustee; or

(y) to the Company and the Trustee by the holders of at least 25.0% in aggregate principal amount of the outstanding 2026 Notes;

(vi) default or defaults under one or more agreements, instruments, mortgages, bonds, debentures or other evidences of Indebtedness under which the Company or any Restricted Subsidiary then has outstanding Indebtedness in excess of $150.0 million, in each case, either individually or in the aggregate, and either:

(a) such Indebtedness is already due and payable in full; or

(b) such default or defaults have resulted in the acceleration of the maturity of such Indebtedness; *provided* that no Default or Event of Default will be deemed to occur with respect to any such accelerated Indebtedness that is paid or is otherwise acquired or retired within 20 business days after such acceleration;

(vii) one or more judgments, orders or decrees of any court or regulatory or administrative agency of competent jurisdiction for the payment of money in excess of $150.0 million, in each case, either individually or in the aggregate, shall be entered against the Company or any Restricted Subsidiary or any of their respective properties and shall not be discharged and there shall have been a period of 90 days after the date on which any period for appeal has expired and during which a stay of enforcement of such judgment, order or decree, shall not be in effect;

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(viii) the entry of a decree or order by a court having jurisdiction in the premises:

(A) for relief in respect of the Company or any Significant Subsidiary in an involuntary case or proceeding under the Federal Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency, reorganization or similar law;

(B) adjudging the Company or any Significant Subsidiary bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or any Significant Subsidiary under the Federal Bankruptcy Code or any other similar federal, state or foreign law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or any Significant Subsidiary or of any substantial part of any of their properties, or ordering the winding-up or liquidation of any of their affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(ix) the institution by the Company or any Significant Subsidiary of a voluntary case or proceeding under the Federal Bankruptcy Code or any other similar federal, state or foreign law or any other case or proceedings to be adjudicated a bankrupt or insolvent, or the consent by the Company or any Significant Subsidiary to the entry of a decree or order for relief in respect of the Company or any Significant Subsidiary in any involuntary case or proceeding under the Federal Bankruptcy Code or any other similar federal, state or foreign law or to the institution of bankruptcy or insolvency proceedings against the Company or any Significant Subsidiary, or the filing by the Company or any Significant Subsidiary of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other similar federal, state or foreign law, or the consent by it to the filing of any such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of any of the Company or any Significant Subsidiary or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due; or

(x) any of the guarantees of the 2026 Notes by a Guarantor that is a Significant Subsidiary ceases to be in full force and effect or any of such guarantees is declared to be null and void and unenforceable or any of such guarantees is found to be invalid or any of the Guarantors denies its liability under its guarantee (other than by reason of release of a Guarantor in accordance with the terms of the 2026 Indenture) and such event continues for 10 business days.

If an Event of Default (other than those covered by clause (viii) or (ix) above with respect to the Company, any Restricted Subsidiary that is a Significant Subsidiary, or any group of Restricted Subsidiaries of the Company, that, taken together, would constitute a Significant Subsidiary) shall occur and be continuing, the Trustee, by notice to the Company, or the holders of at least 25.0% in aggregate principal amount of the 2026 Notes then outstanding, by notice to the Trustee and the Company, may declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all of the outstanding 2026 Notes due and payable immediately. If an Event of Default specified in clause (viii) or (ix) above with respect to the Company, any Restricted Subsidiary that is a Significant Subsidiary, or any group of Restricted Subsidiaries of the Company, that, taken together, would constitute a Significant Subsidiary, occurs and is continuing, then the principal of, premium, if any, accrued and unpaid interest, if any, on all the outstanding 2026 Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of the 2026 Notes.

After a declaration of acceleration under the 2026 Indenture, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate

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principal amount of the outstanding 2026 Notes, by written notice to the Company and the Trustee, may rescind such declaration if:

(a) the Company has paid or deposited with the Trustee a sum sufficient to pay:

(i) all sums paid or advanced by the Trustee under the 2026 Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

(ii) all overdue interest on all the 2026 Notes;

(iii) the principal of and premium, if any, on any 2026 Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the 2026 Notes; and

(iv) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the 2026 Notes which has become due otherwise than by such declaration of acceleration;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(c) all Events of Default, other than the non-payment of principal of and premium, if any, and interest on the 2026 Notes that has become due solely by such declaration of acceleration, have been cured or waived.

The holders of a majority in aggregate principal amount of the outstanding 2026 Notes may on behalf of the holders of all the 2026 Notes waive any past defaults under the 2026 Indenture, except a default in the payment of the principal of and premium, if any, or interest on any 2026 Note, or in respect of a covenant or provision which under the 2026 Indenture cannot be modified or amended without the consent of the holder of each 2026 Note outstanding.

No holder of any of the 2026 Notes has any right to institute any proceeding with respect to the 2026 Indenture or any remedy thereunder, unless the holders of at least 25.0% in aggregate principal amount of the outstanding 2026 Notes have made written request to the Trustee, and offered indemnity satisfactory to the Trustee, to institute such proceeding as Trustee under the 2026 Notes and the 2026 Indenture, the Trustee has failed to institute such proceeding within 45 days after receipt of such notice and the Trustee, within such 45-day period, has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding 2026 Notes. Such limitations do not apply, however, to a suit instituted by a holder of a 2026 Note for the enforcement of the payment of the principal of and premium, if any, or interest on such 2026 Note on or after the respective due dates expressed in such 2026 Note.

During the existence of an Event of Default, the Trustee is required to exercise such rights and powers vested in it under the 2026 Indenture and use the same degree of care and skill in its exercise thereof as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. Subject to the provisions of the 2026 Indenture relating to the duties of the Trustee, whether or not an Event of Default shall occur and be continuing, the Trustee under the 2026 Indenture is not under any obligation to exercise any of its rights or powers under the 2026 Indenture at the request or direction of any of the holders of the 2026 Notes unless such holders shall have offered to the Trustee security or indemnity satisfactory to it. Subject to certain provisions concerning the rights of the Trustee, the holders of a majority in aggregate principal amount of the outstanding 2026 Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee under the 2026 Indenture.

If a Default or an Event of Default occurs and is continuing and is known to the Trustee, the Trustee shall deliver to each holder of the 2026 Notes notice of the Default or Event of Default within 90 days after obtaining knowledge thereof. Except in the case of a Default or an Event of Default in payment of principal of and premium, if any, or interest on any 2026 Notes, the Trustee may withhold the notice to the holders of such 2026 Notes if the Trustee, in good faith, determines that withholding the notice is in the interest of the noteholders.

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The Company is required to furnish to the Trustee annual statements as to the performance by the Company of its and its Restricted Subsidiaries' obligations under the 2026 Indenture and as to any default in such performance.

No Liability for Certain Persons

No director, officer, employee or stockholder of Holdings or the Company, nor any director, officer or employee of any Subsidiary Guarantor, as such, will have any liability for any obligations of the Company or any Guarantor under the 2026 Notes, the guarantees thereof or the 2026 Indenture based on or by reason of such obligations or their creation. Each holder by accepting a 2026 Note waives and releases all such liability. The foregoing waiver and release are an integral part of the consideration for the issuance of the 2026 Notes. Such waiver may not be effective to waive liabilities under the federal securities laws.

Legal Defeasance and Covenant Defeasance

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an officers' certificate, elect to have all of its obligations discharged with respect to the outstanding 2026 Notes and all obligations of the Guarantors discharged with respect to their guarantees of such 2026 Notes ("Legal Defeasance") except for:

(1) the rights of holders of outstanding 2026 Notes to receive payments in respect of the principal of, or interest or premium, if any, on, such 2026 Notes when such payments are due from the trust referred to below;

(2) the Company's obligations with respect to the 2026 Notes concerning issuing temporary 2026 Notes, registration of 2026 Notes, mutilated, destroyed, lost or stolen 2026 Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Company's and the Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the 2026 Indenture.

In addition, the Company may, at its option and at any time, elect to have the obligations of the Company and the Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers) that are described in the 2026 Indenture ("Covenant Defeasance") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the 2026 Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under " *Events of Default*" will no longer constitute an Event of Default with respect to the 2026 Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the 2026 Notes, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium, if any, on, the outstanding 2026 Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the 2026 Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Company must deliver to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of the 2026 Indenture, there has been a change in the applicable federal income tax law, in either case to the

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effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding 2026 Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company must deliver to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that the holders of the outstanding 2026 Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the 2026 Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company must deliver to the Trustee an officers' certificate stating that the deposit was not made by the Company with the intent of preferring the holders of the 2026 Notes over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(7) the Company must deliver to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Satisfaction and Discharge

The 2026 Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the 2026 Notes as expressly provided for in the 2026 Indenture) as to all outstanding 2026 Notes when:

(i) either:

(a) all the 2026 Notes theretofore authenticated and delivered (except lost, stolen or destroyed 2026 Notes which have been replaced or repaid and the 2026 Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all the 2026 Notes not theretofore delivered to the Trustee for cancellation (except lost, stolen or destroyed 2026 Notes which have been replaced or paid) have become due and payable, will become due and payable at their stated maturity within one year, or will become due and payable 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 deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the 2026 Notes not theretofore delivered to the Trustee for cancellation, for principal of and

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premium, if any, and interest on the 2026 Notes to the date of deposit (in the case of the 2026 Notes that have become due and payable) or to the maturity or redemption date, as the case may be, together with irrevocable instructions from the Company directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Company has paid all other sums payable under the 2026 Indenture by the Company; and

(3) the Company has delivered to the Trustee an officers' certificate and an opinion of counsel stating that all conditions precedent under the 2026 Indenture relating to the satisfaction and discharge of such 2026 Indenture have been complied with.

Amendments and Waivers

From time to time, the Company and the Trustee may, without the consent of the holders of any of the outstanding 2026 Notes, amend, waive or supplement the 2026 Indenture, the 2026 Notes or the guarantees for certain specified purposes, including, among other things, curing ambiguities, omissions, mistakes, defects or inconsistencies, conforming any provision to any provision under the heading "*Description of the Reopened 2026 Notes*," qualifying, or maintaining the qualification of, the 2026 Indenture under the Trust Indenture Act, making any change that does not adversely affect the rights of any holder of the 2026 Notes, adding Guarantees or releasing or discharging Guarantees in accordance with the terms of the 2026 Indenture, providing for uncertificated 2026 Notes in addition to or in place of certificated 2026 Notes, making such provisions as necessary (as determined in good faith by the Company) for the issuance of Additional Notes or evidencing and providing for the acceptance and appointment under the 2026 Indenture of a successor Trustee pursuant to the requirements thereof. Other amendments and modifications of the 2026 Indenture, the 2026 Notes or the guarantees may be made by the Company and the Trustee with the consent of the holders of a majority of the aggregate principal amount of the outstanding 2026 Notes; *provided*, *however*, that no such modification or amendment may, without the consent of the holder of each outstanding 2026 Note affected thereby:

(i) reduce the principal amount of, extend the fixed maturity of or alter the redemption provisions of, the 2026 Notes;

(ii) change the currency in which any 2026 Notes or any premium, or the interest thereon is payable;

(iii) reduce the percentage in principal amount of outstanding 2026 Notes that must consent to an amendment, supplement or waiver or consent to take any action under the 2026 Indenture or the 2026 Notes;

(iv) impair the right to institute suit for the enforcement of any payment on or with respect to the 2026 Notes;

(v) waive a default in payment with respect to the 2026 Notes;

(vi) reduce or change the rate or time for payment of interest, if any, on the 2026 Notes; or

(vii) modify or change any provision of the 2026 Indenture affecting the ranking of the 2026 Notes or any guarantee of the 2026 Notes in a manner adverse to the holders of the 2026 Notes.

The Trustee

The 2026 Indenture provides that, except during the continuance of an Event of Default, the Trustee thereunder will perform only such duties as are specifically set forth in the 2026 Indenture. If an Event of Default has occurred and is continuing, the Trustee will exercise such rights and powers vested in it under the 2026 Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

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The 2026 Indenture and provisions of the Trust Indenture Act incorporated by reference therein contain limitations on the rights of the Trustee thereunder, should it become a creditor of the Company, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions; *provided*, *however*, that if it acquires any conflicting interest (as defined in such Act) it must eliminate such conflict or resign.

We maintain banking and lending relationships in the ordinary course of business with the Trustee and its affiliates.

Governing Law

The 2026 Indenture and the 2026 Notes are governed by the laws of the State of New York, without regard to the principles of conflicts of law.

Additional Information

Anyone who receives this prospectus supplement may obtain a copy of the 2026 Indenture without charge by writing to United Rentals, Inc., 100 First Stamford Place, Suite 700, Stamford, CT 06902, Attention: Corporate Secretary.

Book-Entry, Delivery and Form

The 2026 Notes will be issued in the form of one or more registered global notes (the "Global Notes"). The Global Notes will be deposited upon issuance with the Trustee as custodian for DTC, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive notes in certificated form ("Certificated Notes") except in the limited circumstances described below. See " *Exchange of Global Notes for Certificated Notes*." Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of notes in certificated form.

Transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants, which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Company takes no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Company that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants.

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The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Company that, pursuant to procedures established by it:

(1) upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the underwriters with portions of the principal amount of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes who are Participants in DTC's system may hold their interests therein directly through DTC. Investors in the Global Notes who are not Participants may hold their interests therein indirectly through organizations which are Participants in such system. All interests in a Global Note may be subject to the procedures and requirements of DTC. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have 2026 Notes registered in their names, will not receive physical delivery of 2026 Notes in certificated form and will not be considered the registered owners or "holders" thereof under the 2026 Indenture for any purpose.

Payments in respect of the principal of, and interest and premium, if any on, a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the 2026 Indenture. Under the terms of the 2026 Indenture, the Company and the Trustee will treat the Persons in whose names the 2026 Notes, including the Global Notes, are registered as the owners of the 2026 Notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Company, the Trustee nor any agent of the Company or the Trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Company that its current practice, upon receipt of any payment in respect of securities such as the 2026 Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of 2026 Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or the Company. Neither the Company nor the Trustee will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the 2026 Notes, and the

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Company and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds.

DTC has advised the Company that it will take any action permitted to be taken by a holder of the 2026 Notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the 2026 Notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the 2026 Notes, DTC reserves the right to exchange the Global Notes for legended 2026 Notes in certificated form, and to distribute such 2026 Notes to its Participants.

None of the Company, the Trustee and any of their respective agents will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for Certificated Notes if:

(1) DTC (a) notifies the Company that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Company fails to appoint a successor depositary;

(2) the Company in its discretion at any time determines not to have all the 2026 Notes represented by Global Notes; or

(3) a default entitling the holders of the 2026 Notes to accelerate the maturity thereof has occurred and is continuing.

Any Global Note that is exchangeable as above is exchangeable for certificated notes issuable in authorized denominations and registered in such names as DTC shall direct.

Same Day Settlement and Payment

The Company will make payments in respect of the 2026 Notes represented by the Global Notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. The Company will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such holder's registered address. The 2026 Notes represented by the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such 2026 Notes will, therefore, be required by DTC to be settled in immediately available funds. The Company expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Certain Definitions

"*Acquired Indebtedness*" means Indebtedness of a person:

(a) assumed in connection with an Asset Acquisition from such person; or

(b) existing at the time such person becomes a Subsidiary of any other person and not incurred in connection with, or in contemplation of, such Asset Acquisition or such person becoming a Subsidiary.

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"*Adjusted Treasury Rate*" means, with respect to any redemption date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly 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 under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after September 15, 2021, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month, except that if the period from the redemption date to September 15, 2021 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third business day immediately preceding the redemption date, plus 0.50%.

"*Affiliate*" means, with respect to any specified Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person.

"*Applicable Premium*" means with respect to any 2026 Notes at any redemption date, the greater of

(1) 1.00% of the principal amount of such 2026 Notes; and

(2) the excess of (a) the present value at such redemption date of (i) the redemption price of the 2026 Notes on September 15, 2021, set forth in the table appearing above with respect to the 2026 Notes under the caption "*Optional Redemption*" *plus* (ii) all required remaining scheduled interest payments due on such 2026 Notes through September 15, 2021 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate as of such redemption date, over (b) the principal amount of such 2026 Notes on such redemption date.

"*Asset Acquisition*" means:

(a) an Investment by the Company or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary, or shall be merged with or into the Company or any Restricted Subsidiary or a transaction pursuant to which the Company or a Restricted Subsidiary merges with or into any other Person and such Person assumes the obligations of the Company or such Restricted Subsidiary, as applicable, as described under "*Consolidation, Merger, Sale of Assets, etc.*"; or

(b) the acquisition by the Company or any Restricted Subsidiary of the assets of any Person which constitute all or substantially all of the assets of such Person, any division or line of business of such Person or any other properties or assets of such Person.

"*Asset Sale*" means any sale, issuance, conveyance, transfer, lease or other disposition by the Company or any Restricted Subsidiary to any Person other than the Company or a Restricted Subsidiary of:

(a) any Capital Stock of any Restricted Subsidiary (other than directors qualifying shares or to the extent required by applicable law);

(b) all or substantially all of the properties and assets of any division or line of business of the Company or any Restricted Subsidiary; or

(c) any other properties or assets of the Company or any Restricted Subsidiary,

other than, in the case of clauses (a), (b) or (c) above,

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(i) sales, conveyances, transfers, leases or other dispositions of (x) obsolete, damaged or used equipment or (y) other equipment or inventory in the ordinary course of business;

(ii) sales, conveyances, transfers, leases or other dispositions of assets in one or a series of related transactions for an aggregate consideration of less than the greater of $75.0 million and 1.0% of Consolidated Net Tangible Assets;

(iii) the lease, assignment, license, sublicense or sublease of any real or personal property in the ordinary course of business;

(iv) for purposes of the covenant described under "*Certain Covenants Disposition of Proceeds of Asset Sales*" only, (x) a disposition that constitutes a Restricted Payment permitted by the covenant described under "*Certain Covenants Limitation on Restricted Payments*" or a Permitted Investment, (y) a disposition governed by the covenant described under "*Consolidation, Merger, Sale of Assets, etc.*" and (z) any sale, issuance, conveyance, transfer, lease or other disposition of properties or assets in connection with a Securitization Transaction;

(v) any exchange of like property pursuant to or intended to qualify under Section 1031 (or any successor section) of the Code, and to be used in a Related Business;

(vi) any disposition arising from foreclosure, condemnation or similar action with respect to any property or other assets, or exercise of termination rights under any lease, license, concession or agreement, or necessary or advisable (as determined by the Company in good faith) in order to consummate any acquisition of any Person, business or assets, or pursuant to buy/sell arrangements under any joint venture or similar agreement or arrangement;

(vii) any disposition of Cash Equivalents;

(viii) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(ix) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(x) a disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a person (other than a Company or a Restricted Subsidiary) from which such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquires its business and assets (having been newly formed in connection with such acquisition), entered into in connection with such acquisition;

(xi) the abandonment or other disposition of trademarks, copyrights, patents or other intellectual property that are, in the good faith determination of the Company, no longer economically practicable to maintain or useful in the conduct of the business of the Company and its subsidiaries taken as a whole; and

(xii) (x) non-exclusive licenses, sublicenses or cross-licenses of intellectual property or other general intangibles; and (y) exclusive licenses, sublicenses or cross-licenses of intellectual property or other general intangibles in the ordinary course of business.

"*Attributable Debt*" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the 2026 Notes of the applicable series, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); *provided*, *however*, that if such Sale/Leaseback Transaction results in a Capitalized Lease Obligation, the amount of Indebtedness

represented thereby will be determined in accordance with the definition of "Capitalized Lease Obligation."

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"*Average Life to Stated Maturity*" means, with respect to any Indebtedness, as at any date of determination, the quotient obtained by dividing:

(i) the sum of the products of:

(a) the number of years from such date to the date or dates of each successive scheduled principal payment (including, without limitation, any sinking fund requirements) of such Indebtedness; and

(b) the amount of each such principal payment; by

(ii) the sum of all such principal payments.

"*Board of Directors*" means the board of directors of a company or its equivalent, including managers of a limited liability company, general partners of a partnership or trustees of a business trust, or any duly authorized committee thereof.

"*Capital Stock*" means, with respect to any person, any and all shares, interests, participations, rights in or other equivalents (however designated) of such person's capital stock or equity participations, and any rights (other than debt securities convertible into capital stock), warrants or options exchangeable for or convertible into such capital stock and, including, without limitation, with respect to partnerships, limited liability companies or business trusts, ownership interests (whether general or limited) and any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of assets of, such partnerships, limited liability companies or business trusts.

"*Capitalized Lease Obligation*" means any obligation under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that is required to be classified and accounted for as a capital lease obligation under GAAP, and, for the purpose of the 2026 Indenture, the amount of such obligation at any date shall be the capitalized amount thereof at such date, determined in accordance with GAAP; *provided* that if GAAP shall change after the Issue Date so that a lease (or other agreement conveying the right to use property) that would not be classified as a capital lease under GAAP as in effect as of the Issue Date would be classified as a capital lease, then the obligations under such lease (or other agreement conveying the right to use any property) shall not be considered to be a Capitalized Lease Obligation.

"*Cash Equivalents*" means, at any time:

(a) any evidence of Indebtedness, maturing not more than one year after such time, issued or guaranteed by the United States Government or any agency thereof;

(b) commercial paper, maturing not more than one year from the date of issue, or corporate demand notes, in each case rated at least A-1 by S&P or P-1 by Moody's;

(c) any certificate of deposit (or time deposits represented by such certificates of deposit) or bankers acceptance, maturing not more than one year after such time, or overnight Federal Funds transactions that are issued or sold by a commercial banking institution that is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than $500.0 million;

(d) any repurchase agreement entered into with any commercial banking institution of the stature referred to in clause (c) which:

(i) is secured by a fully perfected security interest in any obligation of the type described in any of clauses (a) through (c); and

(ii)

has a market value at the time such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such commercial banking institution thereunder;

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(e) investments in short-term asset management accounts managed by any bank party to a Credit Facility which are invested in indebtedness of any state or municipality of the United States or of the District of Columbia and which are rated under one of the two highest ratings then obtainable from S&P or by Moody's or investments of the types described in clauses (a) through (d) above; and

(f) investments in funds investing primarily in investments of the types described in clauses (a) through (e) above.

"*Change of Control*" means the occurrence of any of the following events:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50.0% of the total Voting Stock of the Company or Holdings (other than, in the case of the Company, Holdings or a wholly owned Subsidiary of Holdings);

(b) the Company or Holdings consolidates with, or merges with or into, another Person or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its properties and assets as an entirety to any Person (other than (1) with respect to the Company, to Holdings, a wholly owned Subsidiary of Holdings or a Subsidiary Guarantor and (2) with respect to Holdings, to a wholly owned Subsidiary of Holdings, the Company or a Subsidiary Guarantor, or any Person that consolidates with, or merges with or into, the Company or Holdings), in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company or Holdings is converted into or exchanged for cash, securities or other property, other than any such transaction involving a merger or consolidation where:

(i) the outstanding Voting Stock of the Company or Holdings is converted into or exchanged for Voting Stock (other than Redeemable Capital Stock) of the surviving or transferee corporation; and

(ii) immediately after such transaction no "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), excluding Holdings or any wholly owned Subsidiary of Holdings, is the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50.0% of the total Voting Stock of the surviving or transferee corporation; or

(c) the Company is liquidated or dissolved or adopts a plan of liquidation.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Comparable Treasury Issue*" means the United States Treasury security selected by the Quotation Agent as having a maturity most nearly equal to the period from the redemption date to September 15, 2021 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to September 15, 2021.

"*Comparable Treasury Price*" means, with respect to any redemption date, if clause (ii) of the definition of "Adjusted Treasury Rate" is applicable, the average of three, or such lesser number as is given to the Company, Reference Treasury Dealer Quotations for such redemption date.

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"*Consolidated Cash Flow Available for Fixed Charges*" means, with respect to any Person for any period:

(i) the sum of, without duplication, the amounts for such period, taken as a single accounting period, of:

(a) Consolidated Net Income;

(b) Consolidated Non-cash Charges;

(c) Consolidated Interest Expense;

(d) Consolidated Income Tax Expense;

(e) any fees, expenses or charges related to the Transactions, the RSC Merger Transactions, the National Pump Transactions, or to any Equity Offering, Investment, merger, acquisition, disposition, consolidation, recapitalization or the incurrence or repayment of Indebtedness permitted by the 2026 Indenture (including any refinancing or amendment of any of the foregoing) (whether or not consummated or incurred);

(f) the amount of any restructuring charges or reserves (which shall include retention, severance, systems establishment cost, excess pension charges, contract termination costs, including future lease commitments, costs related to start up, closure, relocation or consolidation of facilities, costs to relocate employees, consulting fees, one time information technology costs, one time branding costs and losses on the sale of excess fleet from closures); *provided*, *however*, that the aggregate amount of such charges or reserves added to Consolidated Cash Flow Available for Fixed Charges for any period pursuant to this clause (f) (when taken together with any amounts added pursuant to clause (g) below) will not exceed the greater of 20.0% of Consolidated Cash Flow Available for Fixed Charges of such Person for such period; and

(g) the amount of net cost savings and synergies projected by the Company in good faith to be realized (which shall be calculated on a pro forma basis as though such cost savings or synergies had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; *provided* that (A) such cost savings or synergies are reasonably identifiable and supportable, (B) such actions have been taken or are to be taken within 18 months after the date of determination to take such action and (C) the aggregate amount of any cost savings and synergies added pursuant to this clause (g) (when taken together with any amounts added pursuant to clause (f) above) shall not exceed 20.0% of Consolidated Cash Flow Available for Fixed Charges for such period, less

(ii) (x) non-cash items increasing Consolidated Net Income and (y) all cash payments during such period relating to non-cash charges that were added back in determining Consolidated Cash Flow Available for Fixed Charges in the most recent Four Quarter Period (as defined below).

"*Consolidated Current Liabilities*" as of the date of determination means the aggregate amount of liabilities of the Company and its consolidated Restricted Subsidiaries which may properly be classified as current liabilities (including taxes accrued as estimated), on a consolidated basis, after eliminating:

(1) all intercompany items between the Company and any Restricted Subsidiary; and

(2) all current maturities of long-term Indebtedness, all as determined in accordance with GAAP consistently applied.

"*Consolidated Fixed Charge Coverage Ratio*" means, with respect to any person, the ratio of the aggregate amount of Consolidated Cash Flow Available for Fixed Charges of such person for the four full fiscal quarters, treated as one period, for which financial information in respect thereof is available

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immediately preceding the date of the transaction giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio (such four full fiscal quarter period being referred to herein as the "Four Quarter Period") to the aggregate amount of Consolidated Fixed Charges of such person for the Four Quarter Period.

The Consolidated Fixed Charge Coverage Ratio shall be calculated after giving pro forma effect to:

(a) the incurrence of Indebtedness requiring calculation of the Consolidated Fixed Charge Coverage Ratio and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness were incurred at the beginning of the Four Quarter Period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average daily balance of such Indebtedness during the Four Quarter Period during the period from the date of creation of such facility to the date of such calculation);

(b) the incurrence, repayment, defeasance, retirement or discharge of any other Indebtedness by the Company and its Restricted Subsidiaries since the first day of the Four Quarter Period as if such Indebtedness was incurred, repaid, defeased, retired or discharged at the beginning of the Four Quarter Period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average daily balance of such Indebtedness during the Four Quarter Period or such shorter for which such facility was outstanding (or, if such facility was created after the end of the Four Quarter Period, based upon the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation or such shorter period)); and

(c) any Asset Sale or Asset Acquisition occurring since the first day of the Four Quarter Period (including to the date of calculation) as if such acquisition or disposition occurred at the beginning of such Four Quarter Period.

For purposes of this definition, whenever pro forma effect is to be given to any Investment, acquisition, disposition or other transaction, or the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness incurred or repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged in connection therewith, the pro forma calculations in respect thereof (including without limitation in respect of anticipated cost savings or synergies relating to any such Investment, acquisition, disposition or other transaction that have been or are expected to be realized) shall be as determined in good faith by the chief financial officer or an authorized officer of the Company. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Protection Agreement applicable to such Indebtedness). If any interest bears, at the option of the Company or a Restricted Subsidiary, a rate of interest based on a prime or similar rate, a eurocurrency interbank offered rate or other fixed or floating rate, and such Indebtedness is being given pro forma effect, the interest expense on such Indebtedness shall be calculated by applying such optional rate as the Company or such Restricted Subsidiary may designate. If any Indebtedness that is being given pro forma effect was incurred under a revolving credit facility, the interest expense on such Indebtedness shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate determined in good faith by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP, subject to the definition of Capitalized Lease Obligation hereunder.

If such Person or any of its Restricted Subsidiaries directly or indirectly guarantees Indebtedness of a third person, the above clause shall give effect to the incurrence of such guaranteed Indebtedness as if such Person or such Subsidiary had directly incurred or otherwise assumed such guaranteed Indebtedness.

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"*Consolidated Fixed Charges*" means, with respect to any person for any period, the sum of, without duplication, the amounts for such period of:

(i) Consolidated Interest Expense; and

(ii) the aggregate amount of dividends and other distributions paid in cash during such period in respect of Redeemable Capital Stock of such person and its Restricted Subsidiaries on a consolidated basis.

"*Consolidated Income Tax Expense*" means, with respect to any person for any period, the provision for federal, state, local and foreign taxes (whether or not paid, estimated or accrued) based on income, profits or capitalization of such person and its Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP.

"*Consolidated Interest Expense*" means, with respect to any person for any period, without duplication, the sum of:

(i) the interest expense, net of any interest income, of such person and its Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP, including, without limitation:

(a) any amortization of debt discount;

(b) the net payments made or received under Interest Rate Protection Obligations (including any amortization of discounts);

(c) the interest portion of any deferred payment obligation;

(d) all commissions, discounts and other fees and charges owed with respect to letters of credit, bankers' acceptance financing or similar facilities; and

(e) all accrued interest; and

(ii) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such person and its Restricted Subsidiaries during such period as determined on a consolidated basis in accordance with GAAP, less

(iii) to the extent otherwise included in such interest expense referred to in clause (i) above, the amortization or write-off of financing costs, commissions, fees and expenses.

"*Consolidated Net Income*" means, with respect to any person, for any period, the consolidated net income (or loss) of such person and its Restricted Subsidiaries for such period as determined in accordance with GAAP, adjusted, to the extent included in calculating such net income, by excluding, without duplication:

(i) any extraordinary, unusual or non-recurring gain, loss, expense or charge (including without limitation fees, expenses and charges associated with the RSC Merger Transactions, the National Pump Transactions or any merger, acquisition, disposition or consolidation after March 9, 2012);

(ii)

(A) the portion of net income of such person and its Restricted Subsidiaries allocable to minority interests in unconsolidated persons or to Investments in Unrestricted Subsidiaries to the extent that cash dividends or distributions have not actually been received by such person or one of its Restricted Subsidiaries and (B) the portion of net loss of such person and its Restricted Subsidiaries allocable to minority interests in unconsolidated persons or to Investments in Unrestricted Subsidiaries shall be included to the extent of the aggregate investment of the Company or any Restricted Subsidiary in such person;

(iii)

gains or losses in respect of any Asset Sales by such person or one of its Restricted Subsidiaries (net of fees and expenses relating to the transaction giving rise thereto), on an after-tax basis;

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(iv) the net income of any Restricted Subsidiary of such person to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulations applicable to that Restricted Subsidiary or its stockholders (other than (x) restrictions that have been waived or otherwise released, (y) restrictions pursuant to the 2026 Notes or 2026 Indenture and (z) restrictions in effect on the Issue Date with respect to a Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that taken as a whole are not materially less favorable to the holders than such restrictions in effect on the Issue Date);

(v) any gain or loss realized as a result of the cumulative effect of a change in accounting principles;

(vi) the write-off of any issuance costs incurred by the Company in connection with the refinancing or repayment of any Indebtedness;

(vii) any net after-tax gain (or loss) attributable to the early repurchase, extinguishment or conversion of Indebtedness, Hedging Obligations or other derivative instruments (including any premiums paid);

(viii) any non-cash income (or loss) related to the recording of the Fair Market Value of any Hedging Obligations;

(ix) any unrealized gains or losses in respect of Currency Agreements;

(x) (a) any non-cash compensation deduction as a result of any grant of stock or stock-related instruments to employees, officers, directors or members of management and (b) and any cash charges associated with the rollover, acceleration or payout on stock or stock-related instruments by management of Holdings, the Company, or any of their Subsidiaries in connection with the RSC Merger Transactions or the National Pump Transactions;

(xi) any income (or loss) from discontinued operations;

(xii) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of any Person denominated in a currency other than the functional currency of such Person;

(xiii) to the extent covered by insurance and actually reimbursed, or, so long as the Company has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (a) not denied by the applicable carrier in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), expenses with respect to liability or casualty events or business interruption; *provided* that, to the extent included in Consolidated Net Income in a future period, reimbursements with respect to expenses excluded from the calculation of Consolidated Net Income pursuant to this clause (xiii) shall be excluded from Consolidated Net Income in such period up to the amount of such excluded expenses;

(xiv) any non-cash charge, expense or other impact attributable to application of the purchase method of accounting (including the total amount of depreciation and amortization, cost of sales or other non-cash expense resulting from the write-up of assets to the extent resulting from such purchase accounting adjustments);

(xv) any goodwill or other intangible asset impairment charge;

(xvi) effects of fair value adjustments in the merchandise inventory, property and equipment, goodwill, intangible assets, deferred revenue, deferred rent and debt line items in such Person's consolidated financial statements pursuant to GAAP resulting

from the application of acquisition

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accounting in relation to the RSC Merger Transactions, the National Pump Transactions or any consummated acquisition and the amortization or write-off or removal of revenue otherwise recognizable of any amounts thereof, net of taxes, shall be excluded or added back in the case of lost revenue;

(xvii) the amount of loss on sale of assets to a Subsidiary in connection with a Securitization Transaction;

(xviii) accruals and reserves established within 12 months after (a) the consummation of the RSC Merger Transactions that were established as a result of the RSC Merger Transactions, (b) the consummation of the National Pump Transactions that are established as a result of the National Pump Transactions and (c) the closing of any acquisition or investment required to be established as a result of such acquisition or investment in accordance with GAAP, or changes as a result of adoption or modification of accounting policies.

"*Consolidated Net Tangible Assets*" as of any date of determination, means the total amount of assets (less the sum of goodwill and other intangibles, net) which would appear on a consolidated balance sheet of the Company and its consolidated Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, and after giving effect to the acquisition or disposal of any property or assets consummated on or prior to such date and after deducting therefrom Consolidated Current Liabilities and, to the extent otherwise included, the amounts of:

(1) minority interests in consolidated Subsidiaries held by Persons other than the Company or a Restricted Subsidiary;

(2) treasury stock;

(3) cash set apart and held in a sinking or other analogous fund established for the purpose of redemption or other retirement of Capital Stock to the extent such obligation is not reflected in Consolidated Current Liabilities; and

(4) Investments in and assets of Unrestricted Subsidiaries.

"*Consolidated Non-cash Charges*" means, with respect to any person for any period, the aggregate depreciation, amortization (including amortization of goodwill and other intangibles) and other non-cash expenses of such person and its Restricted Subsidiaries reducing Consolidated Net Income of such person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (excluding any such charges constituting an extraordinary item or loss).

"*Control*" when used with respect to any specified person means the power to direct the management and policies of such person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "*Controlling*" and "*Controlled*" have meanings correlative to the foregoing.

"*Credit Agreement*" means the Second Amended and Restated Credit Agreement, dated as of March 31, 2015, among the Company and certain of its Subsidiaries, as Borrowers, Holdings and certain of its Subsidiaries, as Guarantors, United Rentals of Canada, Inc., as Canadian Borrower, United Rentals Financing Limited Partnership, as specified loan borrower, Bank of America, N.A., as agent, U.S. swingline lender and U.S. letter of credit issuer, Bank of America, N.A. (acting through its Canada branch), as Canadian swingline lender and Canadian letter of credit issuer, and the lenders and other financial institutions party thereto, together with the related documents (including any term loans and revolving loans thereunder, any guarantees and any security documents, instruments and agreements executed in connection therewith), as amended, extended, renewed, restated, supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any agreement, indenture or other instrument (and related documents) governing any form of Indebtedness incurred to refinance or replace, in whole or in part, the borrowings

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and commitments at any time outstanding or permitted to be outstanding under such Credit Agreement or a successor Credit Agreement, whether by the same or any other lender or holder of Indebtedness or group of lenders or holders of Indebtedness and whether to the same obligor or different obligors.

"*Credit Facility*" means one or more debt facilities or agreements (including the Credit Agreement and the Secured Notes), commercial paper facilities, securities purchase agreements, indentures or similar agreements, in each case, with banks or other institutional lenders or investors providing for, or acting as underwriters of, revolving loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), notes, debentures, letters of credit or the issuance and sale of securities including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith and in each case, as amended, extended, renewed, restated, supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any agreements, indentures or other instruments (and related documents) governing any form of Indebtedness incurred to refinance or replace, in whole or in part, the borrowings and commitments at any time outstanding or permitted to be outstanding under such facility or agreement or successor facility or agreement whether by the same or any other lender or holder of Indebtedness or group of lenders or holders of Indebtedness and whether the same obligor or different obligors.

"*Currency Agreement*" means any foreign exchange contract, currency swap agreement or other similar agreement with respect to currency values.

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

"*Designated Non-cash Consideration*" means the Fair Market Value of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an officers' certificate which sets forth the Fair Market Value of the non-cash consideration at the time of its receipt and the basis for such valuation.

"*Disinterested Member of the Board of Directors of the Company*" means, with respect to any transaction or series of transactions, a member of the Board of Directors of the Company other than a member who has any material direct or indirect financial interest in or with respect to such transaction or series of transactions or is an Affiliate, or an officer, director or an employee of any Person (other than the Company, Holdings or any Restricted Subsidiary) who has any direct or indirect financial interest in or with respect to such transaction or series of transactions.

"*Domestic Restricted Subsidiary*" means any Restricted Subsidiary other than a Foreign Subsidiary.

"*Equipment Securitization Transaction*" means any sale, assignment, pledge or other transfer (a) by the Company or any Subsidiary of the Company of rental fleet equipment, (b) by any ES Special Purpose Vehicle of leases or rental agreements between the Company and/or any Subsidiary of the Company, as lessee, on the one hand, and such ES Special Purpose Vehicle, as lessor, on the other hand, relating to such rental fleet equipment and lease receivables arising under such leases and rental agreements and (c) by the Company or any Subsidiary of the Company of any interest in any of the foregoing, together in each case with (i) any and all proceeds thereof (including all collections relating thereto, all payments and other rights under insurance policies or warranties relating thereto, all disposition proceeds received upon a sale thereof, and all rights under manufacturers' repurchase programs or guaranteed depreciation programs relating thereto), (ii) any collection or deposit account relating thereto and (iii) any collateral, guarantees, credit enhancement or other property or claims supporting or securing payment on, or otherwise relating to, any such leases, rental agreements or lease receivables.

"*Equity Offering*" means a private or public sale for cash after the Issue Date by (1) the Company of its common Capital Stock (other than Redeemable Capital Stock and other than to a Subsidiary of the Company) or (2) Holdings of its Capital Stock (other than to the Company or a Subsidiary of the

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Company) to the extent that the net proceeds therefrom are contributed to the common equity capital of the Company.

"*ES Special Purpose Vehicle*" means a trust, bankruptcy remote entity or other special purpose entity which is a Subsidiary of the Company or Holdings (or, if not a Subsidiary of the Company or Holdings, the common equity of which is wholly owned, directly or indirectly, by the Company or Holdings) and which is formed for the purpose of, and engages in no material business other than, acting as a lessor, issuer or depositor in an Equipment Securitization Transaction (and, in connection therewith, owning the rental fleet equipment, leases, rental agreements, lease receivables, rights to payment and other interests, rights and assets described in the definition of Equipment Securitization Transaction, and pledging or transferring any of the foregoing or interests therein).

"*Event of Default*" has the meaning set forth under " *Events of Default*" herein.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Existing Indebtedness*" means Indebtedness of the Company and its Subsidiaries (other than Indebtedness under the Credit Agreement) in existence on the Issue Date, until such amounts are repaid.

"*Existing Securitization Facility*" means the receivables facility established pursuant to the Third Amended and Restated Receivables Purchase Agreement, dated as of September 24, 2012, among United Rentals Receivables LLC II, as seller, Holdings, as collection agent, Liberty Street Funding LLC, as a purchaser, Gotham Funding Corporation, as a purchaser, PNC Bank, National Association, as purchaser agent for itself and as a bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as a purchaser agent and as a bank, SunTrust Bank, as a purchaser agent for itself and as a bank, Bank of Montreal, as a purchaser agent and as a bank, and The Bank of Nova Scotia, as administrative agent, as a bank and as a purchaser agent, as amended, modified or supplemented from time to time, and the other Transaction Documents under and as defined therein.

"*Fair Market Value*" means, with respect to any asset, the fair market value of such asset as determined by the Board of Directors of the Company in good faith, whose determination shall be conclusive and, in the case of assets with a Fair Market Value in excess of $200.0 million, evidenced by a resolution of the Board of Directors of the Company.

"*Foreign Subsidiary*" means any Restricted Subsidiary not created or organized under the laws of the United States or any state thereof or the District of Columbia.

"*Foreign Subsidiary Holding Company*" means any Subsidiary the primary assets of which consist of Capital Stock in (i) one or more Foreign Subsidiaries or (ii) one or more Foreign Subsidiary Holding Companies.

"*Fuel Hedging Agreement*" means any forward contract, swap, option, hedge or other similar financial agreement designed to protect against fluctuations in fuel prices.

"*GAAP*" means generally accepted accounting principles set forth in the Financial Accounting Standards Board codification (or by agencies or entities with similar functions of comparable stature and authority within the U.S. accounting profession) or in rules or interpretative releases of the SEC applicable to SEC registrants; *provided* that (a) if at any time the SEC permits or requires U.S. domiciled companies subject to the reporting requirements of the Exchange Act to use IFRS in lieu of GAAP for financial reporting purposes, the Company may irrevocably elect by written notice to the Trustee to so use IFRS in lieu of GAAP and, upon any such notice, references herein to GAAP shall thereafter be construed to mean (i) IFRS for periods beginning on and after the date of such notice or a later date as specified in such notice as in effect on such date and (ii) for prior periods, GAAP as defined in the first sentence of this definition and (b) GAAP is determined as of the date of any calculation or determination required hereunder; *provided* that (x) the Company, on any date, may, by providing notice thereof to the Trustee, elect to establish that GAAP shall mean GAAP as in effect on such date and (y) any such election, once

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made, shall be irrevocable. The Company shall give notice of any such election to the Trustee and the holders of the 2026 Notes.

"*guarantee*" means, as applied to any obligation:

(i) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation; and

(ii) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of nonperformance) of all or any part of such obligation, including, without limiting the foregoing, the payment of amounts available to be drawn down under letters of credit of another person.

The term "guarantee" used as a verb has a corresponding meaning.

"*Guarantor*" means Holdings and each Subsidiary Guarantor.

"*Guaranty Agreement*" means a supplemental indenture, in a form satisfactory to the Trustee, pursuant to which a Subsidiary Guarantor guarantees the Company's obligations with respect to the 2026 Notes on the terms provided for in the 2026 Indenture.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Protection Agreement, Currency Agreement or Fuel Hedging Agreement.

"*Holdings*" means United Rentals, Inc., a Delaware corporation, and any permitted successor or assign.

"*IFRS*" means International Financial Reporting Standards and applicable accounting requirements set by the International Accounting Standards Board or any successor thereto (or the Financial Accounting Standards Board or any successor to such Board, or the SEC, as the case may be), as in effect from time to time.

"*Indebtedness*" means, with respect to any person, without duplication:

(a) the principal amount of all liabilities of such person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities incurred in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such person in connection with any letters of credit, banker's acceptance or other similar credit transaction;

(b) the principal amount of all obligations of such person evidenced by bonds, notes, debentures or other similar instruments;

(c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade accounts payable arising in the ordinary course of business;

(d) all Capitalized Lease Obligations of such person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such person;

(e) all Indebtedness referred to in the preceding clauses of other Persons, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness (the amount of such obligation being deemed to be the lesser of the value of such property or asset (as determined in good faith by the Company) or the amount of the obligation so secured);

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(f) all guarantees of Indebtedness referred to in this definition by such Person;

(g) all Redeemable Capital Stock of such Person (which shall be valued at the greater of its voluntary or involuntary maximum fixed repurchase price (as defined below) excluding accrued dividends);

(h) all obligations under or in respect of Hedging Obligations of such Person (the amount of any such obligation to be equal at any time to the termination value of such agreement or arrangement giving rise to such Hedging Obligation that would be payable by such Person at such time); and

(i) any amendment, supplement, modification, deferral, renewal, extension, refinancing or refunding of any liability of the types referred to in clauses (a) through (h) above;

provided, *however*, that Indebtedness shall not include:

(x) any holdback or escrow of the purchase price of property, services, businesses or assets; or

(y) any contingent payment obligations incurred in connection with the acquisition of assets or businesses, which are contingent on the performance of the assets or businesses so acquired.

For purposes hereof, the "*maximum fixed repurchase price*" of any Redeemable Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the 2026 Indenture, and if such price is based upon, or measured by, the fair market value of such Redeemable Capital Stock, such fair market value shall be determined in good faith by the Board of Directors of the issuer of such Redeemable Capital Stock.

"*Interest Rate Protection Agreement*" means, with respect to any person, any arrangement with any other person whereby, directly or indirectly, such person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"*Interest Rate Protection Obligations*" means the obligations of any person pursuant to any Interest Rate Protection Agreements.

"*Investment*" means, with respect to any Person, any loan or other extension of credit (including, without limitation, a guarantee) or capital contribution to any other Person (by means of any transfer of cash or other property or any payment for property or services for consideration of Indebtedness or Capital Stock of any other Person), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of indebtedness issued by any other Person. The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment; *provided* that to the extent that the amount of Restricted Payments outstanding at any time is so reduced by any portion of any such amount or value that would otherwise be included in the calculation of Consolidated Net Income, such portion of such amount or value shall not be so included for purposes of calculating the amount of Restricted Payments that may be made pursuant to the first paragraph of the covenant described under " *Limitation on Restricted Payments*."

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

"*Issue Date*" means May 13, 2016.

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"*Lien*" means any mortgage, charge, pledge, lien (statutory or other), security interest, hypothecation, assignment for security, claim, or preference or priority or other encumbrance upon or with respect to any property of any kind. A Person shall be deemed to own subject to a Lien any property which such person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"*Maturity Date*" means September 15, 2026.

"*Moody's*" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"*National Pump Acquisition*" means the acquisition of assets contemplated by the Asset Purchase Agreement, effective as of March 7, 2014, by and among the Company, United Rentals of Canada, Inc., LD Services, LLC, National Pump & Compressor Ltd., Canadian Pump & Compressor, Ltd., Gulfco Industrial Equipment, L.P. and the Owners named therein, as amended from time to time.

"*National Pump Transactions*" means (a) the National Pump Acquisition, (b) the issuance of debt securities in connection with the National Pump Acquisition and (c) any other transactions contemplated in connection with the National Pump Acquisition and any other financing transactions in connection with the National Pump Acquisition.

"*Net Cash Proceeds*" means, with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary) net of:

(i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel and investment bankers, recording fees, transfer fees and appraisers' fees) related to such Asset Sale;

(ii) provisions for all taxes payable as a result of such Asset Sale;

(iii) amounts required to be paid to any Person (other than the Company or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale;

(iv) payments made to retire Indebtedness which is secured by any assets subject to such Asset Sale (in accordance with the terms of any Lien upon such assets) or which must by its terms, or in order to obtain a necessary consent to such Asset Sale or by applicable law, be repaid out of the proceeds of such Asset Sale;

(v) the amount of any liability or obligations in respect of appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve required in accordance with GAAP against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an officers' certificate delivered to the Trustee; and

(vi) the amount of any purchase price or similar adjustment claimed, owed or otherwise paid or payable by the Company or a Restricted Subsidiary in respect to such Asset Sale.

"*Permitted Investments*" means any of the following:

(i) Investments in the Company or in a Restricted Subsidiary;

(ii)

Investments in another Person, if as a result of such Investment:

(A) such other Person becomes a Restricted Subsidiary; or

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(B) such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, the Company or a Restricted Subsidiary;

(iii) Investments representing Capital Stock, obligations or securities issued to the Company or any of its Restricted Subsidiaries received in settlement of claims against any other person or a reorganization or similar arrangement of any debtor of the Company or such Restricted Subsidiary, including upon the bankruptcy or insolvency of such debtor, or as a result of foreclosure, perfection or enforcement of any Lien;

(iv) Investments in Hedging Obligations entered into by the Company or any of its Subsidiaries in connection with the operations of the business of the Company or its Restricted Subsidiaries and not for speculative purposes;

(v) Investments in any Indebtedness of the Company or its Subsidiaries (with respect to Subordinated Indebtedness, to the extent otherwise permitted under the 2026 Indenture);

(vi) Investments in Cash Equivalents;

(vii) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(viii) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses, in any case, in the ordinary course of business and otherwise in accordance with the 2026 Indenture;

(ix) Investments acquired by the Company or any Restricted Subsidiary in connection with an Asset Sale permitted under "*Certain Covenants Disposition of Proceeds of Asset Sales*" to the extent such Investments are non-cash proceeds as permitted under such covenant;

(x) advances to employees or officers of the Company in the ordinary course of business and additional loans to employees or officers in an aggregate amount, together with all other Permitted Investments made pursuant to this clause (x), at any time outstanding not to exceed $25.0 million;

(xi) any Investment to the extent that the consideration therefor is Capital Stock (other than Redeemable Capital Stock) of the Company;

(xii) guarantees (including guarantees of the 2026 Notes) of Indebtedness permitted to be incurred under the "*Certain Covenants Limitation on Indebtedness*" covenant;

(xiii) any acquisition of assets to the extent made in exchange for the issuance of Capital Stock (other than Redeemable Capital Stock) of Holdings or the Company;

(xiv) Investments in securities or other Investments received in settlement of debts created in the ordinary course of business and owing to, or of other claims asserted by, the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments, including in connection with any bankruptcy proceeding or other reorganization of another Person;

(xv) Investments in existence or made pursuant to legally binding written commitments in existence on the Issue Date;

(xvi) Investments in pledges or deposits with respect to leases or utilities provided to third parties;

(xvii) any transaction to the extent that it constitutes an Investment that is permitted by and made in accordance with the second paragraph of the " *Certain Covenants Limitation on Transactions with Affiliates*" covenant, except those transactions permitted by clauses (ii), (iv), (viii) and (ix) of such paragraph;

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(xviii) Investments relating to a Subsidiary in connection with a Receivables Securitization Transaction that, in the good faith determination of the Company, are necessary or advisable to effect any Receivables Securitization Transaction;

(xix) Investments in (w) Unrestricted Subsidiaries, (x) Similar Businesses, (y) less than all the business or assets of, or stock or other evidences of beneficial ownership of, any Person, or (z) any joint venture or similar arrangement; *provided*, *however*, that the aggregate amount of all Investments outstanding and made pursuant to this clause (xix) shall not exceed the greater of $575.0 million and 7.5% of Consolidated Net Tangible Assets at any one time; and

(xx) other Investments; *provided* that at the time any such Investment is made pursuant to this clause (xx), the amount of such Investment, together with all other Investments made pursuant to this clause (xx), does not exceed the greater of $765.0 million and 10.0% of Consolidated Net Tangible Assets; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary, such Investment shall thereafter be deemed to have been made pursuant to clause (i) or (ii) of this definition of "Permitted Investments."

"*Permitted Liens*" means:

(a) any Lien existing as of the Issue Date;

(b) Liens securing Indebtedness permitted under the provisions described in clause (a) of paragraph (2) of the covenant described under "*Certain Covenants Limitation on Indebtedness*";

(c) any Lien securing Acquired Indebtedness created prior to (and not created in connection with, or in contemplation of) the incurrence of such Indebtedness by the Company or any Restricted Subsidiary, if such Lien does not attach to any property or assets of the Company or any Restricted Subsidiary other than the property or assets subject to the Lien prior to such incurrence (plus improvements, accessions, proceeds or dividends or distributions in respect thereof);

(d) Liens in favor of the Company or a Restricted Subsidiary;

(e) Liens on and pledges of the assets or Capital Stock of any Unrestricted Subsidiary securing any Indebtedness or other obligations of such Unrestricted Subsidiary and Liens on the Capital Stock or assets of Foreign Subsidiaries securing Indebtedness permitted under the provisions described in clause (j) of paragraph (2) of the covenant described under "*Certain Covenants Limitation on Indebtedness*";

(f) Liens for taxes not delinquent or statutory Liens for taxes, the nonpayment of which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the Company and its Restricted Subsidiaries or that are being contested in good faith by appropriate proceedings and as to which the Company or its Restricted Subsidiaries shall have set aside on its books such reserves as may be required pursuant to GAAP;

(g) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business for sums not yet delinquent for a period of more than 60 days or being contested in good faith and by appropriate proceedings;

(h) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government

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or other contracts, performance and return-of-money bonds and other similar obligations (in each case, exclusive of obligations for the payment of borrowed money);

(i) (A) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar agreements relating thereto and (B) any condemnation or eminent domain proceedings affecting any real property;

(j) judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review or appeal of such judgment shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(k) easements, rights-of-way, zoning restrictions, utility agreements, covenants, restrictions and other similar charges, encumbrances or title defects or leases or subleases granted to others, in respect of real property not interfering in the aggregate in any material respect with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries;

(l) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(m) Liens securing Indebtedness incurred pursuant to clause (h) of paragraph (2) of the covenant described under "*Certain Covenants Limitation on Indebtedness*";

(n) Liens securing Indebtedness incurred pursuant to clause (d) of paragraph (2) of the covenant described under "*Certain Covenants Limitation on Indebtedness*" to finance the construction, purchase or lease of, or repairs, improvements or additions to, property, plant or equipment of the Company or any Restricted Subsidiary; *provided*, *however*, that the Lien may not extend to any other property owned by the Company or any Restricted Subsidiary at the time the Lien is incurred (other than assets and property affixed or appurtenant thereto), and the Indebtedness (other than any interest thereon) secured by the Lien may not be incurred more than 180 days after the later of the acquisition, completion of construction, repair, improvement, addition or commencement of full operation of the property subject to the Lien;

(o) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(p) Liens securing refinancing Indebtedness permitted under clause (i) of paragraph (2) of the covenant described under "*Certain Covenants Limitation on Indebtedness*"; *provided* that such Liens do not exceed the Liens replaced in connection with such refinanced Indebtedness or as provided for under the terms of the Indebtedness being replaced;

(q) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Company or any of its Restricted Subsidiaries, including rights of offset and set-off;

(r) Liens securing Hedging Obligations, in each case which relate to Indebtedness that is secured by Liens otherwise permitted under the 2026 Indenture;

(s) customary Liens on assets of a Special Purpose Vehicle arising in connection with a Securitization Transaction;

(t) any interest or title of a lessor, sublessor, licensee or licensor under any lease, sublease, sublicense or license agreement not prohibited by the 2026 Indenture;

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(u) Liens attaching solely to cash earnest money deposits in connection with any letter of intent or purchase agreement in connection with an acquisition permitted under the terms of the 2026 Indenture;

(v) Liens on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent that such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(w) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(x) any encumbrance or restriction (including, but not limited to, put and call agreements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(y) Liens on insurance proceeds or unearned premiums incurred in the ordinary course of business in connection with the financing of insurance premiums;

(z) Liens created in favor of the Trustee for the 2026 Notes as provided in the 2026 Indenture;

(aa) Liens arising by operation of law in the ordinary course of business;

(bb) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(cc) Liens relating to pooled deposit or sweep accounts to permit satisfaction of overdraft, cash pooling or similar obligations incurred in the ordinary course of business;

(dd) Liens incurred by the Company or any Restricted Subsidiary; *provided* that at the time any such Lien is incurred, the obligations secured by such Lien, when added to all other obligations secured by Liens incurred pursuant to this clause (dd), shall not exceed the greater of $765.0 million and 10.0% of Consolidated Net Tangible Assets; and

(ee) Liens securing Indebtedness incurred in compliance with the covenant described under "*Certain Covenants Limitation on Indebtedness*"; *provided* that on the date of the incurrence of such Indebtedness after giving effect to such incurrence (or on the date of the initial borrowing of such Indebtedness after giving pro forma effect to the incurrence of the entire committed amount of such Indebtedness, in which case such committed amount may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this clause), no Default or Event of Default shall have occurred and be continuing and the Senior Secured Indebtedness Leverage Ratio shall not exceed 3.75:1.00.

For purposes of determining compliance with this definition, (*x*) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category), (*y*) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens, the Company shall, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition, and (*z*) in the event that a portion of Indebtedness secured by a Lien could be classified as secured in part pursuant to clause (ee) above (giving effect to the incurrence of such portion of such Indebtedness), the Company, in its sole discretion, may classify such portion of such Indebtedness (and any obligations in respect thereof) as having been secured pursuant to clause (ee) above and thereafter the remainder of such Indebtedness as having been secured pursuant to one or more of the other clauses of this definition.

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"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"*Preferred Stock*," as applied to any person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such person, over shares of Capital Stock of any other class of such person.

"*Purchase Money Obligations*" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any person owning such property or assets, or otherwise; *provided* that such Indebtedness is incurred within 180 days after such acquisition.

"*Quotation Agent*" means a Reference Treasury Dealer selected by the Company.

"*Rating Agencies*" mean Moody's and S&P or if Moody's or S&P or both shall not make a rating on the 2026 Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Company which shall be substituted for Moody's or S&P or both, as the case may be.

"*Receivables Securitization Transaction*" means any sale, discount, assignment or other transfer by the Company or any Subsidiary of the Company of accounts receivable, lease receivables or other payment obligations owing to the Company or such Subsidiary of the Company or any interest in any of the foregoing, together in each case with any collections and other proceeds thereof, any collection or deposit account related thereto, and any collateral, guarantees or other property or claims supporting or securing payment by the obligor thereon of, or otherwise related to, or subject to leases giving rise to, any such receivables.

"*Redeemable Capital Stock*" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is or upon the happening of an event or passage of time would be, required to be redeemed prior to the Maturity Date or is redeemable at the option of the holder thereof at any time prior to the Maturity Date, or is convertible into or exchangeable for debt securities at any time prior to the Maturity Date; *provided*, *however*, that Capital Stock will not constitute Redeemable Capital Stock solely because the holders thereof have the right to require the Company to repurchase or redeem such Capital Stock upon the occurrence of a "change of control" or an "asset sale."

"*Reference Treasury Dealer*" means each of three nationally recognized investment banking firms selected by the Company that are primary U.S. Government securities dealers.

"*Reference Treasury Dealer Quotations*" means with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day immediately preceding such redemption date.

"*Related Business*" means any business in which the Company or any of the Restricted Subsidiaries was engaged on the Issue Date and any business, related, complementary, ancillary or incidental to such business or extensions, developments or expansions thereof.

"*Restricted Subsidiary*" means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

"*RS Special Purpose Vehicle*" means a trust, bankruptcy remote entity or other special purpose entity which is a Subsidiary of the Company or Holdings (or, if not a Subsidiary of the Company or Holdings, the

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common equity of which is wholly owned, directly or indirectly, by the Company or Holdings) and which is formed for the purpose of, and engages in no material business other than, acting as an issuer or a depositor in a Receivables Securitization Transaction (and, in connection therewith, owning accounts receivable, lease receivables, other rights to payment, leases and related assets and pledging or transferring any of the foregoing or interests therein).

"*RSC Merger*" means the merger of RSC Holdings Inc. with and into Holdings, as effected on and subsequent to April 30, 2012.

"*RSC Merger Transactions*" means the transactions necessary to effect the RSC Merger, including (a) the RSC Merger, (b) the merger of all of the U.S. Subsidiaries of RSC Holdings Inc. and their successors in interest into one or more Subsidiaries of Holdings, (c) the mergers of one or more U.S. Subsidiaries of Holdings into one or more other U.S. Subsidiaries of Holdings, (d) the merger, amalgamation, consolidation and/or liquidation of RSC Holdings Inc.'s Foreign Subsidiaries into one or more Foreign Subsidiaries of the Company, (e) the issuance of debt securities and borrowings under the Credit Agreement in connection with the RSC Merger, (f) the amendment and increase of the Credit Agreement in connection with the RSC Merger, (g) the amendment and refinancing of the Existing Securitization Facility in connection with the RSC Merger and (h) any other transactions contemplated in connection with the RSC Merger and any other financing transactions in connection with the RSC Merger.

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

"*Sale/Leaseback Transaction*" means an arrangement relating to property owned by the Company or a Restricted Subsidiary on the Issue Date or thereafter acquired by the Company or a Restricted Subsidiary whereby the Company or a Restricted Subsidiary transfers such property to a person and the Company or a Restricted Subsidiary leases it from such person.

"*SEC*" means the Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Secured Notes*" means the Company's 4$^{5}/_{8}$% Senior Secured Notes due 2023.

"*Securitization Transaction*" means an Equipment Securitization Transaction or a Receivables Securitization Transaction.

"*Senior Secured Indebtedness Leverage Ratio*" means, with respect to any Person, on any date of determination, a ratio (i) the numerator of which is the aggregate principal amount (or accreted value, as the case may be) of Indebtedness that is secured by a Lien of such Person and its Restricted Subsidiaries on a consolidated basis outstanding on such date, less the amount of cash and Cash Equivalents that would be stated on the consolidated balance sheet of such Person and held by such Person or its Restricted Subsidiaries, as determined in accordance with GAAP, as of the date of determination, and (ii) the denominator of which is the Consolidated Cash Flow Available for Fixed Charges of such Person for the four full fiscal quarters, treated as one period, for which financial information in respect thereof is available immediately preceding the date of such calculation, in each case calculated with the pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of "Consolidated Fixed Charge Coverage Ratio."

"*Significant Subsidiary*" of any person means a Restricted Subsidiary of such person which would be a significant subsidiary of such person as determined in accordance with the definition in Rule 1-02(w) of Article 1 of Regulation S-X promulgated by the SEC and as in effect on the Issue Date.

"*Similar Business*" means any businesses conducted or proposed to be conducted by the Company and its Restricted Subsidiaries on the Issue Date and any other activities that are similar, ancillary or reasonably related to, or a reasonable extension, expansion or development of such business or ancillary thereto.

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"*Special Purpose Vehicle*" means an ES Special Purpose Vehicle or an RS Special Purpose Vehicle.

"*Standard Securitization Undertakings*" means representations, warranties, covenants and indemnities entered into by the Company or any of its Restricted Subsidiaries that are reasonably customary in a Securitization Transaction.

"*Stated Maturity*" means, when used with respect to any 2026 Note or any installment of interest thereon, the date specified in such 2026 Note as the fixed date on which the principal of such 2026 Note or such installment of interest is due and payable, and when used with respect to any other Indebtedness, means the date specified in the instrument governing such Indebtedness as the fixed date on which the principal of such Indebtedness, or any installment of interest thereon, is due and payable.

"*Subordinated Indebtedness*" means, with respect to a person, Indebtedness of such person (whether outstanding on the Issue Date or thereafter incurred) which is subordinate or junior in right of payment to the 2026 Notes or a guarantee of the 2026 Notes by such person, as the case may be, pursuant to a written agreement to that effect.

"*Subsidiary*" means, with respect to any person:

(i) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such person, by one or more Subsidiaries of such person or by such person and one or more Subsidiaries thereof; and

(ii) any other person (other than a corporation), including, without limitation, a partnership, limited liability company, business trust or joint venture, in which such person, one or more Subsidiaries thereof or such person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, has a majority ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other person performing similar functions).

For purposes of this definition, any directors' qualifying shares or investments by foreign nationals mandated by applicable law shall be disregarded in determining the ownership of a Subsidiary.

"*Subsidiary Guarantors*" means each of the Company's Domestic Restricted Subsidiaries that executes a subsidiary guarantee in accordance with the provisions of the 2026 Indenture, and their respective successors and assigns.

"*Total Indebtedness Leverage Ratio*" means, with respect to any Person, on any date of determination, a ratio (i) the numerator of which is the aggregate principal amount (or accreted value, as the case may be) of Indebtedness of such Person and its Restricted Subsidiaries on a consolidated basis outstanding on such date, less the amount of cash and Cash Equivalents that would be stated on the consolidated balance sheet of such Person and held by such Person or its Restricted Subsidiaries, as determined in accordance with GAAP, as of the date of determination, (ii) and the denominator of which is the Consolidated Cash Flow Available for Fixed Charges of such Person for the four full fiscal quarters, treated as one period, for which financial information in respect thereof is available immediately preceding the date of such calculation, in each case calculated with the pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of "Consolidated Fixed Charge Coverage Ratio."

"*Transactions*" means the issuance of the 2026 Notes and the Guarantees.

"*Unrestricted Subsidiary*" means (a) United Rentals Receivables LLC II and any other Special Purpose Vehicles and (b) each Subsidiary of the Company designated as such pursuant to and in compliance with the covenant described under "*Certain Covenants Limitation on Designations of Unrestricted Subsidiaries*" and each Subsidiary of such Unrestricted Subsidiary. As of the Issue Date, United Rentals Receivables LLC II will be the only Unrestricted Subsidiary.

"*U.S. Government Obligations*" means securities that are (a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (b) obligations of Person

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controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of that is unconditionally guaranteed as a full faith and credit obligation of the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depositary receipt; *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 Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depositary receipt.

"*Voting Stock*" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect a majority of the board of directors, managers or trustees of any person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"*Wholly Owned Restricted Subsidiary*" means any Restricted Subsidiary of which 100% of the outstanding Capital Stock is owned by the Company or another Wholly Owned Restricted Subsidiary. For purposes of this definition, any directors' qualifying shares or investments by foreign nationals mandated by applicable law shall be disregarded in determining the ownership of a Subsidiary.

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DESCRIPTION OF THE REOPENED 2027 NOTES

We will issue the reopened 2027 notes (together with the original 2027 notes, the "2027 Notes") under the indenture (the "2027 Indenture"), dated as of November 7, 2016, among us, the Guarantors and Wells Fargo Bank, National Association, as trustee (the "Trustee").

The terms of the 2027 Notes will include those expressly set forth in the 2027 Indenture and those made part of the 2027 Indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The following description is a summary of the material provisions of the 2027 Notes and the 2027 Indenture and does not purport to be complete. This summary is subject to and is qualified by reference to all of the provisions of the 2027 Notes and the 2027 Indenture, including the definitions of certain terms used in the 2027 Indenture. We urge you to read these documents because they, and not this description, define your rights as a holder of the reopened 2027 notes. Copies of the 2027 Indenture are available as set forth below under "*Additional Information*."

Certain terms used in this description are defined under the caption "*Certain Definitions*." Defined terms used in this description but not defined under "*Certain Definitions*" will have the meanings assigned to them in the 2027 Indenture. Unless the context otherwise requires, references to "*2027 Notes*" include the original 2027 notes, the reopened 2027 notes offered hereby and any other Additional Notes (as defined below). In this description, the words "*Company*," "*we*" and "*our*" refer only to United Rentals (North America), Inc. and not to any of its subsidiaries.

Brief Description of the 2027 Notes

The 2027 Notes will be:

- general unsecured obligations of the Company;
- *pari passu* in right of payment with all existing and future senior Indebtedness of the Company;
- effectively junior to all of the Company's existing and future secured Indebtedness to the extent of the value of the collateral securing such Indebtedness;
- senior in right of payment to any existing and future Subordinated Indebtedness of the Company; and
- guaranteed by Holdings and the Subsidiary Guarantors.

The Company's Subsidiaries, with limited exceptions, are "Restricted Subsidiaries." As of and for the year ended December 31, 2016, the Unrestricted Subsidiaries represented 7% of Holdings' total assets and had no revenue. Under the circumstances described below under the captions "*Certain Covenants Limitation on Designations of Unrestricted Subsidiaries*" and "*Certain Covenants Limitation on Restricted Payments*," the Company will be permitted to designate certain of its other Subsidiaries as "Unrestricted Subsidiaries." The Company's Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the 2027 Indenture. The Company's Unrestricted Subsidiaries will not guarantee the 2027 Notes.

As of December 31, 2016, on an as adjusted basis, after giving effect to the issuance of the reopened 2027 notes and the guarantees (the "Guarantees"), the issuance of the reopened 2026 notes and the related guarantees, additional borrowings of approximately $523 million under the Credit Agreement to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom as described under "*Use of Proceeds*," the reopened 2027 notes would have ranked (1) equally in right of payment with $4.8 billion principal amount of our other senior unsecured obligations, comprised of $475 million principal amount of 7⅝% Senior Notes due 2022, $925 million principal amount of 6⅛ Senior Notes due 2023, $850 million principal amount of 5¾% Senior Notes due 2024, $800 million principal amount of 5½% Senior Notes due 2025, $1 billion principal amount of 5⅞%

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Senior Notes due 2026 (including the $250 million of reopened 2026 notes to be issued concurrently with the reopened 2027 notes) and $750 million principal amount of original 2027 notes; (2) effectively junior to approximately $3.2 billion of our secured obligations, comprised of (i) $2.074 billion of our outstanding borrowings under the Credit Agreement (excluding $286 million of additional borrowing capacity, net of outstanding letters of credit of $36 million), (ii) $1 billion principal amount of the Secured Notes, (iii) our guarantee obligations in respect of $103 million of the outstanding borrowings of our Subsidiary Guarantors under the Credit Agreement, (iv) $53 million in capital leases and (v) our guarantee obligations in respect of $8 million of capital leases of our Subsidiary Guarantors; and (3) effectively junior to (i) $568 million of indebtedness of our special purpose vehicle in connection with the Existing Securitization Facility, (ii) $7 million of capital leases of our Subsidiaries that are not Guarantors and (iii) $3 million of capital leases of Holdings. Most of our U.S. receivable assets have been sold to our special purpose vehicle in connection with our Existing Securitization Facility (the accounts receivable in the collateral pool being the lenders' only source of payment under that facility). See "*Capitalization*."

Principal, Maturity and Interest

The Company will issue the reopened 2027 notes in this offering in an aggregate principal amount of $250 million. Upon issuance of the reopened 2027 notes, the aggregate principal amount outstanding of our 2027 Notes will be $1 billion. The reopened 2027 notes will have identical terms, be fungible with and be part of a single series of senior debt securities with the original 2027 notes.

The 2027 Notes will mature on May 15, 2027. Subject to its compliance with the covenant described under the caption " *Certain Covenants Limitation on Indebtedness*," the Company will be permitted to issue additional 2027 Notes under the 2027 Indenture (the "Additional Notes"). The 2027 Notes offered hereby and any Additional Notes will rank equally and be treated as a single class for all purposes of the 2027 Indenture, including waivers, amendments, redemptions and offers to purchase. Interest on the 2027 Notes will accrue at the rate of 5.500% per annum and will be payable semiannually in arrears on February 15 and August 15 of each year, to the holders of record of 2027 Notes at the close of business on February 1 and August 1, respectively, immediately preceding such interest payment date, except that the last payment of interest will be made on May 15, 2027, to the holders of record of 2027 Notes at the close of business on May 1, 2027. The next interest payment with respect to the 2027 Notes will be made on August 15, 2017.

Interest on the 2027 Notes will accrue from the most recent date to which interest has been paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The reopened 2027 notes will be issued only in registered form without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof. Principal of, premium, if any, and interest on the 2027 Notes will be payable, and the 2027 Notes will be transferable, at the designated corporate trust office or agency of the Trustee in the City of New York maintained for such purposes. In addition, interest may be paid at the option of the Company by check mailed to the person entitled thereto as shown on the security register. No service charge will be made for any transfer, exchange or redemption of 2027 Notes, except in certain circumstances for any tax or other governmental charge that may be imposed in connection therewith.

Initial settlement for the reopened 2027 notes will be made in same-day funds. The 2027 Notes are expected to trade in the Same-Day Funds Settlement System of The Depository Trust Company ("DTC") until maturity, and secondary market trading activity for the 2027 Notes will therefore settle in same-day funds.

Guarantees

Holdings and the Subsidiary Guarantors will fully and unconditionally guarantee, on a senior unsecured basis, jointly and severally, to each holder of the 2027 Notes and the Trustee under the 2027

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Indenture, the full and prompt performance of the Company's obligations under the 2027 Indenture and such 2027 Notes, including the payment of principal of, premium, if any, and interest on the 2027 Notes. Subject to limited exceptions, the Subsidiary Guarantors are the current and future Domestic Restricted Subsidiaries of the Company, other than (unless otherwise determined by the Company) any Foreign Subsidiary Holding Company or Subsidiary of a Foreign Subsidiary.

The obligations of each Subsidiary Guarantor will be limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of such Subsidiary Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Subsidiary Guarantor in respect of the obligations of such other Subsidiary Guarantor under its guarantee or pursuant to its contribution obligations under the 2027 Indenture, will result in the obligations of such Subsidiary Guarantor under the guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. See "*Risk Factors Risks Relating to the Reopened Notes A guarantee by a subsidiary guarantor could be voided if the subsidiary guarantor fraudulently transferred the guarantee at the time it incurred the indebtedness, which could result in the holders of the reopened notes being able to rely only on URNA and Holdings to satisfy claims*."

Each Subsidiary Guarantor that makes a payment under its guarantee of the 2027 Notes will be entitled to a contribution from each other Guarantor of the 2027 Notes in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP (for purposes hereof, Holdings' net assets shall be those of all its consolidated Subsidiaries other than the Subsidiary Guarantors); *provided*, *however*, that during a Default, the right to receive payment in respect of such right of contribution shall be suspended until the payment in full of all guaranteed obligations under the 2027 Indenture.

Each guarantee of the 2027 Notes:

will be a general unsecured obligation of that Guarantor;

will be *pari passu* in right of payment with all existing and future senior Indebtedness of that Guarantor;

will be effectively junior to all of that Guarantor's existing and future secured Indebtedness to the extent of the value of the collateral securing such Indebtedness; and

will be senior in right of payment to any existing and future Subordinated Indebtedness of that Guarantor.

As of December 31, 2016, on an as adjusted basis, after giving effect to the issuance of the reopened 2027 notes and the Guarantees, the issuance of the reopened 2026 notes and the related guarantees, additional borrowings of approximately $523 million under the Credit Agreement to finance the NES Acquisition (and pay related fees and expenses) and the assumed application of the net proceeds therefrom as described under "*Use of Proceeds*," the Guarantees would have ranked (1) equally in right of payment with approximately $4.8 billion of the Guarantors' other senior unsecured obligations, comprised of the Guarantors' guarantee obligations in respect of (a) $475 million principal amount of $7^{5}/_{8}$% Senior Notes due 2022, (b) $925 million principal amount of the $6^{1}/_{8}$% Senior Notes due 2023, (c) $850 million principal amount of $5^{3}/_{4}$% Senior Notes due 2024, (d) $800 million principal amount of $5^{1}/_{2}$% Senior Notes due 2025, (e) $1 billion principal amount of $5^{7}/_{8}$% Senior Notes due 2026 (including the $250 million of reopened 2026 notes to be issued concurrently with the reopened 2027 notes) and (f) $750 million principal amount of original 2027 notes; (2) effectively junior to approximately $3.2 billion of the Guarantors' secured obligations, comprised of (i) the Guarantors' guarantee obligations in respect of $2.074 billion of our outstanding borrowings under the Credit Agreement, (ii) $103 million of the outstanding borrowings of our Subsidiary Guarantors under the Credit Agreement, (iii) the Guarantors' guarantee obligations in respect of $1 billion principal amount of the Secured Notes, (iv) the Guarantors' guarantee obligations in respect of $53 million in our capital leases, (v) $8 million of capital leases of our

< of the applicable series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Company Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the Company Covenant Defeasance had not occurred;

if the cash and government obligations deposited are sufficient to pay the outstanding Company Debt Securities of the applicable series on a particular redemption date, the Company shall have given the Trustee irrevocable instructions to redeem those Company Debt Securities on that date;

no Event of Default or default that with notice or lapse of time or both would become an Event of Default with respect to the Company Debt Securities of the applicable series shall have occurred and be continuing on the date of the deposit into trust; and, solely in the case of Company Legal Defeasance, no Event of Default arising from specified events of bankruptcy, insolvency, or reorganization with respect to the Company or default which with notice or lapse of time or both would become such an Event of Default shall have occurred and be continuing during the period ending on the 91st day after the date of the deposit into trust; and

the Company shall have delivered to the Trustee an officer's certificate and opinion of counsel to the effect that all conditions precedent to the Company Legal Defeasance or Company Covenant Defeasance, as the case may be, have been satisfied.

In the event the Company effects Company Covenant Defeasance with respect to the Company Debt Securities of any series and those Company Debt Securities are declared due and payable because of the occurrence of any Event of Default other than an Event of Default with respect to the covenants as to which Company Covenant Defeasance has been effected, which covenants would no longer be applicable to the Company Debt Securities of that series after Company Covenant Defeasance, the amount of monies and/or government obligations deposited with the Trustee to effect Company Covenant Defeasance may not be sufficient to pay amounts due on the Company Debt Securities of that series at the time of any acceleration resulting from that Event of Default. However, the Company would remain liable to make payment of those amounts due at the time of acceleration.

The applicable prospectus supplement may further describe the provisions, if any, permitting or restricting Company Legal Defeasance or Company Covenant Defeasance with respect to the Company Debt Securities of a particular series.

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Concerning the Trustee

There may be more than one Trustee under the Company Indenture, each with respect to one or more series of the Company Debt Securities. If there are different Trustees for different series of the Company Debt Securities, each Trustee will be a trustee separate and apart from any other Trustee under the Company Indenture. Unless otherwise specified in the applicable prospectus supplement, any action permitted to be taken by a Trustee may be taken by such Trustee only with respect to the one or more series of Debt Securities for which it is the trustee under the Company Indenture. Any Trustee under the Company Indenture may resign or be removed with respect to one or more series of the Company Debt Securities. All payments of principal of, and premium, if any, and interest, if any, on, and all registration, transfer, exchange, authentication and delivery (including authentication and delivery on original issuance of the Company Debt Securities) of, the Company Debt Securities of a series will be effected by the Trustee with respect to that series at an office designated by the Trustee.

U.S. Bank National Association is the trustee under the Company Indenture. The Company may maintain corporate trust relationships in the ordinary course of business with the Trustee. The Trustee shall have and be subject to all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to the provisions of the Trust Indenture Act, the Trustee is under no obligation to exercise any of the powers vested in it by the Company Indenture at the request of any holder of the Company Debt Securities unless offered indemnity or security reasonably acceptable to it by the holder against the costs, expense and liabilities which might be incurred thereby.

Under the Trust Indenture Act, the Company Indenture is deemed to contain limitations on the right of the Trustee, should it become a creditor of the Company, to obtain payment of claims in some cases or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee may engage in other transactions with the Company. If it acquires any conflicting interest relating to any of its duties with respect to the Company Debt Securities, however, it must eliminate the conflict or resign as Trustee.

Governing Law

The Company Indenture and the Company Debt Securities will be governed by, and construed in accordance with, the laws of the State of New York.

Notices

All notices to holders of Company Debt Securities shall be validly given if in writing and mailed, first-class postage prepaid, to them at their respective addresses in the register maintained by the Trustee or by electronic means in the case of global securities.

DESCRIPTION OF WPC FINANCE DEBT SECURITIES AND THE GUARANTEE

The WPC Finance Debt Securities will be issued in one or more series under an indenture, to be entered into between WPC Finance, as issuer, the Company, as guarantor, and U.S. Bank National Association, as trustee. References herein to the "***WPC Finance Indenture***" refer to such indenture and references to the "***Trustee***" in this "Description of WPC Finance Debt Securities and the Guarantee" refer to such trustee or any other trustee for any particular series of WPC Finance Debt Securities issued under the WPC Finance Indenture. The terms of the WPC Finance Debt Securities of any series will be those specified in or pursuant to the WPC Finance Indenture and in the applicable WPC Finance Debt Securities of that series and those made part of the WPC Finance Indenture by the Trust Indenture Act.

The following description of WPC Finance Debt Securities describes general terms and provisions of the series of WPC Finance Debt Securities to which any prospectus supplement may relate. When

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the WPC Finance Debt Securities of a particular series are offered for sale, the specific terms of such WPC Finance Debt Securities will be described in the applicable prospectus supplement. If any terms of such WPC Finance Debt Securities described in a prospectus supplement are inconsistent with any of the terms of the WPC Finance Debt Securities generally described in this prospectus, then the terms described in the applicable prospectus supplement will supersede the terms described in this prospectus.

The following description of selected provisions of the WPC Finance Indenture and the WPC Finance Debt Securities is not complete, and the description of selected terms of the WPC Finance Debt Securities of a particular series included in the applicable prospectus supplement also will not be complete. You should review the form of the WPC Finance Indenture and the form of the applicable WPC Finance Debt Securities, which forms have been or will be filed as exhibits to the registration statement of which this prospectus is a part, or as exhibits to documents that have been or will be incorporated by reference in this prospectus. To obtain a copy of the form of the WPC Finance Indenture or the form of the applicable WPC Finance Debt Securities, see "Where You Can Find More Information; Incorporation by Reference" in this prospectus. The following description of WPC Finance Debt Securities and the description of the WPC Finance Debt Securities of a particular series in the applicable prospectus supplement are qualified in their entirety by reference to all of the provisions of the WPC Finance Indenture and the applicable WPC Finance Debt Securities, which provisions, including defined terms, are, or will be, incorporated by reference in this prospectus, and to those made part of the WPC Finance Indenture by the Trust Indenture Act. Capitalized terms used but not defined in the following description will have the meanings assigned to those terms in the WPC Finance Indenture or, if applicable, the WPC Finance Debt Securities.

WPC Finance may also guarantee obligations of its direct or indirect subsidiaries. Any liability WPC Finance may have for its subsidiaries' obligations could reduce its assets that are available to satisfy its direct creditors, including holders of the WPC Finance Debt Securities. In addition, any unsecured WPC Finance Debt Securities will be effectively junior to WPC Finance's secured debt to the extent of the value of the collateral security securing the same.

General

The WPC Finance Debt Securities will constitute the unsecured and unsubordinated obligations of WPC Finance and will rank on parity in right of payment among themselves and with all of WPC Finance's other existing and future unsecured and unsubordinated indebtedness. WPC Finance may issue an unlimited principal amount of WPC Finance Debt Securities under the WPC Finance Indenture. The WPC Finance Indenture provides that WPC Finance Debt Securities of any series may be issued up to the aggregate principal amount that may be authorized from time to time by WPC Finance. Please read the applicable prospectus supplement relating to the WPC Finance Debt Securities of the particular series being offered thereby for selected terms of such WPC Finance Debt Securities, including, without limitation, where applicable:

the title of such series of the WPC Finance Debt Securities;

the aggregate principal amount of the WPC Finance Debt Securities of such series and any limit thereon;

the date or dates on which WPC Finance will pay the principal of, and premium, if any, on, the WPC Finance Debt Securities of such series, or the method or methods, if any, used to determine such date or dates;

the rate or rates, which may be fixed or variable, at which the WPC Finance Debt Securities of such series will bear interest, if any, or the method or methods, if any, used to determine such rate or rates;

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the basis used to calculate interest, if any, on the WPC Finance Debt Securities of such series if other than a 360-day year of twelve 30-day months;

the date or dates, if any, from which interest on the WPC Finance Debt Securities of such series will accrue, or the method or methods, if any, used to determine such date or dates;

the date or dates, if any, on which interest on the WPC Finance Debt Securities of such series will be payable and the record dates for any such payment of interest;

the terms and conditions, if any, upon which WPC Finance is required to, or may, at its option, redeem WPC Finance Debt Securities of such series;

the terms and conditions, if any, upon which WPC Finance will be required to repurchase WPC Finance Debt Securities of such series at the option of holders of WPC Finance Debt Securities of such series;

the terms of any sinking fund or analogous provision applicable to the WPC Finance Debt Securities of such series;

the portion of the principal amount of the WPC Finance Debt Securities of such series payable upon acceleration of the maturity thereof if other than the full principal amount;

the authorized denominations in which the WPC Finance Debt Securities of such series will be issued;

the place or places where (i) amounts due on the WPC Finance Debt Securities of such series will be payable (ii) the WPC Finance Debt Securities of such series may be surrendered for registration of transfer and exchange and (iii) notices or demands to or upon WPC Finance or the Trustee in respect of the WPC Finance Debt Securities of such series or the WPC Finance Indenture may be served;

the currency or currencies in which purchases of, and payments on, the WPC Finance Debt Securities of such series must be made;

whether the amount of payments due on the WPC Finance Debt Securities of such series may be determined with reference to an index, formula, or other method or methods (any of those WPC Finance Debt Securities being referred to as Indexed Securities) and the manner used to determine those amounts;

any addition to, modification of, or deletion of, any covenant or Event of Default (as defined below) with respect to the WPC Finance Debt Securities of such series;

the identity of the depositary for the global WPC Finance Debt Securities and the terms of the depositary arrangement if other than as specified below;

the circumstances under which WPC Finance will pay additional amounts on the WPC Finance Debt Securities of such series in respect of any Additional Amounts and whether WPC Finance will have the option to redeem such WPC Finance Debt Securities rather than pay the Additional Amounts; and

any other terms of the WPC Finance Debt Securities of such series.

As used in this prospectus, references to the principal of, and premium, if any, and interest, if any, on, the WPC Finance Debt Securities of a series include Additional Amounts, if any, payable on the WPC Finance Debt Securities of such series in that context.

WPC Finance may issue WPC Finance Debt Securities as original issue discount securities to be sold at a substantial discount below their principal amount. In the event of an acceleration of the maturity of any original issue discount security, the amount payable to the holder upon acceleration will

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be determined in the manner described in the applicable prospectus supplement. Important federal income tax and other considerations applicable to original issue discount securities will be described in the applicable prospectus supplement.

The terms of the WPC Finance Debt Securities of any series may be inconsistent with the terms of the WPC Finance Debt Securities of any other series. Unless otherwise specified in the applicable prospectus supplement, WPC Finance may, without the consent of, or notice to, the holders of the WPC Finance Debt Securities of any series, reopen an existing series of WPC Finance Debt Securities and issue additional WPC Finance Debt Securities of that series.

Other than to the extent provided in " Merger, Consolidation and Transfer of Assets" below or to the extent provided with respect to the WPC Finance Debt Securities of a particular series and described in the applicable prospectus supplement, the WPC Finance Indenture will not contain any provisions that would limit WPC Finance's ability to incur indebtedness or to substantially reduce or eliminate its consolidated assets, or that would afford holders of the WPC Finance Debt Securities protection in the event of:

- a recapitalization or other highly leveraged or similar transaction involving the Company, any of its subsidiaries (including WPC Finance) or affiliates or its management;
- a change of control involving the Company or its subsidiaries (including WPC Finance) or affiliates; or
- a reorganization, restructuring, merger, or similar transaction involving the Company, its subsidiaries (WPC Finance) or its affiliates.

Accordingly, WPC Finance's ability to service its indebtedness (including the WPC Finance Debt Securities) could be materially and adversely affected in the future.

Guarantee of the WPC Finance Debt Securities

The Company will fully, unconditionally and irrevocably guarantee to each holder and the Trustee the full and punctual payment of principal of, premium, if any, and interest on the WPC Finance Debt Securities and any of the other obligations of WPC Finance under the WPC Finance Indenture with respect to the WPC Finance Debt Securities, when and as the same become due and payable, whether at maturity, upon redemption or repurchase, of acceleration or otherwise, including any Additional Amounts required to be paid in connection with certain taxes. Any obligation of the Company to make a payment may be satisfied by causing WPC Finance to make such payment.

The Company's Guarantee will be an unsecured and unsubordinated obligation of the Company and will rank equally in right of payment with all of the Company's other senior unsecured and unsubordinated indebtedness and guarantees from time to time outstanding.

The WPC Finance Indenture provides that in the event of a default in payment of principal of, premium, if any, and interest on senior WPC Finance Debt Securities of a particular series, the holder of such series of WPC Finance Debt Securities may institute legal proceedings directly against the Company to enforce the applicable Guarantee without first proceeding against WPC Finance.

Registration, Transfer, Payment and Paying Agent

Unless otherwise specified in the applicable prospectus supplement, each series of WPC Finance Debt Securities will be issued in registered form only, without coupons.

Unless otherwise specified in the applicable prospectus supplement, the WPC Finance Debt Securities may be surrendered for registration of transfer or exchange at an office of WPC Finance or an agent of WPC Finance in the City of New York. Unless otherwise specified in the applicable

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prospectus supplement, the WPC Finance Debt Securities will be payable at the office of the paying agent named in the applicable prospectus supplement. However, WPC Finance, at its option, may make payments of interest on any interest payment date for a WPC Finance Debt Security by check mailed to the address of the person entitled to receive that payment or by wire transfer to an account maintained by the payee with a bank located in the United States.

Any interest not punctually paid or duly provided for on any interest payment date with respect to the WPC Finance Debt Securities of any series will forthwith cease to be payable to the holders of those WPC Finance Debt Securities on the applicable regular record date. Such interest may be paid to the persons in whose names those WPC Finance Debt Securities are registered at the close of business on a special record date for the payment of the interest not punctually paid or duly provided for to be fixed by the Trustee or WPC Finance, notice whereof will be given to the holders of those WPC Finance Debt Securities not less than 10 days prior to the special record date, or may be paid at any time in any other lawful manner, all as completely set forth in the WPC Finance Indenture.

Subject to certain limitations imposed on WPC Finance Debt Securities issued in book-entry form, the WPC Finance Debt Securities of any series will be exchangeable for other WPC Finance Debt Securities of the same series and of a like aggregate principal amount and tenor of different authorized denominations, upon surrender of those WPC Finance Debt Securities at the designated place or places. In addition, subject to certain limitations imposed upon WPC Finance Debt Securities issued in book-entry form, the WPC Finance Debt Securities of any series may be surrendered for registration of transfer or exchange thereof at the designated place or places if duly endorsed or accompanied by a written instrument of transfer. No service charge will be made for any registration of transfer or exchange, redemption or repurchase of WPC Finance Debt Securities, but WPC Finance may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with certain of those transactions.

Unless otherwise specified in the applicable prospectus supplement, WPC Finance will not be required to:

- issue, register the transfer of, or exchange WPC Finance Debt Securities of any series during a period beginning at the opening of business 15 days before any selection of WPC Finance Debt Securities of that series of like tenor and terms to be redeemed and ending at the close of business on the day of that selection;

- register the transfer of or exchange any WPC Finance Debt Security, or portion of any WPC Finance Debt Security, called for redemption, except the unredeemed portion of any WPC Finance Debt Security being redeemed in part; or

- issue, register the transfer of or exchange a WPC Finance Debt Security that has been surrendered for repurchase at the option of the holder, except the portion, if any, of the WPC Finance Debt Security not to be repurchased.

Outstanding WPC Finance Debt Securities

In determining whether the holders of the requisite principal amount of outstanding WPC Finance Debt Securities have given any request, demand, authorization, direction, notice, consent or waiver under the WPC Finance Indenture:

- the principal amount of an original issue discount security that will be deemed to be outstanding for these purposes will be that portion of the principal amount of the original issue discount security that would be due and payable upon acceleration of the maturity of such original issue discount security as of the date of the determination;

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the principal amount of any Indexed Security that will be deemed to be outstanding for these purposes will be the principal amount of the Indexed Security determined on the date of its original issuance;

the principal amount of a WPC Finance Debt Security denominated in a currency other than U.S. Dollars will be the U. S. Dollar equivalent, determined on the date of its original issuance, of the principal amount of such WPC Finance Debt Security; and

a WPC Finance Debt Security owned by WPC Finance or any other obligor of such WPC Finance Debt Security or any affiliate of WPC Finance or such other obligor will be deemed not to be outstanding.

Payment of Additional Amounts

All payments in respect of the WPC Finance Debt Securities will be made by WPC Finance or the Company, as applicable without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied by the Netherlands or the United States or any taxing authority thereof or therein, as applicable, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, WPC Finance or the Company, as applicable, will pay to a holder who is not United States person such Additional Amounts on such WPC Finance Debt Securities as are necessary in order that the net payment by WPC Finance or the Company, as applicable, of principal of, and premium, if any, and interest on, such WPC Finance Debt Securities to such holder, after such withholding or deduction, will not be less than the amount provided in such WPC Finance Debt Securities to be then due and payable; *provided*, *however*, that the foregoing obligation to pay Additional Amounts will not apply:

i. to any tax, assessment or other governmental charge that would not have been imposed but for the holder, or a fiduciary, settlor, beneficiary, member or shareholder of the holder if the holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as:

A. being or having been engaged in a trade or business in the United States, or having had a permanent establishment in the United States, or having had a qualified business unit which has the United States dollar as its functional currency;

B. having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of such WPC Finance Debt Securities, the receipt of any payment or the enforcement of any rights thereunder) or being considered as having such relationship, including being or having been a citizen or resident of the United States;

C. being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or a foreign personal holding company that has accumulated earnings to avoid United States federal income tax;

D. being or having been a "10-percent shareholder" of the guarantor under the notes within the meaning of Section 871(h)(3) of the Code or any successor provision; or

E. being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business.

ii. to any holder that is not the sole beneficial owner of a WPC Finance Debt Security, or a portion of such WPC Finance Debt Security, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or member of the partnership or limited liability company would

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not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;

iii. to any tax, assessment or other governmental charge that would not have been imposed but for the failure of the holder or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States, of the holder or beneficial owner of a WPC Finance Debt Security, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

iv. to any tax, assessment or other governmental charge that is imposed otherwise than by withholding by us or a paying agent from the payment;

v. to any tax, assessment or other governmental charge that would not have been imposed but for a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;

vi. to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;

vii. to any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of any WPC Finance Debt Security, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

viii. to any withholding or deduction that is imposed on a payment pursuant to Sections 1471 through 1474 of the Code and related Treasury regulations and pronouncements (the Foreign Account Tax Compliance Act) or any successor provisions and any regulations or official law, agreement or interpretations thereof implementing an intergovernmental approach thereto; or

ix. in the case of any combination of items (i), (ii), (iii), (iv), (v), (vi), (vii), and (viii).

The WPC Finance Debt Securities are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable to the WPC Finance Debt Securities. Except as specifically provided under this heading " Payment of Additional Amounts," neither WPC Finance nor the Company, as applicable, will be required to make any payment for any tax, duty, assessment or governmental charge of whatever nature imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.

As used under this heading " Payment of Additional Amounts" and under the heading " Redemption for Tax Reasons," the term "United States" means the United States of America (including the states and the District of Columbia and any political subdivision thereof), and the term "United States person" means any individual who is a citizen or resident of the United States for U.S. federal income tax purposes; a corporation, partnership or other entity created or organized in or under the laws of the United States, any state of the United States or the District of Columbia, including an entity treated as a corporation for Unites States income tax purposes; or any estate or trust the income of which is subject to United States federal income taxation regardless of its source.

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Redemption and Repurchase

The WPC Finance Debt Securities of any series may be redeemable at WPC Finance's option or may be subject to mandatory redemption by WPC Finance as required by a sinking fund or otherwise. In addition, the WPC Finance Debt Securities of any series may be subject to repurchase by WPC Finance at the option of the holders thereof. The applicable prospectus supplement will describe the terms and conditions regarding any optional or mandatory redemption or optional repurchase of the WPC Finance Debt Securities of the particular series.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the Netherlands or the United States or any taxing authority thereof or therein, as applicable, or any change in, or amendments to, an official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after the date of the issuance of the WPC Finance Debt Securities of a series, WPC Finance or the Company becomes or, based upon a written opinion of independent counsel selected by them, will become obligated to pay Additional Amounts as described herein under the heading " Payment of Additional Amounts" with respect to the WPC Finance Debt Securities of such series, then WPC Finance may at any time at its option, having given not less than 30 nor more than 60 days prior notice to holders, redeem, in whole, but not in part, such WPC Finance Debt Securities at a redemption price equal to 100% of their principal amount of such WPC Finance Debt Securities, together with accrued and unpaid interest on such WPC Finance Debt Security to, but not including, the date fixed for redemption.

Merger, Consolidation and Transfer of Assets

The WPC Finance Indenture provides that neither WPC Finance nor the Company may, in any transaction or series of related transactions, (i) consolidate or amalgamate with or merge into any other person or (ii) sell, lease, assign, transfer or otherwise convey all or substantially all of the assets of WPC Finance or the Company, as applicable, and its subsidiaries, taken as a whole, to any other person, in each case, unless:

in such transaction or transactions, either (i) WPC Finance or the Company, as applicable, will be the continuing person (in the case of a merger) or (ii) the successor person (if other than WPC Finance or the Company, as applicable) formed by or resulting from the consolidation, amalgamation or merger or to which such assets will have been sold, leased, assigned, transferred or otherwise conveyed (A) is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands or a corporation, limited liability company, partnership or trust organized and existing under the laws of the United States of America, any state thereof or the District of Columbia or any territory thereof, as applicable, and (B) will, by a supplemental indenture to the WPC Finance Indenture, expressly assume the due and punctual performance of all of WPC Finance's or the Company's, as applicable, payment and other obligations under the WPC Finance Indenture and all of the WPC Finance Debt Securities and Guarantee outstanding thereunder;

immediately after giving effect to such transaction or transactions, no Event of Default under the WPC Finance Indenture, and no event which, after notice or lapse of time or both would become an Event of Default under the WPC Finance Indenture, will have occurred and be continuing; and

the Trustee will have received an officer's certificate and opinion of counsel from WPC Finance or the Company, as applicable, to the effect that all conditions precedent to such transaction or transactions have been satisfied.

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Upon any consolidation or amalgamation by WPC Finance or the Company, as applicable, with, or WPC Finance's or the Company's, as applicable, merger into, any other person or any sale, lease, assignment, transfer or other conveyance of all or substantially all of the assets of WPC Finance or the Company, as applicable, and its subsidiaries, taken as a whole, to any person, in each case in accordance with the provisions of the WPC Finance Indenture described above, the successor person formed by the consolidation or amalgamation or into which WPC Finance or the Company, as applicable, is merged or to which such sale, lease, assignment, transfer or other conveyance is made, as applicable, will succeed to, and be substituted for, WPC Finance or the Company, as applicable, and may exercise every right and power of WPC Finance or the Company, as applicable, under the WPC Finance Indenture with the same effect as if such successor person had been named as WPC Finance or the Company, as applicable, in the WPC Finance Indenture; and thereafter, the predecessor person will be released from all of its obligations and covenants under the WPC Finance Indenture and the outstanding WPC Finance Debt Securities and the Guarantee, as applicable.

Events of Default

Unless otherwise specified in the applicable prospectus supplement, an Event of Default with respect to the WPC Finance Debt Securities of any series is defined in the WPC Finance Indenture as being:

i. default for 30 days in the payment of any interest on, or any Additional Amounts payable in respect of any interest on, any WPC Finance Debt Security of that series;

ii. default in payment of any principal of, or premium, if any, on, or any Additional Amounts payable in respect of any principal of, or premium, if any, on, any WPC Finance Debt Security of that series when due, whether at stated maturity, upon redemption, upon repurchase at the option of the holder or otherwise;

iii. default in the deposit of any sinking fund payment or payment under any analogous provision when due with respect to any WPC Finance Debt Security of that series;

iv. default in the performance or observance, or breach, of any covenant or other agreement of WPC Finance or the Company, as applicable, in the WPC Finance Indenture or any WPC Finance Debt Security of that series not covered elsewhere in this section, other than a covenant or other agreement included in the WPC Finance Indenture solely for the benefit of a series of WPC Finance Debt Securities other than that series, which will not have been remedied for a period of 60 days after written notice to WPC Finance and the Company by the Trustee or to WPC Finance, the Company and the Trustee by the holders of at least 25% in aggregate principal amount of the WPC Finance Debt Securities of that series then outstanding;

v. default by WPC Finance or the Company, as applicable, to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise), in respect of any indebtedness for money borrowed by WPC Finance or the Company, as applicable, in excess of $50,000,000 principal amount, or a default under any such indebtedness resulting in the acceleration prior to the stated maturity of the principal amount of such indebtedness in excess of $50,000,000, and such indebtedness is not discharged or such acceleration is not rescinded or annulled within 30 days thereafter;

vi. specified events of bankruptcy, insolvency, or reorganization with respect to WPC Finance or the Company, as applicable, or their respective significant subsidiaries (as defined in Regulation S-X under the Securities Act);

vii. the Guarantee ceasing to be in full force and effect or the taking of any action by WPC Finance or the Company to question the validity of the Guarantee; or

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viii. any other Event of Default established for the WPC Finance Debt Securities of that series.

No Event of Default with respect to any particular series of WPC Finance Debt Securities necessarily constitutes an Event of Default with respect to any other series of WPC Finance Debt Securities. The Trustee is required to give notice to holders of the WPC Finance Debt Securities of the applicable series within 90 days after a responsible officer of the Trustee has actual knowledge of a default relating to such WPC Finance Debt Securities.

If an Event of Default specified in clause (vi) above occurs, then the principal amount of all the outstanding WPC Finance Debt Securities and unpaid interest, if any, accrued thereon will automatically become immediately due and payable. If any other Event of Default with respect to the outstanding WPC Finance Debt Securities of the applicable series occurs and is continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the WPC Finance Debt Securities of that series then outstanding may declare the principal amount of, or if WPC Finance Debt Securities of that series are original issue discount securities such lesser amount as may be specified in the terms of, the WPC Finance Debt Securities of that series, and unpaid interest, if any, accrued thereon to be due and payable immediately. However, upon specified conditions, the holders of a majority in aggregate principal amount of the WPC Finance Debt Securities of that series then outstanding may rescind and annul any such declaration of acceleration and its consequences.

The WPC Finance Indenture provides that no holders of WPC Finance Debt Securities of any series may institute any proceedings, judicial or otherwise, with respect to the WPC Finance Indenture, or for the appointment of a receiver or Trustee, or for any remedy thereunder, except in the case of failure of the Trustee, for 60 days, to act after it has received a written request to institute proceedings in respect of an Event of Default from the holders of at least 25% in aggregate principal amount of the outstanding WPC Finance Debt Securities of that series, as well as an offer of indemnity or security reasonably satisfactory to it, and no inconsistent direction has been given to the Trustee during such 60 day period by the holders of a majority in aggregate principal amount of the outstanding WPC Finance Debt Securities of that series. Notwithstanding any other provision of the WPC Finance Indenture, each holder of a WPC Finance Debt Security will have the right, which is absolute and unconditional, to receive payment of principal of, and premium, if any, and interest, if any, and any Additional Amounts on, that WPC Finance Debt Security on the respective due dates for those payments and to institute suit for the enforcement of those payments, and this right will not be impaired without the consent of such holder.

Subject to the provisions of the Trust Indenture Act requiring the Trustee, during the continuance of an Event of Default under the WPC Finance Indenture, to act with the requisite standard of care, the Trustee is under no obligation to exercise any of its rights or powers under the WPC Finance Indenture at the request or direction of any of the holders of WPC Finance Debt Securities of any series unless those holders have offered the Trustee indemnity or security reasonably satisfactory to it. The holders of a majority in aggregate principal amount of the outstanding WPC Finance Debt Securities of any series will have the right to 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 upon the Trustee, provided that the direction would not conflict with any rule or law or with the WPC Finance Indenture or with any series of WPC Finance Debt Securities, such direction would not be unduly prejudicial to the rights of any other holder of WPC Finance Debt Securities of that series (or the WPC Finance Debt Securities of any other series), and the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Within 120 days after the close of each fiscal year, WPC Finance and the Company must deliver to the Trustee an officer's certificate stating whether or not the certifying officer has knowledge of any Event of Default or default which, with notice or lapse of time or both, would become an Event of

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Default under the WPC Finance Indenture and, if so, specifying each such default and the nature and status thereof.

Modification, Waivers and Meetings

The WPC Finance Indenture permits WPC Finance, the Company and the Trustee, with the consent of the holders of a majority in aggregate principal amount of the outstanding WPC Finance Debt Securities of each series issued under the WPC Finance Indenture and affected by a modification or amendment (voting as separate classes), to modify or amend any of the provisions of the WPC Finance Indenture or of the WPC Finance Debt Securities of the applicable series or the rights of the holders of the WPC Finance Debt Securities of the applicable series under the WPC Finance Indenture. However, no modification or amendment will, without the consent of the holder of each outstanding WPC Finance Debt Security affected thereby:

change the stated maturity of the principal of, or premium, if any, or any instalment of interest, if any, on, or any Additional Amounts, if any, with respect to, any WPC Finance Debt Security; or

reduce the principal of, or premium, if any, on, any WPC Finance Debt Security or reduce the rate (or modify the calculation of such rate) of interest, if any, on, or the redemption or repurchase price of, or any Additional Amounts with respect to, any WPC Finance Debt Security or change WPC Finance's obligation to pay Additional Amounts; or

reduce the amount of principal of any original issue discount security that would be due and payable upon acceleration of the maturity thereof; or

change the date(s) on which, or period(s) in which, any WPC Finance Debt Security is subject to redemption or repurchase or otherwise alter the provisions with respect to the redemption or repurchase of any WPC Finance Debt Security in a manner that is adverse to the interests of the holder of such WPC Finance Debt Security; or

change any place where, or the currency in which, any WPC Finance Debt Security is payable; or

impair the holder's right to institute suit to enforce the payment of any WPC Finance Debt Security on or after their stated maturity, or in the case of redemption, on or after the redemption date, or in the case of repurchase, on or after the date for repurchase; or

reduce the percentage of the outstanding WPC Finance Debt Securities of any series whose holders must consent to any modification or amendment or any waiver of compliance with specific provisions of such WPC Finance Indenture or specified defaults under the WPC Finance Indenture and their consequences; or

modify the provisions relating to the requirements for the modification or amendment of the WPC Finance Indenture with the consent of each holder, of the waiver of compliance with specific provisions of the WPC Finance Indenture or specified defaults under the WPC Finance Indenture, except to increase the percentage of holders of WPC Finance Debt Securities of any series outstanding under the WPC Finance Indenture required to effect that action or to provide that certain other provisions of the WPC Finance Indenture may not be modified or waived without the consent of the holder of each outstanding WPC Finance Debt Security affected thereby; or

reduce the requirements for a quorum or voting at a meeting of holders of the applicable WPC Finance Debt Securities.

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The WPC Finance Indenture also contains provisions permitting WPC Finance, the Company and the Trustee, without the consent of the holders of any WPC Finance Debt Securities, to modify or amend the WPC Finance Indenture, among other things:

- to add to the Events of Default for all or any series of WPC Finance Debt Securities;
- to add to the covenants for the benefit of the holders of all or any series of WPC Finance Debt Securities;
- to provide for security of WPC Finance Debt Securities of all or any series or to add guarantees (in addition to the Guarantee) in favor of WPC Finance Debt Securities of all or any series;
- to establish the form or terms of WPC Finance Debt Securities of any series, and the form of the Guarantee of any series of WPC Finance Debt Securities;
- to cure any mistake or ambiguity or correct or supplement any provision in the WPC Finance Indenture which may be defective or inconsistent with other provisions in the WPC Finance Indenture, or to make any other provisions with respect to matters or questions arising under the WPC Finance Indenture, or to make any change necessary to comply with any requirement of the SEC in connection with the WPC Finance Indenture under the Trust Indenture Act, in each case which will not adversely affect the interests of the holders of any WPC Finance Debt Securities;
- to amend or supplement any provision contained in the WPC Finance Indenture, provided that the amendment or supplement does not apply to any outstanding WPC Finance Debt Securities issued before the date of the amendment or supplement and entitled to the benefits of that provision;
- to conform the terms of the WPC Finance Indenture or the WPC Finance Debt Securities of a series to the description thereof contained in any prospectus, prospectus supplement or other offering document relating to the offer and sale of those WPC Finance Debt Securities; or
- to modify, alter, amend or supplement the WPC Finance Debt Securities in any other respect that will not adversely affect the interests of any of the holders of any WPC Finance Debt Securities.

The holders of a majority in aggregate principal amount of the outstanding WPC Finance Debt Securities of any series may, on behalf of all holders of WPC Finance Debt Securities of that series, waive any continuing default under the WPC Finance Indenture with respect to the WPC Finance Debt Securities of that series and its consequences, except a default (i) in the payment of principal of, or premium, if any, or interest, if any, on, the WPC Finance Debt Securities of that series, or (ii) in respect of a covenant or provision that cannot be modified or amended without the consent of the holder of each outstanding WPC Finance Debt Security of the affected series.

The WPC Finance Indenture contains provisions for convening meetings of the holders of WPC Finance Debt Securities. A meeting may be called at any time by the Trustee, WPC Finance or the holders of at least 10% in aggregate principal amount of the outstanding WPC Finance Debt Securities of any series. Notice of a meeting must be given in accordance with the provisions of the WPC Finance Indenture. Except for any consent or waiver that must be given by the holder of each outstanding WPC Finance Debt Security affected in the manner described above, any resolution presented at a meeting or adjourned meeting duly reconvened at which a quorum, as described below, is present may be adopted by the affirmative vote of the holders of a majority in aggregate principal amount of the outstanding WPC Finance Debt Securities of the applicable series. However, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver, or other action that may be made, given or taken by the holders of a specified percentage, other than a majority, in aggregate principal amount of the outstanding WPC Finance Debt Securities of a series may be

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adopted at a meeting or adjourned meeting duly reconvened at which a quorum is present by the affirmative vote of the holders of that specified percentage in aggregate principal amount of the outstanding WPC Finance Debt Securities of that series. Any resolution passed or decision taken at any meeting of holders of WPC Finance Debt Securities of any series duly held in accordance with the WPC Finance Indenture will be binding on all holders of WPC Finance Debt Securities of that series. The quorum at any meeting called to adopt a resolution, and at any reconvened meeting, will be persons holding or representing a majority in aggregate principal amount of the outstanding WPC Finance Debt Securities of the applicable series, subject to exceptions; *provided*, *however*, that if any action is to be taken at that meeting with respect to a consent or waiver that may be given by the holders of a supermajority in aggregate principal amount of the outstanding WPC Finance Debt Securities of a series, the persons holding or representing that specified supermajority percentage in aggregate principal amount of the outstanding WPC Finance Debt Securities of that series will constitute a quorum.

Book-entry Procedures, Delivery and Form

Global Clearance and Settlement

Unless otherwise provided in the applicable prospectus supplement, the WPC Finance Debt Securities will be issued in the form of one or more global notes in fully registered form, without coupons, and will be deposited with, or on behalf of, a common depositary, and registered in the name of the nominee of the common depositary for, and in respect of interests held through, Euroclear Bank S.A./N.A as operator (the "***Euroclear Operator***") of the Euroclear system ("***Euroclear***") and Clearstream. References to "***global note(s)"*** in this "Description of WPC Finance Debt Securities and Guarantee" refer to such global note(s). Except as described herein, certificates will not be issued in exchange for beneficial interests in the global notes.

Except as set forth below, the global notes may be transferred, in whole and not in part, only to Euroclear, Clearstream or their respective nominees.

Beneficial interests in the global notes will be represented, and transfers of such beneficial interests will be effected, through accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in Euroclear or Clearstream. Those beneficial interests will be in denominations specified in the applicable prospectus supplement. Investors may hold WPC Finance Debt Securities directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems.

Owners of beneficial interests in the global notes will not be entitled to have the WPC Finance Debt Securities registered in their names, and, except as described herein, will not receive or be entitled to receive physical delivery of such WPC Finance Debt Securities in definitive form. So long as the common depositary for Euroclear and Clearstream is the registered owner of the global notes, the common depositary for all purposes will be considered the sole holder of the WPC Finance Debt Security represented by the global notes under the WPC Finance Indenture and the global notes. Except as provided below, beneficial owners will not be considered the owners or holders of a WPC Finance Debt Security under the WPC Finance Indenture, including for purposes of receiving any reports delivered by us or the Trustee pursuant to the WPC Finance Indenture. Accordingly, each beneficial owner must rely on the procedures of the clearing systems and, if such person is not a participant of the clearing systems, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the WPC Finance Indenture. Under existing industry practices, if WPC Finance requests any action of holders or a beneficial owner desires to give or take any action which a holder is entitled to give or take under the WPC Finance Indenture, the clearing systems would authorize their participants holding the relevant beneficial interests to give or take action and the participants would authorize beneficial owners owning through the participants to

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give or take such action or would otherwise act upon the instructions of beneficial owners. Conveyance of notices and other communications by the clearing systems to their participants, by the participants to indirect participants and by the 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. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in certificated form. These limits and laws may impair the ability to transfer beneficial interests in global notes.

Clearstream and Euroclear have indicated that they intend to use the following respective procedures for global notes. Clearstream and Euroclear may change these procedures from time to time. Neither the Company nor WPC Finance is responsible for these procedures. You should contact Clearstream and Euroclear or their respective participants directly to discuss these matters.

Clearstream

Clearstream has advised that it is incorporated under the laws of Luxembourg and licensed as a bank and professional depositary. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. Clearstream has established an electronic bridge with the Euroclear Operator (as defined below) to facilitate the settlement of trades between the nominees of Clearstream and Euroclear. As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through, or maintain a custodial relationship with, a Clearstream participant, either directly or indirectly.

Distributions with respect to WPC Finance Debt Securities held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures.

Euroclear

Euroclear has advised that it was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the "***Euroclear Operator***"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related operating procedures of Euroclear, and applicable Belgian law (collectively, the "***Terms and Conditions***"). The Terms and Conditions govern

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transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants and has no records of or relationship with persons holding through Euroclear participants.

Distributions with respect to a WPC Finance Debt Security held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions.

Euroclear and Clearstream Arrangements

So long as Euroclear or Clearstream or their nominee or their common depositary is the registered holder of the global notes, Euroclear, Clearstream or such nominee, as the case may be, will be considered the sole owner or holder of the WPC Finance Debt Securities represented by such global notes for all purposes under the WPC Finance Indenture and the WPC Finance Debt Securities. Payments of principal, premium, if any, interest and Additional Amounts, if any, in respect of the global notes will be made to Euroclear, Clearstream, such nominee or such common depositary, as the case may be, as registered holder thereof. None of WPC Finance, the Company, the Trustee, any underwriter and any affiliate of any of the above or any person by whom any of the above is controlled (as such term is defined in the Securities Act) will have any responsibility or liability for any records relating to or payments made on account of, beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Distributions of principal, premium, if any, and interest with respect to the global notes will be credited in euro to the extent received by Euroclear or Clearstream from the paying agent to the cash accounts of Euroclear or Clearstream customers in accordance with the relevant system's rules and procedures.

Due to the fact that Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the global notes to pledge such interest to persons or entities that do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Initial Settlement

WPC Finance understands that investors that hold WPC Finance Debt Securities through Clearstream or Euroclear accounts will follow the settlement procedures that are applicable to conventional eurobonds in registered form. Subject to applicable procedures of Clearstream and Euroclear, the WPC Finance Debt Securities will be credited to the securities custody accounts of Clearstream and Euroclear participants on the business day following the settlement date, for the value on the settlement date.

Secondary Market Trading

Due to the fact that the purchaser determines the place of delivery, it is important to establish at the time of trading of any WPC Finance Debt Securities where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

WPC Finance understands that secondary market trading between Clearstream and/or Euroclear participants will occur in the ordinary way following the applicable rules and operating procedures of Clearstream and Euroclear. Secondary market trading will be settled using procedures applicable to conventional eurobonds in global registered form.

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Investors will only be able to make and receive deliveries, payments and other communications involving the WPC Finance Debt Securities through Clearstream and Euroclear 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 or the Netherlands.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream and Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the WPC Finance Debt Securities, or to make or receive a payment or delivery of the WPC Finance Debt Securities, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Clearstream or Euroclear is used.

Clearstream or Euroclear will credit payments to the cash accounts of Clearstream customers or Euroclear participants, as applicable, in accordance with the relevant system's rules and procedures, to the extent received by its depositary. Clearstream or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a holder under the Indenture on behalf of a Clearstream customer or Euroclear participant only in accordance with its relevant rules and procedures.

Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the WPC Finance Debt Securities among participants of Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

Exchange of Global Notes for Certificated Notes

Subject to certain conditions, WPC Finance Debt Securities represented by global notes may not be exchanged for certificated notes in definitive form unless:

the common depositary notifies us that it is unwilling, unable or no longer qualified to continue as depositary for the global notes and WPC Finance fails to appoint a successor depositary within 60 days;

WPC Finance, at its option, notifies the Trustee in writing that it elects to cause the issuance of certificated notes; or

there has occurred and is continuing an Event of Default with respect to the WPC Finance Debt Securities.

In all cases, certificated notes delivered in exchange for any global note or beneficial interest therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the common depositary (in accordance with its customary procedures).

Payments (including principal, premium and interest and Additional Amounts) and transfers with respect to WPC Finance Debt Securities in certificated form may be executed at the office or agency maintained for such purpose in London (initially the corporate trust office of the paying agent specified in the applicable prospectus supplement) or, at WPC Finance's option, by check mailed to the holders thereof at the respective addresses set forth in the register of holders of the WPC Finance Debt Securities (maintained by the registrar specified in the applicable prospectus supplement), provided that all payments (including principal, premium, interest and Additional Amounts) on WPC Finance Debt Securities in certificated form, for which the holders thereof have given wire transfer instructions, will be required to be made by wire transfer of immediately available funds to the accounts specified by the holders thereof. No service charge will be made for any registration of transfer, but payment of a sum sufficient to cover any tax or governmental charge payable in connection with that registration may be required.

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Discharge, Legal Defeasance and Covenant Defeasance

Satisfaction and Discharge

Upon WPC Finance's direction, the WPC Finance Indenture will cease to be of further effect with respect to the WPC Finance Debt Securities of any series specified by WPC Finance, subject to the survival of specified provisions of the WPC Finance Indenture, including (unless the accompanying prospectus supplement provides otherwise) WPC Finance's obligation to repurchase such WPC Finance Debt Securities at the option of the holders thereof, if applicable, and WPC Finance's obligation to pay Additional Amounts in respect of such WPC Finance Debt Securities to the extent described below, when:

either

i. all outstanding WPC Finance Debt Securities of that series have been delivered to the Trustee for cancellation, subject to exceptions, or

ii. all WPC Finance Debt Securities of that series have become due and payable or will become due and payable at their maturity within one year or are to be called for redemption within one year, and WPC Finance or the Company, as applicable, has irrevocably deposited with the Trustee, in trust, funds in the currency in which the WPC Finance Debt Securities of that series are payable in an amount sufficient to pay and discharge the entire indebtedness on the WPC Finance Debt Securities of that series, including the principal thereof and, premium, if any, and interest, if any, thereon, and, to the extent that (x) the WPC Finance Debt Securities of that series provide for the payment of Additional Amounts and (y) the amount of any Additional Amounts that are or will be payable is at the time of deposit reasonably determinable by WPC Finance, in the exercise of its sole discretion, those Additional Amounts, to the date of such deposit, if the WPC Finance Debt Securities of that series have become due and payable, or to the stated maturity or redemption date of the WPC Finance Debt Securities of that series, as the case may be;

WPC Finance or the Company, as applicable, has paid all other sums payable under the WPC Finance Indenture with respect to the WPC Finance Debt Securities of that series (including amounts payable to the Trustee); and

the Trustee has received an officer's certificate and an opinion of counsel from WPC Finance and the Company to the effect that all conditions precedent to the satisfaction and discharge of the WPC Finance Indenture in respect of the WPC Finance Debt Securities of such series have been satisfied.

If the WPC Finance Debt Securities of any series provide for the payment of Additional Amounts, WPC Finance or the Company, as applicable, will remain obligated, following the deposit described above, to pay Additional Amounts on those WPC Finance Debt Securities to the extent that they exceed the amount deposited in respect of those Additional Amounts as described above.

Legal Defeasance and Covenant Defeasance

Unless otherwise specified in the applicable prospectus supplement, WPC Finance may elect with respect to the WPC Finance Debt Securities of the particular series either:

to defease and discharge each of itself and the Company, as applicable, from any and all obligations with respect to those WPC Finance Debt Securities ("***WPC Finance Legal Defeasance***"), except for, among other things:

i. the obligation to pay Additional Amounts, if any, upon the occurrence of specified events of taxation, assessment, or governmental charge with respect to payments on those WPC Finance

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Debt Securities to the extent that those Additional Amounts exceed the amount deposited in respect of those amounts as provided below,

ii. the obligations to register the transfer or exchange of those WPC Finance Debt Securities,

iii. the obligation to replace temporary or mutilated, destroyed, lost, or stolen WPC Finance Debt Securities,

iv. the obligation to maintain an office or agent of WPC Finance in The City of New York or London, as applicable, in respect of those WPC Finance Debt Securities,

v. the obligation to hold moneys for payment in respect of those WPC Finance Debt Securities in trust, and

vi. the obligation, if applicable, to repurchase those WPC Finance Debt Securities at the option of the holders thereof, or

to be released from their obligations with respect to those WPC Finance Debt Securities under any covenants as may be specified in the applicable prospectus supplement, and any omission to comply with those obligations will not constitute a default or an Event of Default with respect to those WPC Finance Debt Securities ("***WPC Finance Covenant Defeasance***"), in either case upon the irrevocable deposit with the Trustee, or other qualifying Trustee, in trust for that purpose, of funds in the currency in which those WPC Finance Debt Securities are payable at maturity or, if applicable, upon redemption, and/or government obligations (as defined in the WPC Finance Indenture) in an amount that, through the payment of principal and interest in accordance with their terms, will provide money, in an amount sufficient, in the written opinion of a nationally recognized firm of independent public accountants or a nationally recognized investment bank, to pay the principal thereof and premium, if any, and interest, if any, thereon, and, to the extent that (x) those WPC Finance Debt Securities provide for the payment of Additional Amounts and (y) the amount of any Additional Amounts that are or will be payable is at the time of deposit reasonably determinable by WPC Finance, in the exercise of its sole discretion, the Additional Amounts with respect to those WPC Finance Debt Securities, and any mandatory sinking fund or analogous payments on those WPC Finance Debt Securities, on the due dates for those payments, whether at stated maturity, upon redemption, upon repurchase at the option of the holder or otherwise.

The WPC Finance Legal Defeasance or WPC Finance Covenant Defeasance described above will only be effective if, among other things:

it will not result in a breach or violation of, or constitute a default under, the WPC Finance Indenture or any other agreement or instrument to which WPC Finance or the Company or any of their respective significant subsidiaries is a party or is bound;

in the case of WPC Finance Legal Defeasance, WPC Finance and the Company will have delivered to the Trustee an opinion of counsel confirming that:

i. WPC Finance (or the Company as guarantor) has received from, or there has been published by, the Internal Revenue Service a ruling; or

ii. since the date of the WPC Finance Indenture, there has been a change in applicable federal income tax law,

in either case to the effect that, and based on this ruling or change the opinion of counsel will confirm that, the holders of the WPC Finance Debt Securities of the applicable series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the WPC Finance Legal Defeasance and will be subject to U.S. federal income tax on the same amounts,

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in the same manner and at the same times as would have been the case if the WPC Finance Legal Defeasance had not occurred;

in the case of WPC Covenant Defeasance, WPC Finance and the Company will have delivered to the Trustee an opinion of counsel to the effect that the holders of the WPC Finance Debt Securities of the applicable series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the WPC Finance Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the WPC Finance Covenant Defeasance had not occurred;

if the cash and government obligations deposited are sufficient to pay the outstanding WPC Finance Debt Securities of the applicable series on a particular redemption date, WPC Finance will have given the Trustee irrevocable instructions to redeem those WPC Finance Debt Securities on that date;

no Event of Default or default that with notice or lapse of time or both would become an Event of Default with respect to WPC Finance Debt Securities of the applicable series will have occurred and be continuing on the date of the deposit into trust; and, solely in the case of WPC Finance Legal Defeasance, no Event of Default arising from specified events of bankruptcy, insolvency, or reorganization with respect to WPC Finance or the Company, as applicable, or default which with notice or lapse of time or both would become such an Event of Default will have occurred and be continuing during the period ending on the 91st day after the date of the deposit into trust; and

WPC Finance and the Company will have delivered to the Trustee an officer's certificate and opinion of counsel to the effect that all conditions precedent to the WPC Finance Legal Defeasance or WPC Finance Covenant Defeasance, as the case may be, have been satisfied.

In the event WPC Finance effects a WPC Finance Covenant Defeasance with respect to WPC Finance Debt Securities of any series and those WPC Finance Debt Securities are declared due and payable because of the occurrence of any Event of Default other than an Event of Default with respect to the covenants as to which the WPC Finance Covenant Defeasance has been effected, which covenants would no longer be applicable to the WPC Finance Debt Securities of that series after the WPC Covenant Defeasance, the amount of monies and/or government obligations deposited with the Trustee to effect the WPC Covenant Defeasance may not be sufficient to pay amounts due on the WPC Finance Debt Securities of that series at the time of any acceleration resulting from that Event of Default. However, WPC Finance and the Company, as guarantor, would remain liable to make payment of those amounts due at the time of acceleration.

The applicable prospectus supplement may further describe the provisions, if any, permitting or restricting legal defeasance or covenant defeasance with respect to the WPC Finance Debt Securities of a particular series.

Concerning the Trustee

There may be more than one Trustee under the WPC Finance Indenture, each with respect to one or more series of WPC Finance Debt Securities. If there are different Trustees for different series of WPC Finance Debt Securities, each Trustee will be a trustee separate and apart from any other Trustee under the WPC Finance Indenture. Unless otherwise specified in the applicable prospectus supplement, any action permitted to be taken by a Trustee may be taken by such Trustee only with respect to the one or more series of WPC Finance Debt Securities for which it is the trustee under the WPC Finance Indenture. Any Trustee under the WPC Finance Indenture may resign or be removed with respect to one or more series of WPC Finance Debt Securities. All payments of principal of, and premium, if any, and interest, if any, on, and all registration, transfer, exchange, authentication and delivery (including

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authentication and delivery on original issuance of the WPC Finance Debt Securities) of, the WPC Finance Debt Securities of a series will be effected by the Trustee with respect to that series at an office designated by the Trustee.

U.S. Bank National Association is the trustee under the WPC Finance Indenture. WPC Finance or the Company may maintain corporate trust relationships in the ordinary course of business with the Trustee. The Trustee will have and be subject to all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to the provisions of the Trust Indenture Act, the Trustee is under no obligation to exercise any of the powers vested in it by the WPC Finance Indenture at the request of any holder of WPC Finance Debt Securities unless offered indemnity or security reasonably acceptable to it by the holder against the costs, expense and liabilities which might be incurred thereby.

Under the Trust Indenture Act, the WPC Finance Indenture is deemed to contain limitations on the right of the Trustee, should it become a creditor of WPC Finance (and the Company, as guarantor), to obtain payment of claims in some cases or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee may engage in other transactions with WPC Finance and the Company. If it acquires any conflicting interest relating to any of its duties with respect to the WPC Finance Debt Securities, however, it must eliminate the conflict or resign as Trustee.

Unless otherwise specified in the applicable prospectus supplement, the Trustee will be the initial paying agent. WPC Finance may at any time designate additional paying agents, rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, except that WPC Finance must maintain a paying agent in each place of payment for each series of WPC Finance Debt Securities.

Governing Law

The WPC Finance Indenture and the WPC Finance Debt Securities will be governed by, and construed in accordance with, the laws of the State of New York.

Notices

All notices to holders of WPC Finance Debt Securities will be validly given if in writing and mailed, first-class postage prepaid, to them at their respective addresses in the register maintained by the Trustee or by electronic means in the case of global securities.

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MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS RELEVANT TO HOLDERS OF OUR COMMON STOCK

The following is a summary of the material U.S. federal income tax considerations of holding shares of our Common Stock. The law firm of DLA Piper LLP (US) has acted as counsel and reviewed this summary. For purposes of this section, references to "we," "our" and "us" mean only W. P. Carey Inc. and not its subsidiaries or other lower-tier entities, except as otherwise indicated. This summary is based upon the Code, the regulations promulgated by the U.S. Department of Treasury, rulings and other administrative pronouncements issued by the United States Internal Revenue Service (the "***IRS***"), and judicial decisions, all as currently in effect, and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. We have not sought and do not currently expect to seek an advance ruling from the IRS regarding any matter discussed in this prospectus. This summary is also based upon the assumption that we will operate our Company and our subsidiaries and affiliated entities in accordance with their applicable organizational documents. This summary is for general information only and does not purport to discuss all aspects of federal income taxation that may be important to a particular investor in light of its investment or tax circumstances or to investors subject to special tax rules, such as:

- financial institutions;
- insurance companies;
- broker-dealers;
- regulated investment companies;
- partnerships and trusts;
- persons subject to the alternative minimum tax;
- persons who hold our stock on behalf of other persons as nominees;
- persons who receive our stock through the exercise of employee stock options (if we ever have employees) or otherwise as compensation;
- persons holding our stock as part of a "straddle," "hedge," "conversion transaction," "constructive ownership transaction," "synthetic security" or other integrated investment;
- "S" corporations;

and, except to the extent discussed below:

- tax-exempt organizations; and
- foreign investors.

This summary assumes that investors will hold their shares of our Common Stock as a capital asset, which generally means as property held for investment.

The holding of shares of our Common Stock depends in some instances on determinations of fact and interpretations of complex provisions of federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences to any particular stockholder holding our common stock will depend on the stockholder's particular tax circumstances. You are urged to consult your tax advisor regarding the federal, state, and local and foreign income and other tax consequences to you in light of your particular investment or tax circumstances of acquiring, holding, exchanging, or otherwise disposing of our Common Stock.

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Taxation of W. P. Carey Inc.

We elected to be taxed as a REIT commencing with our taxable year ended December 31, 2012. We believe that we have been organized and operated in such a manner as to qualify for taxation as a REIT.

The law firm of DLA Piper LLP (US) is acting as our tax counsel and has provided an opinion that we have been organized in conformity with the requirements for qualification and taxation as a REIT under the Code from February 15, 2012, our date of incorporation, through our taxable year ended December 31, 2015 and that our present and proposed organization, ownership and method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT. It must be emphasized that the opinion of DLA Piper LLP (US) is based on various assumptions relating to our organization and operation and conditioned upon fact-based representations and covenants made by our management regarding our organization, assets, and income, and the future conduct of our business operations. While we believe that we have been organized and operated and intend to continue to operate so that we qualify as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given by DLA Piper LLP (US) or by us that we will qualify as a REIT for any particular year. The opinion of DLA Piper LLP (US) is expressed as of the date issued. DLA Piper LLP (US) has no obligation to advise us or our stockholders of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. You should be aware that opinions of counsel are not binding on the IRS, and no assurance can be given that the IRS will not challenge the conclusions set forth in such opinions.

Qualification and taxation as a REIT depends on our ability to meet on a continuing basis, through actual operating results, distribution levels, and diversity of stock and asset ownership, various qualification requirements imposed upon REITs by the Code. Our ability to qualify as a REIT also requires that we satisfy certain asset tests, some of which depend upon the fair market values of assets that we own directly or indirectly. Such values may not be susceptible to a precise determination. Accordingly, no assurance can be given that the actual results of our operations for any taxable year will satisfy such requirements for qualification and taxation as a REIT.

Taxation of REITs in General

As indicated above, our qualification and taxation as a REIT depends upon our ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Code. The material qualification requirements are summarized below under the section titled " Requirements for REIT Qualification General." While we intend to operate so that we qualify as a REIT, no assurance can be given that the IRS will not challenge our qualification, or that we will be able to operate in accordance with the REIT requirements in the future. See the section below titled " Failure to Qualify."

Provided that we qualify as a REIT, generally we will be entitled to a deduction for dividends that we pay and therefore will not be subject to federal corporate income tax on our taxable income that is currently distributed to our stockholders. This treatment substantially eliminates the "double taxation" at the corporate and stockholder levels that generally results from investment in a corporation. In general, the income that we generate and distribute currently is taxed only at the stockholder level upon distribution to our stockholders.

Domestic stockholders that are individuals, trusts or estates are generally taxed on qualified corporate dividends at a maximum rate of 20% (the same as long-term capital gains). With limited exceptions, however, dividends from us or from other entities that are taxed as REITs are generally not eligible for this rate and will continue to be taxed at rates applicable to ordinary income. See the section titled " Taxation of Stockholders Taxation of Taxable Domestic Stockholders Distributions."

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Any net operating losses and other tax attributes of ours generally do not pass through to our stockholders, subject to special rules for certain items such as the capital gains that we recognize. See the section titled " Taxation of Stockholders."

If we qualify as a REIT, we will nonetheless be subject to U.S. federal tax in the following circumstances:

We will be taxed at regular corporate rates on any undistributed taxable income, including undistributed net capital gains;

We may be subject to the "alternative minimum tax" on our items of tax preference, including any deductions of net operating losses;

If we have net income from prohibited transactions, which are, in general, sales or other dispositions of inventory or property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a 100% tax. See " Prohibited Transactions" and " Foreclosure Property" below;

If we elect to treat property that we acquire in connection with a foreclosure of a mortgage loan or certain leasehold terminations as "foreclosure property," we may thereby avoid the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction), but the income from the sale or operation of the property may be subject to corporate income tax at the highest applicable rate (currently 35%);

If we should fail to satisfy the 75% gross income test or the 95% gross income test, as discussed below, but nonetheless maintain our qualification as a REIT because we satisfy other requirements, we will be subject to a 100% tax on an amount based on the magnitude of the failure, as adjusted to reflect the profit margin associated with our gross income;

If we should violate the asset tests (other than certain de minimis violations) or other requirements applicable to REITs, as described below, and yet maintain our qualification as a REIT because there is reasonable cause for the failure and other applicable requirements are met, we would be subject to an excise tax. In that case, the amount of the excise tax will be at least $50,000 per failure, and, in the case of certain asset test failures, will be determined as the amount of net income generated by the assets in question multiplied by the highest corporate tax rate (currently 35%) if that amount exceeds $50,000 per failure;

If we should fail to distribute during a calendar year at least the sum of (i) 85% of our REIT ordinary income for such year, (ii) 95% of our REIT capital gain net income for such year, and (iii) any undistributed taxable income from prior periods, we would be subject to a nondeductible 4% excise tax on the excess of the required distribution over the sum of (A) the amounts that we actually distributed and (B) the amounts of income from the taxable year we retained and upon which we paid income tax at the corporate level;

We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record keeping requirements intended to monitor our compliance with rules relating to the composition of a REIT's stockholders, as described below in " Requirements for REIT Qualification General";

A 100% tax may be imposed on transactions between us and a taxable REIT subsidiary ("***TRS***") (as described below) that do not reflect arm's-length terms;

If we acquire appreciated assets from a corporation that is not a REIT and is taxable under subchapter C of the Code in a transaction in which the adjusted tax basis of the assets in our hands is determined by reference to the adjusted tax basis of the assets in the hands of the subchapter C corporation, we may be subject to tax on such appreciation at the highest

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corporate income tax rate then applicable if we subsequently recognize gain on a disposition of any such assets during a ten-year period following their acquisition from the subchapter C corporation (for acquisitions prior to August 8, 2016, the look back period is five years); and

The earnings of our subsidiaries, including any subsidiary we may elect to treat as a TRS, are subject to federal corporate income tax to the extent that such subsidiaries are taxable as subchapter C corporations.

In addition, we and our subsidiaries may be subject to a variety of taxes, including payroll taxes and state and local and foreign income, property and other taxes on our assets and operations. We could also be subject to tax in situations and on transactions not presently contemplated.

Requirements for REIT Qualification General

The Code defines a REIT as a corporation, trust or association:

1. that is managed by one or more trustees or directors;
2. the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;
3. that would be taxable as a domestic corporation but for its election to be subject to tax as a REIT;
4. that is neither a financial institution nor an insurance company subject to specific provisions of the Code;
5. the beneficial ownership of which is held by 100 or more persons;
6. in which, during the last half of each taxable year, not more than 50% in value of the outstanding stock is owned, directly or indirectly, by five or fewer "individuals" (as defined in the Code to include specified tax-exempt entities); and
7. which meets other tests described below, including with respect to the nature of its income and assets.

The Code provides that conditions (1) through (4) must be met during the entire taxable year, and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a shorter taxable year. Conditions (5) and (6) need not be met during a corporation's initial tax year as a REIT. In our case, we elected to be taxed as a REIT commencing with our taxable year ended December 31, 2012. Our Charter provides restrictions regarding the ownership and transfer of our shares, which are intended to assist us in satisfying the share ownership requirements described in conditions (5) and (6) above.

To monitor compliance with the share ownership requirements, we generally are required to maintain records regarding the actual ownership of our shares of Common Stock. To do so, we must demand written statements each year from the record holders of significant percentages of our Common Stock pursuant to which the record holders must disclose the actual owners of the shares (i.e., the persons required to include our distributions in their gross income). We must maintain a list of those persons failing or refusing to comply with this demand as part of our records. We could be subject to monetary penalties if we fail to comply with these record-keeping requirements. If you fail or refuse to comply with the demands, you will be required by U.S. Department of Treasury Regulations to submit a statement with your tax return disclosing your actual ownership of our shares and other information.

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In addition, a corporation generally may not elect to become a REIT unless its taxable year is the calendar year. We have adopted December 31 as our taxable year-end, and thereby satisfy this requirement.

The Code provides relief from violations of the REIT gross income requirements, as described below under " Income Tests," in cases where a violation is due to reasonable cause and not to willful neglect, and other requirements are met, including the payment of a penalty tax that is based upon the magnitude of the violation. In addition, certain provisions of the Code extend similar relief in the case of certain violations of the REIT asset requirements and other REIT requirements, again provided that the violation is due to reasonable cause and not willful neglect, and other conditions are met, including the payment of a penalty tax. If we fail to satisfy any of the various REIT requirements, there can be no assurance that these relief provisions would be available to enable us to maintain our qualification as a REIT, and, if such relief provisions are available, the amount of any resultant penalty tax could be substantial.

Subsidiary Entities

Ownership of Partnership Interests

If we are a partner in an entity that is treated as a partnership for federal income tax purposes, U.S. Department of Treasury Regulations provide that we are deemed to own our proportionate share of the partnership's assets, and to earn our proportionate share of the partnership's income, for purposes of the asset and gross income tests applicable to REITs. Our proportionate share of a partnership's assets and income is based on our capital interest in the partnership (except that for purposes of the 10% value test, our proportionate share of the partnership's assets is based on our proportionate interest in the equity and certain debt securities issued by the partnership). In addition, the assets and gross income of the partnership are deemed to retain the same character in our hands. Thus, our proportionate share of the assets and items of income of any of our subsidiary partnerships will be treated as our assets and items of income for purposes of applying the REIT requirements.

The recently enacted Bipartisan Budget Act of 2015 changes the rules applicable to U.S. federal income tax audits of partnerships. Under the new rules (which generally are effective for taxable years beginning after December 31, 2017), among other changes and subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction, or credit of a partnership (and any partner's distributive share thereof) is determined, and taxes, interest, or penalties attributable thereto are assessed and collected, at the partnership level. Although it is uncertain how these new rules will be implemented, it is possible that they could result in the operating partnership being required to pay additional taxes, interest and penalties as a result of an audit adjustment, and we could be required to bear the economic burden of those taxes, interest, and penalties even though we, as a REIT, may not otherwise have been required to pay additional corporate-level taxes as a result of the related audit adjustment. The changes created by these new rules are sweeping and in many respects dependent on the promulgation of future regulations or other guidance by the U.S. Treasury. Stockholders are urged to consult their tax advisors with respect to these changes and their potential impact on their investment in our common stock.

Disregarded Subsidiaries

If we own a corporate subsidiary that is a qualified REIT subsidiary (a "***QRS***"), that subsidiary is generally disregarded for federal income tax purposes, and all of the subsidiary's assets, liabilities and items of income, deduction and credit are treated as our assets, liabilities and items of income, deduction and credit, including for purposes of the gross income and asset tests applicable to REITs. A QRS is any corporation, other than a TRS (as described below), that is directly or indirectly (through other disregarded entities) wholly owned by a REIT. Other entities that are wholly owned by us,

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including single member, domestic limited liability companies that have not elected to be taxed as corporations for federal income tax purposes, are also generally disregarded as separate entities for federal income tax purposes, including for purposes of the REIT income and asset tests. Disregarded subsidiaries, along with any partnerships in which we hold an equity interest, are sometimes referred to herein as "pass-through subsidiaries."

In the event that a disregarded subsidiary of ours ceases to be wholly owned for example, if any equity interest in the subsidiary is acquired by a person other than us or another disregarded subsidiary of ours the subsidiary's separate existence would no longer be disregarded for federal income tax purposes. Instead, the subsidiary would have multiple owners and would be treated as either a partnership or a taxable corporation. Such an event could, depending on the circumstances, adversely affect our ability to satisfy the various asset and gross income requirements applicable to REITs, including the requirement that REITs generally may not own, directly or indirectly, more than 10% of the securities of another corporation.

Foreign Assets and Subsidiaries

With respect to any foreign properties, we have maintained, and will continue to maintain, appropriate books and records for our foreign properties in local currencies. Accordingly, for federal income tax purposes, including the 75% and 95% gross income tests summarized herein, our income, gains and losses from our foreign operations that are not held in TRSs will generally be calculated first in the applicable local currency, and then translated into United States dollars at appropriate exchange rates. On the periodic repatriation of monies from such foreign operations to the United States, we will be required to recognize foreign exchange gains or losses; however, any foreign exchange gains we recognize from repatriation are expected to constitute "real estate foreign exchange gains" under Section 856(n)(2) of the Code, and will thus be excluded from the 75% and 95% gross income tests summarized above.

In addition, we own interests in entities that are both TRSs and "controlled foreign corporations" for federal income tax purposes, and we are deemed to receive our allocable share of certain income, referred to as Subpart F Income, earned by such controlled foreign corporations whether or not that income is actually distributed to us. Numerous exceptions apply in determining whether an item of income is Subpart F Income, including exceptions for rent received from an unrelated person and derived in the active conduct of a trade or business. Rents from real property are generally treated as earned in an active trade or business if the landlord/licensor regularly performs active and substantial management and operational functions with respect to the property while it is leased, but only if such activities are performed through the landlord/licensor's own officers or staff of employees. We believe our controlled foreign corporations generally do not satisfy this active rental exception however, and as a result we may recognize material amounts of Subpart F Income. Based on advice of counsel, we believe that that the types of Subpart F Income most likely to be recognized by us qualify under the 95% gross income test. However, we do not believe our Subpart F income qualifies under the 75% gross income test.

REIT Subsidiaries

Some of our subsidiaries may also be taxable as REITs. Provided such entities qualify as REITs under the Code, our equity in such entities will be a qualifying REIT asset under the quarterly REIT asset tests described below, and any dividends and/or gain on disposition of such equity will be qualifying REIT gross income under both the 75% and 95% gross income tests discussed below.

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Taxable REIT Subsidiaries

We will jointly elect with certain of our U.S. and non-U.S. subsidiary corporations, whether or not wholly owned, to treat such subsidiary corporations as TRSs. We generally may not own more than 10% of the securities of a taxable corporation, as measured by voting power or value, unless we and such corporation elect to treat such corporation as a TRS. The separate existence of a TRS or other taxable corporation is not ignored for federal income tax purposes. Accordingly, a TRS or other taxable corporation generally would be subject to corporate income tax on its earnings, which may reduce the cash flow that we and our subsidiaries generate in the aggregate, and may reduce our ability to make distributions to our stockholders.

We are not generally treated as holding the assets of a TRS or other taxable subsidiary corporation or as receiving any income that the subsidiary earns. Rather, the stock issued by a taxable subsidiary to us is an asset in our hands, and we treat the distributions paid to us from such taxable subsidiary, if any, as income, gain, or return of capital, as applicable. This treatment can affect our income and asset test calculations, as described below. Because we do not generally include the assets and income of TRSs or other taxable subsidiary corporations in determining our compliance with the REIT requirements, we will use such entities to undertake indirectly activities that the REIT rules might otherwise preclude us from doing directly or through pass-through subsidiaries. For example, we may use TRSs or other taxable subsidiary corporations to conduct activities that give rise to certain categories of income such as management fees or activities that would be treated in our hands as prohibited transactions.

Income Tests

In order to qualify as a REIT, we must satisfy two gross income requirements on an annual basis. First, at least 75% of our gross income for each taxable year, excluding gross income from sales of inventory or dealer property in "prohibited transactions" and certain hedging and foreign currency transactions, generally must be derived from investments relating to real property, mortgages on real property or interests in real property, including interest income derived from mortgage loans secured by real property (including certain types of mortgage-backed securities or interests in real property), "rents from real property," distributions received from other REITs, and gains from the sale of real estate assets (including REIT shares, but other than for taxable years after December 31, 2015, a nonqualified publicly offered REIT debt instrument as defined in Section 856(c)(5)(L)(ii) of the Code), as well as specified income from temporary investments. Second, at least 95% of our gross income in each taxable year, excluding gross income from prohibited transactions and certain hedging transactions, must be derived from some combination of such income from investments in real property (i.e., generally income that qualifies under the 75% income test described above), as well as other dividends, interest, and gain from the sale or disposition of stock or securities, which need not have any relation to real property.

We and our subsidiaries may hold investments in and pay taxes to foreign countries. Taxes that we pay in foreign jurisdictions may not be passed through to, or used by, our stockholders as a foreign tax credit or otherwise. Our foreign investments might also generate foreign currency gains and losses. For purposes of either one or both of the 75% and 95% gross income tests, two categories of foreign currency gain may be excluded from gross income: "real estate foreign exchange gain" and "passive foreign exchange gain." Real estate foreign exchange gain is not treated as gross income for purposes of both the 75% and 95% gross income tests. Real estate foreign exchange gain includes gain derived from certain qualified business units of the REIT and foreign currency gain attributable to (i) qualifying income under the 75% gross income test, (ii) the acquisition or ownership of obligations secured by mortgages on real property or on interests in real property, or (iii) being an obligor on an obligation secured by mortgages on real property or on interests in real property. In addition, passive foreign exchange gain is not treated as gross income for purposes of the 95% gross income test only.

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Passive foreign exchange gain includes real estate foreign exchange gain and foreign currency gain attributable to (i) qualifying income under the 95% gross income test, (ii) the acquisition or ownership of obligations, or (iii) being the obligor on obligations and that, in the case of (ii) and (iii), does not fall within the scope of the real estate foreign exchange definition. In all cases, we intend that any foreign currency transactions will be structured in a manner that will not jeopardize our status as a REIT. No assurance can be given that any foreign currency gains that we recognize directly or through pass-through subsidiaries will not adversely affect our ability to satisfy the REIT qualification requirements.

Interest income constitutes qualifying mortgage interest for purposes of the 75% income test (as described above) to the extent that the obligation upon which such interest is paid is secured by a mortgage on real property. If we receive interest income with respect to a mortgage loan that is secured by both real property and other property, and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property on the date that we acquired or originated the mortgage loan, the interest income will be apportioned between the real property and the other collateral, and our income from the arrangement will qualify for purposes of the 75% income test only to the extent that the interest is allocable to the real property. Even if a loan is not secured by real property, or is undersecured, the income that it generates may nonetheless qualify for purposes of the 95% income test.

To the extent that the terms of a loan provide for contingent interest that is based on the cash proceeds realized upon the sale of the property securing the loan, income attributable to the participation feature will be treated as gain from sale of the underlying property, which generally will be qualifying income for purposes of both the 75% and 95% gross income tests provided that the real property is not held as inventory or dealer property or primarily for sale to customers in the ordinary course of business. To the extent that we derive interest income from a mortgage loan or income from the rental of real property (discussed below) where all or a portion of the amount of interest or rental income payable is contingent, such income generally will qualify for purposes of the gross income tests only if it is based upon the gross receipts or sales and not on the net income or profits of the borrower or lessee. This limitation does not apply, however, where the borrower or lessee leases substantially all of its interest in the property to tenants or subtenants to the extent that the rental income derived by the borrower or lessee, as the case may be, would qualify as rents from real property had we earned the income directly.

Rents received by us will qualify as "rents from real property" in satisfying the gross income requirements described above only if several conditions are met. If rent is partly attributable to personal property leased in connection with a lease of real property, the portion of the rent that is attributable to the personal property will not qualify as "rents from real property" unless it constitutes 15% or less of the total rent received under the lease. In addition, the amount of rent generally must not be based in whole or in part on the income or profits of any person. Amounts received as rent, however, generally will not be excluded from rents from real property solely by reason of being based on fixed percentages of gross receipts or sales. Moreover, for rents received to qualify as "rents from real property," we generally must not operate or manage the property or furnish or render services to the tenants of such property, other than through an "independent contractor" from which we derive no revenue and that meets certain other requirements or through a TRS. We are permitted, however, to perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and which are not otherwise considered rendered to the occupant of the property. In addition, we may directly or indirectly provide noncustomary services to tenants of our properties without disqualifying all of the rent from the property if the income from such services does not exceed 1% of the total gross income from the property. For purposes of this test, we are deemed to have received income from such non-customary services in an amount at least 150% of the direct cost of providing the services. Moreover, we are generally permitted to provide services to tenants or others

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through a TRS without disqualifying the rental income received from tenants for purposes of the income tests. Also, rental income will qualify as rents from real property only to the extent that we do not directly or constructively hold a 10% or greater interest, as measured by vote or value, in the lessee's equity.

We may directly or indirectly receive distributions from TRSs or other corporations that are not REITs or QRSs. These distributions generally are treated as dividend income to the extent of the earnings and profits of the distributing corporation. Such dividends will generally constitute qualifying income for purposes of the 95% gross income test, but not for purposes of the 75% gross income test. Any dividends that we receive from a REIT, however, will be qualifying income for purposes of both the 95% and 75% income tests.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may still qualify as a REIT for such year if we are entitled to relief under applicable provisions of the Code. These relief provisions will be generally available if (i) our failure to meet these tests was due to reasonable cause and not due to willful neglect and (ii) following our identification of the failure to meet the 75% or 95% gross income test for any taxable year, we file a schedule with the IRS setting forth each item of our gross income for purposes of the 75% or 95% gross income test for such taxable year in accordance with U.S. Department of Treasury Regulations. It is not possible to state whether we would be entitled to the benefit of these relief provisions in all circumstances. If these relief provisions are inapplicable to a particular set of circumstances, we will not qualify as a REIT. As discussed above under " Taxation of REITs in General," even where these relief provisions apply, the Code imposes a tax based upon the amount by which we fail to satisfy the particular gross income test.

Asset Tests

At the close of each calendar quarter, we must also satisfy certain tests relating to the nature of our assets. First, at least 75% of the value of our total assets must be represented by some combination of "real estate assets," cash, cash items, U.S. government securities, and, under some circumstances, stock or debt instruments purchased with new capital. For this purpose, real estate assets include interests in real property and interests in mortgages on real property or interest in real property, such as land, buildings, leasehold interests in real property, stock of other corporations that qualify as REITs, for taxable years after December 31, 2015, debt instruments issued by REITs which are required to file annual and periodic reports with the SEC under the Exchange Act ("***publicly offered REITs***") subject to certain limitations, and some kinds of mortgage-backed securities and mortgage loans. Assets that do not qualify for purposes of the 75% test are subject to the additional asset tests described below.

Second, the value of any one issuer's "securities" (defined to exclude "real estate assets") that we own (other than a TRS or QRS) may not exceed 5% of the value of our total assets.

Third, we may not own more than 10% of any one issuer's outstanding securities, as measured by either voting power or value. The 10% asset tests do not apply to securities of TRSs and QRSs and the 10% asset test by value does not apply to "straight debt" having specified characteristics and to certain other securities described below. Solely for purposes of the 10% asset test by value, the determination of our interest in the assets of a partnership in which we own an interest will be based on our proportionate interest in any securities issued by the partnership, excluding for this purpose certain securities described in the Code, as well as our equity interest in the partnership, if any.

Fourth, the aggregate value of all securities of TRSs that we hold may not exceed 25% of the value of our total assets (20% for taxable years after 2017). Fifth, not more than 25% of the value of our total assets is represented by securities (other than those securities includable as "real estate assets.") Sixth, for taxable years after December 31, 2015, not more than 25% of the value of our total assets is represented by nonqualified publicly offered REIT debt instruments.

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Notwithstanding the general rule, as noted above, that for purposes of the REIT income and asset tests we are treated as owning our proportionate share of the underlying assets of a subsidiary partnership, if we hold indebtedness issued by a partnership, the indebtedness will be subject to, and may cause a violation of, the asset tests unless the indebtedness is a qualifying mortgage asset or other conditions are met. Similarly, although stock of another REIT is a qualifying asset for purposes of the REIT asset tests, any non-mortgage debt that is issued by another REIT may not so qualify (such debt, however, will not be treated as a "security" for purposes of the 10% asset test by value, as explained below).

Certain relief provisions are available to REITs to satisfy the asset requirements or to maintain REIT qualification notwithstanding certain violations of the asset and other requirements. One such provision allows a REIT which fails one or more of the asset requirements to nevertheless maintain its REIT qualification if (i) the REIT provides the IRS with a description of each asset causing the failure, (ii) the failure is due to reasonable cause and not willful neglect, (iii) the REIT pays a tax equal to the greater of (A) $50,000 per failure, and (B) the product of the net income generated by the assets that caused the failure multiplied by the highest applicable corporate tax rate (currently 35%), and (iv) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or otherwise satisfies the relevant asset tests within that time frame.

In the case of de minimis violations of the 10% and 5% asset tests, a REIT may maintain its qualification despite a violation of such requirements if (i) the value of the assets causing the violation does not exceed the lesser of 1% of the REIT's total assets and $10,000,000, and (ii) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or the relevant tests are otherwise satisfied within that time frame.

Certain securities will not cause a violation of the 10% asset test described above. Such securities include instruments that constitute "straight debt." A security does not qualify as "straight debt" where a REIT (or a controlled TRS of the REIT) owns other securities of the same issuer which do not qualify as straight debt, unless the value of those other securities constitute, in the aggregate, 1% or less of the total value of that issuer's outstanding securities. In addition to straight debt, the Code provides that certain other securities will not violate the 10% asset test. Such securities include (i) any loan made to an individual or an estate, (ii) certain rental agreements pursuant to which one or more payments are to be made in subsequent years (other than agreements between a REIT and certain persons related to the REIT under attribution rules), (iii) any obligation to pay rents from real property, (iv) securities issued by governmental entities that are not dependent in whole or in part on the profits of (or payments made by) a non-governmental entity, (v) any security (including debt securities) issued by another REIT, and (vi) any debt instrument issued by a partnership if the partnership's income is of a nature that it would satisfy the 75% gross income test described above under " Income Tests." In applying the 10% asset test by value, a Debt Security issued by a partnership is not taken into account to the extent, if any, of the REIT's proportionate interest in the equity and certain debt securities issued by that partnership.

We believe that our holdings of securities and other assets comply with the foregoing REIT asset requirements, and we intend to monitor compliance on an ongoing basis. Certain mezzanine loans we make or acquire may qualify for the safe harbor of Revenue Procedure 2003-65 pursuant to which certain loans secured by a first priority security interest in ownership interests in a partnership or limited liability company will be treated as qualifying assets for purposes of the 75% real estate asset test and the 10% vote or value test. See " Income Tests." We may make some mezzanine loans that do not qualify for that safe harbor, qualify as "straight debt" securities or qualify for one of the other exclusions from the definition of "securities" for purposes of the 10% value test. We intend to make such investments in such a manner as not to fail the asset tests described above.

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Some of our assets will consist of goodwill. We do not expect the value of any such goodwill to be significant, and, in any event, to negatively impact our compliance with the REIT asset tests.

No independent appraisals will be obtained to support our conclusions as to the value of our total assets or the value of any particular security or securities. Moreover, values of some assets, may not be susceptible to a precise determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT asset requirements. Accordingly, there can be no assurance that the IRS will not contend that our interests in our subsidiaries or in the securities of other issuers will not cause a violation of the REIT asset tests.

If we should fail to satisfy the asset tests at the end of a calendar quarter, such a failure would not cause us to lose our REIT qualification if (i) we satisfied the asset tests at the close of the preceding calendar quarter and (ii) the discrepancy between the value of our assets and the asset requirements was not wholly or partly caused by an acquisition of non-qualifying assets, but instead arose from changes in the market value of our assets. If the condition described in (ii) were not satisfied, we still could avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose or by making use of relief provisions described above.

Annual Distribution Requirements

In order to qualify as a REIT, we are required to distribute dividends, other than capital gain dividends, to our stockholders in an amount at least equal to:

(i) the sum of

(A) 90% of our "REIT taxable income," computed without regard to our net capital gains and the dividends paid deduction, and

(B) 90% of our net income, if any, (after tax) from foreclosure property (as described below), minus

(ii) the sum of specified items of non-cash income.

We generally must make these distributions in the taxable year to which they relate, or in the following taxable year if declared before we timely file our tax return for the year and if paid with or before the first regular dividend payment after such declaration. In order for dividends paid with respect to taxable years prior to 2015, to provide a tax deduction for us for such years, the distributions must not be "preferential dividends." A distribution is not a preferential dividend if the distribution is (i) pro rata among all outstanding shares of stock within a particular class, and (ii) in accordance with the preferences among different classes of stock as set forth in our organizational documents. For taxable years beginning after December 31, 2014, the preferential dividend rules no longer apply to publicly offered REITs. We are a publicly offered REIT.

To the extent that we distribute at least 90%, but less than 100%, of our "REIT taxable income," as adjusted, we will be subject to tax at ordinary corporate tax rates on the retained portion. We may elect to retain, rather than distribute, our net long-term capital gains and pay tax on such gains. In this case, we could elect for our stockholders to include their proportionate shares of such undistributed long-term capital gains in income, and to receive a corresponding credit for their share of the tax that we paid. Our stockholders would then increase their adjusted basis of their stock by the difference between (i) the amounts of capital gain distributions that we designated and that they include in their taxable income, and (ii) the tax that we paid on their behalf with respect to that income.

To the extent that we have available net operating losses carried forward from prior REIT tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. Such losses, however, will generally not affect the character, in the

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hands of our stockholders, of any distributions that are actually made as ordinary dividends or capital gains. See " Taxation of Stockholders Taxation of Taxable Domestic Stockholders Distributions."

If we should fail to distribute during a calendar year at least the sum of (i) 85% of our REIT ordinary income for such year, (ii) 95% of our REIT capital gain net income for such year, and (iii) any undistributed taxable income from prior periods, we would be subject to a non-deductible 4% excise tax on the excess of such required distribution over the sum of (A) the amounts actually distributed, and (B) the amounts of income for the taxable year we retained and on which we have paid corporate income tax.

It is possible that, from time to time, we may not have sufficient cash to meet the distribution requirements due to timing differences between (i) our actual receipt of cash, including receipt of distributions from our subsidiaries, and (ii) our inclusion of items in income for federal income tax purposes. Other potential sources of non-cash taxable income include:

"residual interests" in a real estate mortgage investment conduit or taxable mortgage pools;

loans or mortgage-backed securities held as assets that are issued at a discount and require the accrual of taxable economic interest in advance of receipt in cash; and

loans on which the borrower is permitted to defer cash payments of interest, and distressed loans on which we may be required to accrue taxable interest income even though the borrower is unable to make current servicing payments in cash.

In the event that such timing differences occur, in order to meet the distribution requirements, it might be necessary for us to arrange for short-term, or possibly long-term, borrowings, or to pay distributions in the form of taxable in-kind distributions of stock or other property.

We may be able to rectify a failure to pay sufficient dividends for any year by paying "deficiency dividends" to stockholders in a later year. These deficiency dividends may be included in our deduction for dividends paid for the earlier year, but an interest charge would be imposed upon us for the delay in distribution.

Failure to Qualify

If we fail to satisfy one or more requirements for REIT qualification other than the gross income or asset tests, we could avoid disqualification if our failure is due to reasonable cause and not to willful neglect and we pay a penalty of $50,000 for each such failure. Relief provisions are available for failures of the gross income tests and asset tests, as described above in "Income Tests" and "Asset Tests."

If we fail to qualify for taxation as a REIT in any taxable year, and the relief provisions described above do not apply, we would be subject to tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates. We cannot deduct dividends to stockholders in any year in which we do not qualify to be taxed as a REIT, nor would we be required to make distributions in such a year. In this situation, to the extent of current and accumulated earnings and profits, distributions to domestic stockholders that are individuals, trusts and estates will generally be taxable at qualified dividend rates. In addition, subject to the limitations of the Code, corporate distributees may be eligible for the dividends received deduction. Unless we are entitled to relief under specific statutory provisions, we would also be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year during which we lost qualification. It is not possible to state whether, in all circumstances, we would be entitled to this statutory relief.

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Sale-Leaseback Transactions

Our investments may be in the form of sale-leaseback transactions. We normally intend to treat these transactions as true leases for federal income tax purposes. However, depending on the terms of any specific transaction, the IRS might take the position that the transaction is not a true lease but is more properly treated in some other manner, such as a financing arrangement or loan for federal income tax purposes. Even if our sale-leasebacks are treated as secured loans, for purposes of the REIT asset tests and the 75% gross income test, each "loan" would likely be considered to be collateralized by real property to the extent of the fair market value of the underlying property. As a result, we believe that we would continue to meet the REIT assets tests and gross income tests. However, it is possible that if one or more of our leases were recharacterized as a financing, the recharacterization of one or more of these transactions could cause us to fail to satisfy the REIT asset tests or gross income tests described above based upon the asset we would be treated as holding or the income we would be treated as having earned as a result of such recharacterization, and such failure could result in our failing to qualify as a REIT. In addition, if one or more of our leases were recharacterized as a loan, tax attributes associated with the ownership of real property principally depreciation would not be available to us, and the timing of our income inclusion would be affected. These changes in amount or timing of income inclusion or the loss of depreciation deductions resulting from the recharacterization could cause us to fail to meet the distribution requirement described above for one or more taxable years absent the availability of the deficiency dividend procedure or might result in a larger portion of our dividends being treated as ordinary income to our stockholders.

Prohibited Transactions

Net income that we derive from a prohibited transaction is subject to a 100% tax. The term "prohibited transaction" generally includes a sale or other disposition of property (other than foreclosure property, as discussed below) that is held primarily for sale to customers in the ordinary course of a trade or business. We intend to conduct our operations so that no asset that we own (or are treated as owning) will be treated as, or as having been, held for sale to customers, and that a sale of any such asset will not be treated as having been in the ordinary course of our business. Whether property is held "primarily for sale to customers in the ordinary course of a trade or business" depends on the particular facts and circumstances. No assurance can be given that any property that we sell will not be treated as property held for sale to customers, or that we can comply with certain safe-harbor provisions of the Code that would prevent such treatment. The 100% tax does not apply to gains from the sale of property that is held through a TRS or other taxable corporation, although such income will potentially be subject to tax in the hands of the corporation at regular corporate rates.

Foreclosure Property

Foreclosure property is real property and any personal property incident to such real property (i) that we acquire as the result of having bid on the property at foreclosure, or having otherwise reduced the property to ownership or possession by agreement or process of law, after a default (or upon imminent default) on a lease of the property or a mortgage loan held by us and secured by the property, (ii) for which we acquired the related loan or lease at a time when default was not imminent or anticipated, and (iii) with respect to which we made a proper election to treat the property as foreclosure property. We generally will be subject to tax at the maximum corporate rate (currently 35%) on any net income from foreclosure property, including any gain from the disposition of the foreclosure property, other than income that would otherwise be qualifying income for purposes of the 75% gross income test. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or dealer property. To the extent that

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we receive any income from foreclosure property that does not qualify for purposes of the 75% gross income test, we intend to make an election to treat the related property as foreclosure property.

Derivatives and Hedging Transactions

We and our subsidiaries may enter into hedging transactions with respect to interest rate and foreign currency exposure on one or more of our assets or liabilities. Hedging transactions could take a variety of forms, including the use of derivative instruments such as interest rate swaps, interest rate cap agreements, options, futures contracts, forward rate agreements or similar financial instruments. Except to the extent provided by U.S. Department of Treasury Regulations, any income from a hedging transaction we entered into (i) in the normal course of our business primarily to manage risk of interest rate, inflation and/or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets, which is clearly identified as specified in U.S. Department of Treasury Regulations before the closing of the day on which it was acquired, originated, or entered into, including gain from the sale or disposition of such a transaction, (ii) primarily to manage risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% income tests which is clearly identified as such before the closing of the day on which it was acquired, originated, or entered into, will not constitute gross income for purposes of the 75% or 95% gross income tests and (iii) for taxable years after December 31, 2015, primarily to manage risk with respect to a prior hedge entered into in connection with property that has been disposed of or liabilities that have been extinguished. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of the 75% or 95% gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize our qualification as a REIT. We may conduct some or all of our hedging activities through our TRS or other corporate entity, the income from which may be subject to federal income tax, rather than by participating in the arrangements directly or through pass-through subsidiaries. No assurance can be given, however, that our hedging activities will not give rise to income that does not qualify for purposes of either or both of the REIT gross income tests, or that our hedging activities will not adversely affect our ability to satisfy the REIT qualification requirements.

Taxation of Stockholders

Taxation of Taxable Domestic Stockholders

In this section, the phrase "***domestic stockholder***" means a holder of shares of our Common Stock that for federal income tax purposes is:

a citizen or resident of the United States;

a corporation, or other entity treated as a corporation for federal income tax purposes created or organized in or under the laws of the United States or of any political subdivision thereof;

an estate, the income of which is subject to federal income taxation regardless of its source; or

a trust, if (i) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it has a valid election in place to be treated as a U.S. person.

If a partnership, including for this purpose any entity that is treated as a partnership for federal income tax purposes, holds shares of our shares Inc. Common Stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. An investor that is a partnership and the partners in such partnership should consult their tax advisors about the federal income tax consequences of the acquisition, ownership and disposition of shares of our Common Stock.

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Distributions

So long as we qualify as a REIT, the distributions that we make to our taxable domestic stockholders out of current or accumulated earnings and profits that we do not designate as capital gain distributions will generally be taken into account by stockholders as ordinary income and will not be eligible for the dividends received deduction for corporations. With limited exceptions, our dividends are not eligible for taxation at the preferential income tax rates (i.e., the 20% federal rate) for qualified dividends received by domestic stockholders that are individuals, trusts and estates from taxable C corporations. Such stockholders, however, are taxed at the preferential rates on dividends designated by and received from REITs to the extent that the dividends are attributable to:

- income retained by the REIT in the prior taxable year on which the REIT was subject to corporate level income tax (less the amount of tax);
- qualified dividends received by the REIT from TRSs or other taxable C corporations; or
- income in the prior taxable year from the sales of "built-in gain" property acquired by the REIT from C corporations in carryover basis transactions (less the amount of corporate tax on such income).

Distributions that we designate as capital gain dividends will generally be taxed to our stockholders as long-term capital gains, to the extent that such distributions do not exceed our actual net capital gain for the taxable year, without regard to the period for which the stockholder that receives such distribution has held its stock. We may elect to retain and pay taxes on some or all of our net long-term capital gains, in which case provisions of the Code will treat our stockholders as having received, solely for tax purposes, our undistributed capital gains, and the stockholders will receive a corresponding credit for taxes that we paid on such undistributed capital gains. See " Annual Distribution Requirements." Corporate stockholders may be required to treat up to 20% of some capital gain distributions as ordinary income. Long-term capital gains are generally taxable at maximum federal rates of 20% in the case of stockholders that are individuals, trusts and estates, and 35% in the case of stockholders that are corporations. Capital gains attributable to the sale of depreciable real property held for more than 12 months are subject to a 25% maximum federal income tax rate for taxpayers who are taxed as individuals, to the extent of previously claimed depreciation deductions.

Distributions in excess of our current and accumulated earnings and profits will generally represent a return of capital and will not be taxable to a stockholder to the extent that the amount of such distributions do not exceed the adjusted basis of the stockholder's shares in respect of which the distributions were made. Rather, the distribution will reduce the adjusted basis of the stockholder's shares. To the extent that such distributions exceed the adjusted basis of a stockholder's shares, the stockholders generally must include such distributions in income as long-term capital gain, or short-term capital gain if the shares have been held for one year or less. In addition, any distribution that we declare in October, November or December of any year and that is payable to a stockholders of record on a specified date in any such month will be treated as both paid by us and received by the stockholders on December 31 of such year, provided that we actually pay the distribution during January of the following calendar year.

To the extent that we have available net operating losses and capital losses carried forward from prior tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. See " Annual Distribution Requirements." Such losses, however, are not passed through to stockholders and do not offset income of stockholders from other sources, nor would such losses affect the character of any distributions that we make, which are generally subject to tax in the hands of stockholders to the extent that we have current or accumulated earnings and profits.

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Dispositions of our stock

In general, capital gains recognized by individuals, trusts and estates upon the sale or disposition of our stock will be subject to a maximum federal income tax rate of 20% if the stock is held for more than one year, and will be taxed at ordinary income rates (of up to 39.6%) if the stock is held for one year or less. Gains recognized by stockholders that are corporations are subject to federal income tax at a maximum rate of 35%, whether or not such gains are classified as long-term capital gains. Capital losses recognized by a stockholder upon the disposition of our stock that was held for more than one year at the time of disposition will be considered long-term capital losses, and are generally available only to offset capital gain income of the stockholder but not ordinary income (except in the case of individuals, who may offset up to $3,000 of ordinary income each year). In addition, any loss upon a sale or exchange of shares of our stock by a stockholder who has held the shares for six months or less, after applying holding period rules, will be treated as a long-term capital loss to the extent of distributions that we make that are required to be treated by the stockholder as long-term capital gain.

If an investor recognizes a loss upon a subsequent disposition of our stock or other securities in an amount that exceeds a prescribed threshold, it is possible that the provisions of U.S. Department of Treasury Regulations involving "reportable transactions" could apply, with a resulting requirement to separately disclose the loss-generating transaction to the IRS. These regulations, though directed towards "tax shelters," are broadly written and apply to transactions that may not typically be considered tax shelters. The Code imposes significant penalties for failure to comply with these requirements. You should consult your tax advisor concerning any possible disclosure obligation with respect to the receipt or disposition of our stock or securities or transactions that we might undertake directly or indirectly. Moreover, you should be aware that we and other participants in the transactions in which we are involved (including their advisors) might be subject to disclosure or other requirements pursuant to these regulations.

Passive activity losses and investment interest limitations Distributions that we make and gain arising from the sale or exchange by a domestic stockholder of our stock will not be treated as passive activity income. As a result, stockholders will not be able to apply any "passive losses" against income or gain relating to our stock. If we make dividends to non-corporate domestic stockholders, the dividends will be treated as investment income for purposes of computing the investment interest limitation. However, net capital gain from the disposition of our stock (or distributions treated as such), capital gain dividends and dividends taxed at net capital gains rates generally will be excluded from investment income except to the extent the domestic stockholder elects to treat such amounts as ordinary income for federal income tax purposes.

Certain domestic stockholders who are individuals, estates or trusts are also required to pay an additional 3.8% tax on, among other things, dividends on and capital gains from the sale or other disposition of stock.

Taxation of Non-U.S. Holders

The following is a summary of certain federal income and estate tax consequences of the ownership and disposition of our stock applicable to certain non-U.S. holders. A "non-U.S. holder" is any person other than a domestic stockholder or an entity treated as a partnership for federal income tax purposes.

The following discussion is based on current law, and is for general information only. It addresses only selected, and not all, aspects of federal income and estate taxation.

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Ordinary dividends

The portion of distributions received by non-U.S. holders that (i) is payable out of our earnings and profits, (ii) is not attributable to our capital gains and (iii) is not effectively connected with a U.S. trade or business of the non-U.S. holder, will be subject to U.S. withholding tax at the rate of 30%, unless reduced or eliminated by treaty. We generally plan to withhold U.S. income tax at the rate of 30% on the gross amount of any such distribution paid to a non-U.S. holder unless either:

- a lower treaty rate applies and the non-U.S. stockholder files an IRS Form W-8BEN or IRS Form W-8BEN-E, evidencing eligibility for that reduced rate with us; or
- the non-U.S. stockholder files an IRS Form W-8ECI with us claiming that the distribution is effectively connected income.

Reduced treaty rates and other exemptions are not available to the extent that income is attributable to excess inclusion income (i.e., certain income from taxable mortgage pools or REMIC residual interests) allocable to the non-U.S. holder. Accordingly, we will withhold at a rate of 30% on any portion of a distribution that is paid to a non-U.S. holder and attributable to that holder's share of our excess inclusion income. As required by IRS guidance, we intend to notify our stockholders if a portion of a distribution paid by us is attributable to excess inclusion income.

Subject to the discussion below, in general, non-U.S. holders will not be considered to be engaged in a U.S. trade or business solely as a result of their ownership of our stock. In cases where the dividend income from a non-U.S. holder's investment in our stock is, or is treated as, effectively connected with the non-U.S. holder's conduct of a U.S. trade or business, the non-U.S. holder generally will be subject to federal income tax at graduated rates, in the same manner as domestic stockholders are taxed with respect to such distributions. Such income must generally be reported on a U.S. income tax return filed by or on behalf of the non-U.S. holder. The income may also be subject to the 30% branch profits tax in the case of a non-U.S. holder that is a corporation.

Non-dividend distributions

Unless our stock constitutes a U.S. real property interest (a "***USRPI***"), distributions that we make that are not out of our earnings and profits will not be subject to U.S. income tax. If we cannot determine at the time a distribution is made whether or not the distribution will exceed current and accumulated earnings and profits, the distribution will be subject to withholding at the rate applicable to ordinary dividends. The non-U.S. holder may seek a refund from the IRS of any amounts withheld if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits. If our stock constitutes a USRPI, as described below, distributions that we make in excess of the sum of (i) the stockholder's proportionate share of our earnings and profits, plus (ii) the stockholder's basis in its stock, will be taxed under the Foreign Investment in Real Property Tax Act of 1980 ("***FIRPTA***") (unless an exemption to FIRPTA applies for a specific non-U.S. holder, at the rate of tax, including any applicable capital gains rates, that would apply to a domestic stockholder of the same type (e.g., an individual or a corporation, as the case may be), and the collection of the tax will be enforced by a refundable withholding at a rate of 15% of the amount by which the distribution exceeds the stockholder's share of our earnings and profits.

Capital gain distributions

Under FIRPTA, a distribution that we make to a non-U.S. holder, to the extent attributable to gains from dispositions of USRPIs that we held directly or through pass-through subsidiaries, or "USRPI capital gains," will, except as described below, be considered effectively connected with a U.S. trade or business of the non-U.S. holder and will be subject to U.S. income tax at the rates applicable to U.S. individuals or corporations, without regard to whether we designate the distribution as a capital

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gain distribution. See above under " Ordinary Dividends," for a discussion of the consequences of income that is effectively connected with a U.S. trade or business. In addition, we will be required to withhold tax equal to 35% of the amount of distributions to the extent the distributions constitute USRPI capital gains. Distributions subject to FIRPTA may also be subject to a 30% branch profits tax in the hands of a non-U.S. holder that is a corporation. A distribution is not a USRPI capital gain if we held an interest in the underlying asset solely as a creditor. Capital gain distributions received by a non-U.S. holder that are attributable to dispositions of our assets other than USRPIs are not subject to federal income or withholding tax, unless (i) the gain is effectively connected with the non-U.S. holder's U.S. trade or business and, if certain treaties apply, is attributable to a U.S. permanent establishment maintained by the non-U.S. holder, in which case the non-U.S. holder would be subject to the same treatment as U.S. holders with respect to such gain, or (ii) the non-U.S. holder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a "tax home" in the United States, in which case the non-U.S. holder will incur a 30% tax on his or her capital gains.

A capital gain distribution that would otherwise have been treated as a USRPI capital gain will not be so treated or be subject to FIRPTA, and generally will not be treated as income that is effectively connected with a U.S. trade or business, and instead will be treated in the same manner as an ordinary dividend, if (i) the capital gain distribution is received with respect to a class of stock that is regularly traded on an established securities market located in the United States, and (ii) the recipient non-U.S. holder does not own more than 10% of that class of stock at any time during the year ending on the date on which the capital gain distribution is received. The shares of our Common Stock are listed on the NYSE under the symbol "WPC."

Dispositions of our stock

Unless our stock constitutes a USRPI, a sale of our stock by a non-U.S. holder generally will not be subject to U.S. taxation under FIRPTA. Our stock could be treated as a USRPI if 50% or more of our assets at any time during a prescribed testing period consist of interests in real property located within the United States, excluding, for this purpose, interests in real property solely in a capacity as a creditor we expect to meet this 50% test.

Even if the foregoing 50% test is met, however, our stock nonetheless will not constitute a USRPI if we are a "domestically-controlled qualified investment entity." A domestically-controlled qualified investment entity includes a REIT, less than 50% of value of which is held directly or indirectly by non-U.S. holders at all times during a specified testing period. In addition, effective as of December 18, 2015, certain favorable presumptions aid in determination of whether we are a domestically-controlled qualified entity. We believe that we will be a domestically-controlled qualified investment entity, and that a sale of our stock should not be subject to taxation under FIRPTA.

In the event that we are not a domestically-controlled qualified investment entity, but our stock is "regularly traded," as defined by applicable U.S. Department of Treasury Regulations, on an established securities market, a non-U.S. holder's sale of our common stock nonetheless would not be subject to tax under FIRPTA as a sale of a USRPI, provided that the selling non-U.S. holder held 10% or less of our outstanding common stock at all times during a specified testing period.

If gain on the sale of our stock were subject to taxation under FIRPTA, or in the absence of a specific exemption for a non-U.S. holder, the non-U.S. holder would be required to file a federal income tax return and would be subject to the same treatment as a U.S. stockholder with respect to such gain, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals, and the purchaser of the stock could be required to withhold 10% of the purchase price and remit such amount to the IRS.

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FIRPTA Exemption Qualified Shareholders. Subject to the exception discussed below, any distribution on or after December 18, 2015 to a "qualified shareholder" who holds stock of a REIT directly or indirectly (through one or more partnerships) will not be subject to United States tax as income effectively connected with a United States trade or business and thus will not be subject to special withholding rules under FIRPTA. While a "qualified shareholder" will not be subject to FIRPTA withholding on REIT distributions, certain investors of a "qualified shareholder" (i.e., non-United States persons who hold interests in the "qualified shareholder" (other than interests solely as a creditor), and hold more than 10% of the stock of the REIT in which the "qualified shareholder" holds stock (whether or not by reason of the investor's ownership in the "qualified shareholder") may be subject to FIRPTA withholding.

A "qualified shareholder" is a foreign person that (i) either is eligible for the benefits of a comprehensive income tax treaty which includes an exchange of information program and whose principal class of interests is listed and regularly traded on one or more recognized stock exchanges (as defined in such comprehensive income tax treaty), or is a foreign partnership that is created or organized under foreign law as a limited partnership in a jurisdiction that has an agreement for the exchange of information with respect to taxes with the United States and has a class of limited partnership units representing greater than 50% of the value of all the partnership units that is regularly traded on the NYSE or NASDAQ markets, (ii) is a qualified collective investment vehicle (defined below), and (iii) maintains records on the identity of each person who, at any time during the foreign person's taxable year, is the direct owner of 5% or more of the class of interests or units (as applicable) described in (i), above.

A qualified collective investment vehicle is a foreign person that (i) would be eligible for a reduced rate of withholding with respect to ordinary dividends under the comprehensive income tax treaty described above, even if such entity holds more than 10% of the stock of such REIT, (ii) is publicly traded (as defined in Section 7704(b) of the Internal Revenue Code, is treated as a partnership under the Internal Revenue Code, is a withholding foreign partnership for purposes of United States withholding taxes, and would be treated as a United States real property holding company if it were a domestic corporation, or (iii) is designated as such by the Secretary of the Treasury and is either (a) fiscally transparent within the meaning of Section 894 of the Internal Revenue Code, or (b) required to include dividends in its gross income, but is entitled to a deduction for distributions to its investors.

FIRPTA Exemption Qualified Foreign Pension Funds. Any distribution on or after December 18, 2015 to a "qualified foreign pension fund" or an entity all of the interests of which are held by a "qualified foreign pension fund" who holds REIT stock directly or indirectly (through one or more partnerships) will generally not be subject to United States tax as income effectively connected with a United States trade or business and thus will not be subject to the withholding rules under FIRPTA.

A qualified foreign pension fund is any trust, corporation, or other organization or arrangement (i) which is created or organized under the law of a country other than the United States, (ii) which is established to provide retirement or pension benefits to participants or beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, (iii) which does not have a single participant or beneficiary with a right to more than 5% of its assets or income, (iv) which is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in the country in which it is established or operates and (v) with respect to which, under the laws of the country in which it is established or operates, (A) contributions to such organization or arrangement that would otherwise be subject to tax under such laws are deductible or excluded from the gross income of such entity or taxed at a reduced rate, or (B) taxation of any investment income of such organization or arrangement is deferred or such income is taxed at a reduced rate.

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Wash sales

In general, special wash sale rules apply if a stockholder owning more than 5% of our Common Stock avoids a taxable distribution of gain recognized from the sale or exchange of U.S. real property interests by selling our common stock before the ex-dividend date of the distribution and then, within a designated period, enters into an option or contract to acquire shares of the same or a substantially identical class of our common stock. If a wash sale occurs, then the seller/repurchaser will be treated as having gain recognized from the sale or exchange of U.S. real property interests in the same amount as if the avoided distribution had actually been received. Non-U.S. holders should consult their own tax advisors on the special wash sale rules that apply to non-U.S. holders.

Estate tax

If our stock is owned or treated as owned by an individual who is not a citizen or resident (as specially defined for federal estate tax purposes) of the United States at the time of such individual's death, the stock will be includable in the individual's gross estate for federal estate tax purposes, unless an applicable estate tax treaty provides otherwise, and may therefore be subject to federal estate tax.

Foreign Accounts

The Foreign Account Tax Compliance Act, or FATCA, provisions of the Internal Revenue Code, enacted in 2010, together with administrative guidance and certain intergovernmental agreements entered into thereunder, impose a 30% withholding tax on certain types of payments (including dividends on our stock) made to "foreign financial institutions" and certain other non-United States entities unless (i) the foreign financial institution undertakes certain diligence and reporting obligations or (ii) the foreign non-financial entity either certifies it does not have any substantial United States owners or furnishes identifying information regarding each substantial United States owner. If the payee is a foreign financial institution that is not subject to special treatment under certain intergovernmental agreements, it must enter into an agreement with the United States Treasury requiring, among other things, that it undertakes to identify accounts held by certain United States persons or United States-owned foreign entities, annually report certain information about such accounts and withhold 30% on payments to account holders whose actions prevent them from complying with these reporting and other requirements. Investors in jurisdictions that have entered into intergovernmental agreements may, in lieu of the foregoing requirements, be required to report such information to their home jurisdictions. Withholding under FATCA will apply after December 31, 2018 with respect to the gross proceeds from a disposition of property that can produce United States source interest or dividends and began after June 30, 2014 with respect to the other withholdable payments (including dividends on our stock). The requirements under FATCA may be modified by an intergovernmental agreement (an "***IGA***") between the United States and another country, such as the IGA between the United States and the Netherlands. Prospective investors should consult their tax advisors regarding this legislation and the applicability of any IGA in their home jurisdiction.

Taxation of Tax-Exempt Stockholders

Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from federal income taxation. However, they may be subject to taxation on their UBTI. While some investments in real estate may generate UBTI, the IRS has ruled that dividend distributions from a REIT to a tax-exempt employee pension trust do not automatically constitute UBTI. Based on that ruling, and provided that (i) a tax-exempt stockholder has not held our stock as "debt financed property" within the meaning of the Code (e.g., where the acquisition or holding of the property is financed through a borrowing by the tax-exempt stockholder), and (ii) our stock is not otherwise used in an unrelated trade or business, distributions that we make and income from the sale of our stock generally should not give rise to UBTI to a tax-exempt stockholder.

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Tax-exempt stockholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans exempt from federal income taxation under Sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code are subject to different UBTI rules, which generally require such stockholders to characterize distributions that we make as UBTI.

In certain circumstances, a pension trust that owns more than 10% of our stock by value could be required to treat a percentage of its distributions as UBTI, if we are a "pension-held REIT." We will not be a pension-held REIT unless either (i) one pension trust owns more than 25% of the value of our stock, or (ii) a group of pension trusts, each individually holding more than 10% of the value of our stock, collectively owns more than 50% of the value of our stock. Certain restrictions on ownership and transfer of our stock should generally prevent a tax-exempt entity from owning more than 10% of the value of our stock and should generally prevent us from becoming a "pension-held REIT."

Tax-exempt stockholders are urged to consult their tax advisors regarding the federal, state, local and foreign income and other tax consequences of owning our stock.

Backup Withholding and Information Reporting

We will report to our domestic stockholders and the IRS the amount of dividends paid during each calendar year and the amount of any tax withheld. Under the backup withholding rules, a domestic stockholder may be subject to backup withholding with respect to dividends paid unless the holder is a corporation or comes within other exempt categories and, when required, demonstrates this fact or provides a taxpayer identification number or social security number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A domestic stockholder that does not provide his or her correct taxpayer identification number or social security number may also be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. In addition, we may be required to withhold a portion of a capital gain distribution to any domestic stockholders who fails to certify its non-foreign status.

We must report annually to the IRS and to each non-U.S. stockholder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. stockholder resides under the provisions of an applicable income tax treaty. A non-U.S. stockholder may be subject to backup withholding unless applicable certification requirements are met.

Payment of the proceeds of a sale of our common stock within the U.S. is subject to both backup withholding and information reporting unless the beneficial owner certifies under penalties of perjury that it is a non-U.S. stockholder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a U.S. person) or the holder otherwise establishes an exemption. Payment of the proceeds of a sale of our common stock conducted through certain U.S. related financial intermediaries is subject to information reporting (but not backup withholding) unless the financial intermediary has documentary evidence in its records that the beneficial owner is a non-U.S. stockholder and specified conditions are met or an exemption is otherwise established. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against such holder's federal income tax liability provided the required information is furnished to the IRS.

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Legislative or Other Actions Affecting REITs

The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of Treasury. Changes to the federal tax laws and interpretations thereof could adversely affect an investment in our stock.

State, Local and Foreign Taxes

We and our subsidiaries and stockholders may be subject to state, local or foreign taxation in various jurisdictions including those in which we or they transact business, own property or reside. We own real property assets located in numerous jurisdictions, and will be required to file tax returns in some of those jurisdictions. Our state, local or foreign tax treatment and that of our stockholders may not conform to the federal income tax treatment discussed above. We may own foreign real estate assets and pay foreign property taxes, and dispositions of foreign property or operations involving, or investments in, foreign real estate assets may give rise to foreign income or other tax liability in amounts that could be substantial. Any foreign taxes that we incur do not pass through to stockholders as a credit against their federal income tax liability. Prospective investors should consult their tax advisors regarding the application and effect of state, local and foreign income and other tax laws on an investment in our stock.

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MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS RELEVANT TO HOLDERS OF OUR DEBT SECURITIES

The following summary of U.S. federal income tax considerations is based on existing law, and is limited to matters relating to the purchase of fixed rate Debt Securities covered by this prospectus. A discussion of specific U.S. federal income tax considerations that may be relevant to persons considering the purchase of convertible debt securities, short-term debt securities (generally, debt securities having maturities of not more than one year), floating rate debt securities or foreign currency debt securities, will be included in the applicable prospectus supplement relating to such securities' issuance.

This summary, which does not represent tax advice, is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change (potentially with retroactive effect) or possible differing interpretations. This summary deals only with Debt Securities that will be held as capital assets and, except where otherwise specifically stated, is addressed only to persons who purchase Debt Securities in the initial offering. It does not address tax considerations applicable to an investor that may be subject to special tax rules, such as:

- a bank, insurance company, or other financial institution;
- a regulated investment company or REIT;
- a subchapter S corporation;
- a broker, dealer or trader in securities or foreign currency;
- a U.S. Holder (as defined below) who has a functional currency other than the U.S. dollar;
- a person subject to alternative minimum tax;
- a person that holds Debt Securities as a position in a straddle, hedging transaction, constructive sale transaction, constructive ownership transaction or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction;
- a U.S. expatriate; or
- except as specifically described in the following summary, a trust, estate, tax-exempt entity or foreign person.

This summary does not discuss any state, local, foreign or other tax considerations not specifically addressed below or the Medicare tax on net investment income. Prospective purchasers of Debt Securities should review the accompanying prospectus supplements for summaries of special U.S. federal income tax considerations that may be relevant to a particular issue of Debt Securities, and are urged to consult their own tax advisors concerning the application of U.S. federal income tax laws and other tax consequences to their particular situation.

Your U.S. federal income tax consequences generally will differ depending on whether or not you are a "***U.S. Holder***." For purposes of this summary, a "U.S. Holder" is a beneficial owner of a Debt Security that is:

- a citizen or individual resident of the United States, including an alien individual who is a lawful permanent resident of the United States or meets the substantial presence residency test under the U.S. federal income tax laws;

an entity treated as a corporation for U.S. federal income tax purposes that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

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an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or, to the extent provided in Treasury regulations, a trust in existence on August 20, 1996 that has elected to be treated as a domestic trust;

whose status as a U.S. Holder is not overridden by an applicable tax treaty.

Conversely, a "***Non-U.S. Holder***" is a beneficial owner of a Debt Security other than a partnership or a U.S. Holder.

If any entity treated as a partnership for U.S. federal income tax purposes is a beneficial owner of our Debt Securities, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Any entity or other arrangement treated as a partnership for federal income tax purposes that is a beneficial owner of our Debt Securities and the partners in such a partnership (as determined for federal income tax purposes) are urged to consult their own tax advisors about the U.S. federal income tax consequences and other tax consequences of the acquisition, ownership and disposition of our Debt Securities.

Tax Consequences to U.S. Holders

Payments of Interest. Payments of qualified stated interest (as defined below under " Original Issue Discount") on a Debt Security will be taxable to a U.S. Holder as ordinary interest income at the time that such payments are accrued or are received (in accordance with the U.S. Holder's method of tax accounting).

Purchase, Sale, Exchange, Retirement or other Disposition of Debt Securities. A U.S. Holder's tax basis in a Debt Security generally will equal the cost of such Debt Security to such U.S. Holder, increased by any amounts includible in income by the U.S. Holder as original issue discount ("***OID***"), and market discount and reduced by any amortized premium (each as described below) and any payments other than payments of qualified stated interest (as defined below under " Original Issue Discount") made on such Debt Security.

Upon the sale, exchange, retirement or other disposition of a Debt Security, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest (as defined below under " Original Issue Discount"), which will be taxable as such) and the U.S. Holder's tax basis in such Debt Security.

Except as described below with respect to market discount, gain or loss recognized by a U.S. Holder generally will be long-term capital gain or loss if the U.S. Holder has held the Debt Security for more than one year at the time of disposition. Long-term capital gains recognized by a noncorporate U.S. Holder, including an individual, generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deductibility of capital losses is subject to limitations.

Original Issue Discount. In addition to, or as an alternative to, bearing qualified stated interest (as defined below), a Debt Security may be issued with OID. U.S. Holders of Debt Securities with OID generally will be subject to the special tax accounting rules for obligations issued with OID provided by the Code and certain regulations promulgated thereunder. Debt Securities issued with OID will be referred to as "original issue discount debt securities." Notice will be given in the accompanying prospectus supplement when we determine that a particular Debt Security is an original issue discount Debt Security. U.S. Holders of such original issue discount debt securities should be aware that, as described in greater detail below, they generally must include OID in ordinary gross income for U.S. federal income tax purposes as it accrues, in advance of the receipt of cash attributable to that income.

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A Debt Security will generally be considered to be issued with OID if its stated redemption price at maturity (as defined below) exceeds its issue price (as defined below) by more than a de minimis amount (generally, 0.25% of such stated redemption price multiplied by the number of complete years to maturity). The "stated redemption price at maturity" of a Debt Security is generally the sum of all payments to be made on the Debt Security other than qualified stated interest (as defined below). "Qualified stated interest" is generally stated interest that is unconditionally payable in cash or in property (other than our debt instruments) at least annually during the entire term of a Debt Security at a single fixed rate or, subject to certain conditions, based on one or more interest indices. The "issue price" of each Debt Security in a particular offering will generally be the first price at which a substantial amount of that particular offering is sold to the public (ignoring sales to underwriters, placement agents or wholesalers).

In general, each U.S. Holder of an original issue discount Debt Security, whether such U.S. Holder uses the cash or the accrual method of tax accounting, will be required to include in ordinary gross income the sum of the "daily portions" of OID on the Debt Security for all days during the taxable year that the U.S. Holder owns the Debt Security. The daily portions of OID on an original issue discount Debt Security are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be any length and may vary in length over the term of an original issue discount Debt Security, provided that no accrual period is longer than one year and each scheduled payment of principal or interest occurs on either the final day or the first day of an accrual period. In the case of an initial U.S. Holder, the amount of OID on an original issue discount Debt Security allocable to each accrual period is determined by (i) multiplying the adjusted issue price (as defined below) of the original issue discount Debt Security at the beginning of the accrual period by the yield to maturity (as defined below) of such original issue discount Debt Security (appropriately adjusted to reflect the length of the accrual period) and (ii) subtracting from that product the amount (if any) of qualified stated interest allocable to that accrual period. The "yield to maturity" of a Debt Security is the discount rate that causes the present value of all payments on the Debt Security as of its original issue date to equal the issue price of such Debt Security. The "adjusted issue price" of an original issue discount Debt Security at the beginning of any accrual period will generally be the sum of its issue price (generally including accrued interest, if any) and the amount of OID allocable to all prior accrual periods, reduced by the amount of all payments other than payments of qualified stated interest (if any) made with respect to such Debt Security in all prior accrual periods. As a result of this "constant-yield" method of including OID in income, the amounts includible in income by a U.S. Holder in respect of an original issue discount Debt Security denominated in U.S. dollars generally are lesser in the early years and greater in the later years than the amounts that would be includible on a straight-line basis.

A U.S. Holder generally may make an irrevocable election to include in its income its entire return on a Debt Security (i.e., the excess of all remaining payments to be received on the Debt Security, including payments of qualified stated interest, over the amount paid by such U.S. Holder for such Debt Security) under the constant-yield method described above. For Debt Securities purchased at a premium or bearing market discount in the hands of the U.S. Holder, the U.S. Holder making such election will also be deemed to have made the election (described below under " Premium and Market Discount") to amortize premium or to accrue market discount in income currently on a constant-yield basis.

A subsequent U.S. Holder of an original issue discount Debt Security that purchases the Debt Security at a cost less than the sum of the remaining payments to be made on the Debt Security (other than payments of qualified stated interest), or an initial U.S. Holder that purchases an original issue discount Debt Security at a price other than the Debt Security's issue price, also generally will be required to include in gross income the daily portions of OID, calculated as described above. However, if such U.S. Holder acquires the original issue discount Debt Security with "acquisition premium"

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(i.e., at a price greater than its adjusted issue price, which in the case of an initial U.S. Holder would be the issue price), the U.S. Holder is required to reduce its periodic inclusions of OID income by a portion of the acquisition premium equal to the ratio of the OID that would otherwise be includable in such U.S. Holder's income with respect to the Debt Security during the current taxable year, over the total remaining OID on the Debt Security as of the acquisition date.

Certain of the Debt Securities may be subject to special redemption, repayment or interest rate reset features, as indicated in the applicable prospectus supplement. Debt Securities containing such features, in particular original issue discount Debt Securities, may be subject to special rules that differ from the general rules described above. Purchasers of Debt Securities with such features should carefully examine the accompanying prospectus supplement and are urged to consult their own tax advisors with respect to such Debt Securities because the tax consequences with respect to such features, and especially with respect to OID, will depend, in part, on the particular terms of the purchased Debt Securities.

Premium and Market Discount. A U.S. Holder of a Debt Security that purchases the Debt Security at a cost greater than the sum of the remaining payments to be made on the Debt Security (other than payments of qualified stated interest) will be considered to have purchased the Debt Security at a premium, and may elect to amortize such premium (as an offset to interest income), using a constant-yield method, over the remaining term of the Debt Security. Such election, once made, generally applies to all Debt Securities held or subsequently acquired by the U.S. Holder on or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A U.S. Holder that elects to amortize such premium must reduce its tax basis in a Debt Security by the amount of the premium amortized during its holding period. Original issue discount Debt Securities purchased at a premium will not be subject to the OID rules described above.

With respect to a U.S. Holder that does not elect to amortize bond premium, the amount of bond premium will be included in the U.S. Holder's tax basis when the Debt Security matures or is disposed of by the U.S. Holder. Therefore, a U.S. Holder that does not elect to amortize such premium and that holds the Debt Security to maturity generally will be required to treat the premium as a capital loss when the Debt Security matures. If the non-electing U.S. Holder disposes of the Debt Security prior to maturity, the premium will decrease the gain or increase the loss that the U.S. Holder would otherwise recognize on the disposition.

If a U.S. Holder of a Debt Security purchases the Debt Security at a price that is lower than the sum of the remaining payments to be made on the Debt Security (other than payments of qualified stated interest) or, in the case of an original issue discount Debt Security, its adjusted issue price, by at least 0.25% of the sum of the remaining payments to be made on the Debt Security (other than payments of qualified stated interest) multiplied by the number of remaining whole years to maturity, the Debt Security will be considered to have "market discount" in the hands of such U.S. Holder. In such case, gain realized by the U.S. Holder on the disposition of the Debt Security generally will be treated as ordinary income to the extent of the market discount that accrued on the Debt Security while held by such U.S. Holder. In addition, the U.S. Holder could be required to defer the deduction of the interest paid on any indebtedness incurred or maintained to purchase or carry the Debt Security. In general terms, market discount on a Debt Security will be treated as accruing ratably over the term of such Debt Security or, at the election of the U.S. Holder, under a constant-yield method.

A U.S. Holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis), in lieu of treating a portion of any gain realized on a sale of a Debt Security as ordinary income. If a U.S. Holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any such election, if made, applies to all market discount bonds acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and is revocable only with the consent of the IRS.

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Tax Consequences to Non-U.S. Holders

Under present U.S. federal income tax law, and subject to the discussions below under " Information Reporting, Backup Withholding and Foreign Account Withholding":

No withholding of U.S. federal income tax generally will be required with respect to the payment by us or any issuing and paying agent on a Debt Security owned by a Non-U.S. Holder, provided (i) that the beneficial owner does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote within the meaning of Section 871(h)(3) of the Code and the regulations thereunder, (ii) the beneficial owner is not a controlled foreign corporation to which we are a "related person" within the meaning of Section 864(d)(4) of the Code, and (iii) the beneficial owner provides a statement signed under penalties of perjury that includes its name and address and certifies that it is a Non-U.S. Holder in compliance with applicable requirements, generally made, under current procedures, on an applicable IRS Form W-8 (or satisfies certain documentary evidence requirements for establishing that it is a Non-U.S. Holder).

A Non-U.S. Holder will generally not be subject to U.S. federal income tax on gain realized on the sale, exchange or redemption of a Debt Security, unless (i) such gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States (and, if an income tax treaty applies, is attributable to a U.S. "permanent establishment" or "fixed base" maintained by the Non-U.S. Holder) or (ii) in the case of gain realized by an individual Non-U.S. Holder, the Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the retirement or disposition and certain other conditions are met.

If a Non-U.S. Holder is subject to withholding at a rate in excess of a reduced rate for which such holder is eligible under a tax treaty or otherwise, such Non-U.S. Holder may be able to obtain a refund of or credit for any amounts withheld in excess of the applicable rate.

Notwithstanding the foregoing, a Non-U.S. Holder generally will be taxed in the same manner as a U.S. Holder with respect to interest income that is effectively connected with its U.S. trade or business (and, if an income tax treaty applies, is attributable to a U.S. "permanent establishment" or "fixed base" maintained by the Non-U.S. Holder). In addition, under certain circumstances, effectively connected interest income of a corporate Non-U.S. Holder may be subject to a "branch profits" tax imposed at a 30% rate (as reduced by an applicable treaty). A Non-U.S. Holder with effectively connected income will, however, generally not be subject to withholding tax on interest income if, under current procedures, it delivers a properly completed IRS Form W-8ECI.

Information Reporting, Backup Withholding and Foreign Account Withholding

Information returns will be filed with the IRS in connection with payments on our Debt Securities made to, and proceeds of dispositions of our Debt Securities effected by, certain holders. In addition, certain U.S. Holders may be subject to backup withholding in respect of such amounts if they do not provide their taxpayer identification numbers to the person from whom they receive payments. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to obtain exemption from backup withholding and any available exemption from information reporting requirements. The amount of any backup withholding from a payment to a U.S. or non-U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

Non-U.S. financial institutions and other non-U.S. entities are subject to diligence and reporting requirements for purposes of identifying accounts and investments held directly or indirectly by U.S. persons. The failure to comply with these additional information reporting, certification and other

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requirements could result in a 30% withholding tax on applicable payments to non-U.S. persons. In particular, a payee that is a foreign financial institution that is subject to the diligence and reporting requirements described above must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report information about such accounts, and withhold 30% on applicable payments to noncompliant foreign financial institutions and account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States with respect to these requirements may be subject to different rules. The foregoing withholding regime generally applies to payments of interest on our Debt Securities, and is expected to generally apply to other "withholdable payments" (including payments of gross proceeds from a sale, repayment, retirement, or other disposition of our Debt Securities) made after December 31, 2018. In general, to avoid withholding, any non-U.S. intermediary through which a holder owns our Debt Securities must establish its compliance with the foregoing regime, and a Non-U.S. Holder must provide certain documentation (usually an applicable IRS Form W-8) containing information about its identity, its status, and if required, its direct and indirect U.S. owners. Non-U.S. Holders and holders who hold our Debt Securities through a non-U.S. intermediary are urged to consult their own tax advisor regarding foreign account tax compliance.

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PLAN OF DISTRIBUTION

Unless otherwise set forth in a prospectus supplement accompanying this prospectus, we may sell the Securities offered pursuant to this prospectus to or through one or more underwriters or dealers or we may sell the Securities to investors directly on our own behalf in those jurisdictions where we are authorized to do so or through agents. Any such underwriter, dealer or agent involved in the offer and sale of the Securities will be named in the applicable prospectus supplement.

Underwriters may offer and sell the Securities at a fixed price or prices that may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. We may also, from time to time, authorize dealers or agents to offer and sell the Securities upon such terms and conditions as may be set forth in the applicable prospectus supplement. In connection with the sale of any of the Securities, underwriters may receive compensation from us in the form of underwriting discounts or commissions, and may also receive commissions from purchasers of the Securities for whom they may act as agent. Underwriters may sell the Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters, or commissions from the purchasers for whom they may act as agents.

Shares of our Common Stock may also be sold in one or more of the following transactions: (i) block transactions (which may involve crosses) in which a broker-dealer may sell all or a portion of such shares as agent, but may position and resell all or a portion of the block as principal to facilitate the transaction; (ii) purchases by any such broker-dealer as principal, and resale by such broker-dealer for its own account pursuant to a prospectus supplement; (iii) a special offering, an exchange distribution or a secondary distribution in accordance with applicable NYSE or other stock exchange, quotation system or over-the-counter market rules; (iv) ordinary brokerage transactions and transactions in which any such broker-dealer solicits purchasers; (v) sales "at the market" to or through a market maker or into an existing trading market, on an exchange or otherwise, for such shares; and (vi) sales in other ways not involving market makers or established trading markets, including direct sales to purchasers.

Any underwriting compensation paid by us to underwriters or agents in connection with the offering of the Securities, and any discounts, concessions or commissions allowed by underwriters to participating dealers, will be set forth in the applicable prospectus supplement. Dealers and agents participating in the distribution of the Securities may be deemed to be underwriters, and any discounts and/or commissions received by them and any profit realized by them on resale of the Securities, may be deemed to be underwriting discounts and commissions.

Underwriters, dealers and agents may be entitled to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act under certain contractual agreements with us. Unless otherwise set forth in an accompanying prospectus supplement, the obligations of any underwriters to purchase any of the Securities will be subject to certain conditions precedent and the underwriters will be obligated to purchase all of such Securities (if any such Securities are purchased).

Underwriters, dealers and agents may engage in transactions with, or perform services for, us and our affiliates in the ordinary course of business.

If indicated in the prospectus supplement, we may authorize underwriters or other agents to solicit offers by institutions to purchase Securities from us pursuant to contracts providing for payment and delivery on a future date. Institutions with which we may make these delayed delivery contracts include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others. The obligations of any such purchaser will be subject to the

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condition that the purchase of the Securities shall not at the time of delivery be prohibited under the laws of the jurisdiction to which the purchaser is subject.

The underwriters and other agents will not have any responsibility with regard to the validity or performance of these delayed delivery contracts.

In connection with the offering of the Securities hereby, certain underwriters and selling group members, as well as their respective affiliates, may engage in transactions that stabilize, maintain or otherwise affect the market price of the applicable Securities. Such transactions may include stabilization transactions effected in accordance with Rule 104 of Regulation M promulgated by the SEC, pursuant to which such persons may bid for or purchase Securities for the purpose of stabilizing their market price. The underwriters in an offering of Securities may also create a "short position" for their account by selling more Securities in connection with the offering than they are committed to purchase from us. In such case, the underwriters could cover all or a portion of such short position by either (i) purchasing Securities in the open market following completion of the offering of such Securities or (ii) exercising any over-allotment option granted to them by us. In addition, the managing underwriter may impose "penalty bids" under contractual arrangements with other underwriters, which means that they can reclaim from an underwriter (or any selling group member participating in the offering), for the account of the other underwriters, the selling concession with respect to Securities that are distributed in the offering but subsequently purchased for the account of the underwriters in the open market. Any of the transactions described in this paragraph (or comparable transactions that are described in any accompanying prospectus supplement) may result in the maintenance of the price of the Securities at a level above that which might otherwise prevail in the open market. None of such transactions described in this paragraph or in an accompanying prospectus supplement are required to be taken by any underwriters and, if they are undertaken, may be discontinued at any time.

Shares of our Common Stock are listed on the NYSE under the symbol "WPC." Any Debt Securities, series of Preferred Stock or Warrants we offer will be new issues of Securities with no established trading market and may or may not be listed on a national securities exchange, quotation system or over-the-counter market. Any underwriters or agents to or through which Securities are sold by us may make a market in such securities, but such underwriters or agents will not be obligated to do so and may discontinue any market-making at any time without notice. No assurance can be given as to the liquidity of or trading market for any Securities sold by us.

Selling securityholders may use this prospectus in connection with resales of the Securities. The applicable prospectus supplement will identify the selling securityholders and the terms of the Securities. Selling securityholders may be deemed to be underwriters in connection with the Securities they resell and any profits on the sales may be deemed to be underwriting discounts and commissions under the Securities Act. The selling securityholders will receive all the proceeds from the sale of the securities. We will not receive any proceeds from sales by selling securityholders.

EXPERTS

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) of W. P. Carey Inc. and the financial statements of Corporate Property Associates 16 – Global Incorporated, all of which are incorporated in this prospectus by reference to the Annual Report on Form 10-K of W. P. Carey Inc. for the year ended December 31, 2015 have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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SELLING SECURITYHOLDERS

Information about selling securityholders, where applicable, will be set forth in a prospectus supplement, in a post-effective amendment, or in filings we make with the SEC. We do not expect to receive any of the proceeds from the sale of Securities to which this prospectus relates that are offered by any selling securityholders.

LEGAL MATTERS

The legality of the Securities offered hereby is being passed upon for W. P. Carey and WPC Eurobond B.V. by DLA Piper LLP (US) and DLA Piper Nederland N.V. In addition, the descriptions of federal income tax consequences contained in the sections entitled "Material U.S. Federal Income Tax Considerations Relevant To Holders Of Our Common Stock" and "Material U.S. Federal Income Tax Consideration To Holders Of Our debt Securities" are based on the opinion of DLA Piper LLP (US), which opinion is subject to various assumptions and is based on current tax law of the United States. Certain legal matters may be passed upon for any of the underwriters or agents by counsel named in the applicable prospectus supplement.

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% Senior Notes due 20

PRELIMINARY PROSPECTUS SUPPLEMENT

J.P. Morgan **BofA Merrill Lynch** **Wells Fargo Securities**

, 2018