

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): **December 23, 2008 (December 23, 2008)**

**Avis Budget Group, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

(State or Other Jurisdiction  
of Incorporation)

**1-10308**

(Commission File  
Number)

**06-0918165**

(IRS Employer  
Identification No.)

**6 Sylvan Way  
Parsippany, NJ**

(Address of Principal Executive Offices)

**07054**

(Zip Code)

**(973) 496-4700**

(Registrant's telephone number, including area code)

**N/A**

(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Asset-Backed Conduit Financing**

On December 23, 2008, our Avis Budget Rental Car Funding (AESOP) LLC subsidiary completed the renewal of our principal asset-backed conduit facility (known as the Series 2002-2 Notes) and our seasonal conduit facility (known as the Series 2008-1 Notes).

In connection with such renewal, \$100 million was reallocated from the principal conduit facility to the seasonal conduit facility, resulting in a \$1.35 billion principal facility and a \$1.1 billion seasonal facility. The principal conduit facility has been extended for one year from the date of closing, and the seasonal conduit facility will have a final maturity in November 2009 following 25% reductions in borrowing capacity in each of September and October 2009. We will be required to apply 75% of the proceeds from the issuance of rental car asset-backed term notes of up to \$1 billion in aggregate principal amount toward the reduction of the facilities.

The initial borrowing spreads for these facilities are unchanged from the levels established in connection with the extension of the principal conduit facility in October 2008, however, such spreads are subject to an increase of (1) 1% for the period of May 31, 2009 through maturity, (2) an additional 1% for the period of August 31, 2009 through maturity and (3) an additional 1% for the period of September 30, 2009 through maturity, in each case if we fail to reduce commitments and borrowings under the facilities by an aggregate amount of approximately \$187.5 million on a pro rata basis during each such period.

Certain of the conduit purchasers of the Series 2002-2 Notes and the Series 2008-1 Notes, the trustee, and their respective affiliates, have performed and may in the future perform, various commercial banking, investment banking and other financial advisory services for us and our subsidiaries for which they have received, and will receive, customary fees and expenses.

**Amendment to Credit Facilities**

On December 23, 2008, we completed an amendment to our senior credit facilities to replace the leverage and interest coverage ratios with a minimum EBITDA covenant. The amendment also reduces the revolving credit facility from \$1.5 billion to \$1.15 billion and increases the cost of borrowings and letters of credit by 2.5%. In connection with such amendment, we also entered into an Amended and Restated Guarantee and Collateral Agreement.

Attached hereto is a copy of (i) the First Amendment to our senior credit facilities, as Exhibit 10.1, (ii) the Amended and Restated Guarantee and Collateral Agreement, as Exhibit 10.2, (iii) the Twelfth Amendment to the Amended and Restated Series 2002-2 Supplement, as Exhibit 10.3, (iv) the Second Amendment to the Series 2008-1 Supplement, as Exhibit 10.4, and (v) the press release announcing the completion of renewal of the conduit facilities and the amendment to the senior credit facilities, as Exhibit 99.1, and are incorporated by reference herein.

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**(d) Exhibits.**

The following exhibits are filed as part of this report:

<u>Exhibit No.</u>	<u>Description</u>
10.1	First Amendment Dated December 23, 2008 to the Credit Agreement dated as of April 19, 2006 among Avis Budget Holdings, LLC, Avis Budget Car Rental, LLC, the subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto, Bank of America, N.A., Calyon New York Branch and Citicorp USA, Inc., as documentation agents, Wachovia Bank, National Association, as co-documentation agent, Deutsche Bank Securities Inc. as syndication agent and JPMorgan Chase Bank, N.A., as administrative agent.
10.2	Amended and Restated Guarantee and Collateral Agreement, dated as of December 23, 2008, made by each of the signatories thereto in favor of JPMorgan Chase Bank, N.A., as administrative agent.
10.3	Twelfth Amendment to the Amended and Restated Series 2002-2 Supplement, dated as of December 23, 2008.
10.4	Second Amendment to the Series 2008-1 Supplement, dated as of December 23, 2008.
99.1	Press Release Dated December 23, 2008.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**AVIS BUDGET GROUP, INC.**

/s/ Jean M. Sera

By: Jean M. Sera

Senior Vice President and Secretary

Date: December 23, 2008

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## EXHIBIT INDEX

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**FIRST AMENDMENT**

This First Amendment, dated as of December 23, 2008 (this "Amendment"), to the Credit Agreement, dated as of April 19, 2006 (the "Credit Agreement") among AVIS BUDGET HOLDINGS, LLC ("Holdings"), AVIS BUDGET CAR RENTAL, LLC (the "Borrower"), the subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto (the "Lenders"), Bank of America, N.A., Calyon New York Branch and Citicorp USA, Inc. as documentation agents, Wachovia Bank, National Association as co-documentation agent, Deutsche Bank Securities Inc. as syndication agent and JPMORGAN CHASE BANK, N.A., as administrative agent (the "Administrative Agent"; and together with the other agents named therein, the "Agents").

WITNESSETH:

WHEREAS, Holdings, the Borrower, the Lenders and the Agents are parties to the Credit Agreement;

WHEREAS, the Borrower has requested that the Lenders amend certain terms in the Credit Agreement in the manner provided for herein; and

WHEREAS, the Administrative Agent and the Lenders are willing to agree to the requested amendments subject to the provisions of this Amendment;

NOW, THEREFORE, in consideration of the premises contained herein, the parties hereto agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms are used herein as defined in the Credit Agreement.

2. Amendments to Section 1.1 (Defined Terms). Section 1.1 of the Credit Agreement is hereby amended as follows:

(a) by deleting the definition of "ABR" in its entirety and inserting in lieu thereof the following new definition:

"ABR": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b)(i) the Federal Funds Effective Rate in effect on such day plus (ii) ½ of 1% and (c) (i) the Eurocurrency Rate for a one month interest period in effect on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus (ii) 1%. For purposes hereof: (1) "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by JPMorgan Chase Bank in connection with extensions of credit to debtors) and (2) the Eurocurrency Rate for any day shall be based on the rate for deposits in Dollars appearing on the Reuters BBA Libor Rates Page 3750 (or on any successor or substitute page of such page) at approximately 11:00 a.m. London time on such day. Any change in the ABR due to a change in the Prime Rate, the Federal Funds Effective Rate or the Eurocurrency Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate, the Federal Funds Effective Rate or the Eurocurrency Rate, respectively.

(b) by deleting the definition of "AESOP Financing Program" in its entirety and inserting in lieu thereof the following new definition:

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“AESOP Financing Program”: the transactions contemplated by the AESOP Base Indenture, as it may be from time to time further amended, supplemented or modified, and the instruments and agreements referenced therein and otherwise executed in connection therewith, and any successor program.

(c) by deleting the definition of “Applicable Margin” in its entirety and inserting in lieu thereof the following new definition:

“Applicable Margin”: (a) with respect to Term Loans, (i) 2.75% in the case of ABR Loans and (ii) 3.75% in the case of Eurocurrency Loans and (b) with respect to Revolving Loans and Swingline Loans, (i) 3.00% in the case of ABR Loans and (ii) 4.00% in the case of Eurocurrency Loans.

(d) by deleting “25,000,000” in the definition of “Asset Sale” and inserting in lieu thereof “10,000,000”;

(e) by deleting the text from the definition of “Commitment Fee Rate” in its entirety and inserting in lieu thereof “0.50%”;

(f) by amending the definition of “Consolidated EBITDA” as follows:

(i) by deleting “and” following subclause (e), deleting subclause (f) thereof in its entirety and inserting in lieu thereof the following new subclauses (f), (g) and (h):

“; (f)(i) separation, integration, restructuring and severance cash items and (ii) other extraordinary, unusual or non-recurring cash items, in the case of each of (i) and (ii) in an aggregate amount not to exceed \$50,000,000 for any period plus, in the case of any period including the fiscal quarter ended (A) March 31, 2008, \$483,000, (B) June 30, 2008, \$786,000 and (C) September 30, 2008, \$11,097,000, (g) other unusual or non-recurring non-cash expenses or losses, including fees, expenses and charges associated with the transactions contemplated by the Separation Agreement, and (h) unrealized losses from interest rate, foreign exchange and gasoline Swap Agreements, in the case of each of (a)-(h) above, to the extent such items are reflected as a charge in the calculation of Consolidated Net Income for such period,” and

(ii) by deleting subclauses (i) and (ii) thereof in their entirety and inserting in lieu thereof the following new subclauses (i) and (ii):

“(i)(A) any non-recurring gains (losses) on business unit dispositions outside the ordinary course of business and (B) any unusual or non-recurring non-cash income, in the case of each of (A) and (B) above, to the extent such items are reflected as income (losses) in the calculation of Consolidated Net Income for such period and (ii) any cash payments made during such period in respect of items described in clause (g) and (h) above subsequent to the fiscal quarter in which the relevant non-cash expenses or non-cash or unrealized losses were reflected as a charge in the calculation of Consolidated Net Income, all as determined on a consolidated basis in accordance with GAAP.”

(g) by deleting the text in subclause (iv) of “Consolidated Net Income” thereof in its entirety and inserting in lieu thereof the following:

“(iv) any extraordinary or unusual pretax non-cash losses.”

(h) by deleting the definition of “Guarantee and Collateral Agreement” and inserting in lieu thereof the following new definition:

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“Guarantee and Collateral Agreement”: the Amended and Restated Guarantee and Collateral Agreement, dated as of the First Amendment Effective Date, as amended, modified or supplemented from time to time.

(i) by deleting “25,000,000” in the definition of “Recovery Event” and inserting in lieu thereof “10,000,000”;

(j) by deleting the definition of “Reinvestment Event” in its entirety and inserting in lieu thereof the following new definition:

“Reinvestment Event”: any (a) Asset Sale that yields gross proceeds to any Loan Party (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$10,000,000, but less than \$25,000,000, or (b) Recovery Event resulting in a settlement or payment in a principal amount in excess of \$10,000,000, but less than \$25,000,000, in each case in respect of which the Borrower has delivered a Reinvestment Notice.

(k) by inserting “the Mortgages” after “Guarantee and Collateral Agreement,” in the definition of “Security Documents”;

(l) by adding the following new definitions in the appropriate alphabetical order:

“AESOP Base Indenture”: the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between the AESOP Issuer and the AESOP Trustee, as amended, modified or supplemented from time to time.

“AESOP Issuer”: Avis Budget Rental Car Funding (AESOP) LLC.

“AESOP (Permanent) Variable Funding Facility”: The Amended and Restated Series 2002-2 Supplement, dated as of November 22, 2002, among the AESOP Issuer, the Borrower, as administrator, JPMorgan Chase Bank, N.A., as administrative agent, the several commercial paper conduits and other financial institutions party thereto, and the AESOP Trustee, as amended, modified or supplemented from time to time.

“AESOP (Seasonal) Variable Funding Facility”: The Series 2008-1 Supplement, dated as of February 15, 2008, among the AESOP Issuer, the Borrower, as administrator, JPMorgan Chase Bank, N.A., as administrative agent, the several commercial paper conduits and other financial institutions party thereto, and the Trustee, as amended, modified or supplemented from time to time.

“AESOP Trustee”: The Bank of New York Mellon Trust Company, N.A., in its capacity as Trustee under the AESOP Base Indenture.

“AESOP Variable Funding Facilities”: the AESOP (Permanent) Variable Funding Facility and the AESOP (Seasonal) Variable Funding Facility.

“Fleet Financing Forecast”: the Borrower’s annual forecast of financing needs for its domestic rental car rental fleet (including detailed sources and uses), substantially in the form set forth in Section 1 of Annex A.

“First Amendment Effective Date”: December 23, 2008.

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“Mortgaged Properties”: the real properties listed on Schedule 1.1F, as to which the Administrative Agent for the benefit of the Lenders shall be granted a Lien pursuant to the Mortgages.

“Mortgages”: each of the mortgages and deeds of trust made by any Loan Party in favor of, or for the benefit of, the Administrative Agent for the benefit of the Lenders, substantially in the form of Exhibit H (with such changes thereto as the Administrative Agent may approve or as shall be advisable under the law of the jurisdiction in which such mortgage or deed of trust is to be recorded).

“Revolving Loan Sublimit”: \$275,000,000.

(m) by deleting the following definitions in their entirety: “Consolidated Interest Coverage Ratio”, “Consolidated Interest Expense”, “Permitted Acquisition” and “Pricing Grid”.

3. Amendment to Section 2.4 (Revolving Commitment). Section 2.4 of the Credit Agreement is hereby amended by inserting “(x) does not exceed the amount of such Lender’s Revolving Percentage of the Revolving Loan Sublimit and (y)” after “at any time outstanding which,”.

4. Amendment to Section 2.6 (Swingline Commitment). Section 2.6 of the Credit Agreement is hereby amended by inserting “(x) the aggregate principal amount of Swingline Loans and Revolving Loans then outstanding would exceed the Revolving Loan Sublimit or (y)” after “after giving effect to the making of such Swingline Loan,”.

5. Amendments to Section 2.11 (Mandatory Prepayments). Section 2.11 of the Credit Agreement is hereby amended as follows:

(a) by deleting “75%” in clauses (a) and (b) thereof and inserting in lieu thereof “100%”; and

(b) by deleting clause (d) thereof in its entirety.

6. Amendment to Section 4.17 (Security Documents). Section 4.17 of the Credit Agreement is hereby amended by redesignating the text of existing Section 4.17 clause (a) thereof and inserting the following new clause (b):

“(b) When executed, each of the Mortgages will be effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable Lien on the Mortgaged Properties described therein and proceeds thereof, and when the Mortgages are accepted for recording in the applicable recording offices, each such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person (except for any Permitted Lien other than Liens securing Indebtedness). Schedule 1.1F lists, as of the First Amendment Effective Date, each parcel of owned real property and each leasehold interest in real property located in the United States and held by the Borrower or any of its Subsidiaries that has a value, in the reasonable opinion of the Borrower, in excess of \$400,000.”

7. Amendment to Section 5.2 (Conditions to Each Extension of Credit). Section 5.2 of the Credit Agreement is hereby amended as follows:

(a) by relettering existing clause (c) as new clause (d);

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(b) by inserting the following new clause (c):

“(c) No Excess Proceeds. The amount of any extension of credit, after giving effect to the application of proceeds thereof, shall not exceed the reasonable working capital needs of the Borrower and its Subsidiaries by a material amount.”; and

(c) by inserting the following at the end of Section 5.2:

“In addition, so long as there are any borrowings outstanding under the AESOP Variable Funding Facilities, each Application for issuance of a Letter of Credit on behalf of the Borrower or any Subsidiary Borrower, the beneficiary of which is Avis Budget Rental Car Funding (AESOP) LLC, hereunder shall constitute a representation and warranty by the Borrower, or such Subsidiary Borrower, as applicable, as of the date of such Application that the aggregate balance of cash and Cash Equivalents (in each case that are not restricted) on the balance sheets of AESOP Leasing LP or Avis Budget Rental Car Funding (AESOP) LLC did not exceed \$50,000,000 (excluding any cash or Cash Equivalents pledged as collateral for any AESOP Indebtedness) for all of the seven consecutive Business Days preceding the date of such Application.”

8. Amendments to Section 6.2 (Certificates; Other Information). Section 6.2 of the Credit Agreement is hereby amended as follows:

(a) by inserting “(which shall include the Fleet Financing Forecast for such fiscal year)” after “for the following fiscal year” in clause (c) thereof;

(b) by deleting “and” following clause (c);

(c) by relettering existing clause (d) as new clause (f); and

(d) by inserting the following new clauses (d) and (e):

“(d) as soon as available, but in any event not later than five Business Days after the end of each calendar month, (i) a weekly forecast of the Borrower’s cash position and cash-flows for the following 13-week period, (ii) a financial report setting forth in comparative detail the Borrower’s weekly cash position for such calendar month against the forecast delivered pursuant to subclause (i) above for such calendar month, in each case, substantially in the form set forth in Section 2 of Annex A, it being understood that (1) the financial forecasts provided pursuant to this Section 6.2(d) will be subject to quarterly and year-end adjustments and (2) any such financial forecast as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial forecast may differ from such information by a material amount;

(e) as soon as available, but in any event not later than ten Business Days after the end of each calendar month, a financial report setting forth in comparative detail the Borrower’s financial performance and liquidity for such calendar month (including rental car financing activity) against the projected performance and liquidity for such calendar month contained in the consolidated budget for the fiscal year (including the Fleet Financing Forecast, it being understood that the financial performance information provided pursuant to this Section 6.2(e) will be subject to quarterly and year-end adjustments), substantially in the form set forth in Section 2 of Annex A; and”

9. Amendments to Section 6.9 (Additional Collateral, etc.). Section 6.9 of the Credit Agreement is hereby amended by inserting the following new clause (d):



“(d) With respect to any fee interest or leasehold interest in any real property having a value (together with improvements thereof) of at least \$400,000 acquired after the Closing Date by any Group Member (other than (x) any such real property subject to a Lien expressly permitted by Section 7.3(h) and (y) real property acquired by any Excluded Subsidiary or Foreign Subsidiary), promptly (i) execute and deliver a first priority Mortgage, in favor of the Administrative Agent, for the benefit of the Lenders, covering such real property; provided that the obligation to deliver a Mortgage covering any leasehold property shall be limited to the use by the applicable Group Member of its commercially reasonable efforts to obtain any necessary landlord consents or waivers and (ii) in the case of any real property with a value of \$5,000,000 or more, if requested by the Administrative Agent (x) provide the Lenders with title and extended coverage insurance covering such real property in an amount at least equal to the purchase price of such real property (or such other amount as shall be reasonably specified by the Administrative Agent) and (y) deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.”

10. New Section 6.10 (Post-First Amendment Actions). Section 6 of the Credit Agreement is hereby amended by inserting the following new Section 6.10:

“6.10 Post-First Amendment Actions. Within the time period described on Schedule 6.10 with respect to each action listed on such Schedule, or such later date as the Administrative Agent shall agree in its discretion from time to time, the actions listed on Schedule 6.10 shall be completed.”

11. Amendments to Section 7.1 (Financial Condition Covenants). Section 7.1 of the Credit Agreement is hereby amended by deleting it in its entirety and inserting in lieu thereof the following new Section 7.1:

“7.1 Financial Condition Covenants.

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower ending with any fiscal quarter set forth below (commencing with the fiscal quarter ending June 30, 2010) to exceed the ratio set forth below opposite such fiscal quarter:

<u>Fiscal Quarter</u>	<u>Consolidated Leverage Ratio</u>
June 30, 2010	5.25 to 1.00
June 30, 2011 and thereafter	4.75 to 1.00

(b) Consolidated EBITDA. Permit Consolidated EBITDA as at the last day of any period of four consecutive fiscal quarters of the Borrower ending with any fiscal quarter set forth below (commencing with the fiscal quarter ending December 31, 2008), to be less than the amount set forth below opposite such fiscal quarter:

<u>Fiscal Quarter</u>	<u>Consolidated EBITDA</u>
December 31, 2008	\$160,000,000
March 31, 2009	\$135,000,000
June 30, 2009	\$95,000,000
September 30, 2009	\$80,000,000
December 31, 2009	\$155,000,000

March 31, 2010

\$175,000,000

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12. Amendments to Section 7.2 (Indebtedness). Section 7.2 of the Credit Agreement is hereby amended as follows:

(a) by deleting “\$100,000,000” in clause (g) thereof and inserting in lieu thereof “\$40,000,000”;

(b) by inserting the following proviso at the end of clause (i) thereof:

“; provided that each guarantor under the Senior Unsecured Notes or any Permitted Refinancing thereof shall be a guarantor of the Obligations pursuant to the Guarantee and Collateral Agreement or such other agreement as the Administrative Agent may approve in its reasonable discretion”;

(c) by deleting existing clause (l) thereof in its entirety and inserting in lieu thereof the following new clause (l):

“(l) Recourse Vehicle Indebtedness in an aggregate principal amount, together with any principal amounts permitted under clause (m) of this Section 7.2, not to exceed (i) \$100,000,000 plus (ii) \$200,000,000, in each case at any one time outstanding; provided that any Indebtedness incurred or issued under subclause (ii) of this Section 7.2(l) shall be (x) on terms and conditions reasonably acceptable to the Administrative Agent and (y) accompanied by a permanent reduction of the Indebtedness outstanding under the AESOP Variable Funding Facilities (with any such reduction applied ratably between the AESOP Variable Funding Facilities) equal to 50% of the amount of Recourse Vehicle Indebtedness incurred or issued under such subclause (ii);”;

(d) by deleting existing clause (m) thereof in its entirety and inserting in lieu thereto the following new clause (m):

“(m) Indebtedness incurred in connection with any acquisition by the Borrower or any of its Subsidiaries of vehicles directly from a manufacturer pursuant to such manufacturer’s repurchase program in an aggregate principal amount, together with any principal amounts permitted under clause (l) of this Section 7.2, not to exceed (i) \$100,000,000 plus (ii) \$200,000,000, in each case at any one time outstanding; provided that (x) such Indebtedness is not greater than the net book value of such vehicles and (y) such vehicles could not be financed under the AESOP Financing Program; provided further that any Indebtedness incurred or issued under subclause (ii) of this Section 7.2(m) shall be (1) on terms and conditions reasonably acceptable to the Administrative Agent and (2) accompanied by a permanent reduction of the Indebtedness outstanding under the AESOP Variable Funding Facilities (with any such reduction applied ratably between the AESOP Variable Funding Facilities) equal to 50% of the amount of Indebtedness incurred or issued under such subclause (ii);”;

(e) by deleting existing clause (q) thereof in its entirety and inserting in lieu thereof the following new clause (q):

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“(q) Indebtedness of any Foreign Subsidiary, Excluded Subsidiary or Securitization Entity to the Borrower or any Subsidiary Guarantor in an aggregate principal amount, together with any amounts permitted under clauses (t) and (w) of this Section 7.2, not to exceed (i) \$50,000,000 at any one time outstanding;”;

(f) by deleting existing clause (t) thereof in its entirety and inserting in lieu thereof the following new clause (t):

“(t) Indebtedness of any Foreign Subsidiary in an aggregate principal amount, together with any amounts permitted under clauses (q) and (w) of this Section 7.2, not to exceed (i) \$50,000,000 at any one time outstanding;”;

(g) by deleting existing clause (w) thereof in its entirety and inserting in lieu thereof the following new clause (w):

“(w) additional Indebtedness of the Borrower or any of its Subsidiaries in an aggregate principal amount, together with any amounts permitted under clauses (q) and (t) of this Section 7.2, not to exceed (i) \$50,000,000 at any one time outstanding; and”

13. Amendment to Section 7.6 (Restricted Payments). Section 7.6 of the Credit Agreement is hereby amended as follows:

- (a) by deleting “(i)” from clause (d) thereof;
- (b) by deleting “and” after “Tax Sharing Agreement”; and
- (c) by deleting subclause (ii) thereof in its entirety.

14. Amendments to Section 7.7 (Investments). Section 7.7 of the Credit Agreement is hereby amended as follows:

- (a) by inserting at the end of clause (d) thereof “in an aggregate amount not to exceed \$500,000 in any fiscal year”;
- (b) by deleting clause (g) thereof in its entirety and inserting in lieu thereof the following new clause (g):

“(g) intercompany Investments by the Borrower or any Subsidiary Guarantor in any Securitization Entity made in the ordinary course of business or to satisfy the general financing needs of such Securitization Entity;”;

- (c) by deleting “Foreign Subsidiary, Excluded Subsidiary or Securitization Entity” and inserting in lieu thereof “Foreign Subsidiary or Excluded Subsidiary” in clause (h) thereof;
- (d) by deleting the text of clause (l) thereof in its entirety and inserting “[reserved]” in lieu thereof; and
- (e) by deleting “\$200,000,000” in clause (m) thereof and inserting in lieu thereof “\$25,000,000”.

15. Amendment to Section 7.8 (Optional Payments and Modifications of Certain Agreements). Section 7.8 of the Credit Agreement is hereby amended by deleting “(i)”, deleting “or” after “Permitted Refinancing” and deleting subclause (ii) in its entirety from the proviso to clause (a).

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16. Amendment to Section 8 (Events of Default). Section 8 of the Credit Agreement is hereby amended by replacing “guarantee” with “guarantees” and by inserting “and Section 3” after “Section 2” in clause (j) thereof.

17. New Annex and Schedules to the Credit Agreement. The Credit Agreement is hereby amended as follows:

- (a) by adding new Annex A (Form of Fleet Financing Forecast; Form of Monthly Reports) attached hereto as Exhibit 1;
- (b) by adding new Exhibit H (Form of Mortgage) attached hereto as Exhibit 2;
- (c) by adding Schedule 1.1F (Mortgaged Properties) attached hereto as Exhibit 3 B; and
- (d) by adding Schedule 6.10 (Post-First Amendment Actions) attached hereto as Exhibit 4.

18. Reduction of the Revolving Commitments. As of the First Amendment Effective Date, the aggregate amount of the Revolving Commitments (including any Revolving Commitments designated to be made available for Revolving Extensions of Credit under any New Local Facility) shall be reduced to \$1,150,000,000 in accordance with Section 2.9 of the Credit Agreement (it being understood that no further notice, as required under Section 2.9 of the Credit Agreement, shall be required to be delivered).

19. Representations and Warranties. On and as of the date hereof, after giving effect to this Amendment, the Borrower hereby confirms that the representations and warranties set forth in Section 4 of the Credit Agreement are true and correct in all material respects except to the extent that such representations and warranties expressly relate solely to a specific earlier date.

20. Effectiveness of Amendment. This Amendment shall become effective as upon the receipt by the Administrative Agent of the following:

- (a) counterparts to this Amendment duly executed by Holdings, the Borrower and the Required Lenders;
- (b) counterparts to the Amended and Restated Guarantee and Collateral Agreement, in form and substance reasonably satisfactory to the Administrative Agent, duly executed by Holdings, the Borrower and each of the other Loan Parties;
- (c) an amendment fee for the account of each Lender consenting to this Amendment by 5:00 P.M. (New York City time) on December 30, 2008, in an amount equal to 1.00% of the sum of each such Lender’s Revolving Commitment and outstanding Term Loans;
- (d) all amounts required to be repaid as a result of the reduction of the Revolving Commitments pursuant to Section 15 of this Amendment; and
- (e) all other fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel).

21. Continuing Effect; No Other Amendments or Consents. Except as expressly provided herein, all of the terms and provisions of the Credit Agreement are and shall remain in full force and effect. The amendments provided for herein are limited to the specific subsections of the Credit Agreement specified herein and shall not constitute a consent, waiver or amendment of, or an indication of the Administrative Agent’s or the Lenders’ willingness to consent to any action requiring consent under any other provisions of the Credit Agreement or the same subsection for any other date or time period.

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22. Expenses. The Borrower agrees to pay and reimburse the Administrative Agent for all its reasonable costs and out-of-pocket expenses incurred in connection with the preparation and delivery of this Amendment, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent.

23. Counterparts. This Amendment may be executed in any number of counterparts by the parties hereto (including by facsimile and electronic (e.g. “.pdf”, or “.tif”) transmission), each of which counterparts when so executed shall be an original, but all the counterparts shall together constitute one and the same instrument.

24. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

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IN WITNESS WHEREOF, the parties have caused this First Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**AVIS BUDGET HOLDINGS, LLC**

By: /s/ David B. Wyshner

Name: David B. Wyshner

Title: Executive Vice President and Chief  
Financial Officer

**AVIS BUDGET CAR RENTAL,  
LLC**

By: /s/ David B. Wyshner

Name: David B. Wyshner

Title: Executive Vice President and Chief  
Financial Officer

**JPMORGAN CHASE BANK, N.A.,  
as**

Administrative Agent and as a Lender

By: /s/ Robert P. Kellas

Name: Robert P. Kellas

Title: Executive Director

---

**CITICORP USA, INC.**

as a Lender

By: /s/ Edward D. Herko

Name: Edward D. Herko

Title: Vice President

---



**CALYON NEW YORK BRANCH**

as a Lender

By: /s/ Rod Hurst

Name: \_\_\_\_\_  
Rod Hurst

Title: Managing Director

By: /s/ Yuri Muzichenko

Name: \_\_\_\_\_  
Yuri Muzichenko

Title: Director

---

**BMO CAPITAL MARKETS  
FINANCING INC. (fka Harris  
Nesbitt Financing, Inc.)**

as a Lender

By: /s/ David L. Mystic

Name: \_\_\_\_\_  
David L. Mystic

Title: Vice President

---

**DEUTSCHE BANK AS NEW  
YORK BRANCH**

as a Lender

By: /s/ Omayra Laucella

Name: \_\_\_\_\_  
Omayra Laucella

Title: Vice President

By: /s/ Erin Morrissey

Name: \_\_\_\_\_  
Erin Morrissey

Title: Vice President

---

**Bank of America, N.A.**

as a Lender

By: /s/ Chas McDonell

Name: Chas McDonell

Title: Senior Vice President

---



**The Bank of Nova Scotia**

as a Lender

By: /s/ E. F. Braniotis

Name: E. F. Braniotis

Title: Managing Director

---

**Credit Suisse, Cayman Islands  
Branch**

as a Lender

By: /s/ Doreen Barr

Name: \_\_\_\_\_  
Doreen Barr

Title: Vice President

By: /s/ Rianka Mohan

Name: \_\_\_\_\_  
Rianka Mohan

Title: Vice President

---

**BARCLAYS BANK PLC**

as a Lender

By: /s/ Nicholas Bell

Name: \_\_\_\_\_  
Nicholas Bell

Title: Director

---

**WACHOVIA BANK, National  
Association,** as Documentation Agent  
and as a Lender

By: /s/ Tray Jones

Name: Tray Jones

Title: Vice President

---

**THE ROYAL BANK OF  
SCOTLAND PLC**

as a Lender

By: /s/ Jack Lonker

Name: Jack Lonker

Title: Senior Vice President

---

**MIZUHO CORPORATE BANK,**

as a Lender

By: /s/ Hidekatsu Take

Name: Hidekatsu Take

Title: Deputy General Manager

AMENDED AND RESTATED GUARANTEE AND COLLATERAL AGREEMENT

made by

AVIS BUDGET HOLDINGS, LLC,

AVIS BUDGET CAR RENTAL, LLC

and certain of its Subsidiaries

in favor of

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent

Dated as of December 23, 2008

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Annex I Form of Assumption Agreement

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AMENDED AND RESTATED GUARANTEE AND COLLATERAL AGREEMENT, dated as of December 23, 2008 (the "Effective Date"), made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Credit Agreement, dated as of April 19, 2006 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among AVIS BUDGET HOLDINGS, LLC ("Holdings"), AVIS BUDGET CAR RENTAL, LLC (the "Borrower"), the Subsidiary Borrowers (as defined in the Credit Agreement) from time to time parties to the Credit Agreement, DEUTSCHE BANK SECURITIES INC., as Syndication Agent, Bank of America, N.A., Calyon New York Branch and Citicorp USA, INC., as Documentation Agents, Wachovia Bank, National Association, as Co-Documentation Agent, the Lenders and the Administrative Agent.

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower and the Subsidiary Borrowers upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower and each Subsidiary Borrower is a member of an affiliated group of companies that includes each other Grantor;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower and each Subsidiary Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

WHEREAS, the Borrower, each Subsidiary Borrower and the other Grantors will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement;

WHEREAS, pursuant to the Credit Agreement, the Borrower and certain other Grantors entered into a Guarantee and Collateral Agreement dated as of April 19, 2006 (the "Existing Guarantee and Collateral Agreement") in favor of the Administrative Agent for the benefit of the lenders party to the Credit Agreement and certain other parties in order to guarantee and secure the extensions of credit made to the Borrower thereunder and certain other extensions of credit;

WHEREAS, the Borrower entered into a First Amendment to the Credit Agreement, dated as of December 23, 2008 (the "First Amendment"), pursuant to which the Administrative Agent, the Lenders and the Borrower agreed to amend certain terms in the Credit Agreement; and

WHEREAS, it is a condition precedent to the agreements of the Lenders under the First Amendment to amend certain terms in the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent for the ratable benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the First Amendment and to induce the Lenders to amend certain terms in the Credit Agreement and to continue to make their respective extensions of credit thereunder and certain other extensions of credit, each Grantor hereby agrees that the Existing Guarantee and Collateral Agreement is hereby amended and restated as of the Effective Date to read in its entirety as follows:



## SECTION 1. DEFINED TERMS

1.1 Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in Article 9 of the New York UCC: Account, Certificated Security, Chattel Paper, Deposit Account, Documents, Equipment, General Intangibles, Instruments, Inventory, Letter of Credit Rights and Supporting Obligations.

(b) The following terms shall have the following meanings:

“Agreement”: this Amended and Restated Guarantee and Collateral Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

“Borrower Obligations”: the collective reference to the unpaid principal of and interest on the Loans and Reimbursement Obligations and all other obligations and liabilities of the Borrower (including, without limitation, (i) interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and Reimbursement Obligations and interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding and (ii) Revolving Extensions of Credit made under the New Local Facility) to the Administrative Agent or any Lender (or, in the case of any Specified Swap Agreement, any Affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, this Agreement (including, without limitation, the Borrower Guarantor Obligations), the other Loan Documents, any Letter of Credit, any Specified Swap Agreement or any other document made, delivered or given in connection with any of the foregoing, in each case whether on account of principal, interest, reimbursement obligations, swap coupon or termination payments, fees or indemnities or reasonable out-of-pocket costs or expenses (including, without limitation, all reasonable out-of-pocket fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by the Borrower pursuant to the terms of any of the foregoing agreements).

“Borrower Guarantor Obligations”: without duplicating any Borrower Obligations, all obligations and liabilities of the Borrower described in Section 2 of this Agreement.

“Borrower Termination Event”: as defined in Section 3.1(d).

“Collateralized”: secured by cash collateral arrangements and/or backstop letters of credit entered into on terms and in amounts reasonably satisfactory to the Administrative Agent and the relevant Issuing Lender.

“Collateral”: as defined in Section 4.

“Collateral Account”: any collateral account established by the Administrative Agent as provided in Section 7.1 or 7.4.

“Copyright Licenses”: any written or oral agreement naming any Grantor as licensor or licensee (including, without limitation, those listed in Schedule 6), granting any right under any Copyright, including, without limitation, the grant of rights to manufacture, distribute, exploit and sell Copyrighted materials.

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“Copyrights”: (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations, applications and recordings thereof in the United States Copyright Office and any other copyright registry office (including, without limitation, those listed in Schedule 6), and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, and (ii) the right to obtain all renewals thereof.

“Foreign Subsidiary Voting Stock”: the voting Capital Stock of any Foreign Subsidiary.

“Grantor”: as defined in the preamble hereto.

“Guarantor Obligations”: with respect to any Guarantor, without duplicating any Subsidiary Borrower Obligations, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including, without limitation, Section 3) or any other Loan Document or any Specified Swap Agreement to which such Guarantor is a party, in each case whether on account of guarantee obligations, repayment obligations, reimbursement obligations, fees, indemnities or reasonable out-of-pocket costs or expenses (including, without limitation, all reasonable, out-of-pocket fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Loan Document).

“Guarantors”: the collective reference to each Grantor other than the Borrower. For the avoidance of doubt, notwithstanding any other provision of this Agreement, the parties hereto expressly agree that no Excluded Subsidiary, Foreign Subsidiary or Securitization Entity shall be a Guarantor.

“Intellectual Property”: the collective reference to all rights, priorities and privileges with respect to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, trade secrets, know-how, and other confidential information, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Intercompany Note”: any promissory note evidencing loans or advances made by any Loan Party to Holdings or any of its Subsidiaries.

“Investment Property”: the collective reference to (i) all “investment property” as such term is defined in Section 9-102(a)(49) of the New York UCC (other than any Foreign Subsidiary Voting Stock excluded from the definition of “Pledged Stock”) and (ii) whether or not constituting “investment property” as so defined, all Pledged Notes and all Pledged Stock.

“Issuers”: the collective reference to each issuer of any Pledged Stock.

“New York UCC”: the Uniform Commercial Code as from time to time in effect in the State of New York.

“Obligations”: (i) in the case of the Borrower, the Borrower Obligations and the Borrower Guarantor Obligations, (ii) in the case of each Guarantor which is also a Subsidiary Borrower, its Subsidiary Borrower Obligations, and (iii) in the case of each Guarantor (whether or not a Subsidiary Borrower), its Guarantor Obligations.

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“Patents”: (i) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, including, without limitation, any of the foregoing referred to in Schedule 6, (ii) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, including, without limitation, any of the foregoing referred to in Schedule 6, and (iii) all rights to obtain any reissues or extensions of the foregoing.

“Patent License”: all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent, including, without limitation, any of the foregoing listed on Schedule 6.

“Pledged Notes”: all promissory notes listed on Schedule 2, all Intercompany Notes at any time issued to or held by any Grantor and all other promissory notes issued to or held by any Grantor.

“Pledged Stock”: the shares of Capital Stock listed on Schedule 2, together with any other shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Capital Stock of any Subsidiary of any Grantor (other than any Excluded Subsidiary or any Securitization Entity) that may be issued or granted to, or held by, any Grantor while this Agreement is in effect; provided that in no event shall Pledged Stock or Collateral include more than 66% of the total outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary.

“Proceeds”: all “proceeds” as such term is defined in Section 9-102(a)(64) of the New York UCC and, in any event, shall include, without limitation, all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

“Receivable”: any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by any Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, such right if it constitutes an Account).

“Secured Parties”: the collective reference to the Administrative Agent, the Lenders and any affiliate of any Lender to which Borrower Obligations or Guarantor Obligations, as applicable, are owed.

“Securities Account”: as defined in Article 8 of the New York UCC.

“Securities Act”: the Securities Act of 1933, as amended.

“Subsidiary Borrower Obligations”: with respect to each Subsidiary Borrower, without duplicating any Guarantor Obligations, the collective reference to the unpaid principal of and interest on the Loans and all other obligations and liabilities of such Subsidiary Borrower (including, without limitation, interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to such Subsidiary Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Administrative Agent or any Lender (or, in the case of any Specified Swap Agreement, any Affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, this Agreement, the other Loan Documents, any Letter of Credit, any Specified Swap Agreement or any other document made, delivered or given in connection with any of the foregoing, in each case whether on account of principal, interest, reimbursement obligations, swap coupon or termination payments, fees or indemnities or reasonable out-of-pocket costs or expenses (including, without limitation, all reasonable out-of-pocket fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by such Subsidiary Borrower pursuant to the terms of any of the foregoing agreements).



“Subsidiary Borrower Termination Event”: as defined in Section 2.1(d).

“Subsidiary Guarantor”: each Guarantor other than Holdings and the Borrower.

“Trademarks”: (i) all trademarks, trade names, corporate names, company names, business names, domain names, fictitious business names, trade styles, service marks, logos and other indicators of the source of goods or services, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights therein, including, without limitation, any of the foregoing listed on Schedule 6, and (ii) the right to obtain all renewals thereof.

“Trademark License”: any agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, including, without limitation, any of the foregoing referred to in Schedule 6.

“Vehicles”: all cars, trucks, trailers and other vehicles covered by a certificate of title law of any state other than any car, truck, trailer or other vehicle securing indebtedness permitted under the Credit Agreement and, in any event including, without limitation, the vehicles described on Schedule [7] and all tires and other appurtenances to any of the foregoing.

1.2 Other Definitional Provisions. (a) The words “hereof,” “herein,” “hereto” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor’s Collateral or the relevant part thereof.

## SECTION 2. BORROWER GUARANTEE

2.1 Borrower Guarantee. (a) The Borrower hereby, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Secured Parties and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by each Subsidiary Borrower when due (whether at the stated maturity, by acceleration or otherwise) of its Subsidiary Borrower Obligations.

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of the Borrower hereunder and under the other Loan Documents in respect of its guarantee obligations shall in no event exceed the amount which can be guaranteed by the Borrower under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 2.2).

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(c) The guarantee contained in this Section 2 shall remain in full force and effect until all the Subsidiary Borrower Obligations shall have been satisfied by payment in full, each Letter of Credit shall have terminated, expired or been Collateralized and the Commitments shall have been terminated (all of the foregoing conditions together, the “Subsidiary Borrower Termination Event”), notwithstanding that from time to time during the term of the Credit Agreement each Subsidiary Borrower may be free from any Subsidiary Borrower Obligations.

(d) No payment made by any Subsidiary Borrower, any of the other Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from any Subsidiary Borrower, any of the other Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Subsidiary Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Borrower hereunder which shall, notwithstanding any such payment (other than any payment made by the Borrower in respect of the Subsidiary Borrower Obligations or any payment received or collected from the Borrower in respect of the Subsidiary Borrower Obligations), remain liable for the Subsidiary Borrower Obligations up to the maximum liability of the Borrower hereunder until the occurrence of the Subsidiary Borrower Termination Event.

2.2 No Subrogation. Notwithstanding any payment or payments made by the Borrower hereunder, or any set-off or application of funds of the Borrower by the Administrative Agent or any Lender, the Borrower shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Subsidiary Borrowers or against any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations, nor shall the Borrower seek or be entitled to seek any contribution or reimbursement from the Subsidiary Borrowers in respect of payments made by the Borrower hereunder, until the Subsidiary Borrower Termination Event. If any amount shall be paid to the Borrower on account of such subrogation rights at any time before the Subsidiary Borrower Termination Event, such amount shall be held by the Borrower in trust for the Administrative Agent and the Lenders, segregated from other funds of the Borrower, and shall, forthwith upon receipt by the Borrower, be turned over to the Administrative Agent in the exact form received by the Borrower (duly indorsed by the Borrower to the Administrative Agent, if required), to be applied against the Subsidiary Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

2.3 Amendments, etc. with respect to the Subsidiary Borrower Obligations. The Borrower shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Borrower and without notice to or further assent by the Borrower, any demand for payment of any of the Subsidiary Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Subsidiary Borrower Obligations continued, and the Subsidiary Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Subsidiary Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

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2.4 Guarantee Absolute and Unconditional. The Borrower waives any and all notice of the creation, renewal, extension or accrual of any of the Subsidiary Borrower Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Subsidiary Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Borrower and the Subsidiary Borrowers, on the one hand, and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. The Borrower waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or the applicable Subsidiary Borrower with respect to the Subsidiary Borrower Obligations. The Borrower understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment (to the extent permitted by applicable law) without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, any of the Subsidiary Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Subsidiary Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or any Subsidiary Borrower) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Subsidiary Borrowers for the Subsidiary Borrower Obligations, or of the Borrower under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against the Borrower, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Subsidiary Borrowers or any other Person or against any collateral security or guarantee for the Subsidiary Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any Subsidiary Borrower, or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any Subsidiary Borrower or any other Person or any such collateral security, guarantee or right of offset, shall not relieve the Borrower of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against the Borrower. For the purposes hereof, "demand" shall include the commencement and continuance of any legal proceedings.

2.5 Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Subsidiary Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower, any Subsidiary Borrower or any other Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower, any Subsidiary Borrower or any other Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.6 Payments. The Borrower hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars at the Funding Office.

### SECTION 3. HOLDINGS AND SUBSIDIARY GUARANTEE

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3.1 Holdings and Subsidiary Guarantee. (a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Secured Parties and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower and the Subsidiary Borrowers when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations and the Subsidiary Borrower Obligations.

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor (other than Holdings) hereunder and under the other Loan Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 3.2).

(c) Each Guarantor agrees that the Borrower Obligations and the Subsidiary Borrower Obligations, either solely or collectively, may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 3 or affecting the rights and remedies of the Administrative Agent or any Lender hereunder.

(d) The guarantee contained in this Section 3 shall remain in full force and effect until all the Borrower Obligations and Subsidiary Borrower Obligations shall have been satisfied by payment in full, each Letter of Credit shall have terminated, expired or been Collateralized, and the Commitments shall have been terminated (all of the foregoing conditions together, the "Borrower Termination Event"), notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Borrower Obligations and Subsidiary Borrower Obligations.

(e) No payment made by the Borrower, any of the Subsidiary Borrowers, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower, any of the Subsidiary Borrowers, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations or the Subsidiary Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or the Subsidiary Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations or the Subsidiary Borrower Obligations), remain liable for the Borrower Obligations and the Subsidiary Borrower Obligations up to the maximum liability of such Guarantor hereunder until the occurrence of the Borrower Termination Event.

3.2 Right of Contribution. Each Subsidiary Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Subsidiary Guarantor shall be entitled to seek and receive contribution from and against any other Subsidiary Guarantor hereunder which has not paid its proportionate share of such payment. Each Subsidiary Guarantor's right of contribution shall be subject to the terms and conditions of Section 3.3. The provisions of this Section 3.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the Lenders, and each Guarantor shall remain liable to the Administrative Agent and the Lenders for the full amount guaranteed by such Guarantor hereunder.

3.3 No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower, any Subsidiary Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Borrower Obligations or the Subsidiary Borrower Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower, any Subsidiary Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until the occurrence of the Borrower Termination Event. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time before the occurrence of the Borrower Termination Event, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Borrower Obligations and the Subsidiary Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

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3.4 Amendments, etc. with respect to the Borrower Obligations and Subsidiary Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations or Subsidiary Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Borrower Obligations and the Subsidiary Borrower Obligations continued, and the Borrower Obligations and the Subsidiary Borrower Obligations or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Borrower Obligations or the Subsidiary Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or the Subsidiary Borrower Obligations or for the guarantee contained in this Section 3 or any property subject thereto.

3.5 Guarantees Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and Subsidiary Borrower Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 3 or acceptance of the guarantee contained in this Section 3; the Borrower Obligations and Subsidiary Borrower Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 3; and all dealings between the Borrower, the Subsidiary Borrowers and any of the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 3. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower, the Subsidiary Borrowers or any of the Guarantors with respect to the Borrower Obligations and the Subsidiary Borrower Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 3 shall be construed as a continuing, absolute and unconditional guarantee of payment (to the extent permitted by applicable law) without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, any of the Borrower Obligations or the Subsidiary Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower, any Subsidiary Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever

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(with or without notice to or knowledge of the Borrower, any Subsidiary Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations, of any Subsidiary Borrower for the Subsidiary Borrower Obligations or of such Guarantor under the guarantee contained in this Section 3, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any Subsidiary Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Borrower Obligations or the Subsidiary Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any Subsidiary Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any Subsidiary Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

3.6 Reinstatement. The guarantee contained in this Section 3 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations or the Subsidiary Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower, any Subsidiary Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower, any Subsidiary Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

3.7 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars at the Funding Office.

#### SECTION 4. GRANT OF SECURITY INTEREST

Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in, all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations:

- (a) all Accounts;
  - (b) all Chattel Paper;
  - (c) all Equipment;
  - (d) all Fixtures;
  - (e) all General Intangibles;
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(f) all Instruments;

(g) all Documents;

(h) all Intellectual Property;

(i) all Inventory;

(j) all Investment Property;

(k) all Letter-of-Credit Rights;

(l) all Pledged Notes;

(m) all Pledged Stock;

(n) all Receivables;

(o) all Vehicles and title documents with respect to Vehicles;

(p) all other property not otherwise described above (except for any property specifically excluded from any clause in this section above, and any property specifically excluded from any defined term used in any clause of this section above);

(q) all books and records pertaining to the Collateral; and

(r) to the extent not otherwise included, all Proceeds, Supporting Obligations and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing;

provided, however, that notwithstanding any of the other provisions set forth in this Section 4, this Agreement shall not constitute a grant of and the Collateral shall not include a security interest in (a) any property to the extent that such grant of a security interest is prohibited by any Requirements of Law of a Governmental Authority, requires a consent not obtained of any Governmental Authority pursuant to such Requirement of Law or is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property or, in the case of any Investment Property, Pledged Stock or Pledged Note, any applicable shareholder or similar agreement, except to the extent that such Requirement of Law or the term in such contract, license, agreement, instrument or other document or shareholder or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law, (b) any trademark applications filed in the United States Patent and Trademark Office on the basis of such Grantor's "intent-to-use" such trademark, unless and until acceptable evidence of use of the Trademark has been filed with the United States Patent and Trademark Office pursuant to Section 1(c) or Section 1(d) of the Lanham Act (15 U.S.C. 1051, et seq.), to the extent that granting a Lien in such Trademark application prior to such filing would adversely affect the enforceability or validity of such Trademark application; provided, that upon the filing of acceptable evidence of use of the Trademark with the United States Patent and Trademark Office such application

shall be automatically subject to the security interest granted herein and deemed to be included in the Collateral and (c) Receivables classified as receivables that are “assets under vehicle programs” in the financial statements of the Borrower; provided, further, that in no event shall General Intangibles include more than 66% of the total outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary.

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To induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower and each Subsidiary Borrower thereunder, each Grantor hereby represents and warrants to the Administrative Agent and each Lender that:

5.1 Title; No Other Liens. Except for the security interest granted to the Administrative Agent for the ratable benefit of the Secured Parties pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Credit Agreement, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No effective financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, pursuant to this Agreement or as are permitted by the Credit Agreement. For the avoidance of doubt, it is understood and agreed that any Grantor may, as part of its business, grant licenses to third parties to use Intellectual Property owned by or licensed to a Grantor. For purposes of this Agreement and the other Loan Documents, such licensing activity shall not constitute a "Lien" on such Intellectual Property. Each of the Administrative Agent and each Lender understands that any such licenses may be exclusive to the applicable licensees, and such exclusivity provisions may limit the ability of the Administrative Agent to utilize, sell, lease or transfer the related Intellectual Property or otherwise realize value from such Intellectual Property pursuant hereto.

5.2 Perfected Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 3 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Administrative Agent in completed and duly executed form) and, in the case of Vehicles, Section 6.9, will constitute valid perfected security interests in all of the Collateral in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for (i) unrecorded Liens permitted by the Credit Agreement which have priority over the Liens on the Collateral by operation of law and (ii) in the case of Collateral other than Pledged Stock, Permitted Liens; provided, however, that additional filings in the United States Patent and Trademark Office and United States Copyright Office may be necessary with respect to the perfection of the Administrative Agent's Lien in United States registrations and applications for Trademarks, Patents and Copyrights which are filed by, issued to, or acquired by any Grantor after the date hereof and, provided, further, that additional filings and/or other actions may be required to perfect the Administrative Agent's Lien in Intellectual Property Collateral which is created under the laws of a jurisdiction outside the United States and, provided, further, no Grantor shall be required to perfect the security interests granted pursuant to this Agreement (other than with respect to any Collateral Account) by means of delivery of an agreement granting "control" (as defined in Article 8 of the New York UCC) over any Deposit Account or Securities Account.

5.3 Jurisdiction of Organization; Chief Executive Office. On the date hereof, such Grantor's jurisdiction of organization and the location of such Grantor's chief executive office or sole place of business or principal residence, as the case may be, are specified on Schedule 5. Such Grantor has furnished to the Administrative Agent a certified charter, certificate of incorporation or other organizational document and long-form good standing certificate as of a date which is recent to the date hereof.

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5.4 Investment Property. (a) The shares of the Pledged Stock pledged by such Grantor hereunder constitute all the issued and outstanding shares of all classes of the Capital Stock of each Issuer owned by such Grantor or, in the case of Foreign Subsidiary Voting Stock, if less, 66% of the outstanding Foreign Subsidiary Voting Stock of each relevant Issuer or, if less, such amount as has been previously agreed with the Administrative Agent.

(b) All the shares of the Pledged Stock have been duly and validly issued and are fully paid and nonassessable.

(c) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement and any statutory Liens permitted under Section 7.3 of the Credit Agreement.

5.5 Intellectual Property. (a) Schedule 6 lists all registrations and applications recorded in the United States Patent and Trademark Office or the United States Copyright Office included in Intellectual Property owned by such Grantor in its own name on the date hereof and all licenses under which such Grantor holds or has the right to an exclusive license in Intellectual Property on the date hereof that such Grantor has recorded in one of the foregoing offices, including the registration or application number for such licensed Intellectual Property. With respect to any unpublished patent applications (whether disclosed on Schedule 6 or hereafter disclosed by such Grantor), such Grantor will disclose on Schedule 6 and in any subsequent report or disclosure, the application number for such patent application but not the title or subject matter. In the event that the Administrative Agent or any agent thereof discovers the title or subject matter of any such patent application prior to its publication, through any filing receipt or otherwise, the Administrative Agent will not knowingly disclose or use such information for any purpose.

(b) On the date hereof, all material Intellectual Property owned by such Grantor is, to its knowledge, valid, subsisting, unexpired and enforceable, has not been abandoned and, to its knowledge, does not infringe upon the Intellectual Property rights of any other Person in any material respect except for the alleged infringements and enforcement activity as disclosed on Schedule 6.

(c) Except as set forth in Schedule 6, on the date hereof, no Grantor has granted an exclusive license in the territory of the United States in or to (i) any of the following Trademarks: AVIS, BUDGET, and WE TRY HARDER or (ii) any Patents that cover the Wizard System. It is understood that Schedule 6 shall be completed by the Grantor within 30 days after the date hereof.

(d) No holding, decision or judgment has been rendered by any Governmental Authority against such Grantor which would limit, cancel or question the validity of, or such Grantor's rights in, any Intellectual Property owned by such Grantor in any respect that could reasonably be expected to have a Material Adverse Effect.

(e) Except for the alleged infringements and enforcement activity disclosed on Schedule 6, to such Grantor's knowledge, no action or proceeding is pending or threatened on the date hereof seeking to limit, cancel or assert the invalidity of any Intellectual Property owned by such Grantor or such Grantor's ownership interest therein, which, if adversely determined, would have a material adverse effect on the value of any material Intellectual Property owned by such Grantor.

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5.6 Receivables. No amount payable to such Grantor under or in connection with any Receivable included in the Collateral for \$500,000 or more is evidenced by any Instrument or Chattel Paper which has not been delivered to the Administrative Agent.

5.7 Vehicles. Schedule [7] is a complete and correct list of all Vehicles owned by such Grantor on the date hereof.

## SECTION 6. COVENANTS

Each Grantor covenants and agrees with the Administrative Agent and the Lenders that, from and after the date of this Agreement until the Obligations shall have been paid in full, no Letter of Credit shall be outstanding and the Commitments shall have terminated:

6.1 Delivery of Instruments, Certificated Securities and Chattel Paper. If any amount in excess of \$500,000 payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall be promptly delivered to the Administrative Agent, duly indorsed (including by delivery of related stock powers) in a manner reasonably satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement.

6.2 Payment of Obligations. Such Grantor (other than Holdings and the Borrower) will pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all obligations and liabilities in respect of taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of income or profits therefrom, as well as all claims of any kind against or with respect to the Collateral, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of such Grantor or except to the extent that such failure to do so could not reasonably be expected to result in a Material Adverse Effect.

6.3 Maintenance of Perfected Security Interest; Further Documentation. (a) Such Grantor shall not take any action or fail to take any action which would result in the security interest created by this Agreement as a perfected security interest having a priority which is less than that described in Section 5.2 and shall make commercially reasonable efforts to defend such security interest against the claims and demands of all Persons whomsoever, subject to the rights of such Grantor under the Loan Documents to dispose of the Collateral.

(b) Such Grantor shall furnish to the Administrative Agent and the Lenders from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as the Administrative Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (i) filing any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of Investment Property, Letter of Credit Rights and any other relevant Collateral, taking any actions necessary to enable the Administrative Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto.

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6.4 Changes in Name, etc. Such Grantor will not, except upon 15 days' prior written notice to the Administrative Agent, (i) change its jurisdiction of organization from that referred to in Section 5.3 or (ii) change its name. Such Grantor shall deliver to the Administrative Agent all additional executed financing statements and other documents reasonably requested by the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein.

6.5 Notices. Such Grantor will advise the Administrative Agent and the Lenders promptly, in reasonable detail, of:

(a) any Lien (other than security interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect the ability of the Administrative Agent to exercise any of its remedies hereunder; and

(b) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

6.6 Investment Property. (a) If such Grantor shall become entitled to receive or shall receive any certificate (including, without limitation, any certificate representing a dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Stock, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Administrative Agent and the Lenders, hold the same in trust for the Administrative Agent and the Lenders and deliver the same forthwith to the Administrative Agent in the exact form received, duly indorsed by such Grantor to the Administrative Agent, if required, together with an undated stock power covering such certificate duly executed in blank by such Grantor and with, if the Administrative Agent so requests, signature guaranteed, to be held by the Administrative Agent, subject to the terms hereof, as additional collateral security for such Grantor's Obligations. If an Event of Default shall have occurred and be continuing, any sums paid upon or in respect of the Investment Property upon the liquidation or dissolution of any Issuer shall be paid over to the Administrative Agent to be held by it hereunder as additional collateral security for the applicable Grantor's Obligations, and in case any distribution of capital shall be made on or in respect of the Investment Property or any property shall be distributed upon or with respect to the Investment Property pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for such Obligations. If any sums of money or property so paid or distributed in respect of the Investment Property shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Lenders, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld), such Grantor will not (i) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof (except pursuant to a transaction expressly permitted by the Credit Agreement), (ii) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or statutory Liens permitted by the Credit Agreement or, in the case of such Proceeds, nonconsensual Permitted Liens or (iii) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Administrative Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof.

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(c) The Administrative Agent will execute and deliver (or cause to be executed and delivered) to each Grantor all such proxies and other instruments as such Grantor may request for the purpose of enabling such Grantor to exercise the voting and other rights that it is entitled to exercise and to receive the dividends or interest payments that it is authorized to receive and retain under the Credit Agreement.

(d) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 6.6(a) with respect to the Investment Property issued by it and (iii) the terms of Sections 7.3 (c) and 7.7 shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 7.3(c) or 7.7 with respect to the Investment Property issued by it.

6.7 Receivables. Such Grantor will deliver to the Administrative Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 10% of the aggregate amount of the then outstanding Receivables included in the Collateral.

6.8 Intellectual Property. (a) Such Grantor (either itself or through licensees) will (i) to the extent consistent with reasonable commercial judgment, continue to use each material Trademark owned by such Grantor on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) to the extent consistent with reasonable commercial judgment, maintain the quality of products and services offered under such Trademark at a level substantially consistent with the quality of products and services offered under such Trademark as of the date hereof, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, and (iv) not (and not authorize any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become unenforceable or impaired in any way except to the extent consistent with reasonable commercial judgment. Without limitation of other provisions of this Agreement, every Trademark adopted or acquired by a Grantor that is confusingly similar to or a colorable imitation of any Trademark owned by such Grantor will automatically be included in the Collateral for all purposes of this Agreement, and, if a Grantor applies to register or registers any such Trademark, the applicable Grantor shall notify the Administrative Agent pursuant to Section 6.8(f) in order for the Administrative Agent, for the ratable benefit of the Secured Parties, to obtain a perfected security interest in such Trademark pursuant to this Agreement.

(b) Such Grantor, to the extent consistent with reasonable commercial judgment, will not (and will not authorize its licensees to) do any act, or omit to do any act, whereby any material Patent is likely to become forfeited, abandoned or dedicated to the public.

(c) Such Grantor, to the extent consistent with reasonable commercial judgment, will not (and will not authorize any licensee or sublicensee thereof to) (i) do any act or knowingly omit to do any act whereby any material portion of the Copyrights will be materially impaired or (ii) do any act whereby any material portion of the Copyrights may fall into the public domain.

(d) Such Grantor will not (and will not authorize its licensees to) do any act that knowingly uses any Intellectual Property owned by such Grantor to infringe upon the Intellectual Property rights of any other Person in any material respect.

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(e) Such Grantor will notify the Administrative Agent and the Lenders promptly if it knows, or has reason to know, that any application or registration relating to any material Intellectual Property is likely to become forfeited, abandoned or dedicated to the public, or of any material adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(f) Whenever such Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property owned by, or shall file a recordation of any Intellectual Property exclusively licensed to, such Grantor with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall report such filing to the Administrative Agent in accordance with Section 6 of the Credit Agreement, provided that all such disclosure is subject to the last sentence of Section 5.5 of this Agreement, and except that such report shall include all such application and recordation filings by such Grantor through the date five (5) Business Days prior to the date on which such report required by Section 6 of the Credit Agreement is sent to the Administrative Agent. Upon request of the Administrative Agent, such Grantor shall execute and deliver, and have recorded, any and all reasonably necessary agreements, instruments, documents, and papers, in a form to be mutually agreed upon by the Borrower and the Administrative Agent, as the Administrative Agent may request to evidence the Administrative Agent's and the Lenders' security interest (provided that such Grantor will not have an affirmative obligation to seek an application or registration for Intellectual Property which Borrower reasonably elects not to seek) in any (i) Copyright, Patent and Trademark; and (ii) any material, exclusive license grant to such Grantor with respect to any Trademark, Copyright or Patent (provided that (1) the Trademark, Copyright or Patent registration or application with respect to which such exclusive license is granted is identified in the applicable exclusive license agreement or is otherwise already known to such Grantor; and (2) such Grantor shall not be obligated to obtain the consent of any third party licensor that may be necessary to grant such security interest in such exclusive license), and the general intangibles of such Grantor relating thereto or represented thereby and, with respect to Trademarks, the goodwill of the business connected with the use of or symbolized by such Trademarks.

(g) To the extent consistent with reasonable commercial judgment, such Grantor will take all necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Intellectual Property, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(h) In the event that any material Intellectual Property owned by such Grantor is infringed, misappropriated or diluted by a third party, or any licensee of such Intellectual Property breaches the terms and conditions of the applicable license, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Administrative Agent after it learns thereof if such infringement, misappropriation, dilution or breach is material, and, if appropriate in such Grantor's reasonable commercial judgment, sue for infringement, misappropriation, dilution or breach of contract, seek injunctive relief and recover any and all damages for such infringement, misappropriation, dilution or breach of contract.

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6.9 Vehicles. Within the period of time specified on Schedule 6.10 of the Credit Agreement with respect to the Vehicles described therein and, with respect to any Vehicles acquired by such Grantor subsequent to the date hereof, within 30 days after the date of acquisition thereof, all applications for certificates of title/ownership indicating the Administrative Agent's (or its subagent's) first priority security interest in the Vehicle covered by such certificate, and any other necessary documentation, shall be filed in each office in each jurisdiction which the Administrative Agent shall deem advisable to perfect its security interests in the Vehicles. Notwithstanding the foregoing, in no event shall the Grantors be obligated to incur more than \$250,000 in the aggregate in sales taxes, transfer taxes or fees related to the retitling of Vehicles described in Section 3(b) of Schedule 6.10 of the Credit Agreement to satisfy their obligations with respect to the perfection thereof.

## SECTION 7. REMEDIAL PROVISIONS

### 7.1 Certain Matters Relating to Receivables.

(a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative Agent's intent to exercise its corresponding rights pursuant to this Section 7.1(a), each Grantor shall be permitted to collect such Grantor's Receivables. If required by the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables included in the Collateral, when collected by any Grantor, (i) shall be forthwith (and, in any event, within five Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of the Administrative Agent, subject to withdrawal by the Administrative Agent for the account of the Lenders only as provided in Section 7.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) After the occurrence and during the continuance of an Event of Default, at the Administrative Agent's request, each Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables included in the Collateral, including, without limitation, all original orders, invoices and shipping receipts.

7.2 Communications with Obligors; Grantors Remain Liable. (a) The Administrative Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables included in the Collateral to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Receivables included in the Collateral.

(b) Upon the request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables included in the Collateral that the Receivables included in the Collateral have been assigned to the Administrative Agent for the ratable benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Administrative Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables included in the Collateral to observe and perform all the material conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any Lender shall have any obligation or liability under any Receivable included in the Collateral (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by the Administrative Agent or any Lender of any payment relating thereto, nor shall the Administrative Agent or any Lender be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable included in the Collateral (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

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7.3 Pledged Stock. (a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative Agent's intent to exercise its corresponding rights pursuant to Section 7.3(b), each Grantor shall be permitted to receive all cash dividends paid in respect of the Pledged Stock and all payments made in respect of the Pledged Notes, in each case paid in the normal course of business of the relevant Issuer to the extent permitted by the Credit Agreement, to pay and declare dividends to the extent permitted by the Credit Agreement and to exercise all voting and corporate or other organizational rights with respect to the Investment Property; provided, however, that no vote shall be cast or corporate or other organizational right exercised or other action taken which, in the Administrative Agent's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing and the Administrative Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Administrative Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in such order as the Administrative Agent may determine, and (ii) any or all of the Investment Property shall be registered in the name of the Administrative Agent or its nominee, and the Administrative Agent or its nominee may thereafter exercise (x) all voting, corporate and other rights pertaining to such Investment Property at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other organizational structure of any Issuer, or upon the exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it, but the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Administrative Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Investment Property directly to the Administrative Agent.

7.4 Proceeds to be Turned Over To Administrative Agent. In addition to the rights of the Administrative Agent and the Lenders specified in Section 7.1 with respect to payments of Receivables included in the Collateral, if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly indorsed by

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such Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent hereunder shall be held by the Administrative Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent and the Lenders) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 7.5.

7.5 Application of Proceeds. At such intervals as may be agreed upon by the Borrower and the Administrative Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Administrative Agent's election, the Administrative Agent may apply all or any part of Proceeds constituting Collateral, whether or not held in any Collateral Account, and any proceeds of the guarantees set forth in Section 2 or 3, as applicable, in payment of the Obligations in the following order (and, to the extent applicable, in a manner consistent with the Credit Agreement):

First, to pay incurred and unpaid fees and expenses of the Administrative Agent under the Loan Documents;

Second, to the Administrative Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then due and owing and remaining unpaid to the Secured Parties;

Third, to the Administrative Agent, for application by it towards prepayment of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then held by the Secured Parties; and

Fourth, any balance remaining after the Obligations shall have been paid in full, no Letters of Credit shall be outstanding (other than those Letters of Credit that have been Collateralized) and the Commitments shall have terminated shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

7.6 Code and Other Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived to the fullest extent permitted by applicable law), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, license, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any

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Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 7.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the Lenders hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including, without limitation, Section 9-615(a)(3) of the New York UCC, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder.

7.7 Registration Rights. (a) If the Administrative Agent shall determine to exercise its right to sell any or all of the Pledged Stock pursuant to Section 7.6, and if in the opinion of the Administrative Agent it is necessary or advisable to have the Pledged Stock, or that portion thereof to be sold or registered under the provisions of the Securities Act, the relevant Grantor will cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the reasonable opinion of the Administrative Agent, necessary or advisable to register the Pledged Stock, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its commercially reasonable best efforts to cause the registration statement relating thereto to become effective and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Administrative Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. Each Grantor agrees to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Administrative Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Stock, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Stock for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant to this Section 7.7 valid and binding and in compliance with any and all other applicable Requirements of Law.

7.8 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Administrative Agent or any Lender to collect such deficiency.

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7.9 Grant of Intellectual Property License. If an Event of Default shall occur and be continuing, and for so long as such Event of Default in continuing, each Grantor hereby grants to the Administrative Agent an irrevocable, non-exclusive, fully paid-up, worldwide license or (for third party rights) sublicense, to use, license or sublicense any of the Intellectual Property now or hereafter owned, licensed in (to the fullest extent permitted by such license), held for use or acquired by such Grantor (and subject to the applicable terms and conditions governing such Grantor's rights in and to such Intellectual Property at the time of the Event of Default), for the purpose of enabling the Administrative Agent to exercise rights and remedies under Section 7 hereof at such time as it shall be lawfully entitled to exercise such rights and remedies, and for no other purpose; subject to (i) the maintenance of quality control standards with respect to all goods and services sold under any licensed Trademarks substantially consistent with those in effect immediately prior to the Event of Default in order to maintain the validity and enforceability of such Trademarks and (ii) exclusive licenses granted by such Grantor prior to the Event of Default to the extent such licenses conflict at the time of the Event of Default with the granting of other licenses in and to the same Intellectual Property. Such license or sublicense to the Administrative Agent shall include access to all media in which any of the applicable intellectual property may be recorded, processed or stored and all computer programs related thereto.

## SECTION 8. THE ADMINISTRATIVE AGENT

8.1 Administrative Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable included in the Collateral or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Receivable included in the Collateral or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Administrative Agent's and the Lenders' security interest in such Intellectual Property and the goodwill connected with the use of and symbolized by any Trademarks and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

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(iv) execute, in connection with any sale provided for in Section 7.6 or 7.7, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate; (7) license or assign any Copyright, Patent or Trademark owned by or licensed to (to the fullest extent permitted by such license and subject to the terms and conditions of such license) such Grantor (along with the goodwill of the business connected with the use of and symbolized by any Trademarks), throughout the world for such term or terms, on such conditions, and in such manner, as the Administrative Agent shall in its reasonable discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the Lenders' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 8.1(a) to the contrary notwithstanding, the Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 8.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its material agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The reasonable out-of-pocket expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 8.1 shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

8.2 Duty of Administrative Agent. The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, any Lender nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The

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powers conferred on the Administrative Agent and the Lenders hereunder are solely to protect the Administrative Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Lender to exercise any such powers. The Administrative Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

8.3 Execution of Financing Statements. Pursuant to any applicable law, each Grantor authorizes the Administrative Agent to file or record financing statements, continuation statements, and amendments to financing statements in any jurisdictions and with any filing offices as the Administrative Agent may determine are necessary or advisable to perfect the security interest granted to the Administrative Agent in connection herewith with respect to the Collateral without the signature of such Grantor, to the extent permitted by law, in such form as the Administrative Agent determines appropriate to perfect the security interests of the Administrative Agent under this Agreement. Such financing statements may describe the Collateral in the same manner as described in this Agreement or may contain an indication or description of Collateral that describes such property in any other manner as the Administrative Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Administrative Agent in connection with this Agreement, including, without limitation, describing such property as "all assets, whether now owned or hereafter acquired" or "all personal property, whether now owned or hereafter acquired." Each Grantor hereby ratifies and authorizes the filing by the Administrative Agent of any financing statement with respect to the Collateral made prior to the date hereof.

8.4 Authority of Administrative Agent. Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

## SECTION 9. MISCELLANEOUS

9.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 10.1 of the Credit Agreement.

9.2 Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in Section 10.2 of the Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 1.

9.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Administrative Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further

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exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

9.4 Enforcement Expenses; Indemnification. (a) Each Guarantor agrees to pay or reimburse each Lender and the Administrative Agent for all its reasonable documented out-of-pocket costs and expenses incurred in collecting against such Guarantor under the guarantees contained in Section 2 or 3, as applicable, or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Guarantor is a party, including, without limitation, the reasonable fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to the Administrative Agent.

(b) Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement and, to the extent applicable, in a manner consistent with Section 2.19 of the Credit Agreement.

(c) Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to Section 10.5 of the Credit Agreement.

(d) The agreements in this Section 9.4 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

9.5 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Administrative Agent and the Lenders and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

9.6 Set-Off.. Each Grantor hereby irrevocably authorizes the Administrative Agent and each Lender at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Administrative Agent or such Lender to or for the credit or the account of such Grantor, or any part thereof in such amounts as the Administrative Agent or such Lender may elect, against and on account of the obligations and liabilities of such Grantor to the Administrative Agent or such Lender hereunder and claims of every nature and description of the Administrative Agent or such Lender against such Grantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as the Administrative Agent or such Lender may elect, whether or not the Administrative Agent or any Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Administrative Agent and each Lender shall notify such

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Grantor promptly of any such set-off and the application made by the Administrative Agent or such Lender of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and each Lender under this Section 9.6 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Administrative Agent or such Lender may have.

9.7 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

9.8 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.9 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

9.10 Integration. This Agreement and the other Loan Documents represent the agreement of the Grantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

9.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

9.12 Submission To Jurisdiction; Waivers. Each Grantor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Grantor at its address referred to in Section 9.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

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(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

9.13 Acknowledgements. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Administrative Agent and Lenders, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Grantors and the Lenders.

9.14 Additional Grantors. Each Subsidiary of the Borrower or Holdings that is required to become a party to this Agreement pursuant to Section 6.9 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex 1 hereto.

9.15 Releases. (a) At such time as the Obligations (other than Obligations in respect of Specified Swap Agreements) shall have been paid in full, the Commitments have been terminated and the Letters of Credit shall have terminated, expired or been Collateralized, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral held by the Administrative Agent hereunder, and promptly execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Administrative Agent, at the request and sole expense of such Grantor, shall promptly execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of the Borrower, a Subsidiary Guarantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Subsidiary Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement; provided that the Borrower shall have delivered to the Administrative Agent a written request for release identifying the relevant Subsidiary Guarantor, together with a certification by the Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

9.16 WAIVER OF JURY TRIAL. EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

9.17 Continuation of Security Interests. All security interests, Liens and obligations created by the Existing Guarantee and Collateral Agreement are continued in full force and effect under this Agreement. The Existing Guarantee and Collateral Agreement remains in full force and effect as amended by this Agreement.

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IN WITNESS WHEREOF, the undersigned has caused this Amended and Restated Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

Avis Budget Car Rental, LLC

Avis Budget Holdings, LLC

Avis Budget Finance, Inc.

Avis Car Rental Group, LLC

By: /s/ Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Treasurer

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ARACS LLC

By: /s/ Rochelle Tarlowe  
Name: Rochelle Tarlowe  
Title: Vice President and Treasurer

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Avis Rent A Car System, LLC

By: /s/ Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Treasurer

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Avis Asia and Pacific, Limited

Avis Caribbean, Limited

Avis Enterprises, Inc.

Avis Group Holdings, LLC

Avis International, Ltd.

PF Claims Management, Ltd.

By: /s/ Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Treasurer

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AB Car Rental Services, Inc.

By: /s/ Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Treasurer

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Avis Operations, LLC

By: /s/ Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Treasurer

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BGI Leasing, Inc.

Budget Rent A Car System, Inc.

By: s/ David B. Wyshner

Name: David B. Wyshner

Title: Executive Vice President, Chief Financial Officer and Treasurer

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Budget Truck Rental, LLC

By: /s/ David B. Wyshner

Name: David B. Wyshner

Title: Executive Vice President, Chief Financial Officer and Treasurer

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Runabout, LLC

By: /s/ David B. Wyshner

Name: David B. Wyshner

Title: Executive Vice President, Chief Financial Officer and Treasurer

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Wizard Services, Inc.

By: /s/ Rochelle Tarlowe  
Name: Rochelle Tarlowe  
Title: Vice President and Treasurer

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PR Holdco, Inc.

By: /s/ Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Treasurer

TWELFTH AMENDMENT TO THE AMENDED AND RESTATED  
SERIES 2002-2 SUPPLEMENT

This TWELFTH AMENDMENT TO THE AMENDED AND RESTATED SERIES 2002-2 SUPPLEMENT (this "Amendment"), dated as of December 23, 2008, amends the Amended and Restated Series 2002-2 Supplement (the "Series 2002-2 Supplement"), dated as of November 22, 2002, as amended by the First Amendment thereto, dated as of October 30, 2003, the Second Amendment thereto, dated as of June 3, 2004, the Third Amendment thereto, dated as of November 30, 2004, the Fourth Amendment thereto, dated as of November 28, 2005, the Fifth Amendment thereto, dated as of December 23, 2005, the Sixth Amendment thereto, dated as of February 17, 2006, the Seventh Amendment thereto, dated as of March 21, 2006, the Eighth Amendment thereto, dated as of November 30, 2006, the Ninth Amendment thereto, dated as of May 9, 2007, the Tenth Amendment thereto, dated as of October 29, 2007, and the Eleventh Amendment thereto, dated as of October 27, 2008, and is among AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF"), AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, LLC and Cendant Car Rental Group, Inc.) ("Avis Budget"), a limited liability company established under the laws of Delaware, as administrator (the "Administrator"), JPMORGAN CHASE BANK, N.A. (formerly known as JPMorgan Chase Bank), a national banking association, as administrative agent (the "Administrative Agent"), the several commercial paper conduits listed on Schedule I thereto (each a "CP Conduit Purchaser"), the several banks set forth opposite the name of each CP Conduit Purchaser on Schedule I thereto (each an "APA Bank" with respect to such CP Conduit Purchaser), the several agent banks set forth opposite the name of each CP Conduit Purchaser on Schedule I thereto (each a "Funding Agent" with respect to such CP Conduit Purchaser), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2002-2 Noteholders (in such capacity, the "Series 2002-2 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2002-2 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2 of the Base Indenture, any Supplement thereto may be amended with the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes, so long as such amendment only affects the Noteholders of such Series of Notes;

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WHEREAS, the parties desire to amend the Series 2002-2 Supplement to (i) extend the Scheduled Expiry Date; (ii) replace Schedule I thereto with a new Schedule I; (iii) add a requirement to reduce the Series 2002-2 Invested Amount with the proceeds of the issuance of certain Series of Notes, (iv) reduce the Series 2002-2 Maximum Invested Amount, (v) add certain Amortization Events and (vi) modify a covenant with respect to ABRCF Vehicle purchasing patterns; and

WHEREAS, ABRCF has requested the Trustee, the Series 2002-2 Agent, the Administrator, the Administrative Agent and each Series 2002-2 Noteholder to, and, upon the effectiveness of this Amendment, ABRCF, the Trustee, the Series 2002-2 Agent, the Administrator, the Administrative Agent and the Series 2002-2 Noteholders have agreed to, amend certain provisions of the Series 2002-2 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. Amendments of Definitions. The following defined terms, as set forth in Article I(b) of the Series 2002-2 Supplement, are hereby amended and restated in their entirety as follows:

“Commitment Amount” means, with respect to the APA Banks included in any Purchaser Group, an amount equal to 102% of the Maximum Purchaser Group Invested Amount with respect to such Purchaser Group.”

“Fee Letter” means the letter dated the date hereof, from ABRCF addressed to the Administrative Agent and each of the CP Conduit Purchasers, the Funding Agents and the APA Banks setting forth certain fees payable from time to time to the Purchaser Groups, as such letter may be amended or replaced from time to time; provided, however, that solely with respect to the Purchaser Group of which Citibank, N.A. is a member, “Fee Letter” shall mean the letter dated the Twelfth Amendment Effective Date from ABRCF addressed to the members of such Purchaser Group and the related Funding Agent setting forth certain fees payable from time to time to such Purchaser Group, until such letter is cancelled in accordance with its terms.”

“Monthly Funding Costs” means, with respect to each Series 2002-2 Interest Period and any Purchaser Group, the sum of:

(a) for each day during such Series 2002-2 Interest Period, (i) with respect to a Match Funding CP Conduit Purchaser, the aggregate amount of Discount accruing on all outstanding Commercial Paper issued by, or for the benefit of, such Match Funding CP Conduit Purchaser to fund the CP Conduit Funded Amount with respect to such Match Funding CP Conduit Purchaser on such day or (ii) with respect to a Pooled Funding CP Conduit Purchaser, the aggregate amount of Discount accruing on or otherwise in respect of the Commercial Paper issued by, or for the benefit of, such Pooled Funding CP Conduit Purchaser allocated, in whole or in part, by the Funding Agent with respect to such Pooled Funding CP Conduit Purchaser, to fund the purchase or maintenance of the CP Conduit Funded Amount with respect to such Pooled Funding CP Conduit Purchaser; *plus*

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(b) for each day during such Series 2002-2 Interest Period, the sum of:

(i) the product of (A) the portion of the APA Bank Funded Amount with respect to such Purchaser Group allocated to the Floating Tranche with respect to such Purchaser Group on such day *times* (B) the Alternate Base Rate *plus* the Applicable Margin on such day, *divided* by (C) 365 (or 366, as the case may be) *plus*

(ii) the product of (A) the portion of the APA Bank Funded Amount with respect to such Purchaser Group allocated to Eurodollar Tranches with respect to such Purchaser Group on such day *times* (B) the weighted average Adjusted LIBO Rate with respect to such Eurodollar Tranches *plus* the Applicable Margin on such day in effect with respect thereto *divided* by (C) 360; *plus*

(c) for each day during such Series 2002-2 Interest Period, the product of (A) the CP Conduit Funded Amount with respect to such Purchaser Group on such day *times* (B) the Program Fee Rate on such day *divided* by (C) 360; *plus*

(d) for each day during such Series 2002-2 Interest Period, the product of (A) the Purchaser Group Invested Amount with respect to such Purchaser Group on such day and (B) the Incremental Term Financing Fee Rate on such day *divided* by (C) 360.”

““Scheduled Expiry Date” means, with respect to any Purchaser Group, December 22, 2009, as such date may be extended in accordance with Section 2.6(b).”

““Series 2002-2 Limited Liquidation Event of Default” means, so long as such event or condition continues, any event or condition of the type specified in clauses (a) through (h) or clause (l) of Article IV; provided, however, that any event or condition of the type specified in clauses (a) through (h) or clause (l) of Article IV shall not constitute a Series 2002-2 Limited Liquidation Event of Default if the Trustee shall have received the written consent of each of the Series 2002-2 Noteholders waiving the occurrence of such Series 2002-2 Limited Liquidation Event of Default.”

““Series 2002-2 Moody’s Highest Enhancement Rate” means, as of any date of determination, the greater of (a) 55.00% and (b) the sum of (i) 55.00% and (ii) the highest, for any calendar month within the preceding twelve calendar months, of the greater of (x) an amount (not less than zero) equal to 100% minus the Measurement Month Average for the immediately preceding Measurement Month and (y) an amount (not less than zero) equal to 100% minus the Market Value Average as of the Determination Date within such calendar month (excluding the Market Value Average for any Determination Date which has not yet occurred).”

““Series 2002-2 Moody’s Intermediate Enhancement Rate” means, as of any date of determination, 55.00%.”

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“Series 2002-2 Moody’s Lowest Enhancement Rate” means, as of any date of determination, 20.00%.”

“Series 2002-2 Required Liquidity Amount” means, with respect to any Distribution Date, an amount equal to 12.50% of the Series 2002-2 Invested Amount on such Distribution Date (after giving effect to any payments of principal to be made on the Series 2002-2 Notes on such Distribution Date).”

“Series 2002-2 Special VFN Collection Allocation Percentage” means as of any date of determination: (a) when used with respect to Principal Collections, the Series 2002-2 VFN Percentage as of the end of the Series 2002-2 Revolving Period and (b) when used with respect to Interest Collections, the percentage equivalent of a fraction the numerator of which is the Accrued Amounts with respect to the Series 2002-2 Notes on such date of determination and the denominator of which is the aggregate Accrued Amounts with respect to the Series 2002-2 Notes and the Series 2002-3 Notes on such date of determination; provided that, for the avoidance of doubt, as of any date following the termination of the Series 2002-3 Supplement in accordance with its terms, the Series 2002-2 Special VFN Collection Allocation Percentage shall equal 100%.”

“Series 2002-2 Standard & Poor’s Intermediate Enhancement Rate” means, as of any date of determination, the greater of (a) 49.25% and (b) the sum of (i) 49.25% and (ii) the highest, for any calendar month within the preceding twelve calendar months, of the greater of (x) an amount (not less than zero) equal to 100% minus the Measurement Month Average for the immediately preceding Measurement Month and (y) an amount (not less than zero) equal to 100% minus the Market Value Average as of the Determination Date within such calendar month (excluding the Market Value Average for any Determination Date which has not yet occurred).”

“Series 2002-2 Standard & Poor’s Lowest Enhancement Rate” means, as of any date of determination, 34.00%.”

“Series 2002-2 VFN Percentage” means, as of any date, the percentage equivalent of a fraction the numerator of which is the sum of the Series 2002-2 Invested Amount and the Series 2002-2 Overcollateralization Amount as of such date and the denominator of which is the sum of the Series 2002-2 Invested Amount, the Series 2002-2 Overcollateralization Amount, the Series 2002-3 Invested Amount and the Series 2002-3 Overcollateralization Amount as of such date; provided that, for the avoidance of doubt, as of any date following the termination of the Series 2002-3 Supplement in accordance with its terms, the Series 2002-2 VFN Percentage shall equal 100%.”

2. Additional Definitions. The following defined terms are hereby added in their entirety, in appropriate alphabetical order, to Article I(b) of the Series 2002-2 Supplement as follows:

“Consolidated EBITDA” has the meaning set forth in the Credit Agreement.”

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““Consolidated Leverage Ratio” has the meaning set forth in the Credit Agreement.”

““Credit Agreement” means the Credit Agreement, dated as of April 19, 2006, among Avis Budget Holdings, LLC, as Borrower, ABCR, as Borrower, the subsidiary borrowers referred to therein, the several lenders referred to therein, JPMorgan Chase, as Administrative Agent, Deutsche Bank Securities Inc., as Syndication Agent, each of Bank of America, N.A., Calyon New York Branch and Citicorp USA, Inc., as Documentation Agents and Wachovia Bank, National Association, as Co-Documentation Agent, as amended by the First Amendment thereto dated as of December 23, 2008 but without giving effect to any further amendment thereto made subsequent to the Series 2002-2 Twelfth Amendment Effective Date unless such amendment has been approved in writing by the Requisite Noteholders.”

““Eligible Term Notes” shall mean any Series of Notes issued by ABRCF pursuant to the Base Indenture subsequent to the Series 2002-2 Twelfth Amendment Effective Date and prior to the Scheduled Expiry Date that are term notes with an expected final payment date not less than 24 months after the date of the issuance of such Notes.”

““Incremental Term Financing Fee Rate” is defined in the Fee Letter.”

““Reduction Amount” is defined in Section 2.5(e).”

““Replacement Credit Agreement” means any credit agreement or similar facility entered into by Avis Budget Holdings, LLC, ABCR and/or any affiliate of either entity, that refinances or replaces the Credit Agreement, without giving effect to any amendment thereto that is not approved in writing by the Requisite Noteholders.”

““Series 2002-2 Commitment Reduction Percentage” means, as of any date of determination, the percentage equivalent of a fraction, the numerator of which is equal to the Series 2002-2 Maximum Invested Amount as of such date and the denominator of which is equal to the sum of the Series 2002-2 Maximum Invested Amount and the Series 2008-1 Maximum Invested Amount (as such term is defined in the Series 2008-1 Supplement) as of such date, in each case without giving effect to any reductions in such amount on such date.”

““Series 2002-2 Maximum Eligible Term Notes Commitment Reduction Amount” means, as of any date of determination, an amount equal to the excess, if any, of (x) \$750,000,000 over (y) the sum of (i) the aggregate amount by which the Series 2002-2 Maximum Invested Amount has been reduced in accordance with the second sentence of Section 2.6(c) prior to such date and (ii) the aggregate amount by which the Series 2008-1 Maximum Invested Amount (as such term is defined in the Series 2008-1 Supplement) has been reduced in accordance with the second sentence of Section 2.6(c) of the Series 2008-1 Supplement on or prior to such date.”

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““Series 2002-2 Maximum Eligible Term Notes Principal Reduction Amount” means, as of any date of determination, an amount equal to the excess, if any, of (x) \$750,000,000 over (y) the sum of (i) the sum of the amounts allocated to the Series 2002-2 Excess Collection Account in accordance with the terms of Section 2.5(e) prior to such date and (ii) the sum of the amounts allocated to the Series 2008-1 Excess Collection Account (as such term is defined in the Series 2008-1 Supplement) in accordance with the terms of Section 2.5(e) of the Series 2008-1 Supplement on or prior to such date.”

““Series 2002-2 Principal Reduction Percentage” means, as of any date of determination, the percentage equivalent of a fraction, the numerator of which is equal to the Series 2002-2 Invested Amount as of such date and the denominator of which is equal to the sum of the Series 2002-2 Invested Amount and the Series 2008-1 Invested Amount (as such term is defined in the Series 2008-1 Supplement) as of such date, in each case without giving effect to any payments of principal on such date; provided, however, that on and after the Series 2008-1 Scheduled Expiry Date, the Series 2002-2 Principal Reduction Percentage shall equal 100%.”

““Series 2008-1 Scheduled Expiry Date” means the “Scheduled Expiry Date” as such term is defined in the Series 2008-1 Supplement.”

3. Amendment to Section 2.1(b). Section 2.1(b) of the Series 2002-2 Supplement is hereby amended and restated in its entirety as follows:

“(b) Maximum Purchaser Group Invested Amounts. Notwithstanding anything to the contrary contained in this Supplement, at no time shall a Purchaser Group be required to make the initial purchase of a Series 2002-2 Note or increase its Purchaser Group Invested Amount if the Purchaser Group Invested Amount with respect to such Purchaser Group, after giving effect to such purchase or increase, would exceed the Maximum Purchaser Group Invested Amount with respect to such Purchaser Group at such time.”

4. Amendments to Section 2.5. (a) Section 2.5(a) of the Series 2002-2 Supplement is hereby amended by (i) deleting the parenthetical set forth in the second proviso thereof and replacing such parenthetical in its entirety with the following: “(or (x) if such Decrease will be used to reduce one or more Non-Extending Purchaser Group’s Purchaser Group Invested Amounts, such Decrease may be in such amount as is necessary to reduce the Purchaser Group Invested Amounts of all such Non-Extending Purchaser Groups to zero and (y) if such Decrease will be made in accordance with the terms of Section 2.5(e), such Decrease may be in an amount equal to the applicable Reduction Amount)” and (ii) adding the language “and Section 2.5(e)” after the words “other than pursuant to Section 2.5(d)” in the parenthetical set forth in the third proviso thereof and (b) Section 2.5 of the Series 2002-2 Supplement is hereby further amended by inserting the following paragraph at the end of Section 2.5 as clause (e) thereof:

“(e) ABRCF shall (i) on any date on which ABRCF issues Eligible Term Notes, allocate and deposit proceeds from the initial sale of such Eligible Term Notes in an amount (the “Reduction Amount”) equal to the least of (x) the product of (1) the Series 2002-2 Principal Reduction Percentage as of such date and (2) 75% of the initial principal amount of such Eligible Term Notes, (y) the Series 2002-2 Maximum Eligible Term Notes Principal Reduction Amount as of such date and (z) the Series 2002-2 Invested Amount as of such date, into the Series 2002-2 Excess Collection Account in accordance with Section 3.2(d), and (ii) on such date or as promptly thereafter as possible, use such funds to effect a Decrease in accordance with Section 2.5(a) in an amount equal to the Reduction Amount; provided that, notwithstanding the first sentence of Section 2.5(a), solely for purposes of the Section 2.5(e), ABRCF shall be permitted to effect any Decrease contemplated by this Section 2.5(e) irrespective of whether an Amortization Event has occurred. Following the issuance of any Eligible Term Notes, ABRCF shall not request any Increase until the Decrease required by this Section 2.5(e) has been effected.”

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5. Amendment to Section 2.6(c). Section 2.6(c) of the Series 2002-2 Supplement is hereby amended by adding the following language immediately after the first sentence thereof:

“On any date on which ABRCF issues Eligible Term Notes, the Series 2002-2 Maximum Invested Amount shall automatically be reduced in an amount equal to the least of (x) the product of (1) the Series 2002-2 Commitment Reduction Percentage as of such date and (2) 75% of the initial principal amount of such Eligible Term Notes, (y) the Series 2002-2 Maximum Eligible Term Notes Commitment Reduction Amount as of such date and (z) the Series 2002-2 Maximum Invested Amount as of such date.”

6. Amendment to Article IV. Article IV of the Series 2002-2 Supplement is hereby amended by (i) deleting clause (k) thereto and replacing such clause in its entirety with the following:

“(k) the occurrence and continuation of an “event of default” under the Credit Agreement or any Replacement Credit Agreement, without giving effect to any waiver of any such event of default that is not approved in writing by the Requisite Noteholders and provided that, for purposes of this Supplement, the event of default set forth in Section 8(e) of the Credit Agreement shall survive the termination of the Credit Agreement;”;

(ii) adding the following clauses (l), (m) and (n):

“(l) a Decrease in an amount equal to the Reduction Amount is not made in accordance with the terms of Section 2.5(e) upon the issuance of any Eligible Term Notes and in any event within ten (10) days after such issuance;

(m) an Amortization Event shall have occurred with respect to the Series 2008-1 Notes (as such term is defined in the Series 2008-1 Supplement); and

(n) (i) the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of ABCR ending with any fiscal quarter set forth below (commencing with the fiscal quarter ending June 30, 2010) shall exceed the ratio set forth below opposite such fiscal quarter:

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<u>Fiscal Quarter ending</u>	<u>Consolidated Leverage Ratio</u>
June 30, 2010	5.25 to 1.00
June 30, 2011 and thereafter	4.75 to 1.00

or (ii) the Consolidated EBITDA as at the last day of any period of four consecutive fiscal quarters of ABCR ending with any fiscal quarter set forth below (commencing with the fiscal quarter ending December 31, 2008), shall be less than the amount set forth below opposite such fiscal quarter:

<u>Fiscal Quarter ending</u>	<u>Consolidated EBITDA</u>
December 31, 2008	\$160,000,000
March 31, 2009	\$135,000,000
June 30, 2009	\$95,000,000
September 30, 2009	\$80,000,000
December 31, 2009	\$155,000,000
March 31, 2010 and thereafter	\$175,000,000

”

and (iii) deleting the second paragraph thereof and replacing such paragraph in its entirety with the following:

“In the case of any event described in clause (j), (k), (m) or (n) above, an Amortization Event shall have occurred with respect to the Series 2002-2 Notes only if either the Trustee or the Requisite Noteholders declare that an Amortization Event has occurred. In the case of an event described in clause (a), (b), (c), (d), (e), (f), (g), (h), (i) or (l) an Amortization Event with respect to the Series 2002-2 Notes shall have occurred without any notice or other action on the part of the Trustee or any Series 2002-2 Noteholders, immediately upon the occurrence of such event. Amortization Events with respect to the Series 2002-2 Notes described in clause (a), (b), (c), (d), (e), (f), (g), (h), (i) or (l) may be waived with the written consent of the Purchaser Groups having Commitment Percentages aggregating 100%. Amortization Events with respect to the Series 2002-2 Notes described in clause (j), (k), (m) or (n) above may be waived in accordance with Section 9.5 of the Base Indenture.”

7. Amendment to Section 8.2. (i) Section 8.2(h) of the Series 2002-2 Supplement is hereby amended and restated in its entirety as follows:

“(h) they shall not permit the aggregate Capitalized Cost for all Vehicles purchased in any model year that are not subject to a Manufacturer Program to exceed 85% of the aggregate MSRP (Manufacturer Suggested Retail Price) of all such Vehicles; provided, however, that they shall not modify the customary buying patterns or purchasing criteria used by the Administrator and its Affiliates with respect to the Vehicles if the primary purpose of such modification is to comply with this covenant; and” ; and (ii) Section 8.2 of the Series 2002-2 Supplement is hereby further amended by inserting the following paragraph at the end of Section 8.2 as clause (i) thereof:

“(i) with respect to any Replacement Credit Agreement, they will provide notice of such Replacement Credit Agreement, together with a copy of the proposed Replacement Credit Agreement, to Moody’s no less than ten (10) days prior to the anticipated effective date for such Replacement Credit Agreement.”

8. Amendment to Schedule I. (a) On the Series 2002-2 Twelfth Amendment Effective Date, Schedule I to the Series 2002-2 Supplement shall be amended by deleting such Schedule in its entirety and substituting in lieu thereof a new Schedule I in the form of Schedule A to this Amendment, which shall effect a decrease in the Maximum Purchaser Group Invested Amount with respect to certain Purchaser Groups as reflected thereon and a reduction in the Series 2002-2 Maximum Invested Amount.

(b) By executing this Amendment, each Purchaser Group hereby consents to the reduction of the Series 2002-2 Maximum Invested Amount pursuant to the amendment of Schedule I in accordance with this Amendment on a *non-pro rata* basis.

(c) On the Series 2002-2 Twelfth Amendment Effective Date, each CP Conduit Purchaser, the APA Banks with respect to such CP Conduit Purchaser and the Funding Agent with respect to such CP Conduit Purchaser shall be deemed hereby to make or accept, as applicable, an assignment and assumption of a portion of the Series 2002-2 Invested Amount, as directed by the Administrative Agent, with the result being that after giving effect thereto, the Purchaser Group Invested Amount with respect to each such Purchaser Group shall equal the product of (x) the sum of the Purchaser Group Invested Amounts of each Purchaser Group on the Series 2002-2 Twelfth Amendment Effective Date and (y) the Commitment Percentage of such Purchaser Group on the Series 2002-2 Twelfth Amendment Effective Date after giving effect to the effectiveness of this Amendment and the changes in the Maximum Purchaser Group Invested Amounts made thereby and in furtherance thereof, each CP Conduit Purchaser (or the related APA Banks, based on their APA Bank Percentage) which is a member of a Purchaser Group whose Commitment Percentage after giving effect to this Amendment is greater than such Commitment Percentage prior to giving effect to this Amendment shall make an advance to the Administrative Agent, on a prorata basis, for payment to each Purchaser Group whose Commitment Percentage after giving effect to this Amendment is less than such Commitment Percentage prior to giving effect to this Amendment. No Purchaser Group shall be required to make any assignment of any portion of its Purchaser Group Invested Amount unless such assigning Purchaser Group shall receive in cash an amount equal to the reduction in its Purchaser Group Invested Amount.

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9. Consent to Extension under Section 2.6(b). Each Purchaser Group, by executing this Amendment hereby agrees to the extension of the Scheduled Expiry Date as effected by this Amendment.

10. Direction. By their signatures hereto, each of the undersigned (excluding The Bank of New York Mellon Trust Company, N.A., in its capacity as Trustee and Series 2002-2 Agent) hereby authorize the Trustee and Series 2002-2 Agent to execute this Amendment and take any and all further action necessary or appropriate to give effect to the transaction contemplated hereby.

11. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2002-2 Supplement.

12. This Amendment shall become effective on the date (the "Series 2002-2 Twelfth Amendment Effective Date") that is the later of (a) the date hereof or (b) the first date on which each of the following have occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, and the Trustee shall have executed this Amendment, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment; provided, however, that by executing this Amendment, each Series 2002-2 Noteholder hereby consents and agrees that the Rating Agency Consent Condition shall be deemed to be satisfied with respect to Moody's, solely with respect to this Amendment, upon the receipt by the Administrative Agent of a letter, in form and substance satisfactory to the Administrative Agent, from Moody's stating that a long-term rating of at least "Aa2" has been assigned by Moody's to each of the Series 2002-2 Notes and the Series 2008-1 Notes (as such term is defined in the Series 2008-1 Supplement) and that the execution and delivery of this Amendment will not result in a reduction or withdrawal of the rating (in effect immediately before the taking of such action) of any other outstanding Series of Notes; (iii) ABRCF shall have acquired one or more Series 2002-2 Interest Rate Caps satisfying the requirements of Section 3.11(a) of the Series 2002-2 Supplement (giving effect to this Amendment), (iv) all certificates and opinions of counsel required under the Base Indenture or by the Series 2002-2 Noteholders shall have been delivered to the Trustee and the Series 2002-2 Noteholders, as applicable and (v) Simpson Thacher & Bartlett LLP shall have been paid all fees and expenses due to it as counsel to the Administrative Agent.

13. From and after the Series 2002-2 Twelfth Amendment Effective Date, all references to the Series 2002-2 Supplement shall be deemed to be references to the Series 2002-2 Supplement as amended hereby.

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14. This Amendment may be executed in separate counterparts by the parties hereto, each of which when so executed and delivered shall be an original but all of which shall together constitute one and the same instrument.

15. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective duly authorized officers as of the date above first written.

AVIS BUDGET RENTAL CAR  
FUNDING (AESOP) LLC, as Issuer

By: /s/ Rochelle Tarlowe

Name: \_\_\_\_\_  
Rochelle Tarlowe

Title: Vice President and Treasurer

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THE BANK OF NEW YORK  
MELLON TRUST COMPANY,  
N.A., as Trustee and Series 2002-2  
Agent

By: /s/ Sally Tokich

Name: Sally R. Tokich

Title: Assistant Vice President

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JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent

By: /s/ George S. Wilkins

Name: George S. Wilkins

Title: Executive Director

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AGREED, ACKNOWLEDGED AND CONSENTED:

SHEFFIELD RECEIVABLES  
CORPORATION, as a CP Conduit  
Purchaser under the Series 2002-2  
Supplement

By: Barclays Bank PLC  
as Attorney-in-Fact

By: /s/ Jason D. Muncy

Name: \_\_\_\_\_  
Jason D. Muncy

Title: Associate Director

BARCLAYS BANK PLC, as a  
Funding Agent and an APA Bank  
under the Series 2002-2 Supplement

By: /s/ Jeffrey Goldberg

Name: \_\_\_\_\_  
Jeffrey Goldberg

Title: Associate Director

By:

Name: \_\_\_\_\_

Title:

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LIBERTY STREET FUNDING LLC,  
as a CP Conduit Purchaser under the  
Series 2002-2 Supplement

By: /s/ Bernardo J. Angelo

Name: Bernardo J. Angelo

Title: Vice President

THE BANK OF NOVA SCOTIA, as  
a Funding Agent and an APA Bank  
under the Series 2002-2 Supplement

By: /s/ Michael Eden

Name: Michael Eden

Title: Director

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YC SUSI TRUST,

as a CP Conduit Purchaser under the  
Series 2002-2 Supplement

By: Bank of America, National  
Association,  
  
as Administrative Trustee

By: /s/ Jeremy Grubb

Name: \_\_\_\_\_  
Jeremy Grubb

Title: Vice President

Bank of America, National  
Association, as a Funding Agent and  
an APA Bank under the Series 2002-2  
Supplement

By: /s/ Jeremy Grubb

Name: \_\_\_\_\_  
Jeremy Grubb

Title: Vice President

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CHARTA, LLC (as successor to  
Charta Corporation), as a CP Conduit  
Purchaser under the Series 2002-2  
Supplement

By: Citicorp North America, Inc., as  
Attorney-in-fact

By: /s/ Steven Vierengel

Name: \_\_\_\_\_  
Steven Vierengel

Title:

CITIBANK, N.A., as

an APA Bank under the Series 2002-2  
Supplement

By: /s/ Steven Vierengel

Name: \_\_\_\_\_  
Steven Vierengel

Title:

CITICORP NORTH AMERICA,  
INC., as a Funding Agent under the  
Series 2002-2 Supplement

By: /s/ Steven Vierengel

Name: \_\_\_\_\_  
Steven Vierengel

Title:

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FALCON ASSET  
SECURITIZATION COMPANY  
LLC, as a CP Conduit Purchaser  
under the Series 2002-2 Supplement

By: /s/ George S. Wilkins

Name: \_\_\_\_\_  
George S. Wilkins

Title: Executive Director

JPMORGAN CHASE BANK, N.A.  
as a Funding Agent under the Series  
2002-2 Supplement

By: /s/ George S. Wilkins

Name: \_\_\_\_\_  
George S. Wilkins

Title: Executive Director

JPMORGAN CHASE BANK, N.A.  
as an APA Bank under the Series  
2002-2 Supplement

By: /s/ George S. Wilkins

Name: \_\_\_\_\_  
George S. Wilkins

Title: Executive Director

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GEMINI SECURITIZATION CORP.,  
LLC, as a CP Conduit Purchaser  
under the Series 2002-2 Supplement

By: /s/ Louise E. Colby

Name: \_\_\_\_\_  
Louise E. Colby

Title: Vice President

DEUTSCHE BANK AG, NEW  
YORK BRANCH, as a Funding  
Agent and an APA Bank under the  
Series 2002-2 Supplement

By: /s/ Eric Shea

Name: \_\_\_\_\_  
Eric Shea

Title: Managing Director

By: /s/ Robert Sheldon

Name: \_\_\_\_\_  
Robert Sheldon

Title: Director

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ATLANTIC ASSET  
SECURITIZATION LLC, as a CP  
Conduit Purchaser under the Series  
2002-2 Supplement

By: : /s/ Kostantina Kourmpetis

Name: \_\_\_\_\_  
Kostantina Kourmpetis

Title: Managing Director

By: ./s/ Richard McBride

Name: \_\_\_\_\_  
Richard McBride

Title: Director

CALYON NEW YORK BRANCH,  
as a Funding Agent and an APA Bank  
under the Series 2002-2 Supplement

By: /s/ Kostantina Kourmpetis

Name: \_\_\_\_\_  
Kostantina Kourmpetis

Title: Managing Director

By: ./s/ Richard McBride

Name: \_\_\_\_\_  
Richard McBride

Title: Director



Amsterdam Funding Corporation, as  
a CP Conduit Purchaser under the  
Series 2002-2 Supplement

By: /s/ Bernard J. Angelo

Name: \_\_\_\_\_  
Bernard J. Angelo

Title: Vice President

THE ROYAL BANK OF  
SCOTLAND PLC, as an APA Bank  
under the Series 2002-2 Supplement  
by: Greenwich Capital Markets, Inc.,  
as agent

By: /s/ Michael Zappaterrini

Name: \_\_\_\_\_  
Michael Zappaterrini

Title: Managing Director

THE ROYAL BANK OF  
SCOTLAND PLC, as a Funding  
Agent under the Series 2002-2  
Supplement by: Greenwich Capital  
Markets, Inc., as agent

By: /s/ Michael Zappaterrini

Name: \_\_\_\_\_  
Michael Zappaterrini

Title: Managing Director



AVIS BUDGET CAR RENTAL,  
LLC, as Administrator

By: /s/ Rochelle Tarlowe

Name: \_\_\_\_\_  
Rochelle Tarlowe

Title: Vice President and Treasurer

SECOND AMENDMENT TO THE SERIES 2008-1 SUPPLEMENT

This SECOND AMENDMENT TO THE SERIES 2008-1 SUPPLEMENT (this "Amendment"), dated as of December 23, 2008, amends the Series 2008-1 Supplement (the "Series 2008-1 Supplement"), dated as of February 15, 2008, as amended by the First Amendment thereto, dated as of October 27, 2008, and is among AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC, a special purpose limited liability company established under the laws of Delaware ("ABRCF"), AVIS BUDGET CAR RENTAL, LLC, a limited liability company established under the laws of Delaware, as administrator (the "Administrator"), JPMORGAN CHASE BANK, N.A., a national banking association, as administrative agent (the "Administrative Agent"), the several commercial paper conduits listed on Schedule I thereto (each a "CP Conduit Purchaser"), the several banks set forth opposite the name of each CP Conduit Purchaser on Schedule I thereto (each an "APA Bank" with respect to such CP Conduit Purchaser), the several agent banks set forth opposite the name of each CP Conduit Purchaser on Schedule I thereto (each a "Funding Agent" with respect to such CP Conduit Purchaser), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2008-1 Noteholders (in such capacity, the "Series 2008-1 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2008-1 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2 of the Base Indenture, any Supplement thereto may be amended with the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes, so long as such amendment only affects the Noteholders of such Series of Notes;

WHEREAS, the parties desire to amend the Series 2008-1 Supplement to (i) extend the Scheduled Expiry Date; (ii) replace Schedule I thereto with a new Schedule I; (iii) increase the Series 2008-1 Maximum Invested Amount; (iv) add a requirement to reduce the Series 2008-1 Invested Amount with the proceeds of the issuance of certain Series of Notes; (v) add a Controlled Amortization Period; (vi) add certain Amortization Events and (vii) modify a covenant with respect to ABRCF Vehicle purchasing patterns; and

WHEREAS, ABRCF has requested the Trustee, the Series 2008-1 Agent, the Administrator, the Administrative Agent and each Series 2008-1 Noteholder to, and, upon the effectiveness of this Amendment, ABRCF, the Trustee, the Series 2008-1 Agent, the Administrator, the Administrative Agent and the Series 2008-1 Noteholders have agreed to, amend certain provisions of the Series 2008-1 Supplement as set forth herein;

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NOW, THEREFORE, it is agreed:

1. Amendments of Definitions. The following defined terms, as set forth in Article I(b) of the Series 2008-1 Supplement, are hereby amended and restated in their entirety as follows:

“Commitment Amount” means, with respect to the APA Banks included in any Purchaser Group, an amount equal to 102% of the Maximum Purchaser Group Invested Amount with respect to such Purchaser Group.”

“CP Rate Period” means, with respect to any CP Tranche, a period of days not to exceed 270 days commencing on a Business Day selected in accordance with Section 2.7(b); provided that (x) if a CP Rate Period would end on a day that is not a Business Day, such CP Rate Period shall end on the next succeeding Business Day and (y) during the Series 2008-1 Controlled Amortization Period and the Series 2008-1 Rapid Amortization Period, each CP Rate Period shall end on or prior to the next succeeding Distribution Date.”

“Fee Letter” means the letter dated the date hereof from ABRCF addressed to the Administrative Agent and each of the CP Conduit Purchasers, the Funding Agents and the APA Banks setting forth certain fees payable from time to time to the Purchaser Groups, as such letter may be amended or replaced from time to time; provided, however, that solely with respect to the Purchaser Group of which Citibank, N.A. is a member, “Fee Letter” shall mean the letter dated the Second Amendment Effective Date from ABRCF addressed to the members of such Purchaser Group and the related Funding Agent setting forth certain fees payable from time to time to such Purchaser Group, until such letter is cancelled in accordance with its terms.”

“Maximum Purchaser Group Invested Amount” means, with respect to any Purchaser Group, an amount equal to the product of (i) the amount set forth opposite the name of the CP Conduit Purchaser included in such Purchaser Group on Schedule I, as such amount may be increased or reduced from time to time as provided in Section 2.6 (but which for the avoidance of doubt shall not include any reductions made pursuant to clause (ii) of this definition) and (ii) (x) from the Series 2008-1 Second Amendment Effective Date to but excluding August 1, 2009, 100%, (y) from and including August 1, 2009 to but excluding September 1, 2009, 75% and (z) from and including September 1, 2009 to but excluding the Scheduled Expiry Date, 50%. The Maximum Purchaser Group Invested Amount with respect to each Non-Extending Purchaser Group shall be reduced to zero on the Scheduled Expiry Date with respect to such Purchaser Group.”

“Monthly Funding Costs” means, with respect to each Series 2008-1 Interest Period and any Purchaser Group, the sum of:

(a) for each day during such Series 2008-1 Interest Period, (i) with respect to a Match Funding CP Conduit Purchaser, the aggregate amount of Discount accruing on all outstanding Commercial Paper issued by, or for the benefit of, such Match Funding CP Conduit Purchaser to fund the CP Conduit Funded Amount with respect to such Match Funding CP Conduit Purchaser on such day or (ii) with respect to a Pooled Funding CP Conduit Purchaser, the aggregate amount of Discount accruing on or otherwise in respect of the Commercial Paper issued by, or for the benefit of, such Pooled Funding CP Conduit Purchaser allocated, in whole or in part, by the Funding Agent with respect to such Pooled Funding CP Conduit Purchaser, to fund the purchase or maintenance of the CP Conduit Funded Amount with respect to such Pooled Funding CP Conduit Purchaser; *plus*

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(b) for each day during such Series 2008-1 Interest Period, the sum of:

(i) the product of (A) the portion of the APA Bank Funded Amount with respect to such Purchaser Group allocated to the Floating Tranche with respect to such Purchaser Group on such day *times* (B) the Alternate Base Rate *plus* the Applicable Margin on such day, *divided* by (C) 365 (or 366, as the case may be) *plus*

(ii) the product of (A) the portion of the APA Bank Funded Amount with respect to such Purchaser Group allocated to Eurodollar Tranches with respect to such Purchaser Group on such day *times* (B) the weighted average Adjusted LIBO Rate with respect to such Eurodollar Tranches *plus* the Applicable Margin on such day in effect with respect thereto *divided* by (C) 360; *plus*

(c) for each day during such Series 2008-1 Interest Period, the product of (A) the CP Conduit Funded Amount with respect to such Purchaser Group on such day *times* (B) the Program Fee Rate on such day *divided* by (C) 360; *plus*

(d) for each day during such Series 2008-1 Interest Period, the product of (A) the Purchaser Group Invested Amount with respect to such Purchaser Group on such day and (B) the Incremental Term Financing Fee Rate on such day *divided* by (C) 360.”

““Past Due Rent Payment” is defined in Section 3.2(g).”

““Scheduled Expiry Date” means, with respect to any Purchaser Group, November 20, 2009, as such date may be extended in accordance with Section 2.6(b).”

““Series 2008-1 Invested Percentage” means as of any date of determination:

(a) when used with respect to Principal Collections, the percentage equivalent (which percentage shall never exceed 100%) of a fraction the numerator of which shall be equal to the sum of the Series 2008-1 Invested Amount and the Series 2008-1 Overcollateralization Amount, determined during the Series 2008-1 Revolving Period as of the end of the immediately preceding Business Day, or, during the Series 2008-1 Rapid Amortization Period or the Series 2008-1 Controlled Amortization Period, as of the end of the Series 2008-1 Revolving Period, and the denominator of which shall be the greater as of the end of the immediately preceding Business Day of (I) the Aggregate Asset Amount and (II) the sum of the numerators used to determine (i) invested percentages for allocations with respect to Principal Collections (for all Series of Notes and all classes of such Series of Notes) and (ii) overcollateralization percentages for allocations with respect to Principal Collections (for all Series of Notes that provide for credit enhancement in the form of overcollateralization); and

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(b) when used with respect to Interest Collections, the percentage equivalent (which percentage shall never exceed 100%) of a fraction the numerator of which shall be the Accrued Amounts with respect to the Series 2008-1 Notes on such date of determination, and the denominator of which shall be the aggregate Accrued Amounts with respect to all Series of Notes on such date of determination.”

“Series 2008-1 Lease Interest Payment Deficit” means on any Distribution Date an amount equal to the excess, if any, of (a) the aggregate amount of Interest Collections which pursuant to Section 3.2(a), (b), (c) or (d) would have been allocated to the Series 2008-1 Accrued Interest Account if all payments of Monthly Base Rent required to have been made under the Leases from and excluding the preceding Distribution Date to and including such Distribution Date were made in full over (b) the aggregate amount of Interest Collections which pursuant to Section 3.2(a), (b), (c) or (d) have been allocated to the Series 2008-1 Accrued Interest Account (excluding any amounts paid into the Series 2008-1 Accrued Interest Account pursuant to the proviso in Sections 3.2(c)(ii) and 3.2(d)(ii)) from and excluding the preceding Distribution Date to and including such Distribution Date.”

“Series 2008-1 Limited Liquidation Event of Default” means, so long as such event or condition continues, any event or condition of the type specified in clauses (a) through (i) or clause (m) of Article IV; provided, however, that any event or condition of the type specified in clauses (a) through (i) or clause (m) of Article IV shall not constitute a Series 2008-1 Limited Liquidation Event of Default if the Trustee shall have received the written consent of each of the Series 2008-1 Noteholders waiving the occurrence of such Series 2008-1 Limited Liquidation Event of Default.”

“Series 2008-1 Monthly Lease Principal Payment Deficit” means on any Distribution Date an amount equal to the excess, if any, of (a) the aggregate amount of Principal Collections which pursuant to Section 3.2(a), (b), (c) or (d) would have been allocated to the Series 2008-1 Collection Account if all payments required to have been made under the Leases from and excluding the preceding Distribution Date to and including such Distribution Date were made in full over (b) the aggregate amount of Principal Collections which pursuant to Section 3.2(a), (b), (c) or (d) have been allocated to the Series 2008-1 Collection Account (without giving effect to any amounts paid into the Series 2008-1 Accrued Interest Account pursuant to the proviso in Sections 3.2(c)(ii) and/or 3.2(d)(ii)) from and excluding the preceding Distribution Date to and including such Distribution Date.”

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“Series 2008-1 Moody’s Highest Enhancement Rate” means, as of any date of determination, the greater of (a) 55.00% and (b) the sum of (i) 55.00% and (ii) the highest, for any calendar month within the preceding twelve calendar months, of the greater of (x) an amount (not less than zero) equal to 100% minus the Measurement Month Average for the immediately preceding Measurement Month and (y) an amount (not less than zero) equal to 100% minus the Market Value Average as of the Determination Date within such calendar month (excluding the Market Value Average for any Determination Date which has not yet occurred).”

“Series 2008-1 Moody’s Intermediate Enhancement Rate” means, as of any date of determination, 55.00%.”

“Series 2008-1 Moody’s Lowest Enhancement Rate” means, as of any date of determination, 20.00%.”

“Series 2008-1 Past Due Rent Payment” is defined in Section 3.2(g).”

“Series 2008-1 Required Liquidity Amount” means, with respect to any Distribution Date, an amount equal to 12.50% of the Series 2008-1 Invested Amount on such Distribution Date (after giving effect to any payments of principal to be made on the Series 2008-1 Notes on such Distribution Date).”

“Series 2008-1 Revolving Period” means the period from and including, the Series 2008-1 Closing Date to the earlier of (x) the commencement of the Series 2008-1 Rapid Amortization Period and (y) the commencement of the Series 2008-1 Controlled Amortization Period.”

“Series 2008-1 Standard & Poor’s Intermediate Enhancement Rate” means, as of any date of determination, the greater of (a) 49.25% and (b) the sum of (i) 49.25% and (ii) the highest, for any calendar month within the preceding twelve calendar months, of the greater of (x) an amount (not less than zero) equal to 100% minus the Measurement Month Average for the immediately preceding Measurement Month and (y) an amount (not less than zero) equal to 100% minus the Market Value Average as of the Determination Date within such calendar month (excluding the Market Value Average for any Determination Date which has not yet occurred).”

“Series 2008-1 Standard & Poor’s Lowest Enhancement Rate” means, as of any date of determination, 34.00%.”

2. Additional Definitions. The following defined terms are hereby added in their entirety, in appropriate alphabetical order, to Article I(b) of the Series 2008-1 Supplement as follows:

“Consolidated EBITDA” has the meaning set forth in the Credit Agreement”

“Consolidated Leverage Ratio” has the meaning set forth in the Credit Agreement.”

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“Credit Agreement” means the Credit Agreement, dated as of April 19, 2006, among Avis Budget Holdings, LLC, as Borrower, ABCR, as Borrower, the subsidiary borrowers referred to therein, the several lenders referred to therein, JPMorgan Chase, as Administrative Agent, Deutsche Bank Securities Inc., as Syndication Agent, each of Bank of America, N.A., Calyon New York Branch and Citicorp USA, Inc., as Documentation Agents and Wachovia Bank, National Association, as Co-Documentation Agent, as amended by the First Amendment thereto dated as of December 23, 2008 but without giving effect to any further amendment thereto made subsequent to the Series 2008-1 Second Amendment Effective Date unless such amendment has been approved in writing by the Requisite Noteholders.”

“Eligible Term Notes” shall mean any Series of Notes issued by ABRCF pursuant to the Base Indenture subsequent to the Series 2008-1 Second Amendment Effective Date and prior to the Scheduled Expiry Date that are term notes with an expected final payment date not less than 24 months after the date of issuance of such Notes.”

“Incremental Term Financing Fee Rate” is defined in the Fee Letter.”

“Reduction Amount” is defined in Section 2.5(e).”

“Replacement Credit Agreement” means any credit agreement or similar facility entered into by Avis Budget Holdings, LLC, ABCR and/or any affiliate of either entity, that refinances or replaces the Credit Agreement without giving effect to any amendment thereto that is not approved in writing by the Requisite Noteholders.”

“Series 2008-1 Commitment Reduction Percentage” means, as of any date of determination, the percentage equivalent of a fraction, the numerator of which is equal to the Series 2008-1 Maximum Invested Amount as of such date and the denominator of which is equal to the sum of the Series 2008-1 Maximum Invested Amount and the Series 2002-2 Maximum Invested Amount (as such term is defined in the Series 2002-2 Supplement) as of such date, in each case without giving effect to any reductions in such amount on such date.”

“Series 2008-1 Controlled Amortization Amount” means (i) with respect to the Related Month ending August 31, 2009, the excess, if any, of (x) the Series 2008-1 Invested Amount as of August 1, 2009 over (y) the Series 2008-1 Maximum Invested Amount as of August 1, 2009, (ii) with respect to the Related Month ending September 30, 2009, the excess, if any, of (x) the Series 2008-1 Invested Amount as of September 1, 2009 over (y) the sum of (1) the Series 2008-1 Maximum Invested Amount as of September 1, 2009 and (2) the aggregate amount of Principal Collections allocated to the Series 2008-1 Collection Account pursuant to Section 3.2(b)(ii) during the Related Month ended August 31, 2009 that have not been used to make a Decrease and (iii) with respect to the Related Month ending October 31, 2009, the excess of (x) the Series 2008-1 Maximum Invested Amount as of October 1, 2008 over (y) the aggregate amount of Principal Collections allocated to the Series 2008-1 Collection Account pursuant to Section 3.2(b)(ii) during the Related Month ended September 30, 2009 that have not been used to make a Decrease.”

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“Series 2008-1 Controlled Amortization Period” means the period commencing at the opening of business on August 1, 2009 (or, if such day is not a Business Day, the Business Day immediately preceding such day) and continuing to the earliest of (i) the commencement of the Series 2008-1 Rapid Amortization Period, (ii) the date on which the Series 2008-1 Notes are fully paid and (iii) the termination of the Indenture.”

“Series 2008-1 Maximum Eligible Term Notes Commitment Reduction Amount” means, as of any date of determination, an amount equal to the excess, if any, of (x) \$750,000,000 over (y) the sum of (i) the aggregate amount by which the Series 2008-1 Maximum Invested Amount has been reduced in accordance with the second sentence of Section 2.6(c) prior to such date and (ii) the aggregate amount by which the Series 2002-2 Maximum Invested Amount (as such term is defined in the Series 2002-2 Supplement) has been reduced in accordance with the second sentence of Section 2.6(c) of the Series 2002-2 Supplement prior to such date.”

“Series 2008-1 Maximum Eligible Term Notes Principal Reduction Amount” means, as of any date of determination, an amount equal to the excess, if any, of (x) \$750,000,000 over (y) the sum of (i) the sum of the amounts allocated to the Series 2008-1 Excess Collection Account in accordance with the terms of Section 2.5(e) prior to such date and (ii) the sum of the amounts allocated to the Series 2002-2 Excess Collection Account (as such term is defined in the Series 2002-2 Supplement) in accordance with the terms of Section 2.5(e) of the Series 2002-2 Supplement prior to such date.”

“Series 2008-1 Principal Reduction Percentage” means, as of any date of determination, the percentage equivalent of a fraction, the numerator of which is equal to the Series 2008-1 Invested Amount as of such date and the denominator of which is equal to the sum of the Series 2008-1 Invested Amount and the Series 2002-2 Invested Amount (as such term is defined in the Series 2002-2 Supplement) as of such date, in each case without giving effect to any payments of principal on such date.”

“Series 2008-1 Rapid Amortization Period” means the period beginning at the earlier to occur of (a) the close of business on the Business Day immediately preceding the date on which the Expiry Date with respect to each Purchaser Group shall have occurred and (b) the close of business on the Optional Termination Date and ending upon the earliest to occur of (i) the date on which the Series 2008-1 Notes are fully paid, (ii) the termination of the Indenture and (iii) the Series 2008-1 Termination Date.”

3. Deletion of Definition. The following defined term, as set forth in Article I(b) of the Series 2008-1 Supplement, is hereby deleted in its entirety: “Series 2008-1 Amortization Period”.

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4. Amendment to Section 2.5. (a) Section 2.5(a) of the Series 2008-1 Supplement is hereby deleted in its entirety and replaced with the following text in lieu thereof:

“(a) On any Business Day prior to the occurrence of an Amortization Event, upon the written request of ABRCF or the Administrator on behalf of ABRCF, the Series 2008-1 Invested Amount may be reduced (a “Decrease”) by the Trustee’s withdrawing (as set forth in such request) (x) funds on deposit in the Series 2008-1 Excess Collection Account on such Business Day in an amount not to exceed the amount of such funds on deposit therein on such Business Day and/or (y) if such Business Day is during the Series 2008-1 Controlled Amortization Period, funds on deposit in the Series 2008-1 Collection Account on such Business Day in an amount not to exceed the amount of such funds on deposit therein on such Business Day that were allocated to the Series 2008-1 Notes pursuant to Section 3.2(b)(ii) on or prior to such Business Day which have not previously been withdrawn therefrom pursuant to either this clause (y) to make a Decrease or pursuant to Section 3.5(a) to be paid to the holders of the Series 2008-1 Notes, and, in each case, depositing such funds into the Series 2008-1 Distribution Account and distributing such funds to the Administrative Agent on such Business Day in accordance with Section 3.5(b); provided that ABRCF shall have given the Administrative Agent (with a copy to the Trustee) irrevocable written notice (effective upon receipt) of the amount of such Decrease prior to 9:30 a.m. (New York City time) on the second Business Day prior to such Decrease, in the case of any such Decrease in an amount less than \$200,000,000, and prior to 9:30 a.m. (New York City time) on a Business Day that is at least ten days prior to such Decrease, in the case of any such Decrease in an amount of \$200,000,000 or more; provided, further, that any such Decrease shall be in an amount equal to \$10,000,000 and integral multiples of \$500,000 in excess thereof (or (x) if such Decrease will be used to reduce one or more Non-Extending Purchaser Group’s Purchaser Group Invested Amounts, such Decrease may be in such amount as is necessary to reduce the Purchaser Group Invested Amounts of all such Non-Extending Purchaser Groups to zero and (y) if such Decrease will be made in accordance with the terms of Section 2.5(e), such Decrease may be in an amount equal to the applicable Reduction Amount). Upon each Decrease, the Administrative Agent shall indicate in its records such Decrease and the Purchaser Group Invested Amount outstanding with respect to each Purchaser Group after giving effect to such Decrease. Upon receipt of any notice required by Section 2.5(a) from ABRCF, the Administrative Agent shall forward (by telecopy or electronic messaging system) a copy of such notice to the Funding Agent with respect to each Purchaser Group, no later than 1:00 p.m. (New York City time) on the Business Day received.”;

(b) Section 2.5(c) of the Series 2008-1 Supplement is hereby amended by deleting the text “Series 2008-1 Amortization Period” and inserting the text “Series 2008-1 Rapid Amortization Period” in lieu thereof; and (c) Section 2.5 of the Series 2008-1 Supplement is hereby further amended by inserting the following paragraph at the end of Section 2.5 as clause (e) thereof:

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“(e) ABRCF shall (i) on any date on which ABRCF issues Eligible Term Notes, allocate and deposit proceeds from the initial sale of such Eligible Term Notes in an amount (the “Reduction Amount”) equal to the least of (x) the product of (1) the Series 2008-1 Principal Reduction Percentage as of such date and (2) 75% of the initial principal amount of such Eligible Term Notes, (y) the Series 2008-1 Maximum Eligible Term Notes Principal Reduction Amount as of such date and (z) the Series 2008-1 Invested Amount as of such date, into the Series 2008-1 Excess Collection Account in accordance with Section 3.2(d), and (ii) on such date or as promptly thereafter as possible, use such funds to effect a Decrease in accordance with Section 2.5(a) in an amount equal to the Reduction Amount; provided, that, notwithstanding the first sentence of Section 2.5(a), solely for the purposes of this Section 2.5(e), ABRCF may effect any Decrease contemplated by this Section 2.5(e) irrespective of whether an Amortization Event has occurred. Following the issuance of any Eligible Term Notes, ABRCF shall not request any Increase until the Decrease required by this Section 2.5(e) has been effected.”

5. Amendments to Section 2.6(c). Section 2.6(c) of the Series 2008-1 Supplement is hereby amended by (i) inserting the text “or the Series 2008-1 Controlled Amortization Period” immediately after the text “during the Series 2008-1 Revolving Period” in the first sentence thereof and (ii) inserting the following text immediately after the first sentence thereof:

“On any date on which ABRCF issues Eligible Term Notes, the Series 2008-1 Maximum Invested Amount shall automatically be reduced in an amount equal to the least of (x) the product of (1) the Series 2008-1 Commitment Reduction Percentage as of such date and (2) 75% of the initial principal amount of such Eligible Term Notes, (y) the Series 2008-1 Maximum Eligible Term Notes Commitment Reduction Amount as of such date and (z) the Series 2008-1 Maximum Invested Amount as of such date.”

6. Amendment to Section 2.7(c)(ii)(D). Section 2.7(c)(ii)(D) of the Series 2008-1 Supplement is hereby amended by deleting the text “Series 2008-1 Amortization Period” and inserting the text “Series 2008-1 Controlled Amortization Period or the Series 2008-1 Rapid Amortization Period” in lieu thereof.

7. Amendment to Section 3.2. (a) Section 3.2(b) of the Series 2008-1 Supplement is hereby deleted in its entirety and replaced with the following Sections 3.2(b) and (c) in lieu thereof:

“(b) Allocations of Collections During the Series 2008-1 Controlled Amortization Period. With respect to the Series 2008-1 Controlled Amortization Period, the Administrator will direct the Trustee in writing pursuant to the Administration Agreement to allocate, prior to 11:00 a.m. (New York City time) on any Series 2008-1 Deposit Date, all amounts deposited into the Collection Account as set forth below:

- (i) allocate to the Series 2008-1 Collection Account an amount determined as set forth in Section 3.2(a)
  - (i) above for such day, which amount shall be further allocated to the Series 2008-1 Accrued Interest Account;
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(ii) allocate to the Series 2008-1 Collection Account an amount equal to the Series 2008-1 Principal Allocation for such day, which amount shall be used to make principal payments in respect of the Series 2008-1 Notes ratably without priority or preference of any kind or to make a Decrease; provided, however, that if the Monthly Total Principal Allocation for any Related Month exceeds the lesser of (x) the Series 2008-1 Controlled Amortization Amount for such Related Month or (y) the Series 2008-1 Invested Amount on such Series 2008-1 Deposit Date, then the amount of such excess shall be allocated to the Series 2008-1 Excess Collection Account; and provided, further, that if a Waiver Event shall have occurred, then such allocation shall be modified as provided in Article V; and

(iii) allocate to the Series 2008-1 Excess Collection Account the proceeds from any Increase.

(c) Allocations of Collections During the Series 2008-1 Rapid Amortization Period. With respect to the Series 2008-1 Rapid Amortization Period, other than after the occurrence of an Event of Bankruptcy with respect to ABCR, any other Lessee or any Permitted Sublessee, the Administrator will direct the Trustee in writing pursuant to the Administration Agreement to allocate, prior to 11:00 a.m. (New York City time) on any Series 2008-1 Deposit Date, all amounts deposited into the Collection Account as set forth below:

(i) allocate to the Series 2008-1 Collection Account an amount determined as set forth in Section 3.2(a) (i) above for such day, which amount shall be further allocated to the Series 2008-1 Accrued Interest Account; and

(ii) allocate to the Series 2008-1 Collection Account an amount equal to the Series 2008-1 Principal Allocation for such day, which amount shall be used to make principal payments in respect of the Series 2008-1 Notes, ratably, without preference or priority of any kind, until the Series 2008-1 Invested Amount is paid in full; provided that if on any Determination Date (A) the Administrator determines that the amount anticipated to be available from Interest Collections allocable to the Series 2008-1 Notes, Series 2008-1 Interest Rate Cap Proceeds and other amounts available pursuant to Section 3.3 to pay Series 2008-1 Monthly Interest and the Commitment Fees on the next succeeding Distribution Date will be less than the Series 2008-1 Monthly Interest and Commitment Fees for the Series 2008-1 Interest Period ending on the day preceding such Distribution Date and (B) the Series 2008-1 Enhancement Amount is greater than zero, then the Administrator shall direct the Trustee in writing to reallocate a portion of the Principal Collections allocated to the Series 2008-1 Notes during the Related Month equal to the lesser of such insufficiency and the Series 2008-1 Enhancement Amount to the Series 2008-1 Accrued Interest Account to be treated as Interest Collections on such Distribution Date.”;

(b) Section 3.2(d) of the Series 2008-1 Supplement is hereby amended by (i) deleting the text “Series 2008-1 Amortization Period” and inserting the text “Series 2008-1 Controlled Amortization Period or the Series 2008-1 Rapid Amortization Period” in lieu thereof and (ii) deleting the text “Section 3.2(b)(ii) or (c)(ii)” and inserting the text “Section 3.2(b)(ii), 3.2(c)(ii) or 3.2(d)(ii)” in lieu thereof; (c) Section 3.2(f)(v) of the Series 2008-1 Supplement is hereby amended by deleting the text “or 3.2(b)(ii)” and inserting the text “, 3.2(b)(ii) or 3.2(c)(ii)” in lieu thereof; and (d) Section 3.2 of the Series 2008-1 Supplement is hereby further amended by reclassifying clauses (c), (d), (e) and (f) as clauses (d), (e), (f) and (g), respectively.

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8. Amendment to Section 3.3(e). (a) Section 3.3(e)(i) of the Series 2008-1 Supplement is hereby amended by inserting the text “or the Series 2008-1 Controlled Amortization Period” after the text “during the Series 2008-1 Revolving Period”; and (b) Section 3.3(e)(ii) of the Series 2008-1 Supplement is hereby amended by deleting the text “Series 2008-1 Amortization Period” and inserting the text “Series 2008-1 Rapid Amortization Period” in lieu thereof.

9. Amendment to Section 3.5. (i) Section 3.5 of the Series 2008-1 Supplement is hereby amended by deleting clauses (a) and (b) thereof in their entirety and inserting the following text in lieu thereof:

“(a) Monthly Payments During Series 2008-1 Controlled Amortization Period or Series 2008-1 Rapid Amortization Period. Commencing on the second Determination Date during the Series 2008-1 Controlled Amortization Period or the first Determination Date after the commencement of the Series 2008-1 Rapid Amortization Period, the Administrator shall instruct the Trustee and the Paying Agent in writing pursuant to the Administration Agreement and in accordance with this Section 3.5 as to (i) the amount allocated to the Series 2008-1 Notes during the Related Month pursuant to Section 3.2(b)(ii), (c)(ii) or (d)(ii), as the case may be, and the portion of such amount, if any, that has been previously applied to make a Decrease pursuant to Section 2.5 during the Related Month, (ii) any amounts to be withdrawn from the Series 2008-1 Reserve Account and deposited into the Series 2008-1 Distribution Account or (iii) any amounts to be drawn on the Series 2008-1 Demand Notes and/or on the Series 2008-1 Letters of Credit (or withdrawn from the Series 2008-1 Cash Collateral Account). On the Distribution Date following each such Determination Date, the Trustee shall withdraw the amount allocated to the Series 2008-1 Notes during the Related Month pursuant to Section 3.2(b)(ii), (c)(ii) or (d)(ii), as the case may be, less the portion of such amount, if any, that has been previously applied to make a Decrease pursuant to Section 2.5 during the Related Month, from the Series 2008-1 Collection Account and deposit such amount in the Series 2008-1 Distribution Account, to be paid to the holders of the Series 2008-1 Notes.

(b) Decreases. On any Business Day (x) during the Series 2008-1 Revolving Period on which a Decrease is to be made pursuant to Section 2.5, the Trustee shall withdraw from the Series 2008-1 Excess Collection Account, or (y) during the Series 2008-1 Controlled Amortization Period on which a Decrease is to be made pursuant to Section 2.5, the Trustee shall withdraw from the Series 2008-1 Excess Collection Account and/or the Series 2008-1 Collection Account, in each case in accordance with the written instructions of the Administrator, an amount equal to the lesser of (i) the amounts specified in clauses (x) and (y) of the first sentence of Section 2.5(a) and (ii) the amount of such Decrease, and deposit such amount in the Series 2008-1 Distribution Account, to be paid to the Administrative Agent for distribution in accordance with Section 3.5(f).”; and

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(ii) Section 3.5(c)(ii) of the Series 2008-1 Supplement is hereby amended by deleting the text “Series 2008-1 Amortization Period” and inserting the text “Series 2008-1 Rapid Amortization Period” in lieu thereof.

10. Amendment to Article IV. Article IV of the Series 2008-1 Supplement is hereby amended by (i) deleting clause (l) thereto and replacing such clause in its entirety with the following:

“(l) the occurrence and continuation of an “event of default” under the Credit Agreement or any Replacement Credit Agreement, without giving effect to any waiver of any such event of default that is not approved in writing by the Requisite Noteholders and provided that, for purposes of this Supplement, the event of default set forth in Section 8(e) of the Credit Agreement shall survive the termination of the Credit Agreement;”;

(ii) adding the following clauses (m), (n), (o) and (p):

“(m) a Decrease in an amount equal to the Reduction Amount is not made in accordance with the terms of Section 2.5(e) upon the issuance of any Eligible Term Notes and in any event within ten (10) days after such issuance;

(n) (x) on the September 2009 Distribution Date, the Purchaser Group Invested Amount with respect to any Purchaser Group exceeds the Maximum Purchaser Group Invested Amount with respect to such Purchaser Group as of August 1, 2009 or (y) on the October 2009 Distribution Date, the Purchaser Group Invested Amount with respect to any Purchaser Group exceeds the Maximum Purchaser Group Invested amount with respect to such Purchaser Group as of September 1, 2009, or (z) on the November 2009 Distribution Date, the Series 2008-1 Invested Amount exceeds zero, in each case, after giving effect to all principal payments made on such date;

(o) an Amortization Event shall have occurred with respect to the Series 2002-2 Notes (as such term is defined in the Series 2002-2 Supplement); and

(p) (i) the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of ABCR ending with any fiscal quarter set forth below (commencing with the fiscal quarter ending June 30, 2010) shall exceed the ratio set forth below opposite such fiscal quarter:

<u>Fiscal Quarter ending</u>	<u>Consolidated Leverage Ratio</u>
June 30, 2010	5.25 to 1.00
June 30, 2011 and thereafter	4.75 to 1.00

or (ii) the Consolidated EBITDA as at the last day of any period of four consecutive fiscal quarters of ABCR ending with any fiscal quarter set forth below (commencing with the fiscal quarter ending December 31, 2008), shall be less than the amount set forth below opposite such fiscal quarter:

<u>Fiscal Quarter ending</u>	<u>Consolidated EBITDA</u>
December 31, 2008	\$160,000,000
March 31, 2009	\$135,000,000
June 30, 2009	\$95,000,000

September 30, 2009	\$80,000,000
December 31, 2009	\$155,000,000
March 31, 2010	\$175,000,000
and thereafter	

”and (iii) deleting the second paragraph thereof and replacing such paragraph in its entirety with the following:

“In the case of any event described in clause (j), (k), (l), (n), (o) or (p) above, an Amortization Event shall have occurred with respect to the Series 2008-1 Notes only if either the Trustee or the Requisite Noteholders declare that an Amortization Event has occurred. In the case of an event described in clause (a), (b), (c), (d), (e), (f), (g), (h), (i) or (m) an Amortization Event with respect to the Series 2008-1 Notes shall have occurred without any notice or other action on the part of the Trustee or any Series 2008-1 Noteholders, immediately upon the occurrence of such event. Amortization Events with respect to the Series 2008-1 Notes described in clause (a), (b), (c), (d), (e), (f), (g), (h), (i), or (m) may be waived with the written consent of the Purchaser Groups having Commitment Percentages aggregating 100%. Amortization Events with respect to the Series 2008-1 Notes described in clause (j), (k), (l), (n), (o) or (p) above may be waived in accordance with Section 9.5 of the Base Indenture.”

11. Amendment to Article V. Article V of the Series 2008-1 Supplement is hereby amended by deleting the text “Series 2008-1 Amortization Period” in the last sentence thereof and inserting the text “Series 2008-1 Rapid Amortization Period” in lieu thereof.

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12. Amendment to Section 8.2. (i) Section 8.2(g) of the Series 2008-1 Supplement is hereby amended and restated in its entirety as follows:

“(g) they shall not permit the aggregate Capitalized Cost for all Vehicles purchased in any model year that are not subject to a Manufacturer Program to exceed 85% of the aggregate MSRP (Manufacturer Suggested Retail Price) of all such Vehicles; provided, however, that they shall not modify the customary buying patterns or purchasing criteria used by the Administrator and its Affiliates with respect to the Vehicles if the primary purpose of such modification is to comply with this covenant.”; and (ii) Section 8.2 of the Series 2008-1 Supplement is hereby further amended by inserting the following paragraph at the end of Section 8.2 as clause (h) thereof:

“(h) with respect to any Replacement Credit Agreement, they will provide notice of such Replacement Credit Agreement, together with a copy of the proposed Replacement Credit Agreement, to Moody’s no less than ten (10) days prior to the anticipated effective date for such Replacement Credit Agreement.”

13. Amendment to Schedule I. (a) On the Series 2008-1 Second Amendment Effective Date, Schedule I to the Series 2008-1 Supplement shall be amended by deleting such Schedule in its entirety and substituting in lieu thereof a new Schedule I in the form of Schedule A to this Amendment, which shall effect (i) first, the sale and assignment, in accordance with Section 2.6(e) of the Series 2008-1 Supplement, by each existing Purchaser Group prior to giving effect to this Amendment (each, a “Transferor Purchaser Group”) to Citibank, N.A. and Charta, LLC (collectively, the “Acquiring Purchaser Group”) of a portion of each Transferor Purchaser Group’s respective rights, obligations and commitments under the Series 2008-1 Supplement and the Series 2008-1 Notes pursuant to Section 11.1(e) of the Series 2008-1 Supplement and (ii) second, an increase in the Maximum Purchaser Group Invested Amount with respect to the Purchaser Group of which YC SUSI Trust and Bank of America, National Association are the CP Conduit Purchaser and APA Bank, respectively (the “B of A Purchaser Group”) pursuant to Section 2.6(a) of the Series 2008-1 Supplement as reflected thereon.

(b) This Amendment shall, for the purposes of Section 11.1(e) of the Series 2008-1 Supplement, constitute a Purchaser Group Supplement, and the respective transfer of the rights and obligations of each Transferor Purchaser Group to the Acquiring Purchaser Group shall constitute a valid transfer under the terms of such Section 11.1(e). By executing this Amendment, ABRCF, the Administrator and the Administrative Agent hereby consent to such transfer in accordance with Section 11.1(e) of the Series 2008-1 Supplement.

(c) By executing this Amendment, each member of the B of A Purchaser Group hereby consents to the increase of its Maximum Purchaser Group Invested Amount effected by this Amendment in accordance with Section 2.6(a) of the Series 2008-1 Supplement.

(d) By executing this Amendment, (i) the Administrative Agent hereby consents to the addition of the Acquiring Purchaser Group in accordance with Section 2.6(e) of the Series 2008-1 Supplement and (ii) each Transferor Purchaser Group and the Administrative Agent hereby waives the ten Business Day written notice requirement under Section 2.6(e) of the Series 2008-1 Supplement with regard to the addition of the Acquiring Purchaser Group.

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14. Acquiring Purchaser Group. Upon the execution and delivery of this Amendment by the Acquiring Purchaser Group, the Funding Agent with respect thereto and each Transferor Purchaser Group on the Series 2008-1 Second Amendment Effective Date, the CP Conduit Purchaser, the Funding Agent and the APA Bank with respect to the Acquiring Purchaser Group shall be parties to the Series 2008-1 Supplement for all purposes thereof.

15. Assignments. (a) Each Transferor Purchaser Group hereby irrevocably sells, assigns and transfers to the Acquiring Purchaser Group, without recourse, representation or warranty (except as set forth in Section 15(e)(i) hereof), and the Acquiring Purchaser Group hereby irrevocably purchases, takes and assumes from each Transferor Purchaser Group, the respective portion reflected by the amendment to Schedule I effected hereby (the Acquiring Purchaser Group's "Purchased Percentage") of the Maximum Purchaser Group Invested Amount with respect to the APA Banks included in each Transferor Purchaser Group under the Series 2008-1 Supplement.

(b) Each Transferor Purchaser Group has made arrangements with the Acquiring Purchaser Group with respect to (i) the portion, if any, to be paid, and the date or dates for payment, by each Transferor Purchaser Group to the Acquiring Purchaser Group of any Commitment Fees with respect to the Acquiring Purchaser Group's Purchased Percentage of each Transferor Purchaser Group's Commitment heretofore received by each Transferor Purchaser Group pursuant to the Series 2008-1 Supplement prior to the Series 2008-1 Second Amendment Effective Date and (ii) the portion, if any, to be paid and the date or dates for payment, by the Acquiring Purchaser Group to each Transferor Purchaser Group of any Commitment Fees or any Series 2008-1 Monthly Interest received by the Acquiring Purchaser Group pursuant to the Series 2008-1 Supplement from and after the Series 2008-1 Second Amendment Effective Date.

(c) From and after the Series 2008-1 Second Amendment Effective Date, amounts that would otherwise be payable to or for the account of any Transferor Purchaser Group pursuant to the Series 2008-1 Supplement with respect to the portion of the Acquiring Purchaser Group's Purchased Percentage transferred by it shall, instead, be payable to or for the accounts of the Acquiring Purchaser Group in accordance with its Purchased Percentage, whether such amounts have accrued prior to the Series 2008-1 Second Amendment Effective Date or accrue subsequent to the Series 2008-1 Second Amendment Effective Date.

(d) Each Transferor Purchaser Group and the Acquiring Purchaser Group agrees that at any time and from time to time upon the written request of any other party, it will execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to effect the purposes of the assignment pursuant to this Section 15.

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(e) By executing and delivering this Amendment, each Transferor Purchaser Group confirms to and agrees with the Acquiring Purchaser Group, and the Acquiring Purchaser Group confirms to and agrees with each Transferor Purchaser Group as follows: (i) other than the representation and warranty that each Transferor Purchaser Group is the legal and beneficial owner of the interest being assigned hereby by it free and clear of any adverse claim, each Transferor Purchaser Group makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Series 2008-1 Supplement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Indenture, the Series 2008-1 Notes, the Related Documents or any instrument or document furnished pursuant thereto; (ii) each Transferor Purchaser Group makes no representation or warranty and assumes no responsibility with respect to the financial condition of ABRCF or the performance or observance by ABRCF of any of ABRCF's obligations under the Indenture, the Related Documents or any other instrument or document furnished pursuant hereto; (iii) the Acquiring Purchaser Group confirms that it has received a copy of the Indenture and such other Related Documents and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment; and (iv) the Acquiring Purchaser Group will, independently and without reliance upon the Administrative Agent, any Transferor Purchaser Group or any other Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Indenture.

(f) By executing and delivering this Amendment, the Acquiring Purchaser Group confirms to and agrees with each Transferor Purchaser Group as follows: (i) the Acquiring Purchaser Group appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Series 2008-1 Supplement as are delegated to the Administrative Agent by the terms thereof together with such powers as are reasonably incidental thereto, all in accordance with Article IX of the Series 2008-1 Supplement; (ii) each member of the Acquiring Purchaser Group appoints and authorizes the Funding Agent with respect to the Acquiring Purchaser Group to take such action as agent on its behalf and to exercise such powers under the Series 2008-1 Supplement as are delegated to such Funding Agent by the terms thereof, together with such powers as are reasonably incidental thereto, all in accordance with Article X of the Series 2008-1 Supplement; (iii) each member of the Acquiring Purchaser Group agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Indenture are required to be performed by it as a member of the Acquiring Purchaser Group and (iv) each member of the Acquiring Purchaser Group confirms that it is an Eligible Assignee.

(g) The notice information for the Acquiring Purchaser Group for purposes of Section 11.19 of the Series 2008-1 Supplement is:

Citibank, N.A.  
450 Mamaroneck Avenue  
Harrison, NY 10528

Charta, LLC  
450 Mamaroneck Avenue  
Harrison, NY 10528

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16. Reallocation of Series 2008-1 Invested Amount. On the Series 2008-1 Second Amendment Effective Date, following the addition of the Acquiring Purchaser Group and in connection with the increase to the B of A Purchaser Group's Maximum Purchaser Group Invested Amount, each CP Conduit Purchaser, the APA Banks with respect to such CP Conduit Purchaser and the Funding Agent with respect to such CP Conduit Purchaser shall be deemed hereby to make or accept, as applicable, an assignment and assumption of a portion of the Series 2008-1 Invested Amount, as directed by the Administrative Agent, with the result being that after giving effect thereto, the Purchaser Group Invested Amount with respect to each such Purchaser Group shall equal the product of (x) the sum of the Purchaser Group Invested Amounts of each Purchaser Group on the Series 2008-1 Second Amendment Effective Date and (y) the Commitment Percentage of such Purchaser Group on the Series 2008-1 Second Amendment Effective Date after giving effect to the effectiveness of this Amendment and the changes in the Maximum Purchaser Group Invested Amounts made thereby and in furtherance thereof, each CP Conduit Purchaser (or the related APA Banks, based on their APA Bank Percentage) which is a member of a Purchaser Group whose Commitment Percentage after giving effect to this Amendment is greater than such Commitment Percentage prior to giving effect to this Amendment shall make an advance to the Administrative Agent, on a prorata basis, for payment to each Purchaser Group whose Commitment Percentage after giving effect to this Amendment is less than such Commitment Percentage prior to giving effect to this Amendment. No Purchaser Group shall be required to make any assignment of any portion of its Purchaser Group Invested Amount unless such assigning Purchaser Group shall receive in cash an amount equal to the reduction in its Purchaser Group Invested Amount with respect to such portion.

17. Consent to Extension under Section 2.6(b). Each Purchaser Group, by executing this Amendment hereby agrees to the extension of the Scheduled Expiry Date as effected by this Amendment.

18. Direction. By their signatures hereto, each of the undersigned (excluding The Bank of New York Mellon Trust Company, N.A., in its capacity as Trustee and Series 2008-1 Agent) hereby authorize the Trustee and Series 2008-1 Agent to execute this Amendment and take any and all further action necessary or appropriate to give effect to the transaction contemplated hereby.

19. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2008-1 Supplement.

20. This Amendment shall become effective on the date (the "Series 2008-1 Second Amendment Effective Date") that is the later of (a) the date hereof or (b) the first date on which each of the following have occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, and the Trustee shall have executed this Amendment, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment; provided, however, that by executing this Amendment, each Series 2008-1 Noteholder hereby consents and agrees that the Rating Agency Consent Condition shall be deemed to be satisfied with respect to Moody's, solely with respect to this Amendment, upon the receipt by the Administrative Agent of a letter, in form and substance satisfactory to the Administrative Agent, from Moody's stating that a long-term rating of at least "Aa2" has been assigned by Moody's to each of the Series 2008-1 Notes and the Series 2002-2 Notes (as such term is defined in the Series 2002-2 Supplement) and that the execution and delivery of this Amendment will not result in a reduction or withdrawal of the rating (in effect immediately before the taking of such action) of any other outstanding Series of Notes, (iii) ABRCF shall have acquired one or more Series 2008-1 Interest Rate Caps satisfying the requirements of Section 3.11(a) of the Series 2008-1 Supplement (giving effect to this Amendment), (iv) all certificates and opinions of counsel required under the Base Indenture or by the Series 2008-1 Noteholders shall have been delivered to the Trustee and the Series 2008-1 Noteholders, as applicable and (v) Simpson Thacher & Bartlett LLP shall have been paid all fees and expenses due to it as counsel to the Administrative Agent.

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21. From and after the Series 2008-1 Second Amendment Effective Date, all references to the Series 2008-1 Supplement shall be deemed to be references to the Series 2008-1 Supplement as amended hereby.

22. This Amendment may be executed in separate counterparts by the parties hereto, each of which when so executed and delivered shall be an original but all of which shall together constitute one and the same instrument.

23. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective duly authorized officers as of the date above first written.

AVIS BUDGET RENTAL CAR  
FUNDING (AESOP) LLC, as Issuer

By: Rochelle Tarlowe

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Name: Rochelle Tarlowe

Title: Vice President and Treasurer

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THE BANK OF NEW YORK  
MELLON TRUST COMPANY,  
N.A., as Trustee and Series 2008-1  
Agent

By:

/s/ Sally Tokich

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Name: Sally R. Tokich

Title: Assistant Vice President

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JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent

By: /s/ George S. Wilkins

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Name: George S. Wilkins

Title: Executive Director

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AGREED, ACKNOWLEDGED AND CONSENTED:

SHEFFIELD RECEIVABLES  
CORPORATION, as a CP Conduit  
Purchaser under the Series 2008-1  
Supplement

By: Barclays Bank PLC  
as Attorney-in-Fact

By: /s/ Jason D. Muncy

Name: \_\_\_\_\_  
Jason D. Muncy

Title: Associate Director

BARCLAYS BANK PLC, as a  
Funding Agent and an APA Bank  
under the Series 2008-1 Supplement

By: /s/ Jeffrey Goldberg

Name: \_\_\_\_\_  
Jeffrey Goldberg

Title: Associate Director

By:

Name: \_\_\_\_\_

Title:





LIBERTY STREET FUNDING LLC,  
as a CP Conduit Purchaser under the  
Series 2008-1 Supplement

By: /s/ Bernardo J. Angelo

Name: \_\_\_\_\_  
Bernardo J. Angelo

Title: Vice President

THE BANK OF NOVA SCOTIA, as  
a Funding Agent and an APA Bank  
under the Series 2008-1 Supplement

By: /s/ Michael Eden

Name: \_\_\_\_\_  
Michael Eden

Title: Director

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YC SUSI TRUST, as a CP Conduit  
Purchaser under the Series 2008-1  
Supplement

By: Bank of America, National  
Association, as Administrative  
Trustee

By: /s/ Jeremy Grubb

Name: \_\_\_\_\_  
Jeremy Grubb

Title: Vice President

Bank of America, National  
Association, as a Funding Agent and  
an APA Bank under the Series 2008-  
1 Supplement

By: /s/ Jeremy Grubb

Name: \_\_\_\_\_  
Jeremy Grubb

Title: Vice President

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FALCON ASSET  
SECURITIZATION COMPANY  
LLC, as a CP Conduit Purchaser  
under the Series 2008-1 Supplement

By: /s/ George S. Wilkins

Name: \_\_\_\_\_  
George S. Wilkins

Title: Executive Director

JPMORGAN CHASE BANK, N.A.  
as a Funding Agent under the Series  
2008-1 Supplement

By: /s/ George S. Wilkins

Name: \_\_\_\_\_  
George S. Wilkins

Title: Executive Director

JPMORGAN CHASE BANK, N.A.  
as an APA Bank under the Series  
2008-1 Supplement

By: /s/ George S. Wilkins

Name: \_\_\_\_\_  
George S. Wilkins

Title: Executive Director

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MONTAGE FUNDING LLC, as a  
CP Conduit Purchaser under the  
Series 2008-1 Supplement

By: /s/ Lori Gebron

Name: \_\_\_\_\_  
Lori Gebron

Title: Vice President

DEUTSCHE BANK AG, NEW  
YORK BRANCH, as a Funding  
Agent and an APA Bank under the  
Series 2008-1 Supplement

By: /s/ Eric Shea

Name: \_\_\_\_\_  
Eric Shea

Title: Managing Director

By: /s/ Robert Sheldon

Name: \_\_\_\_\_  
Robert Sheldon

Title: Director

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ATLANTIC ASSET  
SECURITIZATION LLC, as a CP  
Conduit Purchaser under the Series  
2008-1 Supplement

By: /s/ Kostantina Kourmpetis

Name: \_\_\_\_\_  
Kostantina Kourmpetis

Title: Managing Director

By: /s/ Richard McBride

Name: \_\_\_\_\_  
Richard McBride

Title: Director

CALYON NEW YORK BRANCH,  
as a Funding Agent and an APA Bank  
under the Series 2008-1 Supplement

By: /s/ Kostantina Kourmpetis

Name: \_\_\_\_\_  
Kostantina Kourmpetis

Title: Managing Director

By: /s/ Richard McBride

Name: \_\_\_\_\_  
Richard McBride

Title: Director



AMSTERDAM FUNDING  
CORPORATION, as a CP Conduit  
Purchaser under the Series 2008-1  
Supplement

By: /s/ Bernard J. Angelo

Name: \_\_\_\_\_  
Bernard J. Angelo

Title: Vice President

THE ROYAL BANK OF  
SCOTLAND PLC, as an APA Bank  
under the Series 2008-1 Supplement  
by: Greenwich Capital Markets, Inc.,  
as agent

By: /s/ Michael Zappaterrini

Name: \_\_\_\_\_  
Michael Zappaterrini

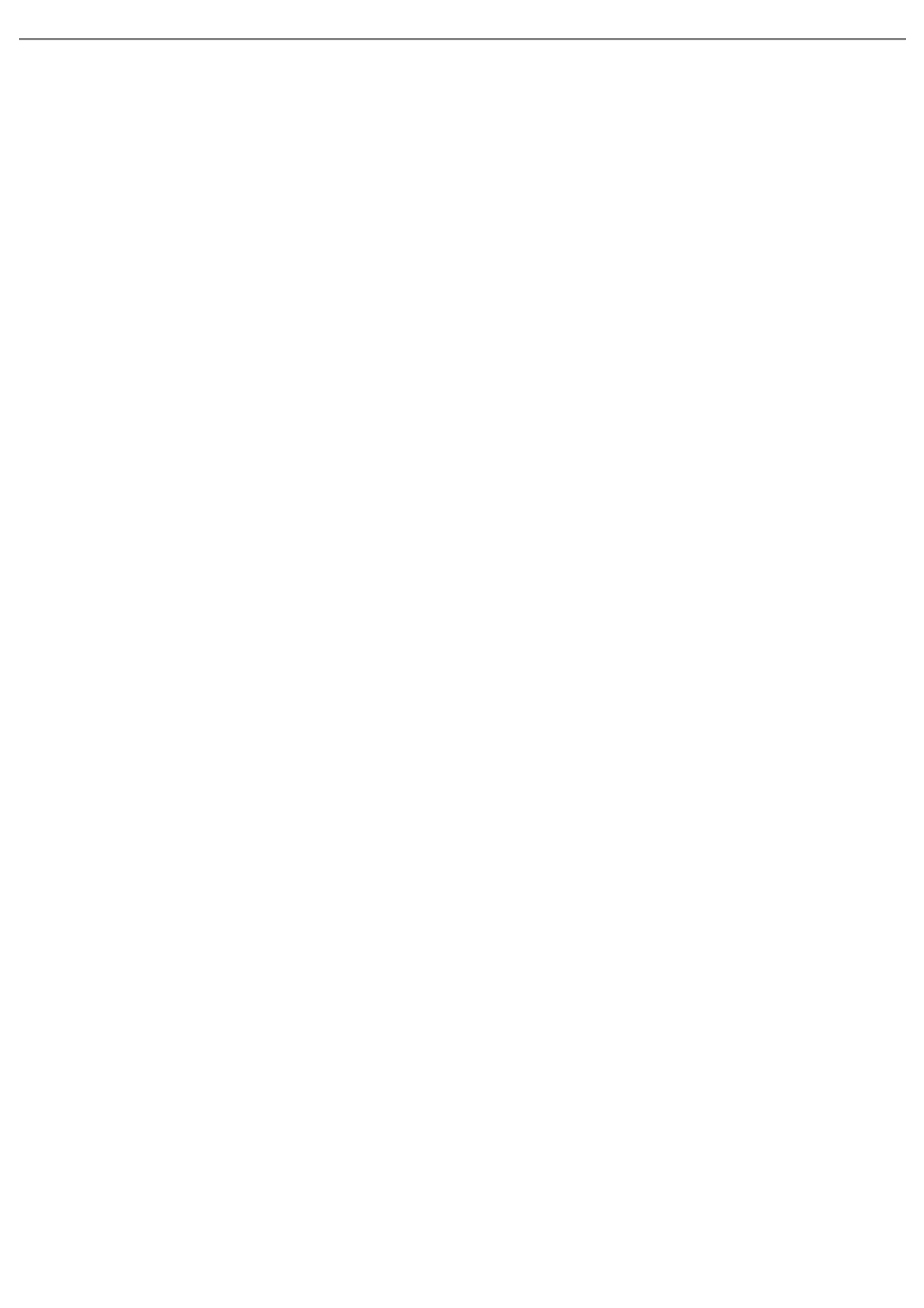
Title: Managing Director

THE ROYAL BANK OF  
SCOTLAND PLC, as a Funding  
Agent under the Series 2008-1  
Supplement by: Greenwich Capital  
Markets, Inc., as agent

By: /s/ Michael Zappaterrini

Name: \_\_\_\_\_  
Michael Zappaterrini

Title: Managing Director



CHARTA, LLC, as CP Conduit  
Purchaser of the Acquiring Purchaser  
Group

By: Citicorp North America, Inc., as  
Attorney-in-fact

By: /s/ Steven Vierengel

Name: \_\_\_\_\_  
Steven Vierengel

Title:

CITIBANK, N.A., as an APA Bank  
of the Acquiring Purchaser Group

By: /s/ Steven Vierengel

Name: \_\_\_\_\_  
Steven Vierengel

Title:

CITICORP NORTH AMERICA,  
INC.,

as Funding Agent of the Acquiring  
Purchaser Group

By: /s/ Steven Vierengel

Name: \_\_\_\_\_  
Steven Vierengel

Title:

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AVIS BUDGET CAR RENTAL,  
LLC, as Administrator

By: /s/ Rochelle Tarlowe

Name: \_\_\_\_\_  
Rochelle Tarlowe

Title:

Vice President and Treasurer

**Press Release**



**AVIS BUDGET GROUP COMPLETES  
ASSET-BACKED CONDUIT FINANCING RENEWAL  
AND AMENDMENT TO SENIOR CREDIT FACILITIES**

**Parsippany, N.J., December 23, 2008**– Avis Budget Group, Inc. (NYSE: CAR), a leading provider of vehicle rental services, today announced that it has completed the renewal of its principal asset-backed bank conduit facility and its seasonal conduit facility, which are used to finance cars for its rental fleet. The facilities provide for \$1.35 billion and \$1.1 billion of financing, respectively.

The principal conduit facility has been extended through December 22, 2009, and the seasonal conduit facility will have a final maturity in November 2009 following 25% reductions in borrowing capacity in each of September and October. The initial borrowing spreads for these annually renewing facilities are unchanged from the levels established in connection with the extension of the principal conduit facility in October.

The Company also announced that it has completed an amendment to its senior credit facilities to replace the leverage and interest coverage ratios with a minimum EBITDA covenant. The amendment also provides for a reduction to the revolving credit facility from \$1.5 billion to \$1.15 billion and a 2.5% increase in the cost of borrowings and letters of credit. The amendment is effective as of today, subject to payment by the Company of amendment fees to lenders who consent to the amendment by December 30, 2008.

**About Avis Budget Group, Inc.**

Avis Budget Group is a leading provider of vehicle rental services, with operations in more than 70 countries. Through its Avis and Budget brands, the Company is the largest general-use vehicle rental company in each of North America, Australia, New Zealand and certain other regions based on published airport statistics. Avis Budget Group is headquartered in Parsippany, N.J. and has more than 28,000 employees. For more information about Avis Budget Group, visit [www.avisbudgetgroup.com](http://www.avisbudgetgroup.com).

**Forward-Looking Statements**

Certain statements in this press release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements preceded by, followed by or that otherwise include the words "believes", "expects", "anticipates", "intends", "projects", "estimates", "plans", "may increase", "may fluctuate" and similar expressions or future or conditional verbs such as "will", "should", "would", "may" and "could" are generally forward-looking in nature and not historical facts.

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Various risks that could cause future results to differ from those expressed by the forward looking statements included in this press release include, but are not limited to, the downturn in the U.S. economy, the high level of competition in the vehicle rental industry, greater than expected cost increases for new vehicles, disposition of vehicles not covered by manufacturer repurchase programs in the used vehicle marketplace, the financial condition of the auto manufacturers that supply our rental vehicles which could impact their ability to perform their obligations under our repurchase and/or guaranteed depreciation arrangements, a downturn in airline passenger traffic, an occurrence or threat of terrorism, our requirement for substantial capital, a disruption in our ability to obtain financing for our operations, our ability to meet the financial covenants contained in our senior credit facilities, any additional significant increase in interest rates or borrowing costs, fluctuations related to the mark-to-market of derivatives which hedge our exposure to interest rates and fuel costs, the Company's ability to execute on its cost and efficiency plans and strategies, the effect of a potential delisting of our shares from the NYSE and the Company's ability to accurately estimate its future results and implement its strategy for growth. Other unknown or unpredictable factors also could have material adverse effects on Avis Budget Group's performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this press release may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this press release. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in Avis Budget Group's Annual Report on Form 10-K for the year ended December 31, 2007 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and in future filings with the SEC, including under headings such as "Forward-Looking Statements", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". Except for the Company's ongoing obligations to disclose material information under the federal securities laws, the Company undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law.

## **Contacts**

### *Media Contacts:*

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973-496-7865

### *Investor Contact:*

David Crowther

973-496-7277

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