

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 10-K

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

COMMISSION FILE NO. 001-10308

AVIS BUDGET GROUP, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

06-0918165

(I.R.S. Employer Identification Number)

**6 SYLVAN WAY
PARSIPPANY, NJ**

(Address of principal executive offices)

07054

(Zip Code)

973-496-4700

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, Par Value \$.01	The NASDAQ Global Select Market

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2013, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$3,061,255,984 based on the closing price of its common stock on the NASDAQ Global Select Market. All executive officers and directors of the registrant have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

As of January 31, 2014, the number of shares outstanding of the registrant's common stock was 106,942,686.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be mailed to stockholders in connection with the registrant's annual stockholders' meeting scheduled to be held on May 23, 2014 (the "Annual Proxy Statement") are incorporated by reference into Part III hereof.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K may be considered “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained herein are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by any such forward-looking statements. Forward-looking statements include information concerning our future financial performance, business strategy, projected plans and objectives. These statements may be identified by the fact that they do not relate to historical or current facts and may use words such as “believes,” “expects,” “anticipates,” “will,” “should,” “could,” “may,” “would,” “intends,” “projects,” “estimates,” “plans,” and similar words, expressions or phrases. The following important factors and assumptions could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

- the high level of competition in the vehicle rental industry and the impact such competition may have on pricing and rental volume;
- a change in travel demand, including changes in airline passenger traffic;
- a change in our fleet costs as a result of a change in the cost of new vehicles, disruption in the supply of new vehicles, and/or a change in the price at which we dispose of used vehicles either in the used vehicle market or under repurchase or guaranteed depreciation programs;
- risks related to our March 2013 acquisition of Zipcar, Inc. (“Zipcar”), including our ability to realize the synergies contemplated by the transaction and our ability to promptly and efficiently integrate the business into Avis Budget Group;
- the results of operations or financial condition of the manufacturers of our cars, which could impact their ability to perform their payment obligations under our agreements with them, including repurchase and/or guaranteed depreciation arrangements, and/or their willingness or ability to make cars available to us or the rental car industry as a whole on commercially reasonable terms or at all;
- any change in economic conditions generally, particularly during our peak season or in key market segments;
- our ability to continue to achieve and maintain cost savings and successfully implement our business strategies;
- our ability to obtain financing for our global operations, including the funding of our vehicle fleet through the issuance of asset-backed securities and use of the global lending markets;
- an occurrence or threat of terrorism, pandemic disease, natural disasters, military conflict or civil unrest in the locations in which we operate;
- our dependence on third-party distribution channels, third-party suppliers of other services and co-marketing arrangements with third parties;
- our ability to utilize derivative instruments, and the impact of derivative instruments we utilize, which can be affected by fluctuations in interest rates, gasoline prices and exchange rates, changes in government regulations and other factors;
- our ability to accurately estimate our future results;
- any major disruptions in our communication networks or information systems;
- our exposure to uninsured claims in excess of historical levels;

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- our failure or inability to comply with laws, regulations or contractual obligations or any changes in laws, regulations or contractual obligations, including with respect to personally identifiable information and taxes;
- any impact on us from the actions of our licensees, dealers and independent contractors;
- any substantial changes in the cost or supply of fuel, vehicle parts, energy, labor or other resources on which we depend to operate our business;
- risks related to our indebtedness, including our substantial outstanding debt obligations and our ability to incur substantially more debt;
- our ability to meet the financial and other covenants contained in the agreements governing our indebtedness;
- the terms of agreements among us and our former real estate, hospitality and travel distribution businesses following the separation of those businesses from us in 2006, particularly with respect to the allocation of assets and liabilities, including contingent liabilities and guarantees, the ability of each of the separated companies to perform its obligations, including indemnification obligations, under these agreements, and the right of our former real estate business to control the process for resolving disputes related to contingent liabilities and assets;
- risks associated with litigation or governmental or regulatory inquiries or investigations involving our Company;
- risks related to tax obligations and the effect of future changes in accounting standards;
- risks related to our October 2011 acquisition of Avis Europe plc ("Avis Europe"), including our ability to realize the synergies contemplated by the transaction;
- risks related to completed or future acquisitions or investments that we may pursue, including any incurrence of incremental indebtedness to help fund such transactions and our ability to promptly and effectively integrate any acquired businesses; and
- other business, economic, competitive, governmental, regulatory, political or technological factors affecting our operations, pricing or services.

We operate in a continuously changing business environment and new risk factors emerge from time to time. New risk factors, factors beyond our control, or changes in the impact of identified risk factors may cause actual results to differ materially from those set forth in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. Moreover, we do not assume responsibility for the accuracy and completeness of those statements. Other factors and assumptions not identified above, including those discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in Item 7, in "Risk Factors" set forth in Item 1A and other portions of this Annual Report on Form 10-K may contain forward-looking statements and involve uncertainties that could cause actual results to differ materially from those projected in such statements. Such statements are based upon assumptions and known risks and uncertainties.

Although we believe that our assumptions are reasonable, any or all of our forward-looking statements may prove to be inaccurate and we can make no guarantees about our future performance. Should unknown risks or uncertainties materialize or underlying assumptions prove inaccurate, actual results could differ materially from past results and/or those anticipated, estimated or projected. Except to the extent of our obligations under the federal securities laws, we undertake no obligation to release any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

PART I

ITEM 1. BUSINESS

Except as expressly indicated or unless the context otherwise requires, the "Company," "Avis Budget," "we," "our" or "us" means Avis Budget Group, Inc. and its subsidiaries. "Avis," "Budget," "Budget Truck," "Zipcar," "Payless" and "Apex" refer to our Avis Rent A Car System, LLC, Budget Rent A Car System, Inc., Budget Truck Rental, LLC, Zipcar, Inc., Payless Car Rental and Apex Car Rentals operations, respectively, and, unless the context otherwise requires, do not include the operations of our licensees, as further discussed below.

OVERVIEW

We are a leading global provider of vehicle rental and car sharing services, operating three of the most recognized brands in the industry through Avis, Budget and Zipcar. We are a leading vehicle rental operator in North America, Europe, Australia, New Zealand and certain other regions we serve. We and our licensees operate the Avis and Budget brands in approximately 175 countries throughout the world. We generally maintain a leading share of airport car rental revenue in North America, Europe, Australia and New Zealand and we operate one of the leading truck rental businesses in the United States.

Our brands are differentiated to help us meet a wide range of customer needs throughout the world. Avis is a leading rental car supplier positioned to serve the premium commercial and leisure segments of the travel industry, and Budget is a leading rental vehicle supplier focused primarily on more value-conscious segments of the industry. On average, our rental fleet totaled more than 520,000 vehicles and we completed more than 30 million vehicle rental transactions worldwide in 2013. We generate approximately 71% of our vehicle rental revenue from on-airport locations and approximately 29% of our revenue from off-airport locations. We also license the use of the Avis and Budget trademarks to licensees in areas in which we do not operate directly. Our brands have an extended global reach with more than 10,000 car and truck rental locations throughout the world, including approximately 4,500 car rental locations operated by our licensees. We believe that Avis and Budget both enjoy complementary demand patterns with mid-week commercial demand balanced by weekend leisure demand.

Our Zipcar brand, which we acquired in 2013, is the world's leading car sharing company, with more than 860,000 members in the United States, Canada and Europe. We also operate Budget Truck, one of the leading truck rental businesses in the United States, with a fleet of approximately 23,000 Budget trucks that operate through a network of approximately 1,300 dealer-operated and 350 Company-operated locations throughout the continental United States. We also own Payless, a car rental brand that we acquired in 2013 that operates in the deep-value segment of the industry, and Apex, which is a leading deep-value car rental brand in New Zealand and Australia. We also have investments in certain of our Avis and Budget licensees outside of the United States, including licensees in Brazil, India and China.

In 2013, we generated total revenues of \$7,937 million. The Avis, Budget, Budget Truck and Zipcar brands accounted for approximately 65%, 26%, 5% and 3% of our revenue, respectively, in 2013.

COMPANY HISTORY

The Company is a Delaware corporation headquartered in Parsippany, New Jersey. We operate three of the most recognized brands in the global vehicle services industry through Avis, Budget and Zipcar, as well as Budget Truck, one of the leading truck rental businesses in the United States, and smaller regional car rental brands. Our predecessor company was formed in 1974, and in 1997 merged with HFS Incorporated ("HFS"), and the combined company was subsequently renamed Cendant Corporation ("Cendant"). HFS acquired the Avis brand in 1996, and in 2001 Cendant acquired Avis' vehicle rental operations in North America, Australia and New Zealand.

Founded in 1946, Avis is believed to be the first company to rent cars from airport locations. Avis expanded its geographic reach throughout the United States through growth in licensed and Company-operated locations in the 1950s and 1960s. In 1963, Avis introduced its award winning "We try harder®" advertising campaign, which is considered to be one of the top ten advertising campaigns of the 20th century by Advertising Age magazine.

In 2002, Cendant acquired the Budget brand and Budget vehicle rental operations in North America, Australia and New Zealand. Budget was founded in 1958 as a car rental company for the value-conscious vehicle rental customer and grew its business rapidly during the 1960s, expanding its rental car offerings throughout North America and significantly expanding its Budget truck rental business in the 1990s.

In 2006, Cendant completed the sales and spin-offs of several significant subsidiaries and changed its name to Avis Budget Group, Inc. In 2011, we expanded our international operations with the acquisition of Avis Europe, which was previously an independently-owned licensee operating the Avis and Budget brands in Europe, the Middle East and Africa, and the Avis brand in Asia. Upon the completion of the acquisition of Avis Europe, the Avis and Budget brands were globally re-united under a single company, making Avis Budget Group one of the largest vehicle rental companies in the world.

In 2013, we acquired Zipcar, the world's leading car sharing company, and further increased our growth potential and our ability to better serve a greater variety of our customers' transportation needs. In 2012 and 2013, we also acquired our Apex and Payless brands, which allowed us to expand our presence in the deep-value segment of the car rental industry.

We have a long history of innovation in the vehicle rental and car sharing business, including the 1973 launch of our proprietary Wizard system, a constantly updated information-technology system that is the backbone of our operations. In 1987, we introduced the Roving Rapid Return, powered by a handheld computer device that allowed customers to bypass the car return counter, and in 1996, we became one of the first car rental companies to accept online reservations. In 2000, we introduced Avis Interactive, the first Internet-based reporting system in the car rental industry. In 2009, we launched what we believe to be the first car rental iPhone application in the United States, and in 2012, we believe that our Avis brand became the first in the industry to offer mobile applications to its customers on all four major mobile platforms — Android, BlackBerry, iPhone and Microsoft Windows. Our Zipcar operations have been a constantly innovating pioneer in using advanced vehicle technologies as the first car sharing company in the United States to develop a self-service solution to managing the complex interactions of real-time, location-based activities inherent in a large-scale car sharing operation, including new member application, reservations and keyless vehicle access, fleet management and member management, and the first to allow members to reserve the specific make, model, type and color of their car by phone, Internet or wireless mobile device.

Since becoming an independent vehicle rental services company in 2006, we have focused on strengthening our brands, our operations, our competitiveness and our profitability. In conjunction with these efforts, we have implemented process improvements impacting virtually all areas of the business; realized significant cost savings through the integration of Avis Europe and Zipcar with our pre-existing operations; achieved reductions in operating and selling, general and administrative expenses, including significant reductions in staff; assessed location, segment and customer profitability to address less-profitable aspects of our business; implemented price increases and changes to our sales, marketing and affinity programs to improve profitability; and sought to better optimize our acquisition, deployment and disposition of fleet in order to lower costs and better meet customer demand.

SEGMENT INFORMATION

We categorize our operations into three reporting segments:

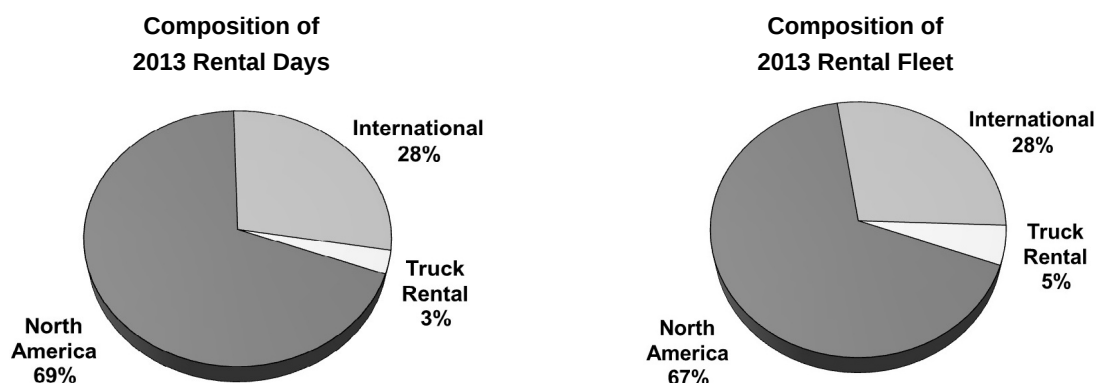
- *North America*, provides car rentals in the United States and vehicle rentals in Canada, as well as ancillary products and services, and operates the Company's Zipcar car sharing business;
- *International*, provides and licenses the Company's brands to third parties for vehicle rentals and ancillary products and services primarily in Europe, the Middle East, Africa, Asia, South America, Central America, the Caribbean, Australia and New Zealand; and
- *Truck Rental*, provides truck rentals and ancillary products and services to consumers and commercial users in the United States.

The following table presents key operating metrics for each of our three reporting segments:

	Total 2013 Rental Days	Average 2013 Time and Mileage ("T&M") Revenue per Day	Average 2013 Rental Fleet Size
North America ^(a)	89 million	\$40.55	342,000
International	37 million	\$42.48	145,000
Truck Rental	4 million	\$76.85	25,000
	130 million		512,000

^(a) Excluding Zipcar.

The following graphs present the composition of our rental days and our average rental fleet in 2013, by segment:



Our North America segment includes the financial results of Zipcar and Payless since our acquisition of each business in March 2013 and July 2013, respectively. Financial data for our segments and geographic areas are reported in Note 20-Segment Information to our Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

OUR STRATEGY

Our objective is to focus on strategically accelerating our growth, strengthening our global position as a leading provider of vehicle rental services, continuing to enhance our customers' rental experience, and controlling costs and driving efficiency throughout the organization. We expect to achieve our goals by focusing our efforts on the following core strategic initiatives:

- **Strategically Accelerate Growth.** We have pursued and will continue to pursue numerous opportunities intended to increase our revenues and make disproportionate contributions to our earnings. For instance:
 - We are focused on promoting car class upgrades, adjusting our mix of vehicles to match customer demand, growing our rentals to small-business and international travelers, increasing the number of rentals that customers book through our own websites, increasing the proportion of transactions in which customers prepay us, and expanding our ancillary revenues derived from offering additional ancillary products and services to the rental transactions of an increasing percentage of our customers. We believe these efforts will each not only generate incremental revenue, but also add to profitability.
 - We are focused on yield management and pricing optimization in an effort to increase the rental fees we earn per rental day. We have implemented technology systems that strengthen our yield management and that enable us to tailor our product and price offerings not only to meet our customers' needs, but also in response to actions taken by our competitors. We expect to continue to adjust our pricing to bolster profitability and match changes in demand.

- We see significant growth opportunities related to our Zipcar brand. We expect to increase our Zipcar membership base by growing the number of businesses, government agencies and universities that Zipcar serves within its existing markets, as well as expanding the brand into new markets where our existing car rental presence will help enable the introduction of Zipcar's car sharing services. We expect that such growth will include making more Zipcars available at airport locations, offering one-way usage of Zipcars at certain locations and cross-marketing partnerships through our well-established corporate and affinity relationships.
- We continue to focus on addressing the need of the deep-value segment of the vehicle rental industry with Payless and Apex and look to increase our profitability in this segment as we grow our revenues.
- **Strengthening Our Global Position.** While we currently operate, either directly or through licensees, in approximately 175 countries around the world, we have strengthened and will continue to strengthen and further expand our global footprint through organic growth and potentially through acquisitions, joint ventures, licensing opportunities or other relationships:
 - In countries where we have Company-operated locations, we will continue to identify opportunities to add new rental locations, to grant licenses to independent third parties for regions where we do not currently operate and/or do not wish to operate directly, to strengthen the presence of the Avis, Budget, Zipcar, Apex and Payless brands (including by multi-branding locations), as applicable, and to re-acquire previously granted license rights in certain cases.
 - In countries operated by licensees, including our joint ventures in Brazil, China and India, we will seek to ensure that our licensees are well positioned to realize the growth potential of our brands in those countries and are aggressively growing their presence in those markets, and we expect to consider the re-acquisition of previously granted license rights in certain cases.
 - Zipcar represents a substantial growth opportunity for us as we believe that there are numerous geographic markets outside the United States, particularly in Europe and Asia, where Zipcar's proven car sharing model can be utilized to meet substantial, currently unmet transportation needs.
- **Enhancing Customers' Rental Experience.** We are committed to serving our customers and enhancing their rental experience, including through our *Customer Led, Service Driven*[™] initiative, which is aimed at improving our customers' rental experience with our brands, our systems and our employees. Following an extensive review of the ways, places and occasions in which our brands, our systems and our employees interact with existing and potential customers, we have implemented actions that we expect will improve the service we provide at these customer "touchpoints." For example:
 - Over the last two years, we have launched *Avis Preferred Select & Go*[™], a vehicle-choice program for customers, revised our rental agreements and receipts to improve transparency, and significantly expanded customer-service-oriented training of our employees, achieving significant increases in customer satisfaction.
 - We continue to upgrade our technology, to make the reservation, pick-up and return process more convenient and user-friendly, with a particular emphasis on enabling and simplifying our customers' online interactions with us.
 - In 2013, we also made Avis and Budget rental agreements available in French, German, Portuguese and Spanish, as a courtesy to our customers at participating airport locations across North America.

We expect to continue to invest in these efforts.

- **Controlling Costs and Driving Efficiency throughout the Organization.** We have continued our efforts to rigorously control costs. We continue to aggressively reduce expenses throughout our organization,

and we have eliminated or reduced significant costs through the integration of Avis Europe in 2012 and 2013. In addition:

- We continued to develop and implement our Performance Excellence process improvement initiative to increase efficiencies, reduce operating costs and create sustainable cost savings using LEAN, Six Sigma and other tools. This initiative, which we have expanded to cover our operations in Europe and Asia, has generated substantial savings since its implementation and is expected to continue to provide incremental benefits.
- We have implemented initiatives to integrate Payless and Zipcar, to realize cost efficiencies from combined maintenance, systems, technology and administrative infrastructure, as well as fleet utilization benefits and savings by combining our car rental and car sharing fleets at times to reduce the number of unutilized Zipcars during the week and to better satisfy Zipcar's unmet weekend demand.
- We have also continued to implement technology solutions, including self-service voice reservation technology, mobile communications with customers and fleet optimization technologies to reduce costs, and we will further continue to pursue innovative solutions to support our strategic initiatives.

We believe such steps will continue to aid our financial performance.

In executing our strategy, we plan to continue to position our three distinct and well-recognized global brands to focus on different segments of customer demand, complemented by our other brands in their respective regional markets. With Avis as a premium brand preferred more by corporate and upscale leisure travelers, Budget as a mid-tier brand preferred more by value-conscious travelers, Payless and Apex as deep-value brands and Zipcar offering its members an economical alternative to car ownership, we believe we are able to target a broad range of demand, particularly since the brands share the same operational and administrative infrastructure while providing differentiated though consistently high levels of customer service.

We aim to provide products, services and pricing, to use various marketing channels and to maintain marketing affiliations and corporate account contracts that complement each brand's positioning. We plan to continue to invest in our brands through a variety of efforts, including television commercials, print advertisements and on-line and off-line marketing. We see particular growth opportunities for our Budget brand in Europe, as Budget's share of airport car rentals is significantly smaller in Europe than in other parts of the world, and for Zipcar internationally, where the brand's proven car sharing model can be expanded into numerous geographic markets.

We operate in a highly competitive industry and we expect to continue to face challenges, including uncertain economic conditions, particularly outside of the United States. We seek to mitigate our exposure to risks in numerous ways, including delivering upon the core strategic initiatives described above and through continued optimization of fleet levels to match changes in demand for vehicle rentals, maintenance of liquidity to fund our fleet and our operations, and adjustments in the size, nature and terms of our relationships with vehicle manufacturers.

OUR BRANDS AND OPERATIONS

OUR BRANDS

Our Avis, Budget and Zipcar brands are three of the most recognized brands in our industry. We believe that we enjoy significant benefits from operating our Avis and Budget brands to target different rental customers but share the same maintenance facilities, fleet management systems, technology and administrative infrastructure. In addition, we are able to recognize significant benefits and savings by combining our car rental and car sharing maintenance activities and fleets at times to reduce the number of unutilized cars and to meet demand peaks. We believe that Avis, Budget and Zipcar all enjoy complementary demand patterns with mid-week commercial demand balanced by weekend leisure demand. We also operate the Apex and Payless brands, which operate in the deep-value segment of the car rental industry and augment our Avis, Budget and Zipcar brands.

Avis

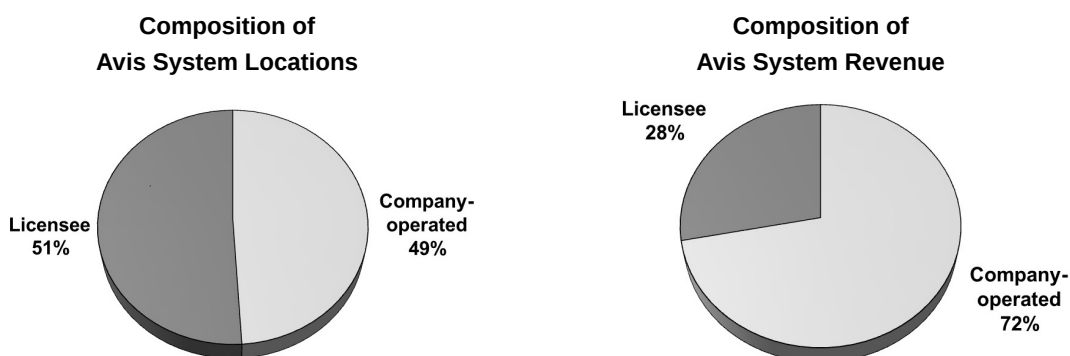
Avis is a leading rental car supplier positioned to serve the premium commercial and leisure segments of the travel industry. The Avis brand provides high-quality car rental services at price points generally above non-branded and value-branded national car rental companies. We operate or license the Avis car rental system (the "Avis System"), one of the largest car rental systems in the world, comprised of approximately 5,450 locations worldwide, including in virtually all of the largest commercial airports and cities in the world.

We operate approximately 2,650 Avis car rental locations worldwide, in both the on-airport and off-airport, or local, rental markets. In 2013, our Avis operations generated total revenue of approximately \$5.2 billion, of which approximately 60% (or \$3.1 billion) was derived from North American operations. In addition, we license the Avis brand to other independent commercial owners in approximately 2,800 locations throughout the world. In 2013, approximately 72% of the Avis System total revenue was generated by our Company-operated locations and the remainder was generated by locations operated by independent licensees, which generally pay royalty fees to us based on a percentage of applicable revenue.

The table below presents the approximate number of locations that comprise the Avis System:

	Avis System Locations		
	North America	International	Total
Company-operated locations	1,400	1,250	2,650
Licensee locations	300	2,500	2,800
Total Avis System Locations	1,700	3,750	5,450

The graphs below present the approximate composition of Avis System locations and Avis System revenue in 2013:



In 2013, Avis derived approximately \$2.0 billion and \$1.7 billion (or 53% and 47%) of its vehicle rental revenue from commercial and leisure customers, respectively, and \$2.6 billion and \$1.1 billion (or 69% and 31%) of its vehicle rental revenue from customers renting at airports and locally, respectively.

We offer Avis customers a variety of premium services, including:

- Avis Preferred, a counter bypass program available at major airport locations;
- Avis Preferred Select & Go, a service that allows customers at certain locations to select an alternate vehicle or upgrade their vehicle choice without visiting the rental counter;
- portable GPS navigation units for rent;
- premium luxury, sport and performance vehicles available for rent;
- availability of eco-friendly vehicles, including gas/electric hybrid vehicles;

- roadside assistance;
- emailed receipts;
- a 100% smoke-free car rental fleet in North America;
- electronic toll collection services that let customers pay highway tolls without waiting in toll booth lines;
- amenities such as Avis Access, a full range of special products and services for drivers and passengers with disabilities;
- Avis Interactive, a proprietary management tool that allows corporate clients to easily view and analyze their rental activity via the Internet, permitting these clients to better manage their travel budgets and monitor employee compliance with applicable travel policies;
- customer loyalty programs; and
- supporting online interactions with our customers through each of the four major mobile platforms – Android, Apple, BlackBerry and Microsoft Windows – which Avis in 2012 became the first car rental company to offer.

In 2013, Avis was named World's Leading Car Hire, North America's Leading Car Hire and Europe's Leading Business Car Rental Company by the World Travel Awards, and received numerous other awards. Avis was also again named the leading car rental company in customer loyalty in the Brand Keys Customer Loyalty Engagement Index for the 14th consecutive year.

Budget

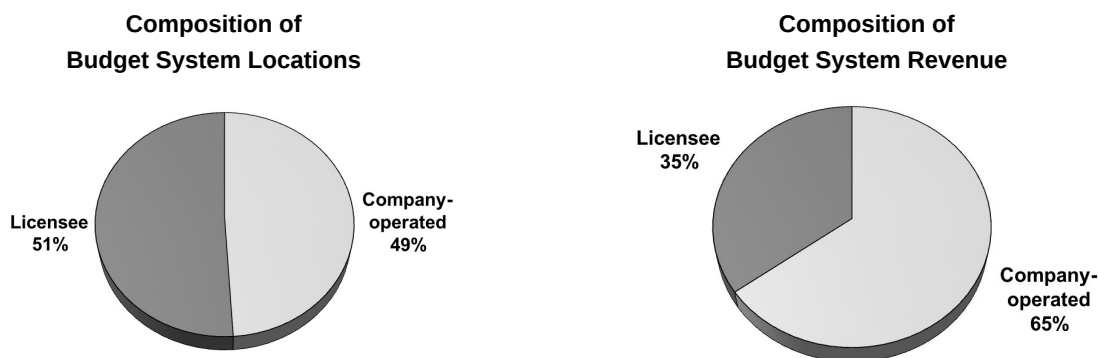
Budget is a leading rental car supplier focused primarily on more value-conscious segments of the industry. We operate or license the Budget vehicle rental system (the "Budget System"), which is comprised of approximately 3,350 car rental locations and represents one of the largest car rental systems in the world. The Budget System encompasses locations at most of the largest airports and cities in the world.

We operate approximately 1,650 Budget car rental locations worldwide. In 2013, our Budget car rental operations generated total revenue of approximately \$2.1 billion, of which 80% (or \$1.7 billion) was derived from North American operations. We also license the Budget System to independent business owners who operate approximately 1,700 locations worldwide. In 2013, approximately 65% of the Budget System total revenue was generated by our Company-operated locations with the remainder generated by locations operated by independent licensees, which generally pay royalty fees to us based on a percentage of applicable revenue.

The table below presents the approximate number of locations that comprise the Budget System:

	Budget System Locations		
	North America	International	Total
Company-operated locations	1,050	600	1,650
Licensee locations	400	1,300	1,700
Total Budget System Locations	1,450	1,900	3,350

The graphs below present the approximate composition of Budget System locations and Budget System revenue in 2013:



In 2013, Budget derived approximately \$375 million and \$1.1 billion (or 25% and 75%) of its vehicle rental revenue from commercial and leisure customers, respectively, and \$1.1 billion and \$358 million (or 76% and 24%) of its vehicle rental revenue from customers renting at airports and locally, respectively. Budget's European revenues increased \$87 million (or 78%) in 2013.

Budget offers its customers several products and programs similar to Avis, such as portable GPS navigation units, roadside assistance, electronic toll collection, emailed receipts and refueling options, as well as special rental rates for frequent renters and Budget's Fastbreak service, an expedited rental service for frequent travelers.

In 2013, Budget's loyalty program, Unlimited Budget[®], was selected by Travel Weekly as a 2013 Gold Magellan Award Winner, which honors the best loyalty programs in the travel industry.

Zipcar

Founded in 2000, Zipcar operates the world's leading membership-based car sharing network that provides "wheels when you want them" to over 860,000 members, also known as "Zipsters," in more than 25 major metropolitan areas and over 300 college campuses in the United States, Canada and Europe. Zipcar provides its members self-service vehicles in reserved parking spaces located in residential neighborhoods, business districts, college campuses and business office complexes.

Our members may reserve vehicles by the hour or by the day at rates that include gas, insurance and other costs associated with vehicle ownership, and they can make their reservations through Zipcar's reservation system, which is available by phone, Internet or wireless mobile devices. Our members generally have the flexibility to choose the make, model, type and even the color of the Zipcar that they want depending on their specific needs and desires for each trip and the available Zipcars in their neighborhoods. The flexibility and affordability of our service, as well as broader consumer trends toward responsible and sustainable living, provide a significant platform for future growth.

We acquired Zipcar in March 2013. Prior to our acquisition, Zipcar designed its operations to be scalable through a distributed self-service fleet of vehicles. We continue to make substantial investment in refining, innovating and improving Zipcar's operations and fleet management systems and integrating certain elements of Zipcar's operations and fleet into our business. We believe that the experience that we have gained and continue to accumulate while scaling and operating our network is a key advantage, informing our decisions regarding our existing operations and services as well as our plans for expansion. From the date of acquisition to year-end, our Zipcar operations generated revenue of \$246 million.

Zipcar offers its members the freedom of on-demand access to a fleet of vehicles at any hour of the day or night, in their neighborhood or in any of our Zipcar cities and locations, without the costs or hassles of vehicle ownership. Benefits to members include:

- *Cost-effective alternative to car ownership* - Members pay for time they reserve the vehicle and have no responsibility for the additional costs and hassles associated with car ownership, including parking, gas, taxes, registration, insurance, maintenance and lease payments.

- *Convenience and accessible fleet* - Zipcars are interspersed throughout local neighborhoods where they are parked in reserved parking spaces and garages within an easy walk of where our members live and work. Members can book a designated vehicle online, by phone or via their mobile device, unlock the selected vehicle using a keyless entry card (called a “Zipcard”), and drive away. Because each Zipcar has a designated parking space, members are spared the often time-consuming undertaking of finding an available parking spot.
- *Freedom and control* - Unlike public transportation, which operates on fixed routes and schedules, we provide our members with much of the freedom associated with car ownership. Like car owners, our members can choose when and where they want to drive. They also have the added benefit of being able to choose, based upon the readily available Zipcars in their neighborhoods, the make, model, type and even the color of the vehicle they want to drive based on their specific needs and desires for each trip.
- *Responsible and sustainable living* - We are committed to providing our members with socially responsible, sustainable alternatives that support the global environment, their communities and city livability. Studies show that car sharing reduces the number of miles driven, the number of vehicles on the road and carbon emissions.
- *Zipcar for Universities* - We provide college students, faculty, staff and local residents living in or near rural and urban campuses with access to Zipcars. Zipcars are located on over 300 college and university campuses. Our program for universities helps university administrators maximize the use of limited parking space on campus and reduce campus congestion while providing an important amenity for students, faculty, staff and local residents. In some cases, Zipcar is the only automobile transportation available to students, since many traditional rental car services have higher age restrictions.
- *Zipcar for Business and Zipcar for Government* - We offer special programs to businesses, federal agencies and local governments seeking to save money, meet environmental sustainability goals and reduce parking requirements. We offer reduced membership fees and weekday driving rates to employees of companies, federal agencies and local governments that sponsor the use of Zipcars. We have also partnered with residential property managers and developers who provide their commercial and residential tenants with access to Zipcar memberships and Zipcars.
- *FastFleet* - We offer a fleet management solution, known as FastFleet, to organizations that manage their own fleets of vehicles. Through this service, we license our proprietary vehicle-on-demand technology on a software-as-a-service basis to organizations that already manage their own fleets of vehicles. FastFleet enables these organizations to maximize the efficiency and reduce the cost of their own fleets by monitoring and improving per-vehicle utilization levels as well as streamlining the administrative efforts required to manage the vehicle fleet.

In 2013, the Zipcar brand was recognized as one of “20 Brilliant Brand Logos” by Entrepreneur Magazine, and continued to be recognized as the leading car sharing services provider in the world and for the quality of the customer experience it offers.

Budget Truck

Our Budget Truck rental business is one of the largest local and one-way truck rental businesses in the United States. At December 31, 2013, Budget Truck has a fleet of approximately 23,000 trucks that are rented through a network of approximately 1,300 dealers and 350 Company-operated locations throughout the continental United States. These dealers are independently-owned businesses that generally operate other retail service businesses. In addition to their principal businesses, the dealers rent our light- and medium-duty trucks to consumers and to our commercial accounts and are responsible for collecting payments on our behalf. The dealers receive a commission on all truck and ancillary equipment rentals. The Budget Truck rental business serves both the consumer and light commercial sectors. The consumer sector consists primarily of individuals who rent trucks to move household goods on either a one-way or local basis. The light commercial sector consists of a wide range of businesses that rent light- to medium-duty trucks, which we define as trucks having a gross vehicle weight of less than 26,000 pounds, for a variety of commercial applications. In 2013, Budget Truck’s rental business generated total revenue of approximately \$373 million.

Other Brands

Our Payless brand, which we acquired in July 2013, is a leading rental car supplier positioned to serve the deep-value segment of the car rental industry. We operate or license the Payless brand, which is comprised of approximately 125 vehicle rental locations worldwide, including approximately 15 Company-operated locations and approximately 110 locations operated by licensees. All Company-operated Payless locations are in the United States at or near major airport locations. Payless' base T&M fees are often lower than those of larger, more established brands, but Payless has historically achieved a greater penetration of ancillary products and services with its customers. The Payless business model should allow the Company to extend the life cycle of a portion of our fleet, as we intend to "cascade" certain vehicles that exceed certain Avis and Budget age or mileage thresholds to then be used by Payless. From the date of acquisition until year-end 2013, our Payless car rental operations generated total revenue of approximately \$44 million.

Our Apex brand, which we acquired in 2012, operates primarily in the deep-value segment of the car rental industry in New Zealand and Australia, where we have approximately 19 Apex rental locations. Apex operates its own rental fleet, separate from Avis and Budget vehicles and generally older and less expensive than vehicles offered by Avis, Budget and other traditional car rental companies. Apex generates substantially all of its reservations through its proprietary websites and contact centers. The substantial majority of Apex locations are at or near major airport locations. In 2013, our Apex car rental operations generated total revenue of approximately \$42 million.

RESERVATIONS, MARKETING AND SALES

Reservations

Our customers can make Avis, Budget, Budget Truck, Payless and Apex car rental reservations through our brand-specific websites and through our toll-free reservation centers, by calling a specific location directly, through brand-specific mobile applications, through online travel agencies, through travel agents or through selected partners, including many major airlines. Travel agents can access our reservation systems through all major global distribution systems ("GDSs"), which provide information with respect to rental locations, vehicle availability and applicable rate structures.

Our Zipcar members may reserve cars by the hour or by the day through Zipcar's reservation system, which is accessible by phone, Internet or wireless mobile devices. We also provide two-way SMS texting, enabling us to proactively reach out to members during their reservation via their mobile device to manage their reservation, including instant reservation extension.

In 2013, we generated approximately 30% of our vehicle rental reservations through our brand-specific websites, 12% through our contact centers, 28% through GDSs, 7% through online travel agencies, 12% through direct-connect technologies and 11% through other sources. Virtually all of our Zipcar car sharing reservations were generated online or through our Zipcar mobile applications. We use a voice reservation system that allows customers to conduct certain transactions such as confirmation, cancellation and modification of reservations using self-service interactive voice response technology. In addition to our Zipcar mobile applications, we have also developed Avis and Budget mobile applications for the Android, Apple, BlackBerry and Microsoft Windows, allowing our customers to more easily manage their car rental reservations on their mobile devices.

Marketing and Sales

We support our Avis, Budget, Budget Truck, Zipcar and other brands through a range of marketing channels and campaigns, including traditional media, such as television, radio and print advertising, as well as Internet and email marketing and wireless mobile device applications. In 2012 and 2013, we developed new global brand propositions and visual identities, including new brand logos for Avis and Budget, to evolve and refine each brand's differentiated market position. This evolution builds upon our brands' heritage and service legacy while driving global consistency across our regions. We have also implemented a customer relationship management system that will enable us to deliver more targeted and relevant offers to customers across both online and offline channels and will allow our customers to benefit through better and more relevant marketing, improved service delivery and loyalty programs that reward frequent renters with free rental days and car class upgrades.

We use social media to promote our brands and to provide our customers with the tools to interact with our brands electronically. Avis, Budget and Zipcar maintain Facebook pages and Twitter accounts, with a total of over 300,000 Facebook fans and over 40,000 followers on Twitter. We also use digital marketing activities to drive international reservations.

In addition to our social and digital media efforts, our Zipcar brand also focuses on localized marketing initiatives, which entails low-cost, word-of-mouth marketing of its services and the use of marketing “street teams” that target potential members at the local level. These efforts highlight simple messages that communicate the benefits of “wheels when you want them.” Zipcar members also actively recruit new members as incentivized by Zipcar’s member referral program, which awards driving credit for new member referrals.

In 2013, we retained approximately 98% of our existing commercial contracts in North America and maintained, expanded or entered into marketing alliances with key marketing partners that include brand exposure and cross-marketing opportunities for each of the brands involved. For example, under our multi-year agreement with the PGA TOUR, Avis was named the “Official Rental Car Company” of the PGA TOUR and promotes its products and services to millions of golfers and golf fans worldwide through prominent placement of the Avis logo on PGA TOUR event scoreboards and other marketing channels.

We continue to maintain strong links to the travel industry and we expanded or entered into marketing alliances with numerous marketing partners in 2013:

- We maintain marketing partnerships with several major airlines, including Air Canada, Air France, American Airlines, British Airways, Frontier Airlines, Iberia, KLM, Lufthansa, SAS, Southwest Airlines, United Airlines and Virgin America.
- We offer customers the ability to earn frequent traveler points with most major U.S. and European airlines’ frequent traveler programs, as well as those of Air Canada, Air New Zealand, Japan Airlines and Qantas, among others.
- Our brands are affiliated with the frequency programs of major hotel companies, including Hilton Hotels Corporation, Hyatt Corporation, Starwood Hotels and Resorts Worldwide, Inc. and Wyndham Worldwide. These arrangements provide incentives to loyalty program participants and provide us with cooperative marketing opportunities, including call transfer programs and online links with various partners’ websites.
- In 2013, we signed new agreements with Norwegian Cruise Lines, Spirit Airlines, SNCF (France’s national railway operator), Club Premier (Latin America’s first frequent flyer program), Taiwan High Speed Rail, FlightBridge and others.

In 2013, approximately 64% of vehicle rental transactions from our Company-operated Avis locations were generated by travelers who rented from Avis under contracts between Avis and the travelers’ employers or through membership in an organization with which Avis has a contractual affiliation (such as AARP and Costco Wholesale). In 2013, we entered into an exclusive multi-year agreement with AARP that allows us to promote our Avis, Budget, Budget Truck and Payless brands to AARP’s base of more than 37 million members. In 2013, we also entered into a new multi-year agreement with Costco Travel to provide more than 45 million Costco Wholesale members in the United States with vehicle rentals and ancillary products from Avis and Budget. Avis maintains marketing relationships with other organizations such as American Express, MasterCard International and Sears, through which we are able to provide their customers with incentives to rent from Avis. Avis licensees also generally have the option to participate in these affiliations.

Additionally, we offer “Unlimited Budget,” a loyalty incentive program for travel agents, and the Budget Small Business Program, a program for small businesses that offers discounted rates, central billing options and rental credits to its members. Budget has contractual arrangements with American Express, MasterCard International and other organizations, which offer members incentives to rent from Budget.

In addition to participating in many of the marketing agreements discussed above, Budget Truck maintains certain truck-rental-specific marketing and/or co-location relationships, including those with Simply Self Storage, Sears

and Extra Space Storage. We also have an exclusive agreement to advertise Budget Truck rental services in the Mover's Guide, an official U.S. Postal Service change of address product.

Our Zipcar brand also partners with other active lifestyle brands that appeal to our Zipcar members and organize, sponsor or participate in charitable and community events with organizations important to us and our Zipcar members. Zipcar maintains relationships with universities to market to the "next generation consumer" that, upon graduation, may migrate to the major metropolitan areas that we serve, continue their relationship with us and advocate for broad sponsorship of Zipcar membership at their places of work. Through our Zipcar for Business program, we also offer reduced membership fees and weekday driving rates to employees of companies, federal agencies and local governments that sponsor the use of Zipcars.

LICENSING

We have licensees in more than 160 countries throughout the world. Revenue derived from our vehicle rental licensees in 2013 totaled \$136 million, with approximately \$116 million in our International segment and \$20 million in our North America segment. Licensed locations are independently operated by our licensees and range from large operations at major airport locations and territories encompassing entire countries to relatively small operations in suburban locations. Our licensees generally maintain separate independently owned and operated fleets. Royalties generated from licensing provide us with a source of high-margin revenue because there are relatively limited additional fixed costs associated with fees paid by licensees to us. Locations operated by licensees represented approximately 52% of our Avis and Budget car rental locations worldwide and approximately 30% of total revenue generated by the Avis and Budget Systems in 2013. We facilitate one-way car rentals between Company-operated and licensed locations, which enables us to offer an integrated network of locations to our customers.

We generally enjoy good relationships with our licensees and meet regularly with them at regional, national and international meetings. Our relationships with our licensees are governed by license agreements that grant the licensee the right to operate independently operated Avis, Budget or Payless car and/or truck rental businesses in certain territories. Our license agreements generally provide our licensees with the exclusive right to operate in their assigned territory. These agreements impose obligations on the licensee regarding its operations and most agreements restrict the licensee's ability to transfer its license agreement and capital stock. Licensees are generally required to adhere to our system standards for each brand as updated and supplemented by our policy bulletins, brand manuals and service program.

Our license agreements typically have terms ranging from five to 20 years. The car rental royalty fee payable to us under our license agreements is generally 5% to 8% of gross rental revenue, but certain licensees, both in North America and internationally, have license agreements with different royalty fee structures. We maintain the right to monitor the operations of licensees and, when applicable, can declare a licensee to be in default under its license agreement. We perform audits as part of our program to assure licensee compliance with brand quality standards and contract provisions. Generally, we can terminate license agreements for certain defaults, including failure to pay royalties and failure to adhere to our operational standards. Upon termination of a license agreement, the licensee is prohibited from using our brand names and related marks in any business. In the United States, these license relationships constitute "franchises" under most federal and state laws regulating the offer and sale of franchises and the relationship of the parties to a franchise agreement.

OTHER REVENUE

In addition to revenue from our vehicle rentals and licensee royalties, we generate revenue from our customers through the sale and/or rental of optional ancillary products and services. Our employees offer products to customers that will enhance their rental experience, including collision and loss damage waivers, insurance products such as additional/supplemental liability insurance or personal accident/effects insurance, products for driving convenience such as portable GPS navigation units, optional roadside assistance services, fuel service options, electronic toll collection and other ancillary products and services, such as access to satellite radio and child safety seats. In addition, we also supplement our daily truck rental revenue by offering customers automobile towing equipment and other moving accessories such as hand trucks, furniture pads and moving supplies.

In 2013, approximately 5% of our revenue was generated by the sale of collision and loss damage waivers, under which we agree to relieve a customer from financial responsibility arising from vehicle damage incurred during the rental period if the customer has not breached the rental agreement. In addition, we receive reimbursement from our customers for certain operating expenses we incur, including gasoline and vehicle licensing fees, as well as airport concession fees, that we pay in exchange for the right to operate at airports and other locations.

OUR TECHNOLOGIES

Car Rental

We use a broad range of technologies in our car rental operations, substantially all of which are linked to what we call Wizard, our worldwide reservation, rental, data processing and information management system. The Wizard system enables us to process millions of incoming customer inquiries each day, providing our customers with accurate and timely information about our locations, rental rates and vehicle availability, as well as the ability to place or modify reservations. Additionally, the Wizard system is linked to all major travel distribution networks worldwide and provides real-time processing for travel agents, travel industry partners (such as airlines and online travel sites), corporate travel departments and individual consumers through our websites or contact centers. The Wizard system also provides personal profile information to our reservation and rental agents to help us better serve our customers.

We also use data supplied from the Wizard system and airline reservation systems in certain proprietary information management systems to maintain centralized control of major business processes such as fleet acquisition and logistics, sales to corporate accounts and determination of rental rates. The principal components of the systems we employ include:

- *Fleet planning model.* We have a comprehensive decision tool to develop fleet plans and schedules for the acquisition and disposition of our fleet, along with fleet age, mix, mileage and cost reports based upon these plans and schedules. This tool allows management to monitor and change fleet volume and composition on a daily basis and to optimize our fleet plan based on estimated business levels and available repurchase and guaranteed depreciation programs. We also use third-party software to further optimize our fleet acquisition, rotation and disposition activities.
- *Yield management.* We have a yield management system which is designed to enhance profits by providing greater control of vehicle availability and rate availability changes at our rental locations. Our system monitors and forecasts supply and demand to support our efforts to optimize volume and rate at each location. Integrated into this yield management system is a fleet distribution module that takes into consideration the costs as well as the potential benefits associated with distributing vehicles to various rental locations within a geographic area to accommodate rental demand at these locations. The fleet distribution module makes specific recommendations for movement of vehicles between locations.
- *Pricing decision support systems.* Pricing in the vehicle rental industry is highly competitive and complex. To improve our ability to respond to rental rate changes in the marketplace, we have utilized sophisticated systems to gather and report competitive industry rental rate changes every day. Our systems, using data from third-party reservation systems as its source of information, automatically scan rate movements and report significant changes to our staff of pricing analysts for evaluation. These systems greatly enhance our ability to gather and respond to rate changes in the marketplace. In 2013, we began developing an integrated pricing and fleet optimization tool that we expect will allow us to test and implement improved pricing and fleet deployment strategies and optimization algorithms, as well as automate the implementation of certain price changes.
- *Business mix model.* We have developed a strategic planning model to evaluate discrete components of our business relative to each other. The model considers revenue and costs to determine the potential margin contribution of each discrete segment. The model develops business mix and fleet optimization recommendations by using data from our financial systems, the Wizard system and the fleet and revenue management systems along with management's objectives and targets.
- *Enterprise data warehouse.* We have developed a sophisticated and comprehensive electronic data storage and retrieval system which retains information related to various aspects of our business. This

data warehouse allows us to take advantage of comprehensive management reports and provides easy access to data for strategic decision making for our brands.

- *Sales and marketing systems.* We have developed a sophisticated system of online data tracking which enables our sales force to analyze key account information of our corporate customers including historical and current rental activity, revenue and booking sources, top renting locations, rate usage categories and customer satisfaction data. We use this information, which is updated weekly and captured on a country-by-country basis, to assess opportunities for revenue growth, profitability and improvement.
- *Campaign management.* We have deployed tools that enable us to recognize customer segments and value, and to automatically present appropriate offers on our Avis and Budget websites.
- *Interactive adjustments.* We have developed a customer data system that allows us to easily retrieve pertinent customer information and make needed adjustments to completed rental transactions online for superior customer service. This data system links with our other accounting systems to handle any charge card transaction automatically.
- *Interactive voice response system.* We have developed an automated voice response system that enables the automated processing of customer reservation confirmations, cancellations, identification of rental locations, extension of existing rentals and requests for copies of rental receipts over the phone using speech recognition software.
- *On Location.* We introduced our “*On Location*”SM service to certain of our corporate customers, which enables self-service car rentals at their campus locations. This service consists of a two-way communications device connected to the vehicle’s on-board diagnostics system. This device retrieves key vehicle information that integrates with the Wizard system to perform a check-in and check-out of a vehicle in a self-service mode.

Car Sharing

Our Zipcar car sharing technology was specifically designed and built for our car sharing business and has been continually refined and upgraded to optimize the Zipcar experience for our members. Our fully-integrated platform centralizes the management of our Zipcar reservations, member services, fleet operations and financial systems to optimize member experience, minimize costs and leverage efficiencies. Through this platform, we:

- process new member applications;
- manage reservations and keyless vehicle access;
- manage and monitor member interactions;
- manage billing and payment processing across multiple currencies;
- manage our car sharing fleet remotely; and
- monitor and analyze key metrics of each Zipcar such as utilization rate, mileage and maintenance requirements.

Each interaction between members and our Zipcars is captured in our system, across all communication channels, providing us with knowledge we use to improve our members’ experiences and better optimize our business processes. We have built and continue to innovate our technology platform in order to support growth and scalability.

- *Reservation System Software.* Our Zipcar reservation system processes membership applications and enables existing members to reserve Zipcars online, over the phone, using mobile applications on the iPhone or Android platforms, or through other web-enabled mobile devices. Through our reservation system, members have around-the-clock access to the complete, real-time inventory of Zipcars and can manage all necessary transactions online. Because all of our reservation and member services data is fed back into our centralized database, we are able to track and analyze aggregated member usage

data to better allocate vehicles among locations and improve availability and convenience for our members.

- *Fleet Administration System Software and Hardware.* Managing a widely dispersed fleet of Zipcars requires a comprehensive suite of tools optimized for car sharing. Each Zipcar is equipped with a telematics control unit, including mobile data service, radio frequency identification card readers, wireless antennae, wiring harness, vehicle interface modules and transponders for toll systems. This hardware, together with internally developed embedded firmware and vehicle server software, allows us to authorize secure access to our Zipcars from our data centers and provides us with a comprehensive set of fleet management data that is stored in our centralized database.

OUR FLEET

We offer for rental a wide variety of vehicles, including luxury and specialty vehicles. Our fleet consists primarily of vehicles from the current and immediately preceding model year. We maintain a single fleet of vehicles for Avis and Budget in countries where we operate both brands. The substantial majority of Zipcar's fleet is dedicated to use by Zipcar, but we have developed processes to share vehicles between the Avis/Budget fleet and Zipcar's fleet primarily to help meet Zipcar's demand peaks. We maintain a diverse car rental fleet, in which no vehicle manufacturer represented more than 23% of our 2013 fleet purchases, and we regularly adjust our fleet levels to be consistent with demand. We participate in a variety of vehicle purchase programs with major vehicle manufacturers. In 2013, we purchased vehicles from Audi, BMW, Chrysler, Fiat, Ford, General Motors, Hyundai, Kia, Mazda, Mercedes, Mitsubishi, Nissan, Peugeot, Porsche, Renault, Subaru, Toyota and Volkswagen, among others. During 2013, approximately 23%, 19% and 12% of the cars acquired for our car rental fleet were manufactured by Ford, General Motors and Chrysler, respectively.

Fleet costs represented approximately 23% of our aggregate expenses in 2013. Fleet costs can vary from year to year based on the prices at which we are able to purchase and dispose of rental vehicles.

In 2013, on average, approximately 37% of our rental car fleet was comprised of vehicles subject to agreements requiring automobile manufacturers to repurchase vehicles at a specified price during a specified time period or guarantee our rate of depreciation on the vehicles during a specified period of time, or were vehicles subject to operating leases. Cars subject to these agreements are sometimes referred to as "program" cars, and cars not subject to these agreements are sometimes referred to as "risk" cars because we retain the risk associated with such cars' residual values at the time of their disposition. Such agreements typically require that we pay more for program cars and maintain them in our fleet for a minimum number of months (typically four to eleven months) and impose certain return conditions, including car condition and mileage requirements. When we return program cars to the manufacturer, we receive the price guaranteed at the time of purchase and are thus protected from fluctuations in the prices of previously-owned vehicles in the wholesale market. Of the approximately 520,000 vehicles we disposed of in 2013, approximately 60% were sold pursuant to repurchase or guaranteed depreciation programs. The future percentages of program and risk cars in our fleet will depend on our seasonal needs and the availability and attractiveness of manufacturers' repurchase and guaranteed depreciation programs. The Company has agreed to purchase approximately \$6.4 billion of vehicles from manufacturers over the next twelve months.

We dispose of our risk cars largely through automobile auctions, including auctions that enable dealers to purchase vehicles online more quickly than through traditional auctions, as well as through direct-to-dealer sales. In 2013, we also expanded the number of states that can participate in our Ultimate Test Drive retail car sales program, which offers customers the ability to purchase Avis and Budget rental vehicles through a collaboration with AutoNation, Inc.

For 2013, our average monthly car rental fleet size ranged from a low of approximately 418,000 vehicles in January to a high of approximately 599,000 vehicles in July. Our average monthly car rental fleet size typically peaks in the summer months. Average fleet utilization for 2013, which is based on the number of rental days (or portion thereof) that vehicles are rented compared to the total amount of time that vehicles are available for rent, ranged from 66% in January to 78% in August. Our calculation of utilization may not be comparable to other companies' calculation of similarly titled statistics. We are also taking actions to realize fleet utilization benefits and savings by combining a portion of our car rental and car sharing fleets at times to reduce the number of unutilized Zipcars during the week and to better satisfy Zipcar's unmet weekend demand.

We place a strong emphasis on vehicle maintenance for customer safety and customer satisfaction reasons, and because quick and proper repairs are critical to fleet utilization. To accomplish this task we employ a fully-certified National Institute for Automotive Service Excellence technician instructor and have developed a specialized training program for our technicians, who operate in approximately 105 maintenance and damage repair centers in North America. Our technician training department also prepares its own technical service bulletins that can be retrieved electronically at our repair locations.

CUSTOMER SERVICE

We believe our commitment to delivering a consistently high level of customer service across all of our brands is a critical element of our success and strategy. Our *Customer Led, Service Driven*[™] program focuses on improving the overall customer experience based on our research of customer service practices, improved customer insights, executing our customer relationship management strategy and delivering customer-centric employee training.

Our associates and managers at our Company-operated locations are trained and empowered to resolve most customer issues at the location level. In addition, we have simplified our rental agreements for both the Avis and Budget brands to make them easier for our customers to read and understand. We also continuously track customer satisfaction levels by sending location-specific surveys to recent customers and utilize detailed reports and tracking to assess and identify ways that we can improve our customer service delivery and the overall customer experience. In 2013, we received over 700,000 responses to our online customer satisfaction surveys. Our surveys ask customers to evaluate their overall satisfaction with their rental experience, among other things. Results are analyzed in aggregate and by location to help further enhance our service levels to our customers.

EMPLOYEES

As of December 31, 2013, we employed approximately 29,000 people worldwide, of whom approximately 7,000 were employed on a part-time basis. Of our approximately 29,000 employees, approximately 20,000 were employed in our North America and Truck Rental segments and 9,000 in our International segment.

In our North America and Truck Rental segments, the majority of our employees are at-will employees and, therefore, not subject to any type of employment contract or agreement. Certain of our executive officers may be employed under employment contracts that specify a term of employment and specify pay and other benefits. In our International segment, we enter into employment contracts and agreements in those countries in which such relationships are mandatory or customary. The provisions of these agreements correspond in each case with the required or customary terms in the subject jurisdiction. Many of our employees are covered by a wide variety of union contracts and governmental regulations affecting, among other things, compensation, job retention rights and pensions.

As of December 31, 2013, approximately 35% of our employees in each of our North America, International and Truck Rental segments were covered by collective bargaining agreements with various labor unions. We believe our employee relations are satisfactory. We have never experienced a large-scale work stoppage.

AIRPORT CONCESSION AGREEMENTS

We generally operate our vehicle rental and car sharing services at airports under concession agreements with airport authorities, pursuant to which we typically make airport concession payments and/or lease payments. In general, concession fees for on-airport locations are based on a percentage of total commissionable revenue (as defined by each airport authority), subject to minimum annual guaranteed amounts. Concessions are typically awarded by airport authorities every three to five years based upon competitive bids. Our concession agreements with the various airport authorities generally impose certain minimum operating requirements, provide for relocation in the event of future construction and provide for abatement of the minimum annual guarantee in the event of extended low passenger volume.

OTHER BUSINESS CONSIDERATIONS

SEASONALITY

Our car rental business is subject to seasonal variations in customer demand patterns, with the spring and summer vacation periods representing our peak seasons. Our truck rental operations also experience higher levels of demand during the late spring and summer months when most self-moves occur, with the third quarter typically being our busiest quarter. Generally, however, December is also a strong month for our truck rental operations due to increased retail sales activity and package deliveries. Our Zipcar operations are also subject to seasonality due to increased usage during the summer months and holidays. We vary our fleet size over the course of the year to help manage any seasonal variations in demand, as well as localized changes in demand.

COMPETITION

The competitive environment for the vehicle rental industry is generally characterized by intense price and service competition among global, local and regional competitors. Competition in our vehicle rental operations is based primarily upon price, customer service quality, including usability of booking systems and ease of rental and return, vehicle availability, reliability, rental locations, product innovation and national or international distribution. In addition, competition is also influenced strongly by advertising, marketing and brand reputation.

The use of technology has increased pricing transparency among vehicle rental companies by enabling cost-conscious customers to more easily compare on the Internet and their mobile devices the rental rates available from various vehicle rental companies for any given rental. This transparency has further increased the prevalence and intensity of price competition in the industry.

Our car rental and car sharing operations compete primarily with Enterprise Holdings, Inc., which operates the Enterprise brand worldwide and the National and Alamo car rental brands in North America; Europcar Group, which operates the Europcar, National and Alamo brands in Europe; Hertz Global Holdings, Inc., which operates the Hertz, Dollar and Thrifty brands; and Sixt AG. We also compete with smaller regional car rental and car sharing companies. Our truck rental operations compete primarily with U-Haul International, Inc., and Penske Truck Leasing Corporation, as well as other smaller regional companies.

INSURANCE AND INSURANCE RELATED PRODUCTS

Our vehicle rental operations and corporate operations expose us to various types of claims for personal injury, death and property damage related to the use of our vehicles and/or properties, as well as general employment-related matters stemming from our operations. We generally assume the risk of liability to third parties arising from vehicle rental services in the United States, Canada, Puerto Rico and the U.S. Virgin Islands, in accordance with the minimum financial responsibility requirements ("MFRs") and primacy of coverage laws of the relevant jurisdiction. In certain cases, we assume liability above applicable MFRs, but to no more than \$1 million per occurrence, other than in cases involving a negligent act on the part of the Company, for which we purchase insurance coverage for exposures beyond retained amounts from a combination of unaffiliated excess insurers. With respect to our Zipcar operations, in 2013 we transitioned coverage of our fleet from unaffiliated insurers to the Company's insurance program.

In Europe, we insure the risk of liability to third parties arising from vehicle rental services in accordance with local regulatory requirements through a combination of reinsurance and self-insurance, subject to certain limits, provided by our captive insurance subsidiary, AEGIS Motor Insurance Limited, or through the use of insurance products offered by unaffiliated insurers. Our retained liabilities in Europe are capped as AEGIS purchases reinsurance from an unaffiliated insurer to limit its exposure. We insure the risk of liability to third parties in Argentina, Australia and New Zealand through a combination of unaffiliated insurers and one of our affiliates. These insurers provide insurance coverage supplemental to minimum local requirements.

We offer our U.S. customers a range of optional insurance products and coverages such as supplemental liability insurance, personal accident insurance, personal effects protection, physical damage waivers, automobile towing protection and cargo insurance, which create additional risk exposure for us. When a customer elects to purchase supplemental liability insurance or other optional insurance related products, we typically retain economic exposure to loss, since the insurance is provided by an unaffiliated insurer that is reinsuring its exposure through

our captive insurance subsidiary, Constellation Reinsurance Co., Ltd. Additional personal accident insurance offered to our customers in Europe is underwritten by a third-party insurer, and reinsured by our Avis Budget Europe International Reinsurance Limited subsidiary. We also maintain excess insurance coverage through unaffiliated carriers to help mitigate our potential exposure to large liability losses. We otherwise bear these and other risks, except to the extent that the risks are transferred through insurance or contractual arrangements.

OUR INTELLECTUAL PROPERTY

We rely primarily on a combination of trademark, trade secret and copyright laws, as well as contractual provisions with employees and third parties, to establish and protect our intellectual property rights. The service marks “Avis,” “Budget,” and “Zipcar” and related marks or designs incorporating such terms and related logos and marks such as “We try harder,” and “wheels when you want them” are material to our vehicle rental and car sharing businesses. Our subsidiaries and licensees actively use these marks. All of the material marks used by Avis, Budget and Zipcar are registered (or have applications pending for registration) with the United States Patent and Trademark Office as well as in foreign jurisdictions. Our subsidiaries own the marks and other intellectual property, including the Wizard system, used in our business. We also own trademarks and logos related to the “Apex Car Rental” brand in Australia and New Zealand and related to the “Payless Car Rental” brand in the United States and several other countries.

CORPORATE SOCIAL RESPONSIBILITY

The Company strives to maintain best practices in corporate social responsibility, which includes an emphasis on the several key initiatives, including a global ethics program for all employees worldwide; data protection guidelines aimed at protecting Company and customer data; a competitive employee benefits program; commitments to equal employment opportunities and diversity; offering fuel-efficient rental vehicles; and a commitment to corporate philanthropy through which we give back to the communities in which we operate.

- *Ethical Standards.* We seek to hold our employees to high ethical standards. We place great emphasis on professional conduct, safety and security, information protection and integrity. Our employees are required to follow our Code of Conduct and Business Principles. Our Code of Conduct represents the core of our business philosophy and values and covers numerous areas, including standards of work-related behavior; security of information, systems and other assets; conflicts of interest; securities laws; and community service. We provide employees with training to help understand both our Code of Conduct and how to interpret it in various situations. Failure to comply with our Code of Conduct is grounds for disciplinary action, up to and including termination of employment.
- *Data Protection.* We are committed to taking appropriate measures to properly secure information, records, systems and property. Employees are trained to take particular precautions to protect the Company, our employees, vendors and customers, and, in many cases, themselves, from the unlawful or inappropriate use or disclosure of that information.
- *Employee Benefits Programs.* Our employees are critical to our success. To ensure their well-being and professional growth we generally offer a competitive salary plus incentive compensation potential and comprehensive benefits. In addition, we offer health and welfare benefits that may include a range of training, employee assistance and personal development programs to help employees and their families prosper. Our employee benefits programs are all offered and administered in compliance with applicable local law.
- *Equal Opportunity Employment.* We are committed to providing equal employment opportunity to all applicants and employees without regard to race, color, religion, sex, sexual orientation, age, marital status, national origin, citizenship, physical or mental disability, military veteran status, or any other protected classification under any applicable law. In addition, the Company will reasonably accommodate known disabilities and religious beliefs of employees and qualified applicants.
- *Diversity.* As a growing global organization, the Company is proud of the diversity of its workforce. We strive to attract and retain talented and diverse people throughout our organization. We engage in several initiatives to support diversity throughout our Company, including programs specifically designed to develop female leaders in our organization and our commitment to assisting current and former military

personnel. The Company also maintains an industry-leading supplier diversity program to promote the growth and development of suppliers who are disadvantaged, minority-owned or women-owned business enterprises.

- *Environment.* The Company has taken numerous steps to minimize its environmental impact, including contracting with licensed vendors to recycle used motor oil, oil filters, parts and brake cleaner fluids. Car washes installed at our facilities typically recycle and reuse at least 80 percent of their wastewater. Many of our model-year 2013 and 2014 vehicles are EPA SmartWay Certified by the United States Environmental Protection Agency as “green” vehicles. Our rental fleet also includes gas/electric hybrid vehicles which offer outstanding fuel efficiency and reduced emissions.
- *Philanthropy.* The Company is committed to supporting the communities in which it operates by working with nonprofit organizations focused on assisting those in need. Through relationships with widely-recognized charitable groups and outreach through the Avis Budget Group Charitable Foundation and employee volunteer teams, the Company and its employees contribute to many worthwhile organizations and deserving causes that help improve our communities.

REGULATION

We are subject to a wide variety of laws and regulations in the United States and internationally, including those relating to, among others, consumer protection, insurance products and rates, franchising law, customer privacy and data protection, competition, environmental matters, taxes, automobile-related liability, corruption, labor and employment matters, cost and fee recovery, the protection of our trademarks and other intellectual property, and local ownership or investment requirements. Additional information about the regulations that we are subject to can be found in Item 1A - Risk Factors in this Annual Report.

COMPANY INFORMATION

Our principal executive office is located at 6 Sylvan Way, Parsippany, New Jersey 07054 (our telephone number is 973-496-4700). The Company files electronically with the Securities and Exchange Commission (the “SEC”) required reports on Form 8-K, Form 10-Q, Form 10-K and Form 11-K; proxy materials; ownership reports for insiders as required by Section 16 of the Securities Exchange Act of 1934; registration statements and other forms or reports as required. Certain of the Company’s officers and directors also file statements of changes in beneficial ownership on Form 4 with the SEC. The public may read and copy any materials that the Company has filed with the SEC at the SEC’s Public Reference Room located at 100 F Street, NE, Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 800-SEC-0330. Such materials may also be accessed electronically on the SEC’s Internet site (sec.gov). The Company maintains a website (avisbudgetgroup.com) and copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 reports, proxy materials and any amendments to these reports filed or furnished with the SEC are available free of charge in the Investor Relations section of our website, as soon as reasonably practicable after filing with the SEC. Copies of our board committee charters, Codes of Conduct and Ethics, Corporate Governance Guidelines and other corporate governance information are also available on our website. If the Company should decide to amend any of its board committee charters, Codes of Conduct and Ethics or other corporate governance documents, copies of such amendments will be made available to the public through the Company’s website. The information contained on the Company’s website is not included in, or incorporated by reference into, this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

The following is a cautionary discussion of the most significant risks, uncertainties and assumptions that we believe are significant to our business and should be considered carefully in conjunction with all of the other information set forth in this Annual Report on Form 10-K. In addition to the factors discussed elsewhere in this report, the factors described in this item could, individually or in the aggregate, cause our actual results to differ materially from those described in any forward-looking statements. Should unknown risks or uncertainties materialize or underlying assumptions prove inaccurate, actual results could materially differ from past results and/or those anticipated, estimated or projected. Achievement of future results is subject to risks, uncertainties and potentially inaccurate assumptions. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

RISKS RELATED TO OUR BUSINESS***We face risks related to the high level of competition in the vehicle rental industry.***

The vehicle rental industry is highly competitive, with price being one of the primary competitive factors. We risk losing rental volume to the extent that our competitors reduce their pricing and we do not match or provide competitive pricing or if price increases we seek to implement make us less competitive. If competitive pressures lead us to lose rental volume or match any downward pricing and we are unable to reduce our operating costs, then our financial condition or results of operations could be materially adversely impacted.

Additionally, pricing in the industry is impacted by the size of rental fleets and the supply of vehicles available for rent. Any significant fluctuations in the supply of rental vehicles available in the market due to an unexpected decrease in demand, or actions taken by our competitors to increase market share by acquiring more fleet could negatively affect our pricing, operating plans or results of operations if we are unable to adjust the size of our rental fleet in response to fluctuations in demand.

The risk of competition on the basis of pricing in the truck rental industry can be even more intense than in the car rental industry because it can be more difficult to reduce the size of our truck rental fleet in response to reduced demand.

We face risks related to fleet costs.

Fleet costs typically represent our single largest expense and can vary from year to year based on the prices that we are able to purchase and dispose of our rental vehicles. In 2013, on average approximately 37% of our 2013 rental car fleet was comprised of program cars or vehicles subject to operating leases. Such program cars enable us to determine our depreciation expense in advance of purchase, which is a significant component of our fleet costs. However, as discussed below, such program cars result in additional exposure to the manufacturers with whom we have such agreements.

We source our fleet needs from a wide range of auto manufacturers. To the extent that any of these auto manufacturers significantly curtail production or increase the cost of purchasing program cars, we may be unable to obtain a sufficient number of vehicles to operate our business without significantly increasing our fleet costs or reducing our volumes.

Automobile manufacturers may not continue to sell program cars to us on terms or at prices consistent with past agreements. Our program car purchases also generally provide us with flexibility to reduce the size of our fleet rapidly in response to seasonal demand fluctuations, economic constraints or other changes in demand. This flexibility may be reduced in the future to the extent that we reduce the percentage of program cars in our car rental fleet or features of the programs are altered.

Failure by a manufacturer to fulfill its obligations under any program agreement or incentive payment obligation could leave us with a material expense if we are unable to dispose of program cars at prices estimated at the time of purchase or with a substantial unpaid claim against the manufacturer, particularly with respect to program cars that were either (i) resold for an amount less than the amount guaranteed under the applicable program and therefore subject to a "true-up" payment obligation from the manufacturer; or (ii) returned to the manufacturer but for which we were not yet paid, and therefore we could incur a substantial loss as a result of such failure to

perform. Any reduction in the market value of the vehicles in our fleet could effectively increase our fleet costs, adversely impact our profitability and potentially lead to decreased capacity in our asset-backed car rental funding facilities due to the collateral requirements for such facilities that effectively increase as market values for vehicles decrease.

The costs of our non-program vehicles may also be adversely impacted by the relative strength of the used car market, particularly the market for one- to two-year old used vehicles. We currently sell non-program vehicles through auctions, third-party resellers and other channels in the used vehicle marketplace. Such channels may not produce stable used vehicle prices. A reduction in residual values for non-program vehicles in our rental fleet could cause us to sustain a substantial loss on the ultimate sale of such vehicles or require us to depreciate those vehicles at a more accelerated rate while we own them.

If our ability to sell vehicles in the used vehicle marketplace were to become severely limited at a time when required collateral levels were rising, the outstanding principal amount due under our asset-backed financing facilities may be required to be repaid sooner than anticipated with vehicle disposition proceeds and lease payments we make to our vehicle program subsidiaries. If that were to occur, the holders of our asset-backed debt may have the ability to exercise their right to instruct the trustee to direct the return of program cars and/or the sale of risk cars to generate proceeds sufficient to repay such debt.

We face risks related to safety recalls.

Our vehicles may be subject to safety recalls by their manufacturers that could have an adverse impact on our business when we remove such recalled vehicles from our rentable fleet. The recalls may cause us to incur incremental costs as we retrieve vehicles from customers, which may ultimately cause us to decide not to re-rent vehicles until we can arrange for the repairs described in the recalls to be completed. If a large number of vehicles were to be the subject of simultaneous recalls, or if needed replacement parts were not in adequate supply, we may be unable to re-rent recalled vehicles for a significant period of time. We could also face liability claims related to vehicles subject to a safety recall. Depending on the nature and severity of the recall, it could create customer service problems, reduce the residual value of the vehicles involved, harm our general reputation and/or have an adverse impact on our financial condition or results of operations.

Weakness in general economic conditions in the United States, Europe and other areas in which we operate, weakness in travel demand and the housing market, and/or a significant increase in fuel costs can adversely impact our business.

If economic conditions in the United States, Europe and/or worldwide were to weaken, our financial condition or results of operations could be adversely impacted.

Any significant airline capacity reductions, airfare or related fee increases, reduced flight schedules, or any events that disrupt or reduce business or leisure air travel such as work stoppages, military conflicts, terrorist incidents, natural disasters, disease epidemics, or the response of governments to any such events, could have an adverse impact on our results of operations. Likewise, any significant increases in fuel prices, a severe protracted disruption in fuel supplies or rationing of fuel could discourage our customers from renting vehicles or reduce or disrupt air travel, which could also adversely impact our results of operations.

Our truck rental business can be impacted by the housing market. If conditions in the housing market were to weaken, we may see a decline in truck rental transactions, which could have an adverse impact on our business.

We face risks related to our ability to successfully implement our business strategies and preserve the value of our brands.

Our objective is to focus on strategically accelerating growth, strengthening our global position as a leading provider of vehicle rental services, continuing to enhance our customers' rental experience and controlling costs and driving efficiency throughout the organization. If we are unsuccessful in implementing our strategic initiatives, our financial condition or results of operations could be adversely impacted.

Failure to provide a high-quality reservation and rental experience for our customers and members for any reason could substantially harm our reputation and adversely impact our financial condition or results of operations.

We face risks related to our Zipcar operations.

We expect that the competitive environment for our car sharing services will become more intense as additional companies enter our existing markets or try to expand their operations. Competitors could introduce new solutions with competitive price and convenience characteristics or undertake more aggressive marketing campaigns than we provide. Such developments could adversely impact our business and result of operations should we be unable to compete with such efforts.

Because Zipcar members are located primarily in cities, we compete for limited parking locations that are convenient to our members or are available on terms that are commercially reasonable to our business. If we are unable to obtain and maintain a sufficient number of parking locations that are convenient to our members, our ability to attract and retain members would suffer.

We expect to achieve significant benefits from integrating certain Zipcar operations, such as vehicle maintenance and fleet procurement and disposition, with our existing infrastructure and by sharing fleet between Zipcar and our other brands. To realize such benefits, we must successfully combine and integrate portions of our car rental and car sharing operations in an efficient and effective manner. If we are unable to achieve these objectives within the anticipated time frame, or at all, the anticipated benefits and cost savings of the acquisition may not be realized fully, or at all, or may take longer to realize than expected.

We face risks related to political, economic and commercial instability in the countries in which we operate.

Our global operations are dependent upon products manufactured, purchased and sold in the United States and internationally, including in countries with political and economic instability. Operating and seeking to expand business in a number of different regions and countries exposes us to a number of risks, including:

- multiple and potentially conflicting laws, regulations and policies that are subject to change;
- the imposition of currency restrictions, restrictions on repatriation of earnings or other restraints;
- local ownership or investment requirements, as well as difficulties in obtaining financing in foreign countries for local operations;
- varying tax regimes, including consequences from changes in applicable tax laws;
- national and international conflict, including terrorist acts; and
- political and economic instability or civil unrest that may severely disrupt economic activity in affected countries.

The occurrence of one or more of these events may adversely impact our financial condition or results of operations. Our licensees' vehicle rental operations may also be impacted by political, economic and commercial instability, which in turn could impact the amount of royalty payments they make to us.

We face risks related to third-party distribution channels that we rely upon.

In 2013, we generated approximately 47% of our car rental reservations through third-party distribution channels, which include:

- traditional and online travel agencies, airlines and hotel companies, marketing partners such as credit card companies and membership organizations and other entities that help us attract customers; and
- global distribution systems, such as Amadeus, Galileo/Apollo, Sabre and Worldspan that connect travel agents, travel service providers and corporations to our reservations systems.

Changes in our pricing agreements, commission schedules or arrangements with third-party distribution channels, the termination of any of our relationships or a reduction in the transaction volume of such channels, or a GDS's inability to process and communicate reservations to us could have an adverse impact on our financial condition or results of operations, particularly if our customers are unable to access our reservation systems through alternate channels.

We face risks related to our leases and vehicle rental concessions.

We lease or have vehicle rental concessions at locations throughout the world, including at airports both in the United States and internationally and train stations throughout Europe where vehicle rental companies are frequently required to bid periodically for the available locations. If we were to lose any lease or vehicle rental concession, particularly at an airport or a train station in a major metropolitan area, there can be no assurance that we would be able to find a suitable replacement on reasonable terms and our business could be adversely impacted.

We face risks related to the seasonality of our business.

In our business, the third quarter of the year has historically been our strongest quarter due to the increased level of summer leisure travel and household moving activity. We vary our fleet size over the course of the year to help manage seasonal variations in demand, as well as localized changes in demand that we may encounter in the various regions in which we operate. In 2013, the third quarter accounted for 30% of our total revenue for the year and was our most profitable quarter as measured by Adjusted EBITDA. Any circumstance or occurrence that disrupts rental activity during the third quarter could have a disproportionately adverse impact on our financial condition or results of operations.

We face risks related to acquisitions, including the acquisition of existing licensees or investments in other related businesses.

We may engage in strategic transactions, including the acquisition of or investment in existing licensees and/or other related businesses. The risks involved in engaging in these strategic transactions include the possible failure to successfully integrate the operations of acquired businesses, or to realize the expected benefits of such transactions within the anticipated time frame, or at all, such as cost savings, synergies or sales or growth opportunities. In addition, the integration may result in material unanticipated challenges, expenses, liabilities or competitive responses, including:

- inconsistencies between our standards, procedures and policies and those of the acquired business;
- the increased scope and complexity of our operations could require significant attention from management and could impose constraints on our operations or other projects;
- unforeseen expenses, delays or conditions, including required regulatory or other third-party approvals or consents;
- the costs of compliance with U.S. and international laws and regulations, including the acquisition or assumption of unexpected liabilities, litigation, penalties or other enforcement actions;
- provisions in our and the acquired business's contracts with third parties that could limit our flexibility to take certain actions or our ability to retain customers;
- higher than expected costs may arise due to unforeseen changes in tax, trade, environmental, labor, safety, payroll or pension policies;
- higher than expected investments may be required to implement necessary compliance processes and related systems, including accounting systems and internal controls over financial reporting;
- limitations on, or costs associated with, workforce reductions;

- the Company may fail to implement its strategy for a particular acquisition, including successfully integrating the acquired business;
- the Company may fail to retain, motivate and integrate key management and other employees of the acquired business; and
- the possibility of other costs or inefficiencies associated with the integration and consolidation of operational and administrative systems, processes and infrastructures of the combined company.

Any one of these factors could result in delays, increased costs or decreases in the amount of expected revenues related to combining the companies and could adversely impact our financial condition or results of operations.

We face risks related to our derivative instruments.

We typically utilize derivative instruments to manage fluctuations in interest rates, gas prices and foreign exchange rates. The derivative instruments we use to manage our risk are usually in the form of interest rate and commodity swaps and foreign exchange forward and swap agreements. Periodically, we are required to determine the change in fair value, called the “mark to market,” of some of these derivative instruments, which could expose us to substantial mark-to-market losses or gains if such rates or prices fluctuate materially from the time the derivatives were entered into. Accordingly, volatility in rates or prices may adversely impact our financial position or results of operations and could impact the cost and effectiveness of our derivative instruments in managing our risks.

We face risks related to fluctuations in currency exchange rates.

Our international operations generate revenue and incur operating costs in a variety of currencies. The financial position and results of operations of many of our foreign subsidiaries are reported in the relevant local currency and then translated to U.S. dollars at the applicable currency exchange rate for inclusion in our consolidated financial statements. Changes in exchange rates among these currencies and the U.S. dollar will affect the recorded levels of our assets and liabilities in our financial statements. While we take steps to manage our currency exposure, such as currency hedging, we may not be able to effectively limit our exposure to intermediate- or long-term movements in currency exchange rates, which could adversely impact our financial condition or results of operations.

We face risks related to liability and insurance.

Our businesses expose us to claims for personal injury, death and property damage related to the use of our vehicles, having our customers on our premises and for workers' compensation claims and other employment-related claims by our employees. We may become exposed to uninsured liability at levels in excess of our historical levels resulting from unusually high losses or otherwise. In addition, liabilities in respect of existing or future claims may exceed the level of our reserves and/or our insurance, which could adversely impact our financial condition and results of operations. Furthermore, insurance with unaffiliated insurers may not continue to be available to us on economically reasonable terms or at all. Should we experience significant liability for which we did not plan, our results of operations and financial position could be negatively impacted.

We reinsure certain insurance exposures as well as the optional insurance coverages that we offer through unaffiliated third-party insurers, which subjects us to regulation under various insurance statutes, including insurance holding company statutes, of the jurisdictions in which our insurance company subsidiaries are domiciled. Any changes in regulations that alter or impede our reinsurance obligations or subsidiary operations in all or certain jurisdictions could adversely impact the economic benefits that we rely upon to support our reinsurance efforts, which in turn would adversely impact our financial condition or results of operations.

Optional insurance products that we offer to renters in the United States, including, but not limited to, supplemental liability insurance, personal accident insurance and personal effects protection, are regulated under state laws governing such products. Our car rental operations in Europe must comply with certain European Union regulations regarding the sale of personal accident insurance by intermediaries. In our other international car rental operations, our offering of optional insurance coverages has not historically been regulated. Any changes in U.S. or international laws that change our operating requirements with respect to optional insurance

products could increase our costs of compliance or make it uneconomical to offer such products, which would lead to a reduction in revenue and profitability. Should more of our customers decline purchasing supplemental liability insurance products as a result of any changes in these laws or otherwise, our financial condition or results of operations could be adversely impacted.

We offer loss damage waivers to our customers as an option for them to reduce their financial liability that may be incurred as a result of loss or damage to the rental vehicle. Certain states in the United States have enacted legislation that mandates disclosure to each customer at the time of rental that damage to the rented vehicle may be covered to some extent by the customer's personal automobile insurance and that loss damage waivers may not be necessary. In addition, some states have statutes that establish or cap the daily rate that can be charged for loss damage waivers. Should new state or federal laws or regulations arise that place new limits on our ability to offer loss damage waivers to our customers, our financial condition or results of operations could be adversely impacted.

If the current federal law that pre-empted state laws that imputed tort liability solely based on ownership of a vehicle involved in an accident were to change, our insurance liability exposure could materially increase.

Costs associated with lawsuits or investigations or increases in the legal reserves that we establish based on our assessment of contingent liabilities may have an adverse effect on our results of operations.

We are involved in various claims and lawsuits and other legal proceedings that arise in and outside of the ordinary course of our business. From time to time, the vehicle rental industry may be reviewed or investigated by regulators, which could lead to tax assessments, enforcement actions, fines and penalties or the assertion of private litigation claims. It is not possible to predict with certainty the outcome of claims, investigations and lawsuits, and we could in the future incur judgments, taxes, fines or penalties or enter into settlements of lawsuits and claims that could have an adverse impact on our financial condition or results of operations. In addition, while we maintain insurance coverage with respect to certain claims, we may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims.

As required by U.S. generally accepted accounting principles ("GAAP"), we establish reserves based on our assessment of contingencies, including contingencies related to legal claims asserted against us. Subsequent developments may affect our assessment and estimates of the loss contingency recorded as a reserve and require us to make payments in excess of our reserves, which could have an adverse effect on our financial condition or results of operations.

We face risks related to U.S. and international laws and regulations that could impact our global operations.

We are subject to multiple, and sometimes conflicting, U.S. and international laws and regulations related to, among others, consumer protection, competition, customer privacy and data protection, franchising, fraud and anti-bribery, environmental matters, taxes, automobile-related liability, labor and employment matters, currency-exchange and other various banking and financial industry matters, health and safety, insurance rates and products, claims management, protection of our trademarks and other intellectual property and other trade-related laws and regulations in numerous jurisdictions. Recent years have seen a substantial increase in the global enforcement of certain of these laws such as the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and similar foreign laws and regulations. Our continued operation and expansion outside of the United States, including in developing countries, could increase the risk of governmental investigations and violations of such laws. We cannot predict the nature, scope or effect of future regulatory requirements to which our global operations may be subject or the manner in which existing or future laws may be administered or interpreted. Any alleged or actual violations of any law or regulation, change in law or regulation or in the interpretation of existing laws or regulations may subject us to government scrutiny, investigation and civil and criminal penalties, may limit our ability to provide services in any of the countries in which we operate and could result in a material adverse impact on our reputation, business, financial position or results of operations.

In the United States and certain other international locations where we have Company-operated locations, we may recover from consumers various costs associated with the title and registration of our vehicles and certain

costs, including concession costs imposed by an airport authority or the owner and/or operator of the premises from which our vehicles are rented. We may in the future be subject to potential U.S. or international laws or regulations that could negatively impact our ability to separately state, charge and recover such costs, which could adversely impact our financial condition or results of operations.

With respect to U.S. and international consumer privacy and data protection laws and regulations in the jurisdictions in which we operate, we may be limited in the types of information that we may collect about individuals with whom we deal or propose to deal, as well as how we collect, process and retain the information that we are permitted to collect, some of which may be non-public personally identifiable information. The centralized nature of our information systems requires the routine flow of information about customers and potential customers across national borders, particularly in the United States and Europe. If this flow of information were to become illegal, or subject to onerous restrictions, our ability to serve our customers could be negatively impaired for an extended period of time. In addition, our failure to maintain the security of the data we hold, whether as a result of our own error or the actions of others, could harm our reputation or give rise to legal liabilities that adversely impact our financial condition or results of operations. Privacy and data protection regulations impact the ways that we process our transaction information and increase our compliance costs. In addition, the Payment Card Industry imposes strict customer credit card data security standards to ensure that our customers' credit card information is protected. Failure to meet these data security standards could result in substantial increased fees to credit card companies, other liabilities and/or loss of the right to collect credit card payments, which could adversely impact our financial condition or results of operations.

We face risks related to environmental laws and regulations.

We are subject to a wide variety of environmental laws and regulations in the United States and internationally in connection with our operations, including, among other things, with respect to the ownership or use of tanks for the storage of petroleum products, such as gasoline, diesel fuel and motor and waste oils; the treatment or discharge of waste waters; and the generation, storage, transportation and off-site treatment or disposal of solid or liquid wastes. We maintain liability insurance covering our storage tanks. In the United States, we have instituted an environmental compliance program designed to ensure that these tanks are properly registered in the jurisdiction in which they are located and are in compliance with applicable technical and operational requirements. We are also subject to various environmental regulatory requirements in other countries in which we operate. The tank systems located at each of our locations may not at all times remain free from undetected leaks, and the use of these tanks may result in significant spills, which may require remediation and expose us to material liabilities.

We may also be subject to requirements related to the remediation of substances that have been released into the environment at properties owned or operated by us or at properties to which we send substances for treatment or disposal. Such remediation requirements may be imposed without regard to fault and liability for environmental remediation can be substantial. These remediation requirements and other environmental regulations differ depending on the country where the property is located. We have made, and will continue to make, expenditures to comply with environmental laws and regulations, including, among others, expenditures for the remediation of contamination at our owned and leased properties, as well as contamination at other locations at which our wastes have reportedly been identified. Our compliance with existing or future environmental laws and regulations may, however, require material expenditures by us or otherwise have an adverse impact on our financial condition or results of operations.

The U.S. Congress and other legislative and regulatory authorities in the United States and internationally have considered, and will likely continue to consider, numerous measures related to climate change and greenhouse gas emissions. Should rules establishing limitations on greenhouse gas emissions or rules imposing fees on entities deemed to be responsible for greenhouse gas emission become effective, demand for our services could be affected, our fleet and/or other costs could increase, and our business could be adversely impacted.

We face risks related to changes in healthcare laws.

In 2010, the United States enacted significant healthcare reform laws, many of which have provisions that take effect in 2014. Due to the breadth and complexity of the legislation, uncertainty regarding the effect of these laws on healthcare costs generally, and uncertainty regarding how large employers will respond to the new laws and regulations, it is difficult to predict the overall impact of these laws on our business over the coming years. Significant increases in costs due either to the new laws or general healthcare cost increases could adversely impact our financial condition or results of operations, expose us to expanded liability, adversely impact our ability to attract or retain employees, or require us to revise the ways in which we conduct business.

We face risks related to franchising or licensing laws and regulations.

We sometimes sell licenses to third parties to operate locations under our brands in exchange for the payment of a royalty by the third-party licensee. Our licensing activities and sales are subject to various state and federal laws and regulations. In particular, the U.S. Federal Trade Commission requires that we make extensive disclosure to prospective licensees but does not require registration. A number of states require registration and/or disclosure in connection with licensing offers and sales, as well as franchise relationship laws that could limit our ability to, among other things, terminate license agreements or withhold consent to the renewal or transfer of these agreements. We are also subject to certain regulations affecting our license arrangements in Europe and other international locations. Although our licensing operations have not been materially adversely affected by such existing regulations, such regulations could have a greater impact on us if we were to become more active in granting or selling new licenses to third parties. Should our operations become subject to new laws or regulations that negatively impact our ability to engage in licensing activities, our financial condition or results of operations could be adversely impacted.

We face risks related to the actions of, or failures to act by, our licensees, dealers or independent operators.

Our vehicle rental licensee and dealer locations are independently owned and operated. We also operate many of our Company-owned locations through agreements with “agency operators,” which are third-party independent contractors who receive commissions to operate such locations. Our agreements with our licensees, dealers and agency operators (“third-party operators”) generally require that they comply with all laws and regulations applicable to their businesses, including our internal policies and standards. Under these agreements, third-party operators retain control over the employment and management of all personnel at their locations. Regulators, courts or others may seek to hold us responsible for the actions of, or failures to act by third-party operators. Although we actively monitor the operations of these third-party operators, and under certain circumstances have the ability to terminate their agreements for failure to adhere to contracted operational standards, we are unlikely to detect all problems. Moreover, there are occasions when the actions of third-party operators may not be clearly distinguishable from our own. It is our policy to vigorously seek to be dismissed from any such claims involving third-party operators and to pursue indemnity for any adverse outcomes that affect our Company. Failure of third-party operators to comply with laws and regulations may expose us to liability, damages and negative publicity that may adversely impact our financial condition or results of operations.

We face risks related to our reliance on communications networks and centralized information systems.

We rely heavily on the satisfactory performance and availability of our information systems, including our reservation systems, websites and network infrastructure to attract and retain customers, accept reservations, process rental and sales transactions, manage our fleet of vehicles, account for our activities and otherwise conduct our business. We have centralized our information systems, and we rely on communications service providers to link our systems with the business locations these systems were designed to serve. A failure or interruption that results in the unavailability of any of our information systems, or a major disruption of communications between a system and the locations it serves, could cause a loss of reservations, interfere with our fleet management, slow rental and sales processes, create negative publicity that damages our reputation or otherwise adversely impacts our ability to manage our business effectively. We may experience temporary system interruptions for a variety of reasons, including network failures, power outages, cyber-attacks, software errors or an overwhelming number of visitors trying to access our systems during periods of strong demand. Because we are dependent in part on independent third parties for the implementation and maintenance of certain aspects of our systems and because some of the causes of system interruptions may be outside of our control, we may not be able to remedy such interruptions in a timely manner, or at all. Our systems' business continuity plans and insurance programs seek to mitigate such risks but they cannot fully eliminate the risk that a disruption could be experienced in any of our information systems.

We face risks related to protecting the confidential information of our customers against security breaches, including cyber-security breaches.

Third parties may have the technology or expertise to breach the security of our customer transaction data and our security measures may not prevent physical security or cyber-security breaches, which could result in substantial harm to our business, our reputation or our results of operations. We rely on encryption and/or authentication technology licensed and, at times, administered by independent third parties to secure transmission of confidential information, including credit card numbers. Our outsourcing agreements with these third-party service providers generally require that they have adequate security systems in place to protect our customer transaction data. However, advances in computer capabilities, new discoveries in the field of cryptography or other cyber-security developments could render our security systems and technology or those employed by our third-party service providers vulnerable to a breach. In addition, anyone who is able to circumvent our security measures could misappropriate proprietary information or cause interruptions in our operations. Cyber-security risks such as malicious software and attempts to gain unauthorized access to data are rapidly evolving and could lead to disruptions in our reservation system or other data systems, unauthorized release of confidential or otherwise protected information or corruption of data. Any successful efforts by individuals to infiltrate, break into, disrupt, damage or otherwise steal from the Company's, its licensees' or its third-party service providers' security or information systems could damage our reputation and expose us to a risk of loss or litigation and possible liability that could adversely impact our financial condition or results of operations.

We face risks associated with our like-kind exchange program.

We utilize a like-kind exchange program whereby we replace vehicles in a manner that allows tax gains on vehicles sold in the United States to be deferred. The program has resulted in a material deferral of federal and state income taxes beginning in 2004. The benefit of deferral is dependent on reinvestment of vehicle disposition proceeds in replacement vehicles within a prescribed period of time (usually six months). An extended downsizing of our fleet could result in reduced deferrals, utilization of tax attributes and increased payment of federal and state income taxes that could require us to make material cash payments. Such a downsizing or reduction in purchases would likely occur if, and to the extent, we are unable to obtain financing when our asset-backed rental car financings mature or in connection with a significant decrease in demand for vehicle rentals. Therefore, we cannot offer assurance that the expected tax deferral will continue or that the relevant law concerning like-kind exchange programs will remain intact in its current form.

U.S. federal and state income tax laws, legislation or regulations governing like-kind exchange and accelerated depreciation deductions and the administrative interpretations of those laws, legislation or regulations are subject to amendment at any time. We cannot predict when or if any new federal or state income tax laws, legislation, regulations or administrative interpretations will be adopted and in what manner. Any such change could eliminate certain tax deferrals that are currently available with respect to like-kind exchange or accelerated depreciation

deductions, which would adversely impact our financial condition or results of operations by reducing or eliminating deferral of federal or state income taxes allowed for our U.S. vehicle rental fleet.

We face risks related to our protection of our intellectual property.

We have registered “Avis,” “Budget,” “Zipcar” and “Payless” and various related marks or designs, such as “We try harder,” and “wheels when you want them,” as trademarks in the United States and in certain other countries. At times, competitors may adopt service names similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered trademarks. From time to time, we have acquired or attempted to acquire Internet domain names held by others when such names have caused consumer confusion or had the potential to cause consumer confusion.

Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely impact our financial condition or results of operations.

We face risks related to our reliance on former subsidiaries to fulfill their obligations under the agreements related to their disposition.

We continue to manage the administration of certain legacy items which remain following our sales and spin-offs of several significant subsidiaries, including the spin-offs of Realogy Corporation (“Realogy”) and Wyndham Worldwide Corporation (“Wyndham Worldwide”). Realogy and Wyndham Worldwide have agreed to take responsibility or indemnify us for 62.5% and 37.5%, respectively, of certain contingent and other of our corporate liabilities including those relating to unresolved tax and legal matters as well as 100% of certain liabilities that relate to their respective businesses (the “Assumed Obligations”), including (i) all taxes imposed on us and certain of our subsidiaries and (ii) certain of our contingent and other corporate liabilities and/or those of our subsidiaries to the extent incurred prior to August 23, 2006. If either Realogy or Wyndham Worldwide were to default in its payment, when due, of any such Assumed Obligations, each non-defaulting party, including us, would be required to pay an equal portion of the defaulted amounts, and any such default may adversely impact our financial condition or results of operations. In conjunction with such indemnification, Realogy effectively controls the process for resolving disputes related to many of the Assumed Obligations. Realogy, Wyndham Worldwide and/or other separated companies are also required to indemnify us in respect of certain liabilities that relate to their respective businesses, including certain effective guarantees that result from either us or one of our subsidiaries remaining a named lessee on real estate leases pertaining to properties occupied by the separated companies as well as certain litigation that pertains to the businesses of such companies in which we are also named. Any failure by the separated companies to pay any of their assumed liabilities when due or to indemnify us when required may adversely impact our financial condition or results of operations.

RISKS RELATED TO OUR INDEBTEDNESS

We face risks related to our current and future debt obligations.

Our ability to satisfy and manage our debt obligations depends on our ability to generate cash flow and on overall financial market conditions. To some extent, this is subject to prevailing economic and competitive conditions and to certain financial, business and other factors, many of which are beyond our control. Our total debt as of December 31, 2013, was \$10.7 billion, requiring us to dedicate a significant portion of our cash flows to pay interest and principal on our debt, which reduces the funds available to us for other purposes. Our business may not generate sufficient cash flow from operations to permit us to service our debt obligations and meet our other cash needs, which may force us to reduce or delay capital expenditures, sell or curtail assets or operations, seek additional capital or seek to restructure or refinance our indebtedness. If we must sell or curtail our assets or operations, it may negatively affect our ability to generate revenue. Certain of our indebtedness contains restrictive covenants and provisions applicable to us and our subsidiaries that limit our ability to, among other things:

- incur additional debt to fund working capital, capital expenditures, debt service requirements, execution of our business strategy or acquisitions and other purposes;

- provide guarantees in respect of obligations of other persons;
- pay dividends or distributions, redeem or repurchase capital stock;
- prepay, redeem or repurchase debt;
- create or incur liens;
- make distributions from our subsidiaries;
- sell assets and capital stock of our subsidiaries;
- consolidate or merge with or into, or sell substantially all of our assets to, another person; and
- respond to adverse changes in general economic, industry and competitive conditions, as well as changes in government regulation and changes to our business.

Our failure to comply with the restrictive covenants contained in the agreements or instruments that govern our debt obligations, if not waived, would cause a default under the senior credit facility and could result in a cross-default under several of our other debt agreements including our U.S. and European asset-backed debt facilities. If such a failure were to occur, certain provisions in our various debt agreements could require that we repay or accelerate debt payments to the lenders or holders of our debt and there can be no assurance that we would be able to refinance or obtain a replacement for such financing programs.

We face risks related to movements or disruptions in the credit and asset-backed securities markets.

We finance our operations through the use of asset-backed securities and other debt financing structures available through the credit market. Our total asset-backed debt as of December 31, 2013, was approximately \$7.3 billion, with remaining available capacity of approximately \$3.5 billion. We maintain asset-backed facilities in the United States, Canada, Australia and Europe. If the asset-backed financing market were to be disrupted for any reason, we may be unable to obtain refinancing for our operations at current levels, or at all, when our asset-backed financings mature. Likewise, any disruption of the asset-backed financing market could also increase our borrowing costs, as we seek to engage in new financings or refinance our existing asset-backed financings. In addition, we could be subject to increased collateral requirements to the extent that we request any amendment or renewal of any of our existing asset-backed financings.

We face risks related to potential increases in interest rates.

A portion of our borrowings, primarily our vehicle-backed borrowings, bears interest at variable rates that expose us to interest rate risk. If interest rates were to increase, whether due to an increase in market interest rates or an increase in our own cost of borrowing, our debt service obligations for our variable rate indebtedness would increase even though the amount of borrowings remained the same, and our results of operations could be adversely affected. As of December 31, 2013, our total outstanding debt of approximately \$10.7 billion included unhedged interest rate sensitive debt of approximately \$1.9 billion. During our seasonal borrowing peak in 2013, outstanding unhedged interest rate sensitive debt totaled approximately \$4.3 billion.

Approximately \$600 million of our corporate indebtedness as of December 31, 2013, and virtually all of our \$7.3 billion of debt under vehicle programs, matures within the next five years. If we are unable to refinance maturing indebtedness at interest rates that are equivalent to or lower than the interest rates on our maturing debt, our results of operations or our financial condition may be adversely affected.

RISKS RELATED TO OUR COMMON STOCK

We face risks related to the market price of our common stock.

We cannot predict the prices at which our common stock will trade. The market price of our common stock experienced substantial volatility in the past and may fluctuate widely in the future, depending upon many factors, some of which may be beyond our control, including:

- our quarterly or annual earnings, or those of other companies in our industry, including our key suppliers;
- financial estimates that we provide to the public, any changes in such estimates, or our failure to meet such estimates;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of acquisitions, dispositions, strategies, marketing affiliations, projections, fleet costs, pricing actions or other competitive actions;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- changes in investors' and analysts' perceptions of our industry, business or related industries;
- the operating and stock price performance of other comparable companies;
- overall market fluctuations;
- success or failure of competitive service offerings or technologies;
- tax or regulatory developments in the United States or foreign countries;
- litigation involving us; and
- general economic conditions and conditions in the credit markets.

If any of the foregoing occurs, it could cause our stock price to fall and may expose us to litigation, including class action lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

Our shareholders' percentage of ownership may be diluted in the future.

Our shareholders' percentage of ownership may be diluted in the future due to equity issuances, conversion of our convertible senior notes due 2014 or equity awards that we granted or will grant to our directors, officers and employees. In addition, we may undertake acquisitions financed in part through public or private offerings of securities, or other arrangements. If we issue equity securities or equity-linked securities, the issued securities would have a dilutive effect on the interests of the holders of our common shares. Holders of our convertible senior notes may also convert their notes into up to approximately 4 million shares of our common stock. In 2013, we granted approximately 1.2 million restricted stock units and in January 2014, we granted approximately 580,000 restricted stock units. We also expect to grant restricted stock units, stock options and/or other types of equity awards in the future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal executive offices are located at 6 Sylvan Way, Parsippany, New Jersey 07054 pursuant to a lease agreement that expires in 2023. We own a facility in Virginia Beach, Virginia, which serves as a satellite administrative facility for our car and truck rental operations. We also lease office space in Tulsa, Oklahoma, and Boston, Massachusetts, pursuant to leases expiring in 2022 and 2023, respectively. These locations primarily provide operational and administrative services or contact center operations. We also lease office space in Bracknell, England, Budapest, Hungary and Barcelona, Spain, pursuant to leases expiring in 2022, 2018 and 2019, respectively, for corporate offices, contact center activities and other administrative functions, respectively, in Europe. There are approximately 20 other leased office locations throughout the world used for administrative, regional sales and operations activities.

We lease or have vehicle rental concessions for our brands at locations throughout the world. Avis operates approximately 1,400 locations in North America and approximately 1,250 international locations. Of those locations, approximately 280 in North America and approximately 200 outside of North America are at airports. Budget operates at approximately 1,050 locations in North America, of which approximately 220 are at airports. Budget also operates at approximately 600 international locations, of which approximately 150 are at airports. Payless also operates at approximately 15 locations in North America, all of which are at or near airports. We believe that our properties are sufficient to meet our present needs and we do not anticipate any difficulty in securing additional space, as needed, on acceptable terms.

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in various legal proceedings related to wage and hour and employee classification claims that involve allegations that we violated the Fair Labor Standards Act and various other state labor laws by misclassifying certain management employees as exempt from receiving overtime compensation. The relief sought in these cases varies but most cases typically seek to recover payment for alleged unpaid overtime compensation and attorneys' fees and costs. These matters are at various stages in the litigation process and we intend to vigorously defend against these suits.

In January 2013, six putative class actions were filed in the Delaware Chancery Court and two putative class actions were filed in Massachusetts state court arising out of the acquisition of Zipcar by the Company. The complaints all generally alleged that Zipcar's board of directors breached its fiduciary duties of care and loyalty by failing to take steps to maximize the value of Zipcar for its public shareholders and that the Company aided and abetted the breaches of fiduciary duties by Zipcar's board of directors. The parties executed a stipulation of settlement in October 2013, which the Delaware Chancery Court reviewed and approved in February 2014, and which resulted in this matter being fully dismissed.

Additionally, we are involved in other claims, legal proceedings and governmental inquiries related, among other things, to our vehicle rental and car sharing operations, including, among others, business practice disputes, contract and licensee disputes, employment and wage-and-hour claims, competition matters, insurance claims, intellectual property claims and other regulatory, environmental, commercial and tax matters. The Company believes that it has adequately accrued for such matters as appropriate. However, litigation is inherently unpredictable and, although the Company believes that its accruals are adequate and/or that it has valid defenses in these matters, unfavorable resolutions could occur, which could adversely impact the Company's financial position, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**MARKET PRICE OF COMMON STOCK**

Our common stock is currently traded on the NASDAQ Global Select Market ("NASDAQ") under the symbol "CAR." The following table sets forth the quarterly high and low sales prices per share of our common stock as reported by NASDAQ for 2013 and 2012. At January 31, 2014, the number of stockholders of record was approximately 4,226.

	<u>High</u>	<u>Low</u>
2013		
First Quarter	\$ 28.47	\$ 20.32
Second Quarter	34.21	25.74
Third Quarter	33.30	26.57
Fourth Quarter	40.72	27.77
	<u>High</u>	<u>Low</u>
2012		
First Quarter	\$ 15.52	\$ 10.59
Second Quarter	16.97	11.93
Third Quarter	17.90	12.85
Fourth Quarter	20.49	15.32

DIVIDEND POLICY

We neither declared nor paid any cash dividend on our common stock in 2013 and 2012, and we do not anticipate paying dividends on our common stock for the foreseeable future. Our ability to pay dividends to holders of our common stock is limited by the Company's senior credit facility, the indentures governing our senior notes and our vehicle financing programs, insofar as we may seek to pay dividends out of funds made available to the Company by its subsidiaries that are governed by such senior credit facility. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our Board of Directors and will depend upon many factors, including our financial condition, earnings, capital requirements of our businesses, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and other factors that the Board of Directors deems relevant.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information about shares of our common stock that may be issued upon the exercise of options and restricted stock units under all of our existing equity compensation plans as of December 31, 2013.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, Rights and Restricted Stock Units ^(a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (Excludes Restricted Stock Units) (\$)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column) ^(b)
Equity compensation plans approved by security holders	4,734,867	\$ 2.82	6,023,674
Equity compensation plans not approved by security holders	—	—	—
Total	4,734,867	\$ 2.82	6,023,674

^(a) Includes options and other awards granted under the following plans approved by stockholders: the Amended and Restated 2007 Equity and Incentive Plan, the 1997 Stock Incentive Plan, the 1997 Stock Option Plan and the Directors Deferred Compensation Plan. The 1997 Stock Incentive Plan, the 1997 Stock Option Plan and the Directors Deferred Compensation Plan were each approved with respect to an initial allocation of shares.

^(b) Represents 3,546,821 shares available for issuance under the Amended and Restated 2007 Equity and Incentive Plan and 2,476,853 shares available for issuance pursuant to the 2009 Employee Stock Purchase Plan.

ISSUER PURCHASES OF EQUITY SECURITIES

The following is a summary of the Company's common stock repurchases by month for the quarter ended December 31, 2013:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
October 1-31, 2013	—	\$ —	—	\$ 175,342,769
November 1-30, 2013	359,942	33.95	359,942	163,122,400
December 1-31, 2013	361,875	37.49	361,875	149,554,997
Total	721,817	\$ 35.73	721,817	\$ 149,554,997

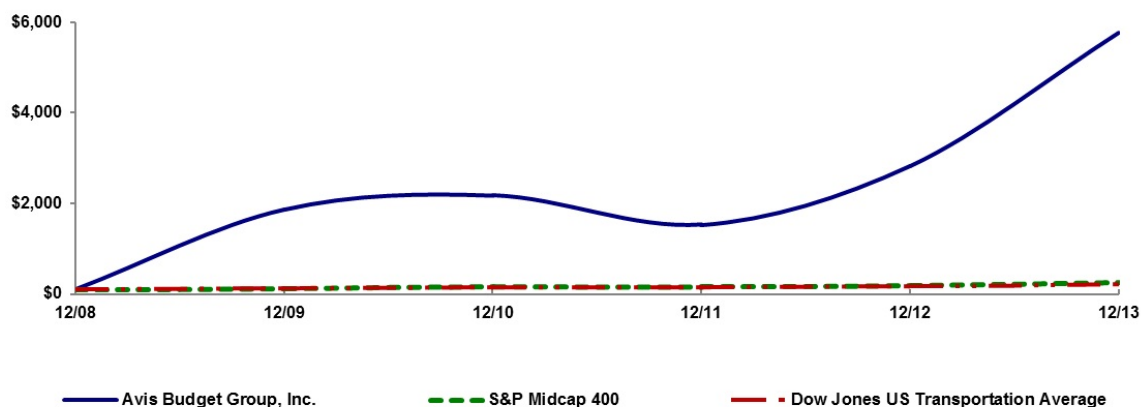
In August 2013, the Company obtained Board approval to repurchase up to \$200 million of its common stock. The Company's stock repurchases may occur through open market purchases or trading plans pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934. The repurchase program may be suspended, modified or discontinued at any time without prior notice. The repurchase program has no set expiration or termination date.

PERFORMANCE GRAPH

Set forth below is a line graph and table comparing the cumulative total stockholder return of our common stock against the cumulative total returns of peer group indices, the S&P MidCap 400 Index and the Dow Jones US Transportation Average Index for the period of five fiscal years commencing December 31, 2008 and ending December 31, 2013. The broad equity market indices used by the Company are the S&P MidCap 400 Index, which measures the performance of mid-sized companies, and the Dow Jones US Transportation Average Index, which measures the performance of transportation companies. The graph and table depict the result of an investment on December 31, 2008 of \$100 in the Company's common stock, the S&P MidCap 400 Index and the Dow Jones US Transportation Average Index, including investment of dividends.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Avis Budget Group, Inc., the S&P Midcap 400 Index, and the Dow Jones US Transportation Average Index



	As of December 31,					
	2008	2009	2010	2011	2012	2013
Avis Budget Group	\$ 100.00	\$ 1,874.29	\$ 2,178.57	\$ 1,531.43	\$ 2,831.43	\$ 5,774.29
S&P MidCap 400 Index	\$ 100.00	\$ 137.38	\$ 173.98	\$ 170.96	\$ 201.53	\$ 269.04
Dow Jones U.S. Transportation Average Index	\$ 100.00	\$ 118.58	\$ 150.29	\$ 150.30	\$ 161.64	\$ 228.52

ITEM 6. SELECTED FINANCIAL DATA

	As of or For the Year Ended December 31,				
	2013	2012	2011	2010	2009
	(In millions, except per share data)				
Results of Operations					
Net revenues	\$ 7,937	\$ 7,357	\$ 5,900	\$ 5,185	\$ 5,131
Net income (loss)	\$ 16	\$ 290	\$ (29)	\$ 54	\$ (47)
Adjusted EBITDA ^{(a) (b)}	\$ 708	\$ 802	\$ 605	\$ 398	\$ 205
Earnings (loss) Per Share					
Basic	\$ 0.15	\$ 2.72	\$ (0.28)	\$ 0.53	\$ (0.46)
Diluted	0.15	2.42	(0.28)	0.49	(0.46)
Financial Position					
Total assets	\$ 16,284	\$ 15,218	\$ 12,938	\$ 10,327	\$ 10,093
Assets under vehicle programs	10,452	10,099	9,090	6,865	6,522
Corporate debt	3,394	2,905	3,205	2,502	2,131
Debt under vehicle programs ^(c)	7,337	6,806	5,564	4,515	4,374
Stockholders' equity	771	757	412	410	222

^(a) The following table reconciles Adjusted EBITDA to Net income (loss) within our Selected Financial Data, which we define as income from continuing operations before non-vehicle related depreciation and amortization, any impairment charge, early extinguishment of debt, non-vehicle related interest, transaction-related costs and income taxes. Our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

	For the Year Ended December 31,				
	2013	2012	2011	2010	2009
Adjusted EBITDA	\$ 708	\$ 802	\$ 605	\$ 398	\$ 205
Less: Non-vehicle related depreciation and amortization	152	125	95	90	96
Interest expense related to corporate debt, net	228	268	219	170	153
Early extinguishment of debt	147	75	—	52	—
Transaction-related costs	51	34	255	14	—
Impairment	33	—	—	—	33
Income (loss) before income taxes	97	300	36	72	(77)
Provision for (benefit from) income taxes	81	10	65	18	(30)
Net income (loss)	\$ 16	\$ 290	\$ (29)	\$ 54	\$ (47)

^(b) Adjusted EBITDA includes restructuring costs of \$61 million, \$38 million, \$5 million, \$11 million and \$20 million for the years ended December 31, 2013, 2012, 2011, 2010 and 2009, respectively.

^(c) Includes related-party debt due to Avis Budget Rental Car Funding (AESOP) LLC ("Avis Budget Rental Car Funding"). See Note 14 to our Consolidated Financial Statements.

In presenting the financial data above in conformity with GAAP, we are required to make estimates and assumptions that affect the amounts reported. See "Critical Accounting Policies" under Item 7 of this Annual Report for a detailed discussion of the accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

TRANSACTION RELATED-COSTS, RESTRUCTURING AND OTHER ITEMS

During 2013, 2012, 2011 and 2010, we recorded \$51 million, \$34 million, \$255 million and \$14 million, respectively, of transaction-related costs, primarily related to our acquisition of Avis Europe and Zipcar, the integration of acquired businesses with our operations and expenses related to our previous efforts to acquire Dollar Thrifty Automotive Group, Inc. ("Dollar Thrifty"). In 2013, these costs were primarily related to the acquisition of Zipcar and the integration of acquired businesses. During 2012, these costs were primarily related to the integration of Avis Europe's operations with the Company's. In 2011, these costs included (i) a \$117 million

non-cash charge related to the unfavorable license rights reacquired by the Company through the acquisition of Avis Europe, which provided Avis Europe with royalty-free license rights within certain territories, (ii) \$89 million of expenses related to due-diligence, advisory and other costs, and (iii) \$49 million for losses on foreign-currency transactions related to the Avis Europe purchase price. In 2010, these costs related to due-diligence and other cost for our previous efforts to acquire Dollar Thrifty. See Notes 2 and 5 to our Consolidated Financial Statements.

In 2012, we implemented a restructuring initiative related to our Truck Rental segment, and in 2011, we implemented a restructuring initiative subsequent to the acquisition of Avis Europe. In 2010 and 2009, we implemented cost-reduction and efficiency improvement plans to reduce costs, enhance organizational efficiency and consolidate and rationalize existing processes and facilities. We recorded expenses related to these and other restructuring initiatives of \$61 million in 2013, \$38 million in 2012, \$5 million in 2011, \$11 million in 2010, and \$20 million in 2009. See Note 4 to our Consolidated Financial Statements.

In 2013, 2012 and 2010, we recorded \$147 million, \$75 million, and \$52 million, respectively, of expense related to the early extinguishment of corporate debt.

In 2013, we recorded a charge of \$33 million (\$33 million, net of tax) for the impairment of our equity-method investment in our Brazilian licensee. In 2009, we recorded a \$33 million (\$20 million, net of tax) non-cash charge for the impairment of investments, to reflect the other-than-temporary decline of the investments' fair value below their carrying value.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our Consolidated Financial Statements and accompanying Notes thereto included elsewhere herein. Unless otherwise noted, all dollar amounts in tables are in millions and those relating to our results of operations are presented before taxes.

OVERVIEW

OUR COMPANY

We operate three of the most recognized brands in the global vehicle rental and car sharing industry, Avis, Budget and Zipcar. We are a leading vehicle rental operator in North America, Europe, Australia, New Zealand and certain other regions we serve, with a fleet of more than 500,000 vehicles. We also license the use of the Avis and Budget trademarks to licensees in the areas in which we do not operate directly. We and our licensees operate the Avis, Budget and/or Zipcar brands in approximately 175 countries throughout the world.

OUR SEGMENTS

We categorize our operations into three reportable business segments: *North America*, *International*, and *Truck Rental*, as discussed in Part I of this Form 10-K.

BUSINESS AND TRENDS

Our revenues are derived principally from car and truck rentals in our Company-owned operations and include:

- time and mileage ("T&M") fees charged to our customers for vehicle rentals;
- payments from our customers with respect to certain operating expenses we incur, including gasoline and vehicle licensing fees, as well as concession fees, which we pay in exchange for the right to operate at airports and other locations;
- sales of loss damage waivers and insurance and rentals of navigation units and other items in conjunction with vehicle rentals; and
- royalty revenue from our licensees in conjunction with their vehicle rental transactions.

Our operating results are subject to variability due to seasonality, macroeconomic conditions and other factors. Car rental volumes tend to be associated with the travel industry, particularly airline passenger volumes, or enplanements, which in turn tend to reflect general economic conditions. Our vehicle rental operations are also seasonal, with the third quarter of the year historically having been our strongest due to the increased level of leisure travel during such quarter. We have a partially variable cost structure and routinely adjust the size, and therefore the cost, of our rental fleet in response to fluctuations in demand.

We believe that the following factors, among others, may affect and/or impact our financial condition and results of operations:

- worldwide enplanements;
- fleet, pricing, marketing and strategic decisions made by us and by our competitors;
- changes in fleet costs and in conditions in the used vehicle marketplace;
- changes in borrowing costs and in market willingness to purchase corporate and vehicle-related debt;
- our acquisitions, our integration of acquired operations and our realization of synergies, particularly with respect to Zipcar and Avis Europe;
- demand for car sharing services;
- changes in the price of gasoline;
- changes in currency exchange rates; and

- demand for truck rentals.

We continue to operate in an uncertain economic environment, which impacted our business in 2013 and will continue to do so. Nonetheless, we anticipate that worldwide demand for vehicle rental and car sharing services will increase in 2014, most likely against a backdrop of modest economic growth in most of the geographic markets in which we operate directly. We also expect that our access to new fleet vehicles will be adequate to meet our needs for both replacement of existing vehicles in the normal course and for growth to meet incremental demand. We experienced declines in realized pricing from 2009 to 2012, and we took actions in 2013 that helped achieve a modest increase in realized pricing. We will look to pursue opportunities for further pricing increases in 2014 in order to maintain our returns on invested capital and to enhance our profitability.

Our objective in 2014 is to focus on growing our business profitably, strengthening our position as a leading global provider of vehicle rental services, continuing to enhance the quality of vehicle rental services that we provide to customers, and maintaining and enhancing efficiencies achieved through process improvement and other actions. We operate in a highly competitive industry and we expect to continue to face challenges and risks. We seek to mitigate our exposure to risks in numerous ways, including delivering upon the core strategic initiatives described above and through continued optimization of fleet levels to match changes in demand for vehicle rentals, maintenance of liquidity to fund our fleet and our operations, and adjustments in the size, nature and terms of our relationships with vehicle manufacturers.

2013 HIGHLIGHTS

In 2013, we achieved record transaction volumes and revenues and had the second-highest Adjusted EBITDA in our history:

- Our net revenues increased 8% year-over-year to \$7.9 billion in 2013, primarily due to a 3% increase in Avis and Budget rental days, as well as the acquisitions of Zipcar and Payless Car Rental ("Payless").
- Pricing (our average T&M revenue per rental day) increased 1% in North America, excluding Zipcar and Payless, driven by a 3% increase in leisure pricing.
- Adjusted EBITDA totaled \$708 million in 2013, which represents a 12% decline from \$802 million in 2012 primarily due to higher fleet costs in North America.
- We completed the acquisition of Zipcar, the world's leading car sharing network, in March 2013.
- We repurchased \$62 million principal amount of our outstanding 3½% Convertible Senior Notes due 2014 and \$50 million of our common stock, reducing our diluted shares outstanding by approximately 5.4 million shares.
- We completed the acquisition of Payless, the sixth largest car rental company in North America, in July 2013.
- We acquired a 50% ownership stake in our Brazilian licensee for Avis and Budget in August 2013.
- Our share price increased 104% to \$40.42.

RESULTS OF OPERATIONS

We measure performance using the following key operating statistics: (i) rental days, which represents the total number of days (or portion thereof) a vehicle was rented, and (ii) T&M revenue per rental day, which represents the average daily revenue we earned from rental and mileage fees charged to our customers. We also measure our ancillary revenues (rental-transaction revenue other than T&M revenue), such as from the sale of collision and loss damage waivers, insurance products, fuel service options and portable GPS navigation unit rentals. Our vehicle rental operating statistics (rental days and T&M revenue per rental day) are all calculated based on the actual rental of the vehicle during a 24-hour period. We believe that this methodology, while conservative, provides our management with the most relevant statistics in order to manage the business. Our calculation may not be comparable to other companies' calculation of similarly-titled statistics.

We assess performance and allocate resources based upon the separate financial information of our operating segments. In identifying our reportable segments, we also consider the nature of services provided by our operating segments, the geographical areas in which our segments operate and other relevant factors. Management evaluates the operating results of each of our reportable segments based upon revenue and

“Adjusted EBITDA”, which we define as income from continuing operations before non-vehicle related depreciation and amortization, any impairment charge, early extinguishment of debt, non-vehicle related interest, transaction-related costs and income taxes. Our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

Year Ended December 31, 2013 vs. Year Ended December 31, 2012

Our consolidated results of operations comprised the following:

	Year Ended December 31,		Change	% Change
	2013	2012		
Revenues				
Vehicle rental	\$ 5,707	\$ 5,297	\$ 410	8%
Other	2,230	2,060	170	8%
Net revenues	<u>7,937</u>	<u>7,357</u>	<u>580</u>	<u>8%</u>
Expenses				
Operating	4,074	3,824	250	7%
Vehicle depreciation and lease charges, net	1,811	1,471	340	23%
Selling, general and administrative	1,019	925	94	10%
Vehicle interest, net	264	297	(33)	(11%)
Non-vehicle related depreciation and amortization	152	125	27	22%
Interest expense related to corporate debt, net:				
Interest expense	228	268	(40)	(15%)
Early extinguishment of debt	147	75	72	96%
Restructuring expense	61	38	23	61%
Transaction-related costs	51	34	17	50%
Impairment	33	—	33	*
Total expenses	<u>7,840</u>	<u>7,057</u>	<u>783</u>	<u>11%</u>
Income before income taxes	97	300	(203)	(68%)
Provision for income taxes	<u>81</u>	<u>10</u>	<u>71</u>	<u>*</u>
Net income	<u>\$ 16</u>	<u>\$ 290</u>	<u>\$ (274)</u>	<u>(94%)</u>

* Not meaningful.

During 2013, our net revenues increased principally as a result of a 3% increase in total rental days (excluding acquisitions), \$246 million of revenue from Zipcar and \$44 million of revenue from Payless. Movements in currency exchange rates had virtually no effect on revenues in 2013 compared to 2012.

Total expenses increased as a result of higher vehicle depreciation and lease charges resulting from a 2% increase in our car rental fleet and a 17% increase in our per-unit fleet costs (excluding acquisitions); an increase in operating expenses as a result of the acquisition of Zipcar, increased volumes and inflationary pressures on costs; an increase in selling, general and administrative costs, driven by the acquisition of Zipcar and increased marketing commissions; and an increase in debt extinguishment costs in connection with the retirement of a portion of our outstanding corporate debt. Our expenses were not materially impacted by currency exchange rates. As a result of these items, and a \$71 million increase in our provision for income taxes, our net income decreased \$274 million. Our effective tax rates were a provision of 84% and 3% in 2013 and 2012, respectively, principally due to the non-deductibility of a portion of our debt extinguishment costs and the treatment of impairment costs in 2013 and the effective settlement of a \$128 million unrecognized tax benefit in 2012.

In the year ended December 31, 2013:

- Operating expenses decreased to 51.3% of revenue from 52.0% in the prior year, driven by cost-reduction efforts.

- Vehicle depreciation and lease charges increased to 22.8% of revenue from 20.0% in 2012, principally due to higher per-unit fleet costs amid an anticipated normalization of used-car residual values.
- Selling, general and administrative costs increased to 12.8% of revenue from 12.6% in 2012.
- Vehicle interest costs declined to 3.3% of revenue compared to 4.0% in the prior year, principally due to lower borrowing rates.

Following is a more detailed discussion of the results of each of our reportable segments:

	Revenues			Adjusted EBITDA		
	2013	2012	% Change	2013	2012	% Change
North America	\$ 5,083	\$ 4,640	10%	\$ 500	\$ 556	(10%)
International	2,481	2,342	6%	240	234	3%
Truck Rental	373	374	0%	15	33	(55%)
Corporate and Other ^(a)	—	1	*	(47)	(21)	*
Total Company	\$ 7,937	\$ 7,357	8%	708	802	(12%)
Less: Non-vehicle related depreciation and amortization				152	125	
Interest expense related to corporate debt, net:						
Interest expense				228	268	
Early extinguishment of debt				147	75	
Transaction-related costs ^(b)				51	34	
Impairment ^(c)				33	—	
Income before income taxes				\$ 97	\$ 300	

* Not meaningful.

^(a) Includes unallocated corporate overhead and the elimination of transactions between reportable segments.

^(b) For 2013, primarily represents costs related to the integration of acquired businesses and our acquisition of Zipcar and, for 2012, primarily represents costs related to the integration of the operations of Avis Europe.

^(c) We recorded a charge of \$33 million for the impairment of our equity-method investment in our Brazilian licensee.

North America

	2013	2012	% Change
Revenue	\$ 5,083	\$ 4,640	10%
Adjusted EBITDA	500	556	(10%)

Revenues increased 10% in 2013 compared with 2012, primarily due to the acquisitions of Zipcar and Payless and 3% growth in rental volumes and a 1% increase in pricing (excluding acquisitions).

Adjusted EBITDA decreased 10% in 2013 compared with 2012 due to higher fleet costs, partially offset by lower vehicle interest expense, as our borrowing rates declined year-over-year.

Zipcar and Payless contributed \$246 million and \$44 million to revenues and \$25 million and an insignificant amount to Adjusted EBITDA, respectively, in 2013.

In the year ended December 31, 2013:

- Operating expenses were 49.4% of revenue, a decrease from 50.4% in the prior year, primarily due to higher pricing and our continued cost-reduction efforts.
- Vehicle depreciation and lease charges increased to 24.8% of revenue from 20.3% in 2012, due to 25% higher per-unit fleet costs, excluding acquisitions.
- Selling, general and administrative costs decreased to 11.8% of revenue from 12.0% in the prior year.

- Vehicle interest costs declined to 4.0% of revenue compared to 5.3% in the prior year, principally due to lower borrowing rates.

International

	2013	2012	% Change
Revenue	\$ 2,481	\$ 2,342	6%
Adjusted EBITDA	240	234	3%

Revenues increased 6% during 2013 compared with 2012, primarily due to a 4% increase in rental days and a 10% increase in ancillary revenues (excluding Apex Car Rentals ("Apex")), the October 2012 acquisition of Apex, and a \$14 million increase related to currency exchange rates, partially offset by a 2% decrease in pricing (excluding Apex).

Adjusted EBITDA increased 3% in 2013 compared with 2012. Apex contributed \$42 million to revenue and \$9 million to Adjusted EBITDA in 2013, compared to \$8 million of revenue and \$2 million of Adjusted EBITDA in fourth quarter 2012.

In the year ended December 31, 2013:

- Operating expenses, at 52.9% of revenue, remained level compared to the prior year.
- Vehicle depreciation and lease costs decreased to 20.2% of revenue from 20.6% in the prior year, principally due to an increase in fleet utilization.
- Selling, general and administrative costs increased to 13.9% of revenue from 13.3% in the prior-year, primarily due to increased marketing commissions.
- Vehicle interest costs increased to 1.9% of revenue compared to 1.6% in the prior year, due to lower cash balances in 2013.

Truck Rental

	2013	2012	% Change
Revenue	\$ 373	\$ 374	0%
Adjusted EBITDA	15	33	(55%)

Revenues decreased \$1 million as the effects on volume of having an 8% smaller fleet were largely offset by a 7% increase in pricing.

Adjusted EBITDA decreased principally as a result of approximately \$21 million of restructuring expenses we incurred in 2013 as we reposition this business.

Corporate and Other

	2013	2012	% Change
Revenue	\$ —	\$ 1	*
Adjusted EBITDA	(47)	(21)	*

* Not meaningful

Revenue and Adjusted EBITDA decreased \$1 million and \$26 million, respectively, in 2013 compared with 2012. Adjusted EBITDA decreased in 2013 primarily due to greater selling, general and administrative expenses which are not attributable to a particular segment.

Year Ended December 31, 2012 vs. Year Ended December 31, 2011

Our consolidated results of operations comprised the following:

	Year Ended December 31,		Change	% Change
	2012	2011		
Revenues				
Vehicle rental	\$ 5,297	\$ 4,338	\$ 959	22%
Other	2,060	1,562	498	32%
Net revenues	<u>7,357</u>	<u>5,900</u>	<u>1,457</u>	25%
Expenses				
Operating	3,824	3,025	799	26%
Vehicle depreciation and lease charges, net	1,471	1,223	248	20%
Selling, general and administrative	925	756	169	22%
Vehicle interest, net	297	286	11	4%
Non-vehicle related depreciation and amortization	125	95	30	32%
Interest expense related to corporate debt, net:				
Interest expense	268	219	49	22%
Early extinguishment of debt	75	—	75	*
Restructuring expense	38	5	33	*
Transaction-related costs	34	255	(221)	(87%)
Total expenses	<u>7,057</u>	<u>5,864</u>	<u>1,193</u>	20%
Income before income taxes	300	36	264	*
Provision for income taxes	10	65	(55)	(85%)
Net income (loss)	<u>\$ 290</u>	<u>\$ (29)</u>	<u>\$ 319</u>	*

* Not meaningful.

During 2012, our net revenues increased principally due to the acquisition of Avis Europe in fourth quarter 2011 and 6% increases in total rental days and ancillary revenues (excluding Avis Europe). Movements in currency exchange rates had virtually no effect on revenues.

Total expenses increased as a result of including the results of Avis Europe for the full year; an increase in debt extinguishment costs in connection with the retirement of a portion of our outstanding corporate debt; and an increase in restructuring expenses. These increases were partially offset by a decrease in transaction-related costs, which for 2012 related primarily to the integration of the operations of Avis Europe and which for 2011 related to costs associated with the acquisition of Avis Europe and our previous efforts to acquire Dollar Thrifty. Our expenses were not materially impacted by currency exchange rates. As a result of these items, and a \$55 million decrease in our provision for income taxes, our net income increased \$319 million. Our effective tax rates were a provision of 3% and 181% for 2012 and 2011, respectively, which reflected the settlement of a \$128 million unrecognized tax benefit in 2012 and the non-deductibility of many of the transaction-related costs related to the acquisition of Avis Europe in 2011.

In the year ended December 31, 2012:

- Operating expenses were 52.0% of revenue, versus 51.3% in the prior year, primarily due to the acquisition of Avis Europe.
- Vehicle depreciation and lease costs declined to 20.0% of revenue in 2012, from 20.7% in 2011, primarily due to lower per-unit fleet costs in North America amid robust used-car residual values in the first half of the year, partially offset by the acquisition of Avis Europe.
- Selling, general and administrative costs decreased to 12.6% of revenue, versus 12.8% in 2011, as a result of our cost-reduction initiatives.

- Vehicle interest costs declined to 4.0% of revenue, compared to 4.8% in the prior-year period, principally due to lower borrowing rates.

Following is a more detailed discussion of the results of each of our reportable segments:

	Revenues			Adjusted EBITDA		
	2012	2011	% Change	2012	2011	% Change
North America	\$ 4,640	\$ 4,495	3%	\$ 556	\$ 442	26%
International	2,342	1,028	128%	234	127	84%
Truck Rental	374	376	(1%)	33	49	(33%)
Corporate and Other ^(a)	1	1	*	(21)	(13)	*
Total Company	\$ 7,357	\$ 5,900	25%	802	605	33%
Less: Non-vehicle related depreciation and amortization				125	95	
Interest expense related to corporate debt, net:						
Interest expense				268	219	
Early extinguishment of debt				75	—	
Transaction-related costs ^(b)				34	255	
Income before income taxes				<u>\$ 300</u>	<u>\$ 36</u>	

* Not meaningful

^(a) Includes unallocated corporate overhead and the elimination of transactions between segments.

^(b) For 2012, primarily represents costs related to the integration of the operations of Avis Europe and, for 2011, primarily represents costs related to our acquisition of Avis Europe and our previous efforts to acquire Dollar Thrifty.

North America

	2012	2011	% Change
Revenue	\$ 4,640	\$ 4,495	3%
Adjusted EBITDA	556	442	26%

Revenues increased 3% during 2012 compared with 2011, primarily due to a 5% increase in rental days, partially offset by a 2% decrease in pricing.

Adjusted EBITDA increased 26% during 2012 compared with 2011, primarily due to the increase in revenue and an 8% decline in per-unit fleet costs.

In the year ended December 31, 2012:

- Operating expenses decreased to 50.4% of revenue versus 50.6% in the prior year, highlighting our cost-reduction efforts in an environment where our T&M revenue per day declined.
- Vehicle depreciation and lease costs declined to 20.3% of revenue in 2012 from 21.5% in the prior year, primarily due to lower per-unit fleet costs amid strong used-car residual values during the first half of 2012.
- Selling, general and administrative costs decreased to 12.0% of revenue, compared to 12.1% of revenue for 2011.
- Vehicle interest expense decreased to 5.3% of revenue versus 5.9% in the prior year, principally due to lower borrowing rates.

International

	2012	2011	% Change
Revenue	\$ 2,342	\$ 1,028	128%
Adjusted EBITDA	234	127	84%

Revenues increased in 2012 compared with 2011, primarily due to the acquisition of Avis Europe during fourth quarter 2011 and a 7% increase in rental days (excluding Avis Europe).

Adjusted EBITDA increased 84% in 2012 compared with 2011, principally due to the acquisition of Avis Europe.

Avis Europe contributed approximately \$1.6 billion to revenue and \$103 million to Adjusted EBITDA during 2012, compared with \$359 million of revenue and no effect on Adjusted EBITDA in fourth quarter 2011.

In the year ended December 31, 2012:

- Operating expenses were 52.9% of revenue, an increase from 50.1% in the prior-year, primarily due to the acquisition of Avis Europe, partially offset by an increase in ancillary revenues (excluding Avis Europe).
- Vehicle depreciation and lease costs increased to 20.6% of revenue from 20.4% in 2012, primarily due to the acquisition of Avis Europe.
- Selling, general and administrative costs decreased to 13.3% of revenue from 15.7% in the prior year, primarily due to the acquisition of Avis Europe.
- Vehicle interest costs increased to 1.6% of revenue compared to 1.1% in 2012, primarily due to the acquisition of Avis Europe.

Truck Rental

	2012	2011	% Change
Revenue	\$ 374	\$ 376	(1%)
Adjusted EBITDA	33	49	(33%)

Revenues decreased 1% during 2012 compared with 2011, primarily due to a 2% decrease in rental days, partially offset by a 1% increase in pricing.

Adjusted EBITDA decreased in 2012 compared with 2011, primarily due to decreased revenues, an \$8 million increase in vehicle maintenance costs and inflationary price increases.

Corporate and Other

	2012	2011	% Change
Revenue	\$ 1	\$ 1	*
Adjusted EBITDA	(21)	(13)	*

* Not meaningful

Revenue was unchanged and Adjusted EBITDA decreased \$8 million in 2012 compared with 2011. Adjusted EBITDA decreased primarily due to increases in selling, general and administrative expenses primarily related to the significant growth and increased complexity of our business.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

We present separately the financial data of our vehicle programs. These programs are distinct from our other activities as the assets under vehicle programs are generally funded through the issuance of debt that is collateralized by such assets. The income generated by these assets is used, in part, to repay the principal and interest associated with the debt. Cash inflows and outflows relating to the generation or acquisition of such assets and the principal debt repayment or financing of such assets are classified as activities of our vehicle programs. We believe it is appropriate to segregate the financial data of our vehicle programs because, ultimately, the source of repayment of such debt is the realization of such assets.

FINANCIAL CONDITION

	As of December 31,		Change
	2013	2012	
Total assets exclusive of assets under vehicle programs	\$ 5,832	\$ 5,119	\$ 713
Total liabilities exclusive of liabilities under vehicle programs	5,720	5,197	523
Assets under vehicle programs	10,452	10,099	353
Liabilities under vehicle programs	9,793	9,264	529
Stockholders' equity	771	757	14

Total assets exclusive of assets under vehicle programs increased primarily due to the acquisitions of Zipcar and Payless and an increase in cash and cash equivalents (see Note 5 to our Consolidated Financial Statements and "Liquidity and Capital Resources—Cash Flows").

Total liabilities exclusive of liabilities under vehicle programs increased primarily due to an increase in corporate debt to finance the acquisition of Zipcar (see "Liquidity and Capital Resources—Debt and Financing Arrangements").

Assets under vehicle programs increased primarily due to an increase in the size of our vehicle rental fleet to accommodate increased rental demand, inflationary increases in the average book value of our rental cars and the acquisitions of Zipcar and Payless.

Liabilities under vehicle programs increased principally as a result of additional borrowings to support the increase in our vehicle rental fleet and the acquisitions of Zipcar and Payless. See "Liquidity and Capital Resources—Debt and Financing Arrangements" for a detailed account of the change in our debt related to vehicle programs.

The increase in stockholders' equity is primarily due to our net income for the year ended December 31, 2013.

LIQUIDITY AND CAPITAL RESOURCES**Overview**

Our principal sources of liquidity are cash on hand and our ability to generate cash through operations and financing activities, as well as available funding arrangements and committed credit facilities, each of which is discussed below.

During 2013, we completed several corporate financing transactions, primarily to repay existing debt. In particular, we:

- issued \$500 million of 5½% Senior Notes due 2023;
- amended and borrowed an incremental \$300 million under the Floating Rate Term Loan due 2019;
- issued €250 million (approximately \$325 million, at issuance) of 6% Euro-denominated Senior Notes due 2021;
- issued \$250 million of Floating Rate Senior Notes due 2017; and

- amended our senior revolving credit facility to extend its maturity to 2018, expand its borrowing capacity to \$1.65 billion, and reduce its borrowing spread by 75 basis points;

and used proceeds from these borrowings, as well as cash generated from our operations, to:

- fund our acquisitions of Zipcar and Payless;
- retire the entire \$450 million principal amount outstanding of our 9% Senior Notes due 2018;
- repay the entire \$250 million principal amount outstanding of our Floating Rate Senior Notes due 2014;
- repurchase \$62 million of our 3½% Convertible Notes due 2014;
- repay all \$49 million of our Floating Rate Term Loan due 2016;
- repay \$39 million of our 8¼% Senior Notes due 2019;
- repay approximately \$27 million principal amount outstanding of our 9¾% Senior Notes due 2020; and
- repurchase approximately 1.6 million shares of our outstanding common stock.

During 2013, we also increased our borrowings under vehicle programs to fund the seasonal increase in our rental fleet and completed a three-year, €500 million (approximately \$687 million) European securitization program, which matures in 2016 and will be used to finance fleet purchases for a portion of our European operations.

Cash Flows

Year Ended December 31, 2013 vs. Year Ended December 31, 2012

The following table summarizes our cash flows:

	<u>Year Ended December 31,</u>		<u>Change</u>
	<u>2013</u>	<u>2012</u>	
Cash provided by (used in):			
Operating activities	\$ 2,253	\$ 1,889	\$ 364
Investing activities	(2,234)	(2,073)	(161)
Financing activities	76	250	(174)
Effects of exchange rate changes	(8)	6	(14)
Net change in cash and cash equivalents	<u>87</u>	<u>72</u>	<u>15</u>
Cash and cash equivalents, beginning of period	606	534	72
Cash and cash equivalents, end of period	<u>\$ 693</u>	<u>\$ 606</u>	<u>\$ 87</u>

The increase in cash provided by operating activities during 2013 compared to 2012 is principally due to increased revenues and our continued cost reduction efforts.

The increase in cash used in investing activities during 2013 compared with 2012 is primarily due to the acquisitions of Zipcar and Payless, partially offset by an increase in proceeds from the sale of vehicles and a decrease in our investment in vehicles.

The decrease in cash provided by financing activities in 2013 compared with 2012, primarily reflects an increase in net payments on vehicle borrowings in 2013, partially offset by an increase in net proceeds from corporate borrowings to fund the acquisition of Zipcar.

We anticipate that our non-vehicle capital expenditures will be approximately \$190 million in 2014. As of December 31, 2013, we had approximately \$150 million of authorized share repurchase capacity, and we currently anticipate that we will utilize substantially all such capacity to repurchase common stock in 2014.

Year Ended December 31, 2012 vs. Year Ended December 31, 2011

The following table summarizes our cash flows:

	Year Ended December 31,		Change
	2012	2011	
Cash provided by (used in):			
Operating activities	\$ 1,889	\$ 1,578	\$ 311
Investing activities	(2,073)	(2,373)	300
Financing activities	250	424	(174)
Effects of exchange rate changes	6	(6)	12
Net change in cash and cash equivalents	72	(377)	449
Cash and cash equivalents, beginning of period	534	911	(377)
Cash and cash equivalents, end of period	\$ 606	\$ 534	\$ 72

During 2012, we generated more cash from operating activities compared with 2011, primarily due to improved operating results.

The decrease in cash used in investing activities in 2012 compared with 2011 primarily reflects a decrease in acquisitions, as Avis Europe was purchased in 2011, partially offset by an increase in net purchases of vehicles as a result of the inclusion of Avis Europe in our results for the full year in 2012 compared with only three months in 2011.

The decrease in cash provided by financing activities in 2012 compared with 2011 principally reflects an \$180 million increase in the net payments on corporate borrowings and related activity.

Debt and Financing Arrangements

At December 31, 2013, we had approximately \$10.7 billion of indebtedness (including corporate indebtedness of approximately \$3.4 billion and debt under vehicle programs of approximately \$7.3 billion). We use various hedging strategies, including derivative instruments, to manage a portion of the risks associated with our floating rate debt.

Corporate indebtedness consisted of:

	Maturity Date	As of December 31,		Change
		2013	2012	
Floating Rate Senior Notes	May 2014	\$ —	\$ 250	\$ (250)
3½% Convertible Notes ^(a)	October 2014	66	128	(62)
Floating Rate Term Loan ^(b)	May 2016	—	49	(49)
4⅞% Senior Notes	November 2017	300	300	—
Floating Rate Senior Notes ^(c)	December 2017	247	—	247
9⅝% Senior Notes	March 2018	—	446	(446)
8¼% Senior Notes	January 2019	691	730	(39)
Floating Rate Term Loan ^{(b) (d)}	March 2019	989	689	300
9¾% Senior Notes	March 2020	223	250	(27)
6% Euro-denominated Senior Notes	March 2021	344	—	344
5½% Senior Notes	April 2023	500	—	500
		3,360	2,842	518
Other		34	63	(29)
Total		\$ 3,394	\$ 2,905	\$ 489

^(a) The 3½% Convertible Notes due 2014 are convertible by the holders into approximately 4 million shares of our common stock as of December 31, 2013.

- (b) The Floating Rate Term Loans are part of our senior credit facility, which is secured by pledges of capital stock of certain subsidiaries of the Company, and liens on substantially all of the Company's intellectual property and certain other real and personal property.
- (c) As of December 31, 2013, the Floating Rate Senior Notes due 2017 bear interest at the three-month LIBOR, plus 275 basis points, for an aggregate rate of 3.00%. We have entered into a swap to hedge our interest rate exposure related to these notes at an aggregate rate of 3.58%.
- (d) As of December 31, 2013, the Floating Rate Term Loan due 2019 bears interest at the greater of three-month LIBOR or 0.75%, plus 225 basis points, for an aggregate rate of 3.00%. We have entered into a swap to hedge \$600 million of our interest rate exposure related to the floating rate term loan at an aggregate rate of 3.96%.

The following table summarizes the components of our debt under vehicle programs, including related party debt due to Avis Budget Rental Car Funding:

	As of December 31,		Change
	2013	2012	
North America – Debt due to Avis Budget Rental Car Funding ^(a)	\$ 5,656	\$ 5,203	\$ 453
North America – Canadian borrowings	400	353	47
International – Debt borrowings	731	679	52
International – Capital leases	289	315	(26)
Truck Rental – Debt borrowings ^(b)	226	253	(27)
Other ^(c)	35	3	32
Total	\$ 7,337	\$ 6,806	\$ 531

(a) The increase reflects additional borrowings principally to fund an increase in our fleet driven by increased rental volume and the acquisitions of Zipcar and Payless.

(b) The decrease reflects reduced borrowings due to a decrease in the size of our truck fleet.

(c) The increase is principally related to Zipcar capital leases.

The following table provides the contractual maturities for our corporate debt and our debt under vehicle programs, including related party debt due to Avis Budget Rental Car Funding, at December 31, 2013:

	Corporate Debt	Debt Under Vehicle Programs
Due in 2014	\$ 89	\$ 1,264
Due in 2015	17	1,534
Due in 2016	16	1,618
Due in 2017	561	998
Due in 2018	11	1,532
Thereafter	2,700	391
	\$ 3,394	\$ 7,337

At December 31, 2013, we had approximately \$4.6 billion of available funding under our various financing arrangements (comprised of \$1.1 billion of availability under our committed credit facilities and approximately \$3.5 billion available for use in our vehicle programs). As of December 31, 2013, the committed non-vehicle-backed credit facilities available to us and/or our subsidiaries included:

	Total Capacity	Outstanding Borrowings	Letters of Credit Issued	Available Capacity
Senior revolving credit facility maturing 2018 ^(a)	\$ 1,650	\$ —	\$ 598	\$ 1,052
Other credit facilities ^(b)	13	1	—	12

(a) The senior revolving credit facility bears interest of one-month LIBOR, plus 225 basis points. The senior revolving credit facility is part of our senior credit facility, which is secured by pledges of capital stock of certain subsidiaries of the Company, and liens on substantially all of our intellectual property and certain other real and personal property.

(b) These credit facilities encompass bank overdraft lines of credit, bearing interest of 4.50% to 5.69% as of December 31, 2013.

At December 31, 2013, the Company had various other uncommitted credit facilities available, which bear interest at rates of 0.52% to 2.50%, under which it had drawn approximately \$4 million.

The following table presents available funding under our debt arrangements related to our vehicle programs, including related party debt due to Avis Budget Rental Car Funding, at December 31, 2013:

	Total Capacity^(a)	Outstanding Borrowings	Available Capacity
North America – Debt due to Avis Budget Rental Car Funding ^(b)	\$ 8,031	\$ 5,656	\$ 2,375
North America – Canadian borrowings ^(c)	753	400	353
International – Debt borrowings ^(d)	1,408	731	677
International – Capital Leases ^(e)	404	289	115
Truck Rental – Debt borrowings ^(f)	233	226	7
Other ^(g)	35	35	—
Total	\$ 10,864	\$ 7,337	\$ 3,527

^(a) Capacity is subject to maintaining sufficient assets to collateralize debt.

^(b) The outstanding debt is collateralized by approximately \$7.3 billion of underlying vehicles and related assets.

^(c) The outstanding debt is collateralized by \$549 million of underlying vehicles and related assets.

^(d) The outstanding debt is collateralized by \$1.3 billion of underlying vehicles and related assets.

^(e) The outstanding debt is collateralized by \$306 million of underlying vehicles and related assets.

^(f) The outstanding debt is collateralized by \$338 million of underlying vehicles and related assets.

^(g) The outstanding debt is collateralized by \$28 million of underlying vehicles and related assets.

The significant terms for our outstanding debt instruments, credit facilities and available funding arrangements as of December 31, 2013, can be found in Notes 13 and 14 to our Consolidated Financial Statements.

LIQUIDITY RISK

Our primary liquidity needs include the payment of operating expenses, servicing of corporate and vehicle-related debt and procurement of rental vehicles to be used in our operations. The present intention of management is to reinvest the undistributed earnings of the Company's foreign subsidiaries indefinitely into its foreign operations. We do not anticipate the need to repatriate foreign earnings to the United States to service corporate debt or for other U.S. needs. Our primary sources of funding are operating revenue, cash received upon the sale of vehicles, borrowings under our vehicle-backed borrowing arrangements and our senior revolving credit facility, and other financing activities.

As discussed above, as of December 31, 2013, we have cash and cash equivalents of \$693 million, available borrowing capacity under our committed credit facilities of \$1.1 billion, and available capacity under our vehicle programs of approximately \$3.5 billion.

Our liquidity position could be negatively affected by financial market disruptions or a downturn in the U.S. and worldwide economies, which may result in unfavorable conditions in the vehicle rental industry, in the asset-backed financing market, and in the credit markets, generally. We believe these factors have in the past affected and could in the future affect the debt ratings assigned to us by credit rating agencies and the cost of our borrowings. Additionally, a downturn in the worldwide economy or a disruption in the credit markets could impact our liquidity due to (i) decreased demand and pricing for vehicles in the used vehicle market, (ii) increased costs associated with, and/or reduced capacity or increased collateral needs under, our financings, (iii) the adverse impact of vehicle manufacturers, including Ford, General Motors, Chrysler, Peugeot, Volkswagen, Fiat, Mercedes, Kia, BMW, Toyota, and Renault, being unable or unwilling to honor their obligations to repurchase or guarantee the depreciation on the related program vehicles, (iv) disruption in our ability to obtain financing due to negative credit events specific to us or affecting the overall debt market and (v) the effect of Realogy or Wyndham being unable or unwilling to honor its obligations under the agreements governing their disposition (see Item 1A. Risk Factors for further discussion).

Our liquidity position could also be negatively impacted if we are unable to remain in compliance with the financial and other covenants associated with our senior credit facility and other borrowings including a maximum leverage ratio. As of December 31, 2013, we were in compliance with the financial covenants in our senior credit facility.

CONTRACTUAL OBLIGATIONS

The following table summarizes our principal future contractual obligations as of December 31, 2013:

	2014	2015	2016	2017	2018	Thereafter	Total
Corporate debt	\$ 89	\$ 17	\$ 16	\$ 561	\$ 11	\$ 2,700	\$ 3,394
Debt under vehicle programs	1,264	1,534	1,618	998	1,532	391	7,337
Debt interest	403	347	288	236	184	196	1,654
Operating leases ^(a)	561	368	288	215	162	719	2,313
Commitments to purchase vehicles ^(b)	6,420	—	—	—	—	—	6,420
Defined benefit pension plan contributions ^(c)	20	—	—	—	—	—	20
Other purchase commitments ^(d)	90	30	18	12	10	—	160
Contingent consideration ^(e)	—	12	—	—	—	—	12
Total ^(f)	\$ 8,847	\$ 2,308	\$ 2,228	\$ 2,022	\$ 1,899	\$ 4,006	\$ 21,310

^(a) Operating lease obligations are presented net of sublease rentals to be received (see Note 15 to our Consolidated Financial Statements) and include commitments to enter into operating leases.

^(b) Represents commitments to purchase vehicles, the majority of which are from Ford Motor Company, General Motors Company and Chrysler Group LLC. These commitments are generally subject to the vehicle manufacturers satisfying their obligations under the repurchase and guaranteed depreciation agreements. The purchase of such vehicles is generally financed through financings under vehicle programs in addition to cash received upon the sale of vehicles, many of which were purchased under repurchase and guaranteed depreciation programs (see Note 15 to our Consolidated Financial Statements).

^(c) Represents the expected contributions to our defined benefit pension plans in 2014. The amount of future contributions to our defined benefit pension plans will depend on the rates of return generated from plan assets and other factors (see Note 18 to our Consolidated Financial Statements) and are not included above.

^(d) Primarily represents commitments under service contracts for information technology and telecommunications and marketing agreements with travel service companies.

^(e) Represents contingent consideration related to the acquisition of Apex in October 2012.

^(f) Excludes income tax uncertainties of \$44 million, \$15 million of which is subject to indemnification by Realogy and Wyndham. We are unable to estimate the period in which these income tax uncertainties are expected to be settled.

For more information regarding guarantees and indemnifications, see Note 15 to our Consolidated Financial Statements.

ACCOUNTING POLICIES

Critical Accounting Policies

In presenting our financial statements in conformity with GAAP, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events and/or events that are outside of our control. If there is a significant unfavorable change to current conditions, it could result in a material adverse impact to our consolidated results of operations, financial position and liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time. Presented below are those accounting policies that we believe require subjective and complex judgments that could potentially affect reported results. However, our businesses operate in environments where we are paid a fee for a service performed, and therefore the results of the majority of our recurring operations are recorded in our financial statements using accounting policies that are not particularly subjective, nor complex.

Goodwill and Other Indefinite-lived Intangible Assets. We have reviewed the carrying value of our goodwill and other indefinite-lived intangible assets for impairment. In performing this review, we are required to make an assessment of fair value for our goodwill and other indefinite-lived intangible assets. When determining fair value, we utilize various consistent assumptions, including the fair market trading price of our common stock and management's projections of future cash flows. A change in these underlying assumptions will cause a change in the results of the tests and, as such, could cause the fair value to be less than the respective carrying amount. In such event, we would then be required to record a charge, which would impact earnings. We review the carrying

value of goodwill and other indefinite-lived intangible assets for impairment annually, or more frequently if circumstances indicate that an impairment may have occurred.

Our goodwill and other indefinite-lived intangible assets are allocated among our reporting units. During 2013, 2012 and 2011, there was no impairment of goodwill or other intangible assets. In the future, failure to achieve our business plans, a significant deterioration of the macroeconomic conditions of the countries in which we operate, or significant changes in the assumptions and estimates that are used in our impairment testing for goodwill and indefinite-lived intangible assets (such as the discount rate) could result in significantly different estimates of fair value that could trigger an impairment of the goodwill or intangible assets of our reporting units.

Business Combinations. The Company uses the acquisition method of accounting for business combinations, which requires that the purchase price of acquired companies be allocated to the tangible and intangible assets acquired and the liabilities assumed, as applicable, at their respective estimated fair values at the date of acquisition.

Our assessment of the purchase price allocation and the related fair values requires management to make significant estimates and assumptions with respect to intangible assets. Examples of critical valuation assumptions used by management include projected future cash flows, the estimated weighted average cost of capital and market royalty rates. We believe that our estimates are based on reasonable assumptions and, in part, on historical experience and information obtained from the management of the acquired companies and are unpredictable and inherently uncertain, and actual results could differ from those assumptions.

Vehicles. We present vehicles at cost, net of accumulated depreciation, on the Consolidated Balance Sheets. We record the initial cost of the vehicle, net of incentives and allowances from manufacturers. We acquire our rental vehicles either through repurchase and guaranteed depreciation programs with certain automobile manufacturers or outside of such programs. For rental vehicles purchased under such programs, we depreciate the vehicles such that the net book value on the date of sale or return to the manufacturers is intended to equal the contractual guaranteed residual values. For risk vehicles, acquired outside of manufacturer repurchase and guaranteed depreciation programs, we depreciate based on the vehicles' estimated residual market values and their expected dates of disposition. The estimation of residual values requires the Company to make assumptions regarding the age and mileage of the vehicle at the time of disposal, as well as expected used vehicle auction market conditions. The Company periodically evaluates estimated residual values and adjusts depreciation rates as appropriate. Differences between actual residual values and those estimated result in a gain or loss on disposal and are recorded as part of vehicle depreciation and lease charges, net, at the time of sale. See Note 2 to our Consolidated Financial Statements.

Income Taxes. We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been reflected in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We record net deferred tax assets to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent results of operations. In the event we were to determine that we would be able to realize deferred income tax assets in the future in excess of their net recorded amount, we would make an adjustment to the valuation allowance which would reduce the provision for income taxes. Currently we do not record valuation allowances on the majority of our tax loss carryforwards as there are adequate deferred tax liabilities that could be realized within the carryforward period.

See Notes 2 and 8 to our Consolidated Financial Statements for more information regarding income taxes.

Public Liability, Property Damage and Other Insurance Liabilities. Insurance liabilities on our Consolidated Balance Sheets include supplemental liability insurance, personal effects protection insurance, public liability, property damage and personal accident insurance claims for which we are self-insured. We estimate the required liability of such claims on an undiscounted basis utilizing an actuarial method that is based upon various assumptions which include, but are not limited to, our historical loss experience and projected loss development

factors. The required liability is also subject to adjustment in the future based upon changes in claims experience, including changes in the number of incidents and changes in the ultimate cost per incident.

Adoption of New Accounting Pronouncements

During 2013, we adopted the following standards as a result of the issuance of new accounting pronouncements:

- ASU No. 2012-02, "Testing Indefinite-Lived Intangible Assets for Impairment"
- ASU No. 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income"

On January 1, 2014, we adopted the following standard as a result of the issuance of new accounting pronouncements:

- ASU No. 2013-11, "Income Taxes: Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists"

For detailed information regarding these pronouncements and the impact thereof on our business, see Note 2 to our Consolidated Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market risks, including changes in currency exchange rates, interest rates and gasoline prices. We manage our exposure to market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments, particularly swap contracts, futures and options contracts, to manage and reduce the interest rate risk related to our debt; currency forward contracts to manage and reduce currency exchange rate risk; and derivative commodity instruments to manage and reduce the risk of changing unleaded gasoline prices.

We are exclusively an end user of these instruments. We do not engage in trading, market-making or other speculative activities in the derivatives markets. We manage our exposure to counterparty credit risk related to our use of derivatives through specific minimum credit standards, diversification of counterparties, and procedures to monitor concentrations of credit risk. Our counterparties are substantial investment and commercial banks with significant experience providing such derivative instruments.

Our total market risk is influenced by a wide variety of factors including the volatility present within the markets and the liquidity of the markets. There are certain limitations inherent in the sensitivity analyses discussed below. These "shock tests" are constrained by several factors, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled. For additional information regarding our borrowings and financial instruments, see Notes 13, 14 and 19 to our Consolidated Financial Statements.

Currency Risk Management

We have currency rate exposure to exchange rate fluctuations worldwide and particularly with respect to the Australian, Canadian and New Zealand dollars, the Euro and British pound sterling. We use currency forward contracts and currency swap contracts to manage exchange rate risk that arises from certain intercompany transactions and from non-functional currency denominated assets and liabilities and earnings denominated in non-U.S. dollar currencies. Our currency forward contracts are often not designated as hedges and therefore changes in the fair value of these derivatives are recognized in earnings as they occur. We anticipate that such currency exchange rate risk will remain a market risk exposure for the foreseeable future.

We assess our market risk based on changes in currency exchange rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact on earnings, cash flows and fair values based on a hypothetical 10% appreciation or depreciation in the value of the underlying currencies being hedged, against the U.S. dollar at December 31, 2013. With all other variables held constant, a hypothetical 10% change (increase or decrease) in currency exchange rates would not have a material impact on our earnings at December 31, 2013. Because unrealized gains or losses related to foreign currency forward and swap contracts are expected to be offset by corresponding gains or losses on the underlying exposures being hedged, when combined, these foreign currency contracts and the offsetting underlying commitments do not create a material impact on our Consolidated Financial Statements.

Interest Rate Risk Management

Our primary interest rate exposure at December 31, 2013 was interest rate fluctuations in the United States, specifically LIBOR and commercial paper interest rates due to their impact on variable rate borrowings and other interest rate sensitive liabilities. We use interest rate swaps and caps to manage our exposure to interest rate movements. We anticipate that LIBOR and commercial paper rates will remain a primary market risk exposure for the foreseeable future.

We assess our market risk based on changes in interest rates utilizing a sensitivity analysis. Based on our interest rate derivatives as of December 31, 2013, we estimate that a 10% change in interest rates would not have a material impact on our earnings. Because gains or losses related to interest rate derivatives are expected to be offset by corresponding gains or losses on the underlying exposures being hedged, when combined, these interest rate contracts and the offsetting underlying commitments do not create a material impact on our Consolidated Financial Statements.

Commodity Risk Management

We have commodity price exposure related to fluctuations in the price of gasoline. We anticipate that such commodity risk will remain a market risk exposure for the foreseeable future. We determined that a hypothetical 10% change in the price of gasoline would not have a material impact on our earnings as of December 31, 2013.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Consolidated Financial Statements and Consolidated Financial Statement Index commencing on Page F-1 hereof.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

- (a) *Disclosure Controls and Procedures.* Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this annual report.
- (b) *Management's Annual Report on Internal Control Over Financial Reporting.* Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2013. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control - Integrated Framework (1992)*. Based on this assessment, our management believes that, as of December 31, 2013, our internal control over financial reporting is effective. The effectiveness of the Company's internal control over financial reporting as of December 31, 2013, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm. Their attestation report is included below.
- (c) *Changes in Internal Control Over Financial Reporting.* During the last fiscal quarter, there has been no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Avis Budget Group, Inc.
Parsippany, New Jersey

We have audited the internal control over financial reporting of Avis Budget Group, Inc. and subsidiaries (the "Company") as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2013 of the Company and our report dated February 20, 2014 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule.

/s/ DELOITTE & TOUCHE LLP
New York, New York
February 20, 2014

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information contained in the Company's Annual Proxy Statement under the sections titled "Corporate Governance - Board of Directors," "Corporate Governance - Functions and Meetings of the Board of Directors Governance - Codes of Conduct", "Corporate Governance - Committees of the Board of Directors", "Executive Officers" and "Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated herein by reference in response to this item.

ITEM 11. EXECUTIVE COMPENSATION

The information contained in the Company's Annual Proxy Statement under the section titled "Executive Compensation" is incorporated herein by reference in response to this item.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information contained in the Company's Annual Proxy Statement under the section titled "Security Ownership of Certain Beneficial Owners" is incorporated herein by reference in response to this item.

Information concerning our equity compensation plans is included in Part II of this report under the caption "Securities Authorized for Issuance under Equity Compensation Plans."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information contained in the Company's Annual Proxy Statement under the section titled "Corporate Governance - Related Person Transactions" and "Corporate Governance - Functions and Meetings of the Board of Directors - Director Independence" is incorporated herein by reference in response to this item.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information contained in the Company's Annual Proxy Statement under the section titled "Ratification of Appointment of Auditors" is incorporated herein by reference in response to this item.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

ITEM 15(A)(1). FINANCIAL STATEMENTS

See Consolidated Financial Statements and Consolidated Financial Statements Index commencing on page F-1 hereof.

ITEM 15(A)(2). FINANCIAL STATEMENT SCHEDULES

See Schedule II – Valuation and Qualifying Accounts for the years ended December 31, 2013, 2012 and 2011 commencing on page G-1 hereof.

ITEM 15(A)(3). EXHIBITS

See Exhibit Index commencing on page H-1 hereof.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Avis Budget Group, Inc.
Parsippany, New Jersey

We have audited the accompanying consolidated balance sheets of Avis Budget Group, Inc. and subsidiaries (the "Company") as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2013. Our audits also included the financial statement schedule listed in the Index at Item 15. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20, 2014 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP
New York, New York
February 20, 2014

Avis Budget Group, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)

	Year Ended December 31,		
	2013	2012	2011
Revenues			
Vehicle rental	\$ 5,707	\$ 5,297	\$ 4,338
Other	2,230	2,060	1,562
Net revenues	<u>7,937</u>	<u>7,357</u>	<u>5,900</u>
Expenses			
Operating	4,074	3,824	3,025
Vehicle depreciation and lease charges, net	1,811	1,471	1,223
Selling, general and administrative	1,019	925	756
Vehicle interest, net	264	297	286
Non-vehicle related depreciation and amortization	152	125	95
Interest expense related to corporate debt, net:			
Interest expense	228	268	219
Early extinguishment of debt	147	75	—
Restructuring expense	61	38	5
Transaction-related costs	51	34	255
Impairment	33	—	—
Total expenses	<u>7,840</u>	<u>7,057</u>	<u>5,864</u>
Income before income taxes	97	300	36
Provision for income taxes	<u>81</u>	<u>10</u>	<u>65</u>
Net income (loss)	<u>\$ 16</u>	<u>\$ 290</u>	<u>\$ (29)</u>
Earnings (loss) per share			
Basic	\$ 0.15	\$ 2.72	\$ (0.28)
Diluted	\$ 0.15	\$ 2.42	\$ (0.28)

See Notes to Consolidated Financial Statements.

Avis Budget Group, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Year Ended December 31,		
	2013	2012	2011
Net income (loss)	\$ 16	\$ 290	\$ (29)
Other comprehensive income (loss), net of tax			
Currency translation adjustments, net of tax of \$7, \$0 and \$0, respectively	\$ (27)	\$ 34	\$ (23)
Available-for-sale securities:			
Net unrealized gains on available-for-sale securities, net of tax of \$0, \$0 and \$0, respectively	—	2	2
Less: realized gains on available-for-sale securities reclassified to earnings, net of tax of \$0, \$1 and \$0, respectively	—	(2)	—
Cash flow hedges:			
Net unrealized holding losses arising during period, net of tax of \$1, \$1 and \$2, respectively	1	(1)	(4)
Less: cash flow hedges reclassified to earnings, net of tax of \$0, \$(9) and \$(23), respectively	—	14	37
Minimum pension liability adjustment:			
Pension and post-retirement benefits, net of tax of \$(19), \$1 and \$19, respectively	24	(23)	(31)
Less: Pension and post-retirement benefits reclassified to earnings, net of tax of \$(6), \$(6) and \$(3), respectively	9	8	5
	<u>7</u>	<u>32</u>	<u>(14)</u>
Total comprehensive income (loss)	<u>\$ 23</u>	<u>\$ 322</u>	<u>\$ (43)</u>

See Notes to Consolidated Financial Statements.

Avis Budget Group, Inc.
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	December 31,	
	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 693	\$ 606
Receivables (net of allowance for doubtful accounts of \$50 and \$40)	619	553
Deferred income taxes	177	146
Other current assets	455	405
Total current assets	1,944	1,710
Property and equipment, net	614	529
Deferred income taxes	1,299	1,454
Goodwill	691	375
Other intangibles, net	923	731
Other non-current assets	361	320
Total assets exclusive of assets under vehicle programs	5,832	5,119
Assets under vehicle programs:		
Program cash	116	24
Vehicles, net	9,582	9,274
Receivables from vehicle manufacturers and other	391	439
Investment in Avis Budget Rental Car Funding (AESOP) LLC—related party	363	362
	10,452	10,099
Total assets	\$ 16,284	\$ 15,218
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and other current liabilities	\$ 1,479	\$ 1,421
Short-term debt and current portion of long-term debt	89	57
Total current liabilities	1,568	1,478
Long-term debt	3,305	2,848
Other non-current liabilities	847	871
Total liabilities exclusive of liabilities under vehicle programs	5,720	5,197
Liabilities under vehicle programs:		
Debt	1,681	1,603
Debt due to Avis Budget Rental Car Funding (AESOP) LLC—related party	5,656	5,203
Deferred income taxes	2,177	2,163
Other	279	295
	9,793	9,264
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, \$.01 par value—authorized 10 million shares; none issued and outstanding	—	—
Common stock, \$.01 par value—authorized 250 million shares; issued 137,081,056 and 137,081,056 shares	1	1
Additional paid-in capital	7,893	8,211
Accumulated deficit	(2,360)	(2,376)
Accumulated other comprehensive income	117	110
Treasury stock, at cost—30,515,721 and 30,027,146 shares	(4,880)	(5,189)
Total stockholders' equity	771	757
Total liabilities and stockholders' equity	\$ 16,284	\$ 15,218

See Notes to Consolidated Financial Statements.

Avis Budget Group, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2013	2012	2011
Operating activities			
Net income (loss)	\$ 16	\$ 290	\$ (29)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Vehicle depreciation	1,678	1,438	1,395
Gain on sale of vehicles, net	(6)	(97)	(234)
Non-vehicle related depreciation and amortization	152	125	95
Deferred income taxes	37	128	32
Amortization of debt financing fees	41	57	78
Impairment	33	—	—
Non-cash charge on unfavorable license rights reacquired with the acquisition of Avis Europe plc	—	—	117
Net change in assets and liabilities, excluding the impact of acquisitions and dispositions:			
Receivables	(66)	(65)	29
Income taxes	(14)	(183)	(18)
Accounts payable and other current liabilities	(28)	(28)	20
Other, net	410	224	93
Net cash provided by operating activities	2,253	1,889	1,578
Investing activities			
Property and equipment additions	(152)	(132)	(65)
Proceeds received on asset sales	22	21	14
Net assets acquired (net of cash acquired)	(537)	(69)	(841)
Other, net	2	(9)	(7)
Net cash used in investing activities exclusive of vehicle programs	(665)	(189)	(899)
<i>Vehicle programs:</i>			
Increase in program cash	(79)	(13)	(11)
Investment in vehicles	(10,899)	(11,067)	(8,659)
Proceeds received on disposition of vehicles	9,409	9,196	7,196
Investment in debt securities of Avis Budget Rental Car Funding (AESOP)—related party	—	—	(400)
Proceeds from debt securities of Avis Budget Rental Car Funding (AESOP)—related party	—	—	400
Net cash used in investing activities	(2,234)	(2,073)	(2,373)
Financing activities			
Proceeds from long-term borrowings	2,972	1,152	682
Payments on long-term borrowings	(2,608)	(1,501)	(668)
Net change in short-term borrowings	(36)	10	(97)
Debt financing fees	(37)	(16)	(78)
Purchases of warrants	(78)	(29)	—
Proceeds from sale of call options	104	43	—
Repurchases of common stock	(48)	—	—
Other, net	3	1	1
Net cash provided by (used in) financing activities exclusive of vehicle programs	272	(340)	(160)

Avis Budget Group, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In millions)

	Year Ended December 31,		
	2013	2012	2011
<i>Vehicle programs:</i>			
Proceeds from borrowings	12,953	12,108	10,534
Payments on borrowings	(13,115)	(11,490)	(9,917)
Debt financing fees	(34)	(28)	(33)
	(196)	590	584
Net cash provided by financing activities	76	250	424
Effect of changes in exchange rates on cash and cash equivalents	(8)	6	(6)
Net increase (decrease) in cash and cash equivalents	87	72	(377)
Cash and cash equivalents, beginning of period	606	534	911
Cash and cash equivalents, end of period	\$ 693	\$ 606	\$ 534
Supplemental disclosure			
Interest payments	\$ 457	\$ 552	\$ 465
Income tax payments, net	\$ 58	\$ 65	\$ 51

See Notes to Consolidated Financial Statements.

Avis Budget Group, Inc.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at January 1, 2011	137.0	\$ 1	\$ 8,828	\$ (2,637)	\$ 92	(33.2)	\$ (5,874)	\$ 410
Comprehensive loss:								
Net loss	—	—	—	(29)	—	—	—	
Other comprehensive loss	—	—	—	—	(14)	—	—	
Total comprehensive loss								(43)
Net activity related to restricted stock units	—	—	(111)	—	—	0.4	124	13
Exercise of stock options	—	—	(215)	—	—	1.2	217	2
Realization of tax benefits for stock-based awards	—	—	30	—	—	—	—	30
Balance at December 31, 2011	137.0	\$ 1	\$ 8,532	\$ (2,666)	\$ 78	(31.6)	\$ (5,533)	\$ 412
Comprehensive income:								
Net income	—	—	—	290	—	—	—	
Other comprehensive income	—	—	—	—	32	—	—	
Total comprehensive income								322
Net activity related to restricted stock units	0.1	—	(202)	—	—	0.8	212	10
Exercise of stock options	—	—	(130)	—	—	0.8	130	—
Activity related to employee stock purchase plan	—	—	(2)	—	—	—	2	—
Repurchase of warrants	—	—	(29)	—	—	—	—	(29)
Sale of call options, net of tax of \$(1)	—	—	42	—	—	—	—	42
Balance at December 31, 2012	137.1	\$ 1	\$ 8,211	\$ (2,376)	\$ 110	(30.0)	\$ (5,189)	\$ 757
Comprehensive income:								
Net income	—	—	—	16	—	—	—	
Other comprehensive income	—	—	—	—	7	—	—	
Total comprehensive income								23
Net activity related to restricted stock units	—	—	(197)	—	—	0.4	207	10
Exercise of stock options	—	—	(155)	—	—	0.9	157	2
Realization of tax benefits for stock-based awards	—	—	3	—	—	—	—	3
Activity related to employee stock purchase plan	—	—	(1)	—	—	—	2	1
Repurchase of warrants	—	—	(78)	—	—	—	—	(78)
Sale of call options, net of tax of \$(1)	—	—	110	—	—	(0.2)	(7)	103
Repurchase of common stock	—	—	—	—	—	(1.6)	(50)	(50)
Balance at December 31, 2013	137.1	\$ 1	\$ 7,893	\$ (2,360)	\$ 117	(30.5)	\$ (4,880)	\$ 771

See Notes to Consolidated Financial Statements.

Avis Budget Group, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise noted, all dollar amounts are in millions, except per share amounts)

1. Basis of Presentation

Avis Budget Group, Inc. provides car and truck rentals, car sharing services and ancillary services to businesses and consumers worldwide. The accompanying Consolidated Financial Statements include the accounts and transactions of Avis Budget Group, Inc. and its subsidiaries, as well as entities in which Avis Budget Group, Inc. directly or indirectly has a controlling financial interest (collectively, the "Company").

The Company operates the following reportable business segments:

- **North America**—provides car rentals in the United States and vehicle rentals in Canada, as well as ancillary products and services, and operates the Company's Zipcar car sharing business.
- **International**—provides and licenses the Company's brands to third parties for vehicle rentals and ancillary products and services in Europe, the Middle East, Africa, Asia, South America, Central America, the Caribbean, Australia and New Zealand.
- **Truck Rental**—provides truck rentals and ancillary products and services to consumers and commercial users in the United States.

In 2013, 2012 and 2011, the Company completed the business acquisitions discussed in Note 5 to these consolidated financial statements. The operating results of the acquired businesses are included in the accompanying consolidated financial statements from the dates of acquisition.

The Company presents separately the financial data of its vehicle programs. These programs are distinct from the Company's other activities since the assets under vehicle programs are generally funded through the issuance of debt that is collateralized by such assets. The income generated by these assets is used, in part, to repay the principal and interest associated with the debt. Cash inflows and outflows relating to the acquisition of such assets and the principal debt repayment or financing of such assets are classified as activities of the Company's vehicle programs. The Company believes it is appropriate to segregate the financial data of its vehicle programs because, ultimately, the source of repayment of such debt is the realization of such assets.

2. Summary of Significant Accounting Policies

Accounting Principles

The Company's Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and all entities in which it has a direct or indirect controlling financial interest and variable interest entities ("VIEs") for which the Company has determined it is the primary beneficiary. Intercompany transactions have been eliminated in consolidation.

Use of Estimates and Assumptions

The use of estimates and assumptions as determined by management is required in the preparation of the Consolidated Financial Statements in conformity with GAAP. These estimates are based on management's evaluation of historical trends and other information available when the Consolidated Financial Statements are prepared and may affect the amounts reported and related disclosures. Actual results could differ from those estimates.

Revenue Recognition

The Company derives revenue primarily through the operation and licensing of the Avis and Budget rental systems and by providing vehicle rentals and other services to business and leisure travelers and others. Other revenue includes sales of loss damage waivers and insurance products, fuel and fuel service charges, rentals of GPS navigation units and other items. Revenue is recognized when persuasive evidence of an arrangement exists, the services have been rendered to customers, the pricing is fixed or determinable and collection is reasonably assured.

Vehicle rental and rental-related revenue is recognized over the period the vehicle is rented. Licensing revenue principally consists of royalties paid by the Company's licensees and is recorded within other revenues as the licensees' revenue is earned (over the rental period of a vehicle). The Company renews license agreements in the normal course of business and occasionally terminates, purchases or sells license agreements. In connection with ongoing fees that the Company receives from its licensees pursuant to license agreements, the Company is required to provide certain services, such as training, marketing and the operation of reservation systems. Revenue and expenses associated with gasoline, vehicle licensing and airport concessions are recorded on a gross basis within revenue and operating expenses.

Currency Translation

Assets and liabilities of foreign operations are translated at the rate of exchange in effect on the balance sheet date; income and expenses are translated at the prevailing monthly average rate of exchange. The related translation adjustments are reflected in "Accumulated other comprehensive income" in the stockholders' equity section of the Consolidated Balance Sheets and in the Consolidated Statements of Comprehensive Income. The accumulated currency translation adjustment as of December 31, 2013 and 2012 was \$166 million and \$193 million, respectively. Currency gains and losses resulting from transactions are included in earnings.

Cash and Cash Equivalents

The Company considers highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment (including leasehold improvements) are stated at cost, net of accumulated depreciation and amortization. Depreciation (non-vehicle related) is computed utilizing the straight-line method over the estimated useful lives of the related assets. Amortization of leasehold improvements is computed utilizing the straight-line method over the estimated benefit period of the related assets, which may not exceed 20 years, or the lease term, if shorter. Useful lives are as follows:

Buildings	30 years
Furniture, fixtures & equipment	3 to 10 years
Capitalized software	3 to 7 years
Buses and support vehicles	4 to 15 years

The Company capitalizes the costs of software developed for internal use when the preliminary project stage is completed and management (i) commits to funding the project and (ii) believes it is probable that the project will be completed and the software will be used to perform the function intended. The software developed or obtained for internal use is amortized on a straight-line basis commencing when such software is ready for its intended use. The net carrying value of software developed or obtained for internal use was \$108 million and \$71 million as of December 31, 2013 and 2012, respectively.

Goodwill and Other Intangible Assets

Goodwill represents the excess, if any, of the fair value of the consideration transferred by the acquirer and the fair value of any non-controlling interest remaining in the acquiree, if any, over the fair values of the identifiable net assets acquired. The Company does not amortize goodwill, but assesses it for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount of this asset may exceed its fair value. The Company performs its annual impairment assessment in the fourth quarter of each year at the reporting unit level. The Company assesses goodwill for such impairment by comparing the carrying value of each reporting unit to its fair value using the present value of expected future cash flows. When appropriate, comparative market multiples and other factors are used to corroborate the discounted cash flow results.

Other intangible assets, primarily trademarks, with indefinite lives are not amortized but are evaluated annually for impairment and whenever events or changes in circumstances indicate that the carrying amount of this asset may exceed its fair value. If the carrying value of an other intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. Other intangible assets with finite lives are amortized over their estimated useful lives and are evaluated each reporting period to determine if circumstances warrant a revision to these lives.

Impairment of Long-Lived Assets

The Company is required to assess long-lived assets for impairment whenever circumstances indicate impairment may have occurred. This analysis is performed by comparing the respective carrying values of the assets to the undiscounted expected future cash flows to be generated from such assets. Property and equipment is evaluated separately within each segment. If such analysis indicates that the carrying value of these assets is not recoverable, the carrying value of such assets is reduced to fair value.

Program Cash

Program cash primarily represents amounts specifically designated to purchase assets under vehicle programs and/or to repay the related debt.

Vehicles

Vehicles are stated at cost, net of accumulated depreciation. The initial cost of the vehicles is recorded net of incentives and allowances from manufacturers. The Company acquires many of its rental vehicles pursuant to repurchase and guaranteed depreciation programs established by automobile manufacturers. Under these programs, the manufacturers agree to repurchase vehicles at a specified price and date, or guarantee the depreciation rate for a specified period of time, subject to certain eligibility criteria (such as car condition and mileage requirements). The Company depreciates vehicles such that the net book value on the date of return to the manufacturers is intended to equal the contractual guaranteed residual values, thereby minimizing any gain or loss.

Rental vehicles acquired outside of manufacturer repurchase and guaranteed depreciation programs are depreciated based upon their estimated residual values at their expected dates of disposition, after giving effect to anticipated conditions in the used car market, which are reviewed on a continuous basis. Any adjustments to depreciation are made prospectively.

The estimation of residual values requires the Company to make assumptions regarding the age and mileage of the car at the time of disposal, as well as expected used vehicle auction market conditions. The Company periodically evaluates estimated residual values and adjusts depreciation rates as appropriate. Differences between actual residual values and those estimated result in a gain or loss on disposal and are recorded as part of vehicle depreciation at the time of sale. For 2013, 2012 and 2011, rental vehicles were depreciated at rates ranging from 1% to 43% per annum. Vehicle-related interest expense amounts are net of vehicle-related interest income of \$9 million, \$8 million and \$8 million for 2013, 2012 and 2011, respectively.

Advertising Expenses

Advertising costs are generally expensed in the period incurred. Advertising expenses, recorded within selling, general and administrative expense on our Consolidated Statements of Operations, include radio, television, travel partner rewards programs, internet advertising and other advertising and promotions and were approximately \$116 million, \$127 million and \$107 million in 2013, 2012 and 2011, respectively.

Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records net deferred tax assets to the extent it believes that it is more likely than not that these assets will be realized. In making such determination, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent results of operations. In the event the Company were to determine that it would be able to realize the deferred income tax assets in the future in excess of their net recorded amount, the Company would adjust the valuation allowance, which would reduce the provision for income taxes.

The Company reports revenues net of any tax assessed by a governmental authority that is both imposed on and concurrent with a specific revenue-producing transaction between a seller and a customer.

Fair Value Measurements

The Company measures fair value of assets and liabilities and discloses the source for such fair value measurements. Financial assets and liabilities are classified as follows: Level 1, which refers to assets and liabilities valued using quoted prices from active markets for identical assets or liabilities; Level 2, which refers to assets and liabilities for which significant other observable market inputs are readily available; and Level 3, which are valued based on significant unobservable inputs.

The fair value of the Company's financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market (Level 1 inputs). In some cases where quoted market prices are not available, prices are derived by considering the yield of the benchmark security that was issued to initially price the instruments and adjusting this rate by the credit spread that market participants would demand for the instruments as of the measurement date (Level 2 inputs). In situations where long-term borrowings are part of a conduit facility backed by short-term floating rate debt, the Company has determined that its carrying value approximates the fair value of this debt (Level 2 inputs). The carrying amounts of cash and cash equivalents, available-for-sale securities, accounts receivable, program cash and accounts payable and accrued liabilities approximate fair value due to the short-term maturities of these assets and liabilities.

The Company's derivative assets and liabilities consist principally of currency exchange contracts, interest rate swaps, interest rate contracts and commodity contracts, and are carried at fair value based on significant observable inputs (Level 2 inputs). Derivatives entered into by the Company are typically executed over-the-counter and are valued using internal valuation techniques, as no quoted market prices exist for such instruments. The valuation technique and inputs depend on the type of derivative and the nature of the underlying exposure. The Company principally uses discounted cash flows to value these instruments. These models take into account a variety of factors including, where applicable, maturity, commodity prices, interest rate yield curves of the Company and counterparties, credit curves, counterparty creditworthiness and currency exchange rates. These factors are applied on a consistent basis and are based upon observable inputs where available.

Derivative Instruments

Derivative instruments are used as part of the Company's overall strategy to manage exposure to market risks associated with fluctuations in currency exchange rates, interest rates and gasoline costs. As a matter of policy, derivatives are not used for trading or speculative purposes.

All derivatives are recorded at fair value either as assets or liabilities. Changes in fair value of derivatives not designated as hedging instruments are recognized currently in earnings within the same line item as the hedged item. The effective portion of changes in fair value of a derivative that is designated as either a cash flow or net investment hedge, is recorded as a component of accumulated other comprehensive income. The ineffective portion is recognized in earnings within the same line item as the hedged item, including vehicle interest, net or interest related to corporate debt, net. Amounts included in accumulated other comprehensive income are reclassified into earnings in the same period during which the hedged item affects earnings. Amounts related to our derivative instruments are recognized in the Consolidated Statements of Cash Flows consistent with the nature of the hedged item (principally operating activities).

Investments

The Company determines the appropriate classification of its investments in debt and equity securities at the time of purchase and reevaluates such determination at each balance sheet date. Common stock investments in affiliates over which the Company has the ability to exercise significant influence but not a controlling interest are carried on the equity method of accounting. Available-for-sale securities are carried at current fair value with unrealized gains or losses reported net of taxes as a separate component of stockholders' equity. Trading securities are recorded at fair value with realized and unrealized gains and losses reported currently in earnings. As of December 31, 2013, the Company has investments in available-for-sale securities with a fair value of \$6 million.

Joint venture investments are typically accounted for under the equity method of accounting. Under this method, the Company records its proportional share of the joint venture's net income or loss within operating expenses in the Consolidated Statements of Operations. As of December 31, 2013, the Company had investments in several joint ventures with a carrying value of \$53 million, recorded within non-current assets on the Consolidated Balance Sheets.

Aggregate realized gains and losses on investments and dividend income are recorded within operating expenses on the Consolidated Statements of Operations. During 2013, the amount realized from the sale of certain equity investments was not material. During 2012 and 2011, the Company realized a gain of \$2 million and \$1 million, respectively, from the sale of equity investments.

Self-Insurance Reserves

The Consolidated Balance Sheets include \$416 million and \$407 million of liabilities associated with retained risks of liability to third parties as of December 31, 2013 and 2012, respectively. Such liabilities relate primarily to public liability and third-party property damage claims, as well as claims arising from the sale of ancillary insurance products including but not limited to supplemental liability, personal effects protection and personal accident insurance. These obligations represent an estimate for both reported claims not yet paid and claims incurred but not yet reported. The estimated reserve requirements for such claims are recorded on an undiscounted basis utilizing actuarial methodologies and various assumptions which include, but are not limited to, the Company's historical loss experience and projected loss development factors. The required liability is also subject to adjustment in the future based upon the changes in claims experience, including changes in the number of incidents and changes in the ultimate cost per incident. These amounts are included within accounts payable and other current liabilities and other non-current liabilities.

The Consolidated Balance Sheets also include liabilities of approximately \$59 million and \$61 million as of December 31, 2013 and 2012, respectively, related to workers' compensation, health and welfare and other employee benefit programs. The liabilities represent an estimate for both reported claims not yet paid and claims incurred but not yet reported, utilizing actuarial methodologies similar to those mentioned above. These amounts are included within accounts payable and other current liabilities and other non-current liabilities.

Stock-Based Compensation

Stock-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized as expense on a straight-line basis over the vesting period. The Company's policy is to record compensation expense for stock options, and restricted stock units that are time- and performance-based, for the portion of the award that is expected to vest. Compensation expense related to market-based restricted stock units is recognized provided that the requisite service is rendered, regardless of when, if ever, the market condition is satisfied. We estimate the fair value of restricted stock units using the market price of the Company's common stock on the date of grant. We estimate the fair value of stock-based and cash unit awards containing a market condition using a Monte Carlo simulation model. Key inputs and assumptions used in the Monte Carlo simulation model include the stock price of the award on the grant date, the expected term, the risk-free interest rate over the expected term, the expected annual dividend yield and the expected stock price volatility. The expected volatility is based on a combination of the historical and implied volatility of the Company's publicly traded, near-the-money stock options, and the valuation period is based on the vesting period of the awards. The risk-free interest rate is derived from the U.S. Treasury yield curve in effect at the time of grant and, since the Company does not currently pay or plan to pay a dividend on its common stock, the expected dividend yield was zero.

Business Combinations

The Company uses the acquisition method of accounting for business combinations, which requires that the assets acquired and liabilities assumed be recorded at their respective fair values at the date of acquisition. Assets acquired and liabilities assumed in a business combination that arise from contingencies are recognized if fair value can be reasonably estimated at the acquisition date. The excess, if any, of (i) the fair value of the consideration transferred by the acquirer and the fair value of any non-controlling interest remaining in the acquiree, over (ii) the fair values of the identifiable net assets acquired is recorded as goodwill. Gains and losses on the re-acquisition of unfavorable license agreements are recorded in the Consolidated Statements of Operations upon completion of the respective acquisition. Transaction-related costs incurred to effect a business combination are expensed as incurred, except for the cost to issue debt related to the acquisition.

Transaction-related Costs

Transaction-related costs are classified separately in the Consolidated Statements of Operations. These costs comprise expenses related to the integration of the acquiree's operations with those of the Company, including duplicate headcount costs for functions or positions that are integrated, costs associated with the implementation of incremental compliance-related programs, expenses for the implementation of best practices and process improvements, and expenses related to acquisition-related activities such as due-diligence and other advisory costs. Transaction-related costs in 2011 also include a non-cash charge related to the reacquired unfavorable license rights and losses on currency transactions related to the Avis Europe acquisition.

Currency Transactions

The Company records the net gain or loss of currency transactions on certain intercompany loans and the unrealized gain or loss on intercompany loan hedges within interest expense related to corporate debt, net. During the years ended December 31, 2013 and 2012, the Company recorded losses of \$11 million and \$17 million, respectively, on such items. There was no such item in the year ended December 31, 2011.

Adoption of New Accounting Standards During 2013

In January 2013, as a result of the issuance of a new accounting pronouncement, the Company adopted Accounting Standards Update ("ASU") No. 2012-2, "Testing Indefinite-Lived Intangible Assets for Impairment," which provides companies the option to first assess qualitative factors to determine whether there are events or circumstances which would lead to a determination that it is more likely than not that the indefinite-lived intangible asset is impaired, and it did not have an impact on the Company's financial statements.

In January 2013, as a result of issuance of a new accounting pronouncement, the Company adopted, as required, ASU No. 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive

Income,” which requires companies to disclose additional information about amounts reclassified out of accumulated other comprehensive income by component. The adoption of this pronouncement resulted in incremental disclosure about activity and amounts reclassified out of accumulated other comprehensive income.

Recently Issued Accounting Pronouncements

On January 1, 2014, as a result of the issuance of a new accounting pronouncement, the Company adopted ASU No. 2013-11, “Income Taxes: Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists,” which requires tax benefits to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward or a tax credit carryforward. The adoption of this accounting pronouncement will not have an impact on the Company’s financial statements.

3. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (“EPS”) (shares in millions):

	Year Ended December 31,		
	2013	2012	2011 ^(a)
Net income (loss) for basic EPS	\$ 16	\$ 290	\$ (29)
Convertible debt interest, net of tax	—	4	—
Net income (loss) for diluted EPS	\$ 16	\$ 294	\$ (29)
Basic weighted average shares outstanding	107.6	106.6	105.2
Options, warrants and non-vested stock	3.8	2.5	—
Convertible debt	—	12.5	—
Diluted weighted average shares outstanding	111.4	121.6	105.2
<i>Earnings (loss) per share:</i>			
Basic	\$ 0.15	\$ 2.72	\$ (0.28)
Diluted	\$ 0.15	\$ 2.42	\$ (0.28)

^(a) As the Company incurred a net loss in 2011, all outstanding stock options, restricted stock units, stock warrants and issuable shares underlying the convertible debt have an anti-dilutive effect and therefore are excluded from the computation of diluted weighted average shares outstanding. Accordingly, basic and diluted weighted average shares outstanding are equal for such period.

The following table summarizes the Company’s outstanding common stock equivalents that were anti-dilutive and therefore excluded from the computation of diluted EPS (shares in millions):

	As of December 31,		
	2013	2012	2011
Options ^(a)	—	0.2	3.4
Warrants ^(b)	—	7.9	21.2
Shares underlying convertible debt	4.0	—	21.2

^(a) The weighted average exercise price for anti-dilutive options for 2012 and 2011 was \$17.12 and \$7.90, respectively.

^(b) Represents all outstanding warrants for 2012 and 2011. The exercise price for the warrants was \$22.50.

4. Restructuring

During fourth quarter 2012, the Company initiated a strategic restructuring initiative to better position the business of its Truck Rental segment, in which it closed certain rental locations and decreased the size of the rental fleet, with the intent to increase fleet utilization and reduce costs. During the year ended December 31, 2013, the Company recorded restructuring expense of \$21 million related to this initiative and expects no further restructuring expenses to be incurred in 2014.

In 2011, subsequent to the acquisition of Avis Europe, the Company initiated restructuring initiatives, identifying synergies across the Company, enhancing organizational efficiencies and consolidating and rationalizing processes. During the years ended December 31, 2013, 2012 and 2011, as part of this process, the Company formally communicated the termination of employment to approximately 580, 550 and 50 employees, respectively. During 2013, 2012 and 2011, the Company recorded restructuring expenses in connection with these initiatives of \$40 million, \$37 million and \$3 million, respectively, the majority of which have been or are expected to be settled in cash. These expenses primarily represent costs associated with severance, outplacement services and other costs associated with employee terminations. As of December 31, 2013, the Company has terminated approximately 440 of the employees affected in 2013 and anticipates that it will incur an additional \$20 million of restructuring expenses related to these initiatives in 2014.

The following tables summarize the change to our restructuring-related liabilities and identify the amounts recorded within the Company's reporting segments for restructuring charges and corresponding payments and utilizations:

	Personnel Related	Facility Related	Other ^(a)	Total
Balance as of January 1, 2011	\$ —	\$ 6	\$ —	\$ 6
Restructuring expense	5	—	—	5
Acquired restructuring obligation	—	1	—	1
Cash payment/utilization	(4)	(6)	—	(10)
Balance as of December 31, 2011	1	1	—	2
Restructuring expense	37	—	1	38
Cash payment/utilization	(26)	—	(1)	(27)
Balance as of December 31, 2012	12	1	—	13
Restructuring expense	34	6	21	61
Cash payment/utilization	(29)	(2)	(21)	(52)
Balance as of December 31, 2013	\$ 17	\$ 5	\$ —	\$ 22

^(a) Includes expenses related to the disposition of vehicles.

	North America	International	Truck Rental	Total
Balance as of January 1, 2011	\$ 6	\$ —	\$ —	\$ 6
Restructuring expense	2	3	—	5
Acquired restructuring obligation	—	1	—	1
Cash payment/utilization	(7)	(3)	—	(10)
Balance as of December 31, 2011	1	1	—	2
Restructuring expense	1	36	1	38
Cash payment/utilization	(1)	(25)	(1)	(27)
Balance as of December 31, 2012	1	12	—	13
Restructuring expense	7	33	21	61
Cash payment/utilization	(7)	(24)	(21)	(52)
Balance as of December 31, 2013	\$ 1	\$ 21	\$ —	\$ 22

5. Acquisitions

Zipcar

In March 2013, the Company completed the acquisition of the entire issued share capital of Zipcar, a leading car sharing company, for \$473 million, net of acquired cash. The acquisition increased the Company's growth potential and its ability to better serve a greater variety of customer transportation needs.

The excess of the purchase price over fair value of net assets acquired was allocated to goodwill, which was assigned to the Company's North America segment. The goodwill is not expected to be deductible for tax purposes. The fair values of certain tangible assets and liabilities acquired, identifiable intangible assets,

income and non-income based taxes, and residual goodwill are not yet finalized and subject to change. In connection with this acquisition, \$188 million was recorded in identifiable intangible assets (consisting of \$112 million related to trademarks and \$76 million related to customer relationships) and \$269 million was recorded in goodwill. The trademark assets are indefinite-lived and the customer relationship intangibles will be amortized over an estimated life of 8 years.

Brazilian licensee

In August 2013, the Company acquired a 50% ownership stake in its Brazilian licensee for \$53 million. Approximately \$47 million of the total consideration was paid in 2013 and the remainder is expected to be paid by the end of first quarter 2014. The Company's investment significantly increases its presence in the Brazilian car rental market.

The Company's investment in its Brazilian licensee was recorded as an equity investment within Other non-current assets, and the Company's share of the Brazilian licensee's operating results is reported within Operating expenses. In conjunction with the acquisition, the Company agreed to the payment of contingent consideration of up to \$13 million based on the Brazilian licensee's future financial performance. The fair value of the contingent consideration was estimated by utilizing a Monte Carlo simulation technique, based on a range of possible future results, and no value was attributed to the contingent consideration at the acquisition date or at December 31, 2013. The Company's investment, which is recorded in its International segment, totaled approximately \$17 million at December 31, 2013, net of an impairment charge of \$33 million (\$33 million, net of tax). The impairment charge was recorded at the time of the investment based on a combination of observable and unobservable fair value inputs (Level 3), specifically a combination of the Income approach-discounted cash flow method and the Market approach-public company market multiple method.

Payless Car Rental

In July 2013, the Company completed the acquisition of Payless for \$46 million, net of acquired cash. The acquisition provides the Company with a position in the deep-value segment of the car rental industry. The excess of the purchase price over preliminary fair value of net assets acquired was allocated to goodwill, which was assigned to the Company's North America segment. The goodwill is not expected to be deductible for tax purposes. The fair value of the assets acquired and liabilities assumed has not yet been finalized and is therefore subject to change. In connection with this acquisition, \$23 million was recorded in identifiable intangible assets (consisting of \$16 million related to trademarks and \$7 million related to license agreements) and \$27 million was recorded in goodwill. The trademark assets are indefinite-lived and the license agreements will be amortized over an estimated life of 15 years.

Apex Car Rentals

In October 2012, the Company completed the acquisition of the assets of Apex, a leading deep-value car rental company in New Zealand and Australia, operating a fleet of approximately 4,000 rental vehicles. In conjunction with the acquisition, the Company paid \$63 million in cash (including the acquisition of fleet) and agreed to the payment of contingent consideration with an estimated acquisition date fair value of \$9 million. The contingent consideration consists of a maximum of \$26 million in additional payments that are contingent on the future financial performance of Apex. The fair value of the contingent consideration at the acquisition date, and at December 31, 2013, was estimated by utilizing a Monte Carlo simulation technique, based on a range of possible future results. Any changes in contingent consideration are recorded in Transaction-related costs. The amount recognized for contingent consideration was \$12 million at December 31, 2013. In connection with this acquisition, \$21 million was recorded in trademarks and \$16 million was recorded in goodwill, which were allocated to the Company's International segment. The goodwill is not expected to be deductible for tax purposes.

Avis Europe

In October 2011, the Company completed the acquisition of the entire issued share capital of Avis Europe for \$976 million and subsequently repaid \$649 million of assumed Avis Europe indebtedness. Avis Europe provides vehicle rental and ancillary products and services in Europe, the Middle East, Africa and Asia. The acquisition reunited the global operation of the Avis and Budget brands under one corporate umbrella.

The Company recorded a \$117 million net, non-cash charge, within transaction-related costs, related to the reacquired unfavorable license rights that provided Avis Europe with royalty-free license rights within certain territories. This net charge reflects the difference, as of the acquisition date, between the fair value of the license rights and their contractual value. The Company used a relief from royalty rate analysis to determine the fair value. This valuation considered, but was not limited to, (i) the contracted royalty rates, (ii) the market royalty rate and (iii) the term of the license contracts.

The excess of the purchase price over fair value of net assets acquired was allocated to goodwill, which was assigned to the Company's International segment. The goodwill is not expected to be deductible for tax purposes. The fair value of the assets acquired and liabilities assumed, as set forth in the table below, reflects various fair value estimates and analyses, including work performed by third-party valuation specialists. The following summarizes the allocation of the purchase price of Avis Europe:

Cash	\$	136
Receivables		245
Other current assets		213
Property and equipment		91
Deferred income taxes		27
Other intangibles		254
Other non-current assets		31
Vehicles		1,706
Receivables from vehicle manufacturers and other		282
Total identifiable assets acquired		<u>2,985</u>
Accounts payable and other current liabilities		(552)
Debt		(763)
Other non-current liabilities		(322)
Liabilities under vehicles program - debt		(779)
Total liabilities assumed		<u>(2,416)</u>
Net assets acquired		569
Goodwill		290
Non-cash charge related to the reacquired unfavorable license rights		117
Total	\$	<u>976</u>

Other intangibles consisted primarily of \$188 million related to license agreements and \$66 million related to customer relationships. These license agreements are amortized over a weighted-average life of approximately 20 years. Customer relationships are amortized over a weighted-average life of approximately 12 years.

Avis Europe contributed net revenues of \$359 million and a net loss of \$223 million, including \$213 million of transaction-related costs, net of tax to the Company's results from October 2011 through December 2011. The net loss was primarily due to a non-cash charge, recorded at the time of the acquisition, related to the unfavorable license rights reacquired by the Company. The following unaudited pro forma summary presents the Company's consolidated information as if Avis Europe had been acquired on January 1, 2011. These amounts were calculated after conversion of Avis Europe's results into U.S. dollars, applying adjustments to align the financial information with GAAP and the Company's accounting policies. In addition, adjustments were made to reflect the impact to amortization expense and related income tax expense for fair value adjustments and revised useful lives assigned to intangible assets as if Avis Europe had been acquired on January 1, 2011.

		(unaudited)
		Pro Forma Summary
		for the Year Ended
		December 31,
		<u>2011</u>
Net revenues	\$	7,259
Net income		22
Earnings per share – Diluted		0.17

6. Intangible Assets

Intangible assets consisted of:

	As of December 31, 2013			As of December 31, 2012		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>Amortized Intangible Assets</i>						
License agreements ^{(a) (d)}	\$ 272	\$ 52	\$ 220	\$ 257	\$ 39	\$ 218
Customer relationships ^{(b) (e)}	166	35	131	86	19	67
Other ^(c)	2	1	1	2	1	1
	<u>\$ 440</u>	<u>\$ 88</u>	<u>\$ 352</u>	<u>\$ 345</u>	<u>\$ 59</u>	<u>\$ 286</u>
<i>Unamortized Intangible Assets</i>						
Goodwill ^{(d) (e)}	<u>\$ 691</u>			<u>\$ 375</u>		
Trademarks ^{(d) (e)}	<u>\$ 571</u>			<u>\$ 445</u>		

^(a) Primarily amortized over a period ranging from 20 to 40 years.

^(b) Primarily amortized over a period ranging from 8 to 20 years.

^(c) Primarily amortized over 27 years.

^(d) The increase primarily relates to the acquisition of Payless.

^(e) The increase primarily relates to the acquisition of Zipcar.

Amortization expense relating to all intangible assets was as follows:

	Year Ended December 31,		
	2013	2012	2011
License agreements	\$ 12	\$ 13	\$ 4
Customer relationships	15	8	3
Total	<u>\$ 27</u>	<u>\$ 21</u>	<u>\$ 7</u>

Based on the Company's amortizable intangible assets at December 31, 2013, the Company expects related amortization expense of approximately \$29 million for each of the five succeeding fiscal years excluding effects of currency exchange rates.

The carrying amounts of goodwill and related changes are as follows:

	North America	International	Truck Rental	Total Company
Gross goodwill as of January 1, 2012	\$ 1,359	\$ 869	\$ 243	\$ 2,471
Accumulated impairment losses as of January 1, 2012	(1,355)	(535)	(228)	(2,118)
Goodwill as of January 1, 2012	4	334	15	353
Acquisitions	1	16	—	17
Adjustments to the allocation of purchase price	—	5	—	5
Goodwill as of December 31, 2012	<u>\$ 5</u>	<u>\$ 355</u>	<u>\$ 15</u>	<u>\$ 375</u>
Acquisitions	296	4	—	300
Foreign currency translation adjustments	—	16	—	16
Goodwill as of December 31, 2013	<u>\$ 301</u>	<u>\$ 375</u>	<u>\$ 15</u>	<u>\$ 691</u>

7. Vehicle Rental Activities

The components of vehicles, net within assets under vehicle programs are as follows:

	As of December 31,	
	2013	2012
Rental vehicles	\$ 10,234	\$ 10,000
Less: Accumulated depreciation	(1,411)	(1,345)
	8,823	8,655
Vehicles held for sale	759	619
Vehicles, net	<u>\$ 9,582</u>	<u>\$ 9,274</u>

The components of vehicle depreciation and lease charges, net are summarized below:

	Year Ended December 31,		
	2013	2012	2011
Depreciation expense	\$ 1,678	\$ 1,438	\$ 1,395
Lease charges	139	130	62
Gain on sale of vehicles, net	(6)	(97)	(234)
Vehicle depreciation and lease charges, net	<u>\$ 1,811</u>	<u>\$ 1,471</u>	<u>\$ 1,223</u>

For the years ended December 31, 2013, 2012 and 2011, the Company had purchases of vehicles included in payables of \$260 million, \$284 million and \$356 million, respectively, and sales of vehicles included in receivables of \$378 million, \$439 million and \$339 million, respectively.

8. Income Taxes

The provision for (benefit from) income taxes consists of the following:

	Year Ended December 31,		
	2013	2012	2011
Current			
Federal	\$ (4)	\$ (109)	\$ —
State	12	(16)	(3)
Foreign	36	7	36
Current income tax provision (benefit)	<u>44</u>	<u>(118)</u>	<u>33</u>
Deferred			
Federal	28	93	36
State	8	20	10
Foreign	1	15	(14)
Deferred income tax provision	<u>37</u>	<u>128</u>	<u>32</u>
Provision for income taxes	<u>\$ 81</u>	<u>\$ 10</u>	<u>\$ 65</u>

Pretax income (loss) for domestic and foreign operations consists of the following:

	Year Ended December 31,		
	2013	2012	2011
United States ^(a)	\$ 4	\$ 233	\$ 74
Foreign ^(b)	93	67	(38)
Pretax income	<u>\$ 97</u>	<u>\$ 300</u>	<u>\$ 36</u>

^(a) For the years ended December 31, 2013 and 2012, includes debt extinguishment costs of \$147 million and \$75 million, respectively.

^(b) For the year ended December 31, 2011, includes \$128 million of transaction-related costs.

Current and non-current deferred income tax assets and liabilities are comprised of the following:

	As of December 31,	
	2013	2012
<i>Current deferred income tax assets:</i>		
Accrued liabilities and deferred revenue	\$ 209	\$ 179
Provision for doubtful accounts	12	10
Acquisition and integration-related liabilities	10	8
Convertible note hedge	1	3
Valuation allowance ^(a)	(28)	(22)
Current deferred income tax assets	204	178
<i>Current deferred income tax liabilities:</i>		
Accrued liabilities and deferred revenue	5	6
Prepaid expenses	22	26
Current deferred income tax liabilities	27	32
Current deferred income tax assets, net	\$ 177	\$ 146
<i>Non-current deferred income tax assets:</i>		
Net tax loss carryforwards	\$ 1,431	\$ 1,454
Accrued liabilities and deferred revenue	137	151
Depreciation and amortization	15	54
Tax credits	75	62
Convertible note hedge	—	2
Acquisition and integration-related liabilities	16	16
Other	46	36
Valuation allowance ^(a)	(319)	(276)
Non-current deferred income tax assets	1,401	1,499
<i>Non-current deferred income tax liabilities:</i>		
Depreciation and amortization	101	42
Other	1	3
Non-current deferred income tax liabilities	102	45
Non-current deferred income tax assets, net	\$ 1,299	\$ 1,454

^(a) The valuation allowance of \$347 million at December 31, 2013 relates to tax loss carryforwards, foreign tax credits and certain state deferred tax assets of \$279 million, \$46 million and \$22 million, respectively. The valuation allowance will be reduced when and if the Company determines it is more likely than not that the related deferred income tax assets will be realized. The valuation allowance of \$298 million at December 31, 2012 relates to tax loss carryforwards, foreign tax credits and certain state deferred tax assets of \$227 million, \$53 million and \$18 million, respectively.

Deferred income tax assets and liabilities related to vehicle programs are comprised of the following:

	As of December 31,	
	2013	2012
<i>Deferred income tax assets:</i>		
Depreciation and amortization	\$ 51	\$ 49
	51	49
<i>Deferred income tax liabilities:</i>		
Depreciation and amortization	2,228	2,212
	2,228	2,212
Deferred income tax liabilities under vehicle programs, net	\$ 2,177	\$ 2,163

At December 31, 2013, the Company had U.S. federal net operating loss carryforwards of approximately \$3.3 billion, most of which expire in 2031. Such net operating loss carryforwards are primarily related to accelerated depreciation of the Company's U.S. vehicles. Currently, the Company does not record valuation allowances on the majority of its U.S. federal tax loss carryforwards as there are adequate deferred tax liabilities that could be realized within the carryforward period. At December 31, 2013, the Company had foreign net operating loss carryforwards of approximately \$445 million with an indefinite utilization period. No

provision has been made for U.S. federal deferred income taxes on approximately \$720 million of accumulated and undistributed earnings of foreign subsidiaries at December 31, 2013, since it is the present intention of management to reinvest the undistributed earnings indefinitely in those foreign operations. The determination of the amount of unrecognized U.S. federal deferred income tax liability for unremitted earnings is not practicable.

The reconciliation between the U.S. federal income tax statutory rate and the Company's effective income tax rate is as follows:

	Year Ended December 31,		
	2013	2012	2011
U.S. federal statutory rate	35.0 %	35.0 %	35.0 %
Adjustments to reconcile to the effective rate:			
State and local income taxes, net of federal tax benefits	4.1	4.9	4.2
Changes in valuation allowances ^(a)	15.5	0.9	(1.3)
Taxes on foreign operations at rates different than statutory U.S. federal rates	5.9	—	(13.2)
Resolution of prior years' examination issues	—	(42.5)	—
Non-deductible debt extinguishment costs	18.8	4.7	—
Non-deductible transaction-related costs	3.2	0.3	146.5
Other non-deductible expenses	2.3	0.6	10.1
Other	(1.3)	(0.6)	(0.7)
	<u>83.5 %</u>	<u>3.3 %</u>	<u>180.6 %</u>

^(a) For the year ended December 31, 2013, includes 13.1% related to our impairment expense.

The following is a tabular reconciliation of the gross amount of unrecognized tax benefits for the year:

	2013	2012	2011
Balance at January 1	\$ 54	\$ 186	\$ 40
Additions for tax positions related to current year	4	4	—
Additions for tax positions for prior years	9	5	143
Additions associated with the acquisition of Avis Europe	—	—	34
Reductions for tax positions for prior years	—	(140)	(3)
Settlements	—	(1)	—
Statute of limitations	(4)	—	(28)
Balance at December 31	<u>\$ 63</u>	<u>\$ 54</u>	<u>\$ 186</u>

In 2012, the Company recorded a reduction in its unrecognized tax benefits primarily due to an effective settlement of \$128 million for pre-2007 taxes. The Company does not anticipate that total unrecognized tax benefits will change significantly in 2014.

Substantially all of the gross amount of the unrecognized tax benefits at December 31, 2013, 2012 and 2011, if recognized, would affect the Company's provision for, or benefit from, income taxes. As of December 31, 2013, the Company's unrecognized tax benefits were offset by tax loss carryforwards in the amount of \$18 million.

The following table presents unrecognized tax benefits:

	As of December 31,	
	2013	2012
Unrecognized tax benefit in non-current income taxes payable ^(a)	\$ 44	\$ 39
Accrued interest payable on potential tax liabilities ^(b)	28	22

^(a) Pursuant to the agreements governing the disposition of certain subsidiaries in 2006, the Company is entitled to indemnification for certain pre-disposition tax contingencies. As of December 31, 2013, \$15 million of unrecognized tax benefits are related to tax contingencies for which the Company believes it is entitled to indemnification.

^(b) The Company recognizes potential interest related to unrecognized tax benefits within interest expense related to corporate debt, net on the accompanying Consolidated Statements of Operations. Penalties incurred during the

twelve months ended December 31, 2013, 2012 and 2011, were not significant and were recognized as a component of income taxes.

9. Other Current Assets

Other current assets consisted of:

	As of December 31,	
	2013	2012
Prepaid expenses	\$ 187	\$ 174
Sales and use taxes	132	108
Other	136	123
Other current assets	\$ 455	\$ 405

10. Property and Equipment, net

Property and equipment, net consisted of:

	As of December 31,	
	2013	2012
Land	\$ 56	\$ 58
Buildings and leasehold improvements	549	521
Capitalized software	494	419
Furniture, fixtures and equipment	374	319
Buses and support vehicles	74	64
Projects in process	64	37
	1,611	1,418
Less: Accumulated depreciation and amortization	(997)	(889)
Property and equipment, net	\$ 614	\$ 529

Depreciation and amortization expense relating to property and equipment during 2013, 2012 and 2011 was \$124 million, \$104 million and \$88 million, respectively (including \$36 million, \$30 million and \$26 million, respectively, of amortization expense relating to capitalized software).

11. Other Non-Current Assets

Other non-current assets consisted of:

	As of December 31,	
	2013	2012
Debt financing fees	\$ 134	\$ 127
Receivables from Realogy ^(a)	60	62
Investments ^(b)	59	41
Receivables from Wyndham ^(a)	36	37
Other	72	53
Other non-current assets	\$ 361	\$ 320

^(a) Represents amounts due for certain contingent, tax and other corporate liabilities assumed by former subsidiaries. These amounts are due on demand upon the Company's settlement of the related liability. At December 31, 2013 and 2012, there are corresponding liabilities recorded within other non-current liabilities. Realogy has posted a letter of credit for the benefit of the Company with respect to these obligations, as more fully described under Note 15—Commitments and Contingencies.

^(b) In 2013, amount includes the Company's (i) 50% ownership of Anji Car Rental and Leasing Company Limited ("Anji"), our joint venture for the Avis brand in China, and (ii) 50% ownership in its Brazilian licensee. In 2012, amounts included (i) 50% ownership of Anji and (ii) 33% ownership of Mercury Car Rentals Limited, our joint venture for the Avis brand in India.

12. Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities consisted of:

	As of December 31,	
	2013	2012
Accounts payable	\$ 344	\$ 309
Accrued payroll and related	210	198
Accrued sales and use taxes	193	148
Public liability and property damage insurance liabilities – current	136	132
Deferred revenue – current	87	60
Accrued commissions	77	67
Advertising and marketing	75	82
Accrued interest	63	66
Income taxes payable – current	13	58
Other	281	301
Accounts payable and other current liabilities	<u>\$ 1,479</u>	<u>\$ 1,421</u>

13. Long-term Debt and Borrowing Arrangements

Long-term debt and other borrowing arrangements consisted of:

	Maturity Date	As of December 31,	
		2013	2012
Floating Rate Senior Notes	May 2014	\$ —	\$ 250
3½% Convertible Notes	October 2014	66	128
Floating Rate Term Loan ^(a)	May 2016	—	49
4⅞% Senior Notes	November 2017	300	300
Floating Rate Senior Notes	December 2017	247	—
9⅝% Senior Notes	March 2018	—	446
8¼% Senior Notes	January 2019	691	730
Floating Rate Term Loan ^(a)	March 2019	989	689
9¾% Senior Notes	March 2020	223	250
6% Euro-denominated Senior Notes	March 2021	344	—
5½% Senior Notes	April 2023	500	—
		<u>3,360</u>	<u>2,842</u>
Other		34	63
Total		<u>3,394</u>	<u>2,905</u>
Less: Short-term debt and current portion of long-term debt		89	57
Long-term debt		<u>\$ 3,305</u>	<u>\$ 2,848</u>

^(a) The Floating Rate Term Loans are part of the Company's senior credit facility, which is secured by pledges of capital stock of certain subsidiaries of the Company, and liens on substantially all of the Company's intellectual property and certain other real and personal property.

Convertible Notes

3½% Convertible Senior Notes. The Company's 3½% Convertible Senior Notes due October 2014 (the "Convertible Notes") were issued in October 2009 at par value, for aggregate proceeds of \$345 million. The Convertible Notes are senior unsecured obligations of the Company. The Convertible Notes are not redeemable by the Company prior to maturity; however, they are convertible by the holders at any time prior to the second trading day before the maturity date of the Convertible Notes. The initial conversion rate for the Convertible Notes is 61.5385 shares of common stock per \$1,000 principal amount, which is equal to an initial conversion price of approximately \$16.25 per share, and which is subject to adjustment under certain circumstances.

Concurrently with the issuance of the Convertible Notes, the Company purchased a convertible note hedge and entered into a warrant transaction, which effectively increased the conversion price of the Convertible

Notes, from the Company's perspective, to \$22.50 per share. The convertible note hedge was intended to reduce the net number of shares required to be issued upon conversion of the Convertible Notes.

During 2013 and 2012, the Company repurchased \$62 million and \$217 million, respectively, of its Convertible Notes at a cost of \$115 million and \$257 million, respectively. In conjunction with the repurchase of the Convertible Notes, the Company repurchased warrants and sold convertible note hedges corresponding to the repurchased Convertible Notes. In December 2013, the Company unwound the remaining outstanding convertible note hedge and warrants. See Note 16-Stockholders' Equity for further details.

Term Loans

Floating Rate Term Loan due 2016. In October 2012, the Company issued an incremental \$30 million under its Floating Rate Term Loan due 2016. In December 2013, the Company repaid the entire outstanding principal amount plus any accrued and unpaid interest.

Floating Rate Term Loan due 2019. The Company issued \$500 million and \$200 million of Floating Rate Term Loan in March and October 2012, respectively, under the Company's senior credit facility. The Company used the proceeds of the loan to repay approximately \$420 million of term loan borrowings due 2014 and 2018 and \$75 million of its senior notes due 2014.

During 2013, the Company amended its senior credit facility to issue, in aggregate, an additional \$300 million of term loan due 2019. A portion of the proceeds was used to partially fund the acquisition of Zipcar. The term loan has a committed aggregate principal amount of \$1 billion and bears interest at the greater of three-month LIBOR or 0.75% plus 225 basis points, for an aggregate rate of 3.00% at December 31, 2013; however, the Company has entered into an interest rate swap to hedge \$600 million of its interest rate exposure related to the floating rate term loan at an aggregate rate of 3.96%.

Senior Notes

Floating Rate Senior Notes due 2014. In June 2013, the Company repaid \$100 million of outstanding principal, and in December 2013, the Company repaid the remaining outstanding principal of \$150 million.

4 $\frac{7}{8}$ % Senior Notes due 2017. In November 2012, the Company issued its 4 $\frac{7}{8}$ % Senior Notes at par, for aggregate proceeds of \$300 million with interest payable semi-annually. The Company has the right to redeem these notes in whole or in part at any time on or after May 15, 2015, at specified prices, plus any accrued and unpaid interest through the redemption date.

Floating Rate Senior Notes due 2017. In November 2013, the Company issued its Floating Rate Senior Notes at 98.75% of their face value for aggregate proceeds of \$247 million. The interest rate on these notes is equal to three-month LIBOR plus 275 basis points, for an aggregate rate of 3.00% at December 31, 2013; however, the Company has entered into an interest rate swap to hedge its interest rate exposure related to the these notes at an aggregate rate of 3.58%.

In connection with the sale of the Floating Rate Notes due December 2017, the Company entered into a registration rights agreement, under which it has agreed to use its reasonable best efforts to file with the Securities and Exchange Commission and cause to become effective a registration statement with respect to a registered offer to exchange the notes for new notes, with substantially identical terms in all material respects. In accordance with the registration rights agreement, the Company could be required to pay additional interest of up to 0.25% per annum on the principal amount of the notes from February 18, 2015 until the exchange offer is completed, a shelf registration statement, if required, is declared effective or the restricted notes become freely tradable under the Securities Act. The Company believes the likelihood of occurrence of such event is remote and, as such, the Company has not recorded a related liability as of December 31, 2013.

9 $\frac{5}{8}$ % Senior Notes due 2018. During 2013, the Company repaid the entire outstanding \$446 million principal plus accrued and unpaid interest.

8 $\frac{1}{4}$ % Senior Notes due 2019. In March 2012, the Company issued a third tranche of 8 $\frac{1}{4}$ % Senior Notes in the amount of \$125 million at 103.5% of their face value, for aggregate proceeds of \$129 million with interest payable semi-annually. The Company has the right to redeem these notes in whole or in part at any

time on or after October 15, 2014, at specified redemption prices, plus any accrued and unpaid interest through the redemption date. In December 2013, the Company purchased approximately \$39 million of the aggregate principal amount.

9¾% Senior Notes due 2020. In April 2013, the Company purchased approximately \$27 million of the aggregate principal amount.

6% Euro-denominated Senior Notes. In March 2013, the Company issued €250 million of 6% Euro-denominated Senior Notes due March 2021, at par, with interest payable semi-annually. The notes are unsecured obligations of the Company's Avis Budget Finance plc subsidiary, are guaranteed on a senior basis by the Company and certain of its domestic subsidiaries and rank equally with all of the Company's existing senior unsecured debt. The Company has the right to redeem these notes in whole or in part on or after April 1, 2016 at specified redemption prices, plus any accrued and unpaid interest. The Company used the proceeds from the issuance to partially fund the acquisition of Zipcar.

5½% Senior Notes due 2023. In April 2013, the Company completed an offering of \$500 million of 5½% Senior Notes due April 2023. The notes were issued at par, with interest payable semi-annually. The Company has the right to redeem these notes in whole or in part on or after April 1, 2018 at specified redemption prices, plus any accrued and unpaid interest.

In connection with the issuance of the 5½% Senior Notes due 2023, the Company completed a cash tender offer pursuant to which approximately \$326 million in aggregate principal amount of its 9½% Senior Notes due 2018 and approximately \$27 million of the aggregate principal amount of its 9¾% Senior Notes due 2020 were purchased by the Company for \$398 million plus accrued interest. In June 2013, the Company redeemed the remaining \$124 million principal amount of the 9½% Senior Notes due 2018 for \$139 million plus accrued interest.

The Floating Rate Senior Notes, the 4½% Senior Notes, 8¼% Senior Notes, the 9¾% Senior Notes, and the 5½% Senior Notes, in each case as described above, are senior unsecured obligations of the Company's Avis Budget Car Rental, LLC ("ABCR") subsidiary, are guaranteed by the Company and certain of its domestic subsidiaries and rank equally in right of payment with all of the Company's existing and future senior unsecured indebtedness.

In connection with the debt amendments and repayments for the years ended December 31, 2013 and 2012, the Company recorded \$147 million and \$75 million in early extinguishment of debt costs, respectively.

DEBT MATURITIES

The following table provides contractual maturities of the Company's corporate debt at December 31, 2013:

Year	Amount
2014	\$ 89
2015	17
2016	16
2017	561
2018	11
Thereafter	2,700
	<u>\$ 3,394</u>

COMMITTED CREDIT FACILITIES AND AVAILABLE FUNDING ARRANGEMENTS

At December 31, 2013, the committed corporate credit facilities available to the Company and/or its subsidiaries were as follows:

	Total Capacity	Outstanding Borrowings	Letters of Credit Issued	Available Capacity
Senior revolving credit facility maturing 2018 ^(a)	\$ 1,650	\$ —	\$ 598	\$ 1,052
Other facilities ^(b)	13	1	—	12

^(a) The senior revolving credit facility bears interest at one-month LIBOR, plus 225 basis points. The senior revolving credit facility is part of the Company's senior credit facility, which is secured by pledges of capital stock of certain subsidiaries of the Company, and liens on substantially all of the Company's intellectual property and certain other real and personal property.

^(b) These facilities encompass bank overdraft lines of credit, bearing interest of 4.50% to 5.69% as of December 31, 2013.

During 2013, the Company extended the maturity of the senior revolving credit facility from 2016 to 2018, expanded its borrowing capacity under the facility, and reduced its borrowing spread under the facility by 75 basis points.

At December 31, 2013, the Company had various uncommitted credit facilities available, which bear interest at rates of 0.52% to 2.50%, under which it had drawn approximately \$4 million.

DEBT COVENANTS

The agreements governing the Company's indebtedness contain restrictive covenants, including restrictions on dividends paid to the Company by certain of its subsidiaries, the incurrence of additional indebtedness by the Company and certain of its subsidiaries, acquisitions, mergers, liquidations, and sale and leaseback transactions. The Company's senior credit facility contain financial and other covenants, including a maximum leverage ratio. As of December 31, 2013, the Company was in compliance with the financial covenants of its senior credit facility.

14. Debt under Vehicle Programs and Borrowing Arrangements

Debt under vehicle programs including related party debt due to Avis Budget Rental Car Funding (AESOP) LLC ("Avis Budget Rental Car Funding"), consisted of:

	As of December 31,	
	2013	2012
North America – Debt due to Avis Budget Rental Car Funding ^(a)	\$ 5,656	\$ 5,203
North America – Canadian borrowings	400	353
International – Debt borrowings	731	679
International – Capital leases	289	315
Truck Rental – Debt borrowings ^(b)	226	253
Other ^(c)	35	3
Total	<u>\$ 7,337</u>	<u>\$ 6,806</u>

^(a) The increase reflects additional borrowings principally to fund an increase in the Company's fleet driven by increased rental volume and the acquisitions of Zipcar and Payless.

^(b) The decrease reflects reduced borrowings due to a decrease in the size of the Company's truck fleet.

^(c) The increase is principally related to Zipcar capital leases.

North America

Debt due to Avis Budget Rental Car Funding. Avis Budget Rental Car Funding, an unconsolidated bankruptcy remote qualifying special purpose limited liability company, issues privately placed notes to investors as well as to banks and bank-sponsored conduit entities. Avis Budget Rental Car Funding uses the proceeds from its note issuances to make loans to a wholly-owned subsidiary of the Company, AESOP Leasing LP ("AESOP Leasing"), on a continuing basis. AESOP Leasing is required to use the proceeds of such loans to acquire or finance the acquisition of vehicles used in the Company's rental car operations. By issuing debt through the Avis Budget Rental Car Funding program, the Company pays a lower rate of interest than if it had issued debt directly to third parties. Avis Budget Rental Car Funding is not consolidated,

as the Company is not the “primary beneficiary” of Avis Budget Rental Car Funding. The Company determined that it is not the primary beneficiary because the Company does not have the obligation to absorb the potential losses or receive the benefits of Avis Budget Rental Car Funding’s activities since the Company’s only significant source of variability in the earnings, losses or cash flows of Avis Budget Rental Car Funding is exposure to its own creditworthiness, due to its loan from Avis Budget Rental Car Funding. Because Avis Budget Rental Car Funding is not consolidated, AESOP Leasing’s loan obligations to Avis Budget Rental Car Funding are reflected as related party debt on the Company’s Consolidated Balance Sheets. The Company also has an asset within Assets under vehicle programs on its Consolidated Balance Sheets which represents securities issued to the Company by Avis Budget Rental Car Funding. AESOP Leasing is consolidated, as the Company is the “primary beneficiary” of AESOP Leasing; as a result, the vehicles purchased by AESOP Leasing remain on the Company’s Consolidated Balance Sheets. The Company determined it is the primary beneficiary of AESOP Leasing, as it has the ability to direct its activities, an obligation to absorb a majority of its expected losses and the right to receive the benefits of AESOP Leasing’s activities. AESOP Leasing’s vehicles and related assets, which as of December 31, 2013, approximate \$7.3 billion and many of which are subject to manufacturer repurchase and guaranteed depreciation agreements, collateralize the debt issued by Avis Budget Rental Car Funding. The assets and liabilities of AESOP Leasing are presented on the Company’s Consolidated Balance Sheets within Assets under vehicle programs and Liabilities under vehicle programs, respectively. The assets of AESOP Leasing, included within Assets under vehicle programs (excluding the Investments in Avis Budget Rental Car Funding (AESOP) LLC—related party) are restricted. Such assets may be used only to repay the respective AESOP Leasing liabilities, included within Liabilities under vehicle programs, and to purchase new vehicles, although if certain collateral coverage requirements are met, AESOP Leasing may pay dividends from excess cash. The creditors of AESOP Leasing and Avis Budget Rental Car Funding have no recourse to the general credit of the Company. The Company periodically provides Avis Budget Rental Car Funding with non-contractually required support, in the form of equity and loans, to serve as additional collateral for the debt issued by Avis Budget Rental Car Funding.

The business activities of Avis Budget Rental Car Funding are limited primarily to issuing indebtedness and using the proceeds thereof to make loans to AESOP Leasing for the purpose of acquiring or financing the acquisition of vehicles to be leased to the Company’s rental car subsidiaries and pledging its assets to secure the indebtedness. Because Avis Budget Rental Car Funding is not consolidated by the Company, its results of operations and cash flows are not reflected within the Company’s financial statements. Borrowings under the Avis Budget Rental Car Funding program primarily represent fixed rate notes and had a weighted average interest rate of 3% as of December 31, 2013 and 2012.

Canadian borrowings. The Company finances the acquisition of vehicles used in its Canadian rental operations through a consolidated, bankruptcy remote special-purpose entity, which issues privately placed notes to investors and bank-sponsored conduits. The Canadian borrowings represent a mix of fixed and floating rate debt and had a weighted average interest rate of 3% and 4% as of December 31, 2013 and 2012, respectively.

International

Debt borrowings. In March 2013, the Company entered into a three-year, €500 million (approximately \$687 million) European rental fleet securitization program, which matures in 2016 and is used to finance fleet purchases for certain of the Company’s European operations. The Company finances the acquisition of vehicles used in its International rental car operations through this European and other consolidated, bankruptcy remote special-purpose entities, which issue privately placed notes to banks and bank-sponsored conduits. The International borrowings primarily represent floating rate notes and had a weighted average interest rate of 4% as of December 31, 2013 and 2012.

Capital leases. The Company obtained a portion of its International vehicles under capital lease arrangements for which there are corresponding assets of \$306 million and \$317 million, classified within vehicles, net on the Company’s Consolidated Balance Sheets as of December 31, 2013 and 2012, respectively. For the years ended December 31, 2013 and 2012, the interest rates on these leases ranged from 2% to 7% and 2% to 4%, respectively. All capital leases are on a fixed repayment basis and interest rates are fixed at the contract date.

Truck Rental

Debt borrowings. The Budget Truck funding program consists of debt facilities, including capital leases, established by the Company to finance the acquisition of the Budget Truck Rental fleet. The borrowings under the Budget Truck funding program are primarily fixed rate notes with a weighted average interest rate of 3% and 4% as of December 31, 2013 and 2012, respectively.

Other

Borrowings under the Company's other vehicle rental programs primarily represent Zipcar capital lease arrangements for which there are corresponding assets of \$28 million, classified within vehicles, net on the Company's Consolidated Balance Sheets as of December 31, 2013. For the year ended December 31, 2013, the interest rate on these leases ranged from 3% to 4%.

DEBT MATURITIES

The following table provides the contractual maturities of the Company's debt under vehicle programs, including related party debt due to Avis Budget Rental Car Funding, at December 31, 2013:

	Debt Under Vehicle Programs
2014 ^(a)	\$ 1,264
2015	1,534
2016	1,618
2017	998
2018	1,532
Thereafter	391
	<u>\$ 7,337</u>

^(a) Vehicle-backed debt maturing within one year includes term asset-backed securities of approximately \$674 million and bank and bank-sponsored borrowings of \$590 million.

COMMITTED CREDIT FACILITIES AND AVAILABLE FUNDING ARRANGEMENTS

The following table presents available funding under the Company's debt arrangements related to its vehicle programs, including related party debt due to Avis Budget Rental Car Funding, at December 31, 2013:

	Total Capacity ^(a)	Outstanding Borrowings	Available Capacity
North America – Debt due to Avis Budget Rental Car Funding ^(b)	\$ 8,031	\$ 5,656	\$ 2,375
North America – Canadian borrowings ^(c)	753	400	353
International – Debt borrowings ^(d)	1,408	731	677
International – Capital leases ^(e)	404	289	115
Truck Rental – Debt borrowings ^(f)	233	226	7
Other ^(g)	35	35	—
Total	<u>\$ 10,864</u>	<u>\$ 7,337</u>	<u>\$ 3,527</u>

^(a) Capacity is subject to maintaining sufficient assets to collateralize debt.

^(b) The outstanding debt is collateralized by \$7.3 billion of underlying vehicles and related assets.

^(c) The outstanding debt is collateralized by \$549 million of underlying vehicles and related assets.

^(d) The outstanding debt is collateralized by \$1.3 billion of underlying vehicles and related assets.

^(e) The outstanding debt is collateralized by \$306 million of underlying vehicles and related assets.

^(f) The outstanding debt is collateralized by \$338 million of underlying vehicles and related assets.

^(g) The outstanding debt is collateralized by \$28 million of underlying vehicles and related assets.

DEBT COVENANTS

Debt agreements under the Company's vehicle-backed funding programs contain restrictive covenants, including restrictions on dividends paid to the Company by certain of its subsidiaries and restrictions on indebtedness, mergers, liens, liquidations and sale and leaseback transactions, and in some cases also require compliance with certain financial requirements. As of December 31, 2013, the Company is not aware

of any instances of non-compliance with any of the financial or restrictive covenants contained in the debt agreements under its vehicle-backed funding programs.

15. Commitments and Contingencies

Lease Commitments

The Company is committed to making rental payments under noncancelable operating leases covering various facilities and equipment. Many of the Company's operating leases for facilities contain renewal options. These renewal options vary, but the majority include clauses for various term lengths and prevailing market rate rents.

Future minimum lease payments required under noncancelable operating leases, including minimum concession fees charged by airport authorities, which in many locations are recoverable from vehicle rental customers, as of December 31, 2013, are as follows:

	Amount
2014	\$ 507
2015	364
2016	288
2017	216
2018	162
Thereafter	719
	<u>\$ 2,256</u>

The future minimum lease payments in the above table have been reduced by minimum future sublease rental inflows in the aggregate of \$6 million for all periods shown in the table.

The Company maintains concession agreements with various airport authorities that allow the Company to conduct its car rental operations on site. In general, concession fees for airport locations are based on a percentage of total commissionable revenue (as defined by each airport authority), subject to minimum annual guaranteed amounts. These concession fees, which are included in the Company's total rent expense, were as follows for the years ended December 31:

	2013	2012	2011
Rent expense (including minimum concession fees)	\$ 622	\$ 600	\$ 535
Contingent concession expense	173	155	104
	<u>795</u>	<u>755</u>	<u>639</u>
Less: sublease rental income	(5)	(5)	(5)
Total	<u>\$ 790</u>	<u>\$ 750</u>	<u>\$ 634</u>

Commitments under capital leases, other than those within the Company's vehicle rental programs, for which the future minimum lease payments have been reflected in Note 14—Debt Under Vehicle Programs and Borrowing Arrangements, are not significant.

The Company leases a portion of its vehicles under operating leases, which extend through 2017. As of December 31, 2013, the Company has guaranteed up to \$82 million of residual values for these vehicles at the end of their respective lease terms. The Company believes that, based on current market conditions, the net proceeds from the sale of these vehicles at the end of their lease terms will equal or exceed their net book values and therefore has not recorded a liability related to guaranteed residual values.

Contingencies

In 2006, the Company completed the spin-offs of its Realogy and Wyndham subsidiaries. In connection with the spin-offs, Realogy assumed 62.5% and Wyndham assumed 37.5% of certain contingent and other corporate liabilities of the Company that are not primarily related to any of the respective businesses of Realogy, Wyndham, our former Travelport subsidiary and/or the Company's vehicle rental operations, and in each case incurred or allegedly incurred on or prior to each subsidiary's disposition ("Assumed Liabilities"). If Realogy or Wyndham were to default on its payment of costs or expenses to the Company related to any Assumed Liabilities, the Company would be responsible for 50% of the defaulting party's obligation. The Company does not believe that the impact of any resolution of contingent liabilities

constituting Assumed Liabilities should result in a material liability to the Company in relation to its consolidated financial position or liquidity, as Realogy and Wyndham each have agreed to assume responsibility for these liabilities. In accordance with the terms of relevant documents, Realogy posted a letter of credit in April 2007 for the benefit of the Company to cover its estimated share of the Assumed Liabilities discussed above, subject to adjustment, although there can be no assurance that such letter of credit will be sufficient or effective to cover Realogy's actual obligations if and when they arise.

The Company is also named in various litigation that is primarily related to the businesses of its former subsidiaries, including Realogy, and Wyndham and their current or former subsidiaries. The Company is entitled to indemnification from such entities for any liability resulting from such litigation.

Additionally, the Company is also involved in claims, legal proceedings and governmental inquiries related, among other things, to its vehicle rental operations, including, among others, contract and licensee disputes, wage-and-hour claims, competition matters, employment matters, insurance claims, intellectual property claims and other regulatory, environmental, commercial and tax matters. Litigation is inherently unpredictable and, although the Company believes that its accruals are adequate and/or that it has valid defenses in these matters, unfavorable resolutions could occur, which could materially impact the Company's financial position, results of operations or cash flows.

Commitments to Purchase Vehicles

The Company maintains agreements with vehicle manufacturers under which the Company has agreed to purchase approximately \$6.4 billion of vehicles from manufacturers over the next 12 months. The majority of these commitments are subject to the vehicle manufacturers' satisfying their obligations under their respective repurchase and guaranteed depreciation agreements. The purchase of such vehicles is financed primarily through the issuance of vehicle-backed debt and cash received upon the disposition of vehicles.

Other Purchase Commitments

In the normal course of business, the Company makes various commitments to purchase other goods or services from specific suppliers, including those related to marketing, advertising and capital expenditures. As of December 31, 2013, the Company had approximately \$160 million of purchase obligations, which extend through 2018.

Concentrations

Concentrations of credit risk at December 31, 2013, include (i) risks related to the Company's repurchase and guaranteed depreciation agreements with domestic and foreign car manufacturers, including Ford, General Motors, Chrysler, Peugeot, Volkswagen, Fiat, Mercedes, Kia, Toyota, BMW, and Renault, and primarily with respect to receivables for program cars that have been disposed but for which the Company has not yet received payment from the manufacturers and (ii) risks related to Realogy and Wyndham, including receivables of \$62 million and \$38 million, respectively, related to certain contingent, income tax and other corporate liabilities assumed by Realogy and Wyndham in connection with their disposition.

Asset Retirement Obligations

The Company maintains a liability for asset retirement obligations. An asset retirement obligation is a legal obligation to perform certain activities in connection with the retirement, disposal or abandonment of assets. The Company's asset retirement obligations, which are measured at discounted fair values, are primarily related to the removal of underground gas storage tanks at its rental facilities. Liabilities accrued for asset retirement obligations were \$25 million and \$26 million at December 31, 2013 and 2012, respectively.

Standard Guarantees/Indemnifications

In the ordinary course of business, the Company enters into numerous agreements that contain standard guarantees and indemnities whereby the Company agrees to indemnify another party, among other things, for performance under contracts and any breaches of representations and warranties thereunder. In addition, many of these parties are also indemnified against any third-party claim resulting from the transaction that is contemplated in the underlying agreement. Such guarantees or indemnifications are granted under various agreements, including those governing (i) purchases, sales or outsourcing of assets or businesses, (ii) leases of real estate, (iii) licensing of trademarks, (iv) access to credit facilities and use of derivatives and (v) issuances of debt or equity securities. The guarantees or indemnifications issued are for the benefit of the (i) buyers in sale agreements and sellers in purchase agreements, (ii) landlords in lease contracts, (iii) licensees under licensing agreements, (iv) financial institutions in credit facility arrangements and derivative contracts and (v) underwriters and placement agents in debt or equity security issuances. While some of these guarantees extend only for the duration of the underlying agreement, many may survive the expiration of the term of the agreement or extend into perpetuity (unless subject to a legal statute of limitations). There are no specific limitations on the maximum potential amount of future payments that the Company could be required to make under these guarantees, nor is the Company able to develop an estimate of the maximum potential amount of future payments to be made under these guarantees as the triggering events are not subject to predictability. With respect to certain of the aforementioned guarantees, such as indemnifications provided to landlords against third-party claims for the use of real estate property leased by the Company, the Company maintains insurance coverage that mitigates its potential exposure.

Other Guarantees

The Company has provided certain guarantees to, or for the benefit of, subsidiaries of Realogy, Wyndham and Travelport, which, as previously discussed, were sold or spun-off in 2006. These guarantees relate primarily to various real estate operating leases. The maximum potential amount of future payments that the Company may be required to make under the guarantees relating to these leases is estimated to be approximately \$52 million, the majority of which expire by the end of 2015. At December 31, 2013, the liability recorded by the Company in connection with these guarantees was approximately \$1 million. To the extent that the Company would be required to perform under any of these guarantees, the Company is entitled to indemnification by Realogy and Wyndham, as applicable. The Company monitors the credit ratings and other relevant information for Realogy and Wyndham, in order to assess the status of the payment/performance risk of these guarantees.

16. Stockholders' Equity

Cash Dividend Payments

During 2013, 2012 and 2011, the Company did not declare or pay any cash dividends. The Company's ability to pay dividends to holders of its common stock is limited by the Company's senior credit facility, the indentures governing its senior notes and vehicle financing programs.

Share Repurchases

In August 2013, the Company obtained Board approval to repurchase up to \$200 million of its common stock. During 2013, the Company repurchased approximately 1,582,000 shares of common stock at a cost of approximately \$50 million under the repurchase program. The Company did not repurchase any of its common stock during 2012 and 2011.

Convertible Note Hedge and Warrants

In 2009, the Company purchased a convertible note hedge for approximately \$95 million, to potentially reduce the net number of shares required to be issued upon conversion of the Company's 3½% Convertible Notes. Concurrently, the Company issued warrants for approximately \$62 million to offset the cost of the convertible note hedge.

The convertible note hedge and warrants, which were to be net-share settled, initially covered the purchase and issuance, respectively, of approximately 21.2 million shares of common stock, subject to customary anti-dilution provisions. The initial strike price per share of the convertible note hedge and warrants was

\$16.25 and \$22.50, respectively. The convertible note hedge was exercisable before expiration only to the extent that corresponding amounts of the 3½% Convertible Notes were exercised. The convertible note hedge and warrant transactions were accounted for as capital transactions and included as a component of stockholders' equity. The significant terms of the Convertible Notes can be found in Note 13—Long-term Debt and Borrowing Arrangements.

During 2013 and 2012, respectively, concurrently with the Company's repurchase of a portion of its 3½% Convertible Notes, the Company repurchased warrants for the purchase of the Company's common stock for \$37 million and \$29 million and sold an equal portion of its convertible note hedge for \$50 million and \$43 million, reducing the number of shares related to each of the hedge and warrant by approximately 13 million. In addition, during December 2013, the Company unwound the remaining outstanding convertible note hedge and warrants; and repurchased warrants for the purchase of the Company's common stock for \$41 million, and settled its convertible note hedge for proceeds of \$54 million and 179,000 shares of the Company's common stock valued at \$7 million.

Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income are as follows:

	Currency Translation Adjustments	Net Unrealized Gains (Losses) on Cash Flow Hedges	Net Unrealized Gains on Available- For-Sale Securities	Minimum Pension Liability Adjustment ^(a)	Accumulated Other Comprehensive Income
Balance, January 1, 2011	\$ 182	\$ (46)	\$ —	\$ (44)	\$ 92
Period change	(23)	33	2	(26)	(14)
Balance, December 31, 2011	159	(13)	2	(70)	78
Period change	34	13	—	(15)	32
Balance, December 31, 2012	193	—	2	(85)	110
Period change	(27)	1	—	33	7
Balance, December 31, 2013	<u>\$ 166</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ (52)</u>	<u>\$ 117</u>

All components of accumulated other comprehensive income are net of tax, except currency translation adjustments, which exclude income taxes related to indefinite investments in foreign subsidiaries and include an \$11 million loss, net of tax, related to the Company's hedge of its net investment in Euro-denominated foreign operations (See Note 19 - Financial Instruments).

^(a) For the year ended December 31, 2013, \$15 million (\$9 million, net of tax) was reclassified from accumulated other comprehensive income into selling, general and administrative expenses.

17. Stock-Based Compensation

The Company's Amended and Restated 2007 Equity and Incentive Plan (the "2007 Plan") provides for the grant of options, stock appreciation rights, restricted stock, restricted stock units ("RSUs") and other stock- or cash-based awards to employees, directors and other individuals who perform services for the Company and its subsidiaries. The maximum number of shares reserved for grant of awards under the plan is 16 million, with approximately 3.5 million shares available as of December 31, 2013. The Company typically settles stock-based awards with treasury shares.

With limited exception, time-based awards generally vest ratably over a three-year period following the date of grant, and performance- or market-based awards generally vest three years following the date of grant based on the attainment of certain performance- or market-based goals, all of which are subject to a service condition.

Cash Unit Awards

The fair value of time-based restricted cash units is based on the Company's stock price on the grant date. Market-vesting restricted cash units generally vest depending on the level of relative total shareholder return achieved by the Company during the period prior to scheduled vesting. Settlement of restricted cash units is based on the Company's average closing stock price over a specified number of trading days and the value of these awards varies based on changes in the Company's stock price.

Stock Unit Awards

Stock unit awards entitle the holder to receive shares of common stock upon vesting on a one-to-one basis. Performance-based RSUs principally vest based upon the level of performance attained, however, upon meeting a threshold performance level vesting can increase by up to 20% if certain relative total shareholder return goals are achieved. Market-based RSUs generally vest based on the level of total shareholder return or absolute stock price attainment.

The grant date fair value of the performance-based RSUs incorporates the total shareholder return metric, which is estimated using a Monte Carlo simulation model to estimate the Company's ranking relative to an applicable stock index. The weighted average assumptions used in the Monte Carlo simulation model to calculate the fair value of the Company's stock unit awards are outlined in the table below.

	2013	2012	2011
Expected volatility of stock price	43%	50%	48%
Risk-free interest rate	0.39%	0.30% - 0.42%	0.47% - 1.21%
Valuation period	3 years	2½ - 3 years	3 - 4 years
Dividend yield	0%	0%	0%

Annual activity related to stock units and cash units, consisted of (in thousands of shares):

	Time-Based RSUs		Performance-Based and Market Based RSUs		Cash Unit Awards	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value	Number of Units	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2013	1,439	\$ 13.97	2,058	\$ 11.30	156	\$ 12.65
Granted ^(a)	638	21.77	483	20.04	111	18.04
Vested ^(b)	(678)	13.47	(439)	9.15	—	—
Forfeited/expired	(91)	15.62	(59)	12.62	—	—
Outstanding at December 31, 2013 ^(c)	1,308	\$ 17.92	2,043	\$ 13.79	267	\$ 14.90

^(a) Reflects the maximum number of stock units assuming achievement of all performance-, market- and time-vesting criteria and does not include those for non-employee directors, which are discussed separately below. The weighted-average fair value of time-based RSUs, performance-based and market-based RSUs, and cash units granted in 2012 was \$14.39, \$12.66 and \$12.65, respectively, and the weighted-average fair value of the restricted stock units and market-based restricted stock units granted in 2011 was \$14.45 and \$11.67, respectively. No performance-based restricted stock units or cash units awards were granted in 2011.

^(b) The total fair value of RSUs vested during 2013, 2012 and 2011 was \$13 million, \$16 million and \$11 million, respectively.

^(c) The Company's outstanding time-based RSUs, performance-based and market-based RSUs, and cash units had aggregate intrinsic value of \$53 million, \$83 million and \$11 million, respectively. Aggregate unrecognized compensation expense related to time-based RSUs and performance-based and market-based RSUs amounted to \$27 million and will be recognized over a weighted average vesting period of 1.0 years. The Company assumes that substantially all outstanding awards will vest over time.

Stock Options

The annual stock option activity consisted of (in thousands of shares):

	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value (in millions)	Weighted Average Remaining Contractual Term (years)
Outstanding at January 1, 2013	1,901	\$ 2.89	\$ 32	5.8
Granted ^(a)	—	—	—	
Exercised ^(b)	(919)	2.89	23	
Forfeited/expired	(3)	27.40	—	
Outstanding at December 31, 2013 ^(c)	<u>979</u>	2.82	37	5.2
Exercisable at December 31, 2013	<u>915</u>	\$ 2.21	\$ 35	5.1

^(a) No stock options were granted during 2012 or 2011.

^(b) Stock options exercised during 2012 and 2011 had intrinsic values of \$11 million and \$18 million, respectively, and the cash received from the exercise of options was \$3 million in 2013 and was insignificant in 2012 and 2011.

^(c) The Company assumes that substantially all outstanding stock options will vest over time.

Non-employee Directors Deferred Compensation Plan

The Company grants stock awards on a quarterly basis to non-employee directors representing 50% of a director's annual compensation and such awards can be deferred under the Non-employee Directors Deferred Compensation Plan. During 2013, 2012 and 2011, the Company granted 33,000, 53,000 and 54,000 awards, respectively, to non-employee directors.

Employee Stock Purchase Plan

The Company is authorized to sell shares of its common stock to eligible employees at 95% of fair market value. This plan has been deemed to be non-compensatory and therefore, no compensation expense has been recognized.

Stock-Compensation Expense

During 2013, 2012 and 2011, the Company recorded stock-based compensation expense related to employee stock awards that were granted by the Company of \$24 million (\$14 million, net of tax), \$16 million (\$10 million, net of tax) and \$17 million (\$11 million, net of tax), respectively. In jurisdictions with net operating loss carryforwards, tax deductions for exercises and/or vestings of stock-based awards have generated a \$57 million tax benefit at December 31, 2013, with a corresponding increase to additional paid-in capital. Approximately \$22 million of incremental tax benefits will be recorded in additional paid-in capital when realized in these jurisdictions.

18. Employee Benefit Plans***Defined Contribution Savings Plans***

The Company sponsors several defined contribution savings plans in the United States and certain foreign subsidiaries that provide certain eligible employees of the Company an opportunity to accumulate funds for retirement. The Company matches portions of the contributions of participating employees on the basis specified by the plans. The Company's contributions to these plans were \$39 million, \$34 million and \$15 million during 2013, 2012 and 2011, respectively.

Defined Benefit Pension Plans

The Company sponsors non-contributory defined benefit pension plans in the United States covering certain eligible employees and sponsors contributory and non-contributory defined benefit pension plans in certain foreign subsidiaries with some plans offering participation in the plans at the employees' option. The most material of the non-U.S. defined benefit pension plans is operated in the United Kingdom. Under these plans, benefits are based on an employee's years of credited service and a percentage of final average compensation. However, the majority of such plans are closed to new employees and are no longer accruing benefits. There is an unfunded defined benefit pension plan for employees in Germany, which is closed to new employees, and a statutorily determined unfunded defined benefit termination plan for employees in Italy.

The funded status of the defined benefit pension plans is recognized on the Consolidated Balance Sheets and the gains or losses and prior service costs or credits that arise during the period, but are not recognized as components of net periodic benefit cost, are recognized as a component of accumulated other comprehensive income (loss), net of tax.

The components of net periodic benefit cost and the assumptions related to the cost consisted of the following:

	Year Ended December 31,		
	2013	2012	2011
Service cost	\$ 5	\$ 5	\$ 3
Interest cost	26	27	17
Expected return on plan assets	(28)	(25)	(17)
Amortization of unrecognized amounts	15	14	8
Net periodic benefit cost	<u>\$ 18</u>	<u>\$ 21</u>	<u>\$ 11</u>

The Company uses a measurement date of December 31 for its pension plans. The funded status of the pension plans were as follows:

	As of December 31,	
	2013	2012
<u>Change in Benefit Obligation</u>		
Benefit obligation at end of prior year	\$ 670	\$ 600
Service cost	5	5
Interest cost	26	27
Plan amendments	1	1
Actuarial (gain) loss	(11)	58
Net benefits paid	(21)	(21)
Benefit obligation at end of current year	<u>\$ 670</u>	<u>\$ 670</u>
<u>Change in Plan Assets</u>		
Fair value of assets at end of prior year	\$ 465	\$ 412
Actual return on plan assets	56	56
Employer contributions	17	18
Net benefits paid	(21)	(21)
Fair value of assets at end of current year	<u>\$ 517</u>	<u>\$ 465</u>
Total unfunded status at end of year (recognized in other non-current liabilities in the Consolidated Balance Sheets)	<u>\$ (153)</u>	<u>\$ (205)</u>

The estimated amount that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2014 is \$3 million, which consists of \$2 million for net actuarial loss and \$1 million for prior service cost.

The following assumptions were used to determine pension obligations and pension costs for the principal plans in which the Company's employees participated:

	For the Year Ended December 31,		
	2013	2012	2011
U.S. Pension Benefit Plans			
Discount rate:			
Net periodic benefit cost	3.75%	4.00%	5.25%
Benefit obligation	4.75%	4.00%	4.00%
Long-term rate of return on plan assets	7.50%	7.50%	8.00%
Non-U.S. Pension Benefit Plans			
Discount rate:			
Net periodic benefit cost	4.50%	4.75%	5.00%
Benefit obligation	4.50%	4.50%	4.75%
Long-term rate of return on plan assets	5.25%	5.35%	5.25%

To select a discount rate for its defined benefit pension plans, the Company uses a modeling process that involves matching the expected cash outflows of such plan, to a yield curve constructed from a portfolio of AA-rated fixed-income debt instruments. The Company uses the average yield of this hypothetical portfolio as a discount rate benchmark.

The Company's expected rate of return on plan assets of 7.50% and 5.25% for U.S. plans and non-U.S. plans, respectively, used to determine pension obligations and pension costs, is a long-term rate based on historic plan asset returns in individual jurisdictions, over varying long-term periods combined with current market conditions and broad asset mix considerations.

As of December 31, 2013, substantially all of the Company's defined benefit pension plans had a projected benefit obligation in excess of the fair value of plan assets. The Company expects to contribute approximately \$9 million to the U.S. plans and \$11 million to the non-U.S. plans in 2014.

The Company's defined benefit pension plans' assets are invested primarily in mutual funds and may change in value due to various risks, such as interest rate and credit risk and overall market volatility. Due

to the level of risk associated with investment securities, it is reasonably possible that changes in the values of the pension plans' investment securities will occur in the near term and that such changes would materially affect the amounts reported in the Company's financial statements.

The U.S. defined benefit pension plans' investment goals and objectives are managed by the Company with consultation from independent investment advisors. The Company seeks to produce returns on pension plan investments, which are based on levels of liquidity and investment risk that the Company believes are prudent and reasonable, given prevailing capital market conditions. The pension plans' assets are managed in the long-term interests of the participants and the beneficiaries of the plans. The Company's overall investment strategy has been to achieve a mix of approximately 65% of investments for long-term growth and 35% for near-term benefit payments with a wide diversification of asset types and fund strategies. The Company believes that diversification of the pension plans' assets is an important investment strategy to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the pension plans. As such, the Company allocates assets among traditional equity, fixed income (U.S. and non-U.S. government issued securities, corporate bonds and short-term cash investments) and other investment strategies.

The equity component's purpose is to provide a total return that will help preserve the purchasing power of the assets. The pension plans hold various mutual funds that invest in equity securities and are diversified among funds that invest in large cap, small cap, growth, value and international stocks as well as funds that are intended to "track" an index, such as the S&P 500. The equity investments in the portfolios will represent a greater assumption of market volatility and risk as well as provide higher anticipated total return over the long term. The equity component is expected to approximate 45%-65% of the U.S. pension plans' assets.

The purpose of the fixed income component is to provide a deflation hedge, to reduce the overall volatility of the pension plans assets in relation to the liability and to produce current income. The pension plans hold mutual funds that invest in securities issued by governments, government agencies and corporations. The fixed income component is expected to approximate 30%-40% of the U.S. pension plans' assets.

The management of the Company's non-U.S. defined benefit pension plans' investment goals and objectives vary slightly by country, but are managed with consultation and advice from independent investment advisors. The investment policy is set with the primary objective to provide appropriate security for all beneficiaries; to achieve long-term growth in the assets sufficient to provide for benefits from the plan; and to achieve an appropriate balance between risk and return with regards to the cost of the plan and the security of the benefits. A suitable strategic asset allocation benchmark is determined for the plans to maintain diversified portfolios, taking into account government requirements, if any, regarding unnecessary investment risk and protection of pension plans' assets. The defined benefit pension plans' assets are primarily invested in equities, bonds, absolute return funds and cash.

The Company used significant observable inputs (Level 2 inputs) to determine the fair value of the defined benefit pension plans' assets. See Note 2—Summary of Significant Accounting Policies for the Company's methodology used to measure fair value. The following table presents the defined benefit pension plans' assets measured at fair value, as of December 31:

Asset Class	2013	2012
Cash equivalents	\$ 10	\$ 3
Short term investments	5	7
U.S. stock	104	91
Non-U.S. stock	166	149
Real estate investment trusts	9	6
Non-U.S. government securities	80	70
U.S. government securities	3	20
Corporate bonds	137	105
Other assets	3	14
Total assets	<u>\$ 517</u>	<u>\$ 465</u>

The Company estimates that future benefit payments from plan assets will be \$23 million, \$24 million, \$25 million, \$26 million, \$27 million and \$159 million for 2014, 2015, 2016, 2017, 2018 and 2019 to 2023, respectively.

Multiemployer Plans

The Company contributes to a number of multiemployer plans under the terms of collective-bargaining agreements that cover a portion of its employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects: (i) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (ii) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; (iii) if the Company elects to stop participating in a multiemployer plan it may be required to contribute to such plan an amount based on the under-funded status of the plan; and (iv) the Company has no involvement in the management of the multiemployer plans' investments. For the years ended December 31, 2013, 2012 and 2011, the Company contributed a total of \$8 million, \$9 million and \$6 million, respectively, to multiemployer plans.

19. Financial Instruments

Risk Management

Currency Risk. The Company uses currency exchange contracts to manage its exposure to changes in currency exchange rates associated with its non-U.S.-dollar denominated receivables and forecasted royalties, forecasted earnings of non-U.S. subsidiaries and forecasted non-U.S.-dollar denominated acquisitions. The Company primarily hedges a portion of its current-year currency exposure to the Australian, Canadian and New Zealand dollars, the Euro and the British pound sterling. The majority of forward contracts do not qualify for hedge accounting treatment. The fluctuations in the value of these forward contracts do, however, largely offset the impact of changes in the value of the underlying risk they economically hedge. Forward contracts used to hedge forecasted third-party receipts and disbursements up to 12 months are designated and do qualify as cash flow hedges.

The Company has designated its 6% Euro-denominated Notes issued March 2013 as a hedge of its net investment in Euro-denominated foreign operations. The Company records the effective portion of the gain or loss on this net investment hedge, net of taxes, in accumulated other comprehensive income as part of currency translation adjustments. For the year ended December 31, 2013, the Company has recorded an \$11 million loss, net of tax, in accumulated other comprehensive income.

The amount of gains or losses reclassified from other comprehensive income to earnings resulting from ineffectiveness or from excluding a component of the hedges' gain or loss from the effectiveness calculation for cash flow and net investment hedges during 2013, 2012 and 2011 was not material, nor is the amount of gains or losses the Company expects to reclassify from other comprehensive income to earnings over the next 12 months.

Interest Rate Risk. The Company uses various hedging strategies including interest rate swaps and interest rate caps to create an appropriate mix of fixed and floating rate assets and liabilities. During 2013, 2012 and 2011, the Company recorded net unrealized gains on cash flow hedges of \$1 million, \$13 million and \$33 million, net of tax, respectively, to other comprehensive income. The after-tax amount of gains or losses reclassified from accumulated other comprehensive income (loss) to earnings resulting from ineffectiveness for 2013, 2012 and 2011 was not material to the Company's results of operations.

The amount deferred in accumulated other comprehensive income that the Company expects to be recognized in earnings in 2014 is not material.

The Company uses interest rate swaps, including freestanding derivatives and derivatives designated as cash flow hedges, to manage the risk related to its floating rate corporate debt. In connection with such cash flow hedges, the Company recorded net unrealized gains of \$1 million, net of tax, to other comprehensive income during each of the years 2013, 2012 and 2011.

The Company uses derivatives to manage the risk associated with its floating rate vehicle-backed debt. These derivatives include freestanding derivatives and derivatives designated as cash flow hedges, which have maturities ranging from August 2014 to November 2018. In connection with such cash flow hedges, the Company did not record any net unrealized gains or losses to other comprehensive income during 2013, and during 2012 and 2011, recorded net unrealized gains of \$12 million and \$32 million, net of tax,

respectively. The Company recorded losses of \$1 million, \$3 million and \$2 million related to freestanding derivatives during 2013, 2012 and 2011, respectively.

Commodity Risk. The Company periodically enters into derivative commodity contracts to manage its exposure to changes in the price of gasoline. These instruments were designated as freestanding derivatives and the changes in fair value are recorded in the Company's consolidated results of operations. These derivatives resulted in a gain of \$1 million in 2013, a gain of \$3 million in 2012 and a loss of less than \$1 million in 2011.

Credit Risk and Exposure. The Company is exposed to counterparty credit risks in the event of nonperformance by counterparties to various agreements and sales transactions. The Company manages such risk by evaluating the financial position and creditworthiness of such counterparties and by requiring collateral in certain instances in which financing is provided. The Company mitigates counterparty credit risk associated with its derivative contracts by monitoring the amount for which it is at risk with each counterparty, periodically evaluating counterparty creditworthiness and financial position, and where possible, dispersing its risk among multiple counterparties.

There were no significant concentrations of credit risk with any individual counterparties or groups of counterparties at December 31, 2013 or 2012, other than (i) risks related to the Company's repurchase and guaranteed depreciation agreements with domestic and foreign car manufacturers, including Ford, General Motors, Chrysler, Peugeot, Volkswagen, Fiat, Mercedes, Kia, BMW, Toyota, and Renault, and primarily with respect to receivables for program cars that were disposed but for which the Company has not yet received payment from the manufacturers (see Note 2—Summary of Significant Accounting Policies), (ii) receivables from Realogy and Wyndham related to certain contingent, income tax and other corporate liabilities assumed by Realogy and Wyndham in connection with their disposition and (iii) risks related to leases which have been assumed by Realogy, Wyndham or Travelport but of which the Company is a guarantor. Concentrations of credit risk associated with trade receivables are considered minimal due to the Company's diverse customer base. The Company does not normally require collateral or other security to support credit sales.

Fair Value

Derivative instruments and hedging activities

As described above, derivative assets and liabilities consist principally of currency exchange contracts, interest rate swaps, interest rate contracts and commodity contracts.

Certain of the Company's derivative instruments contain collateral support provisions that require the Company to post cash collateral to the extent that these derivatives are in a liability position. The aggregate fair value of such derivatives that are in a liability position and the aggregate fair value of assets needed to settle these derivatives as of December 31, 2013 was approximately \$2 million, for which the Company has posted cash collateral in the normal course of business.

The Company held derivative instruments with absolute notional values as follows:

	As of December 31,	
	2013	2012
Interest rate caps ^(a)	\$ 8,924	\$ 5,748
Interest rate swaps	850	625
Foreign exchange swaps	746	984
Foreign exchange forward contracts	268	14
Commodity contracts (millions of gallons of unleaded gasoline)	8	—

^(a) Represents \$7.1 billion of interest rate caps sold, partially offset by approximately \$1.8 billion of interest rate caps purchased at December 31, 2013 and \$4.1 billion of interest rate caps sold, partially offset by approximately \$1.7 billion of interest rate caps purchased at December 31, 2012. These amounts exclude \$5.2 billion and \$2.4 billion of interest rate caps purchased by the Company's Avis Budget Rental Car Funding subsidiary at December 31, 2013 and 2012, respectively.

Fair values (Level 2) of derivative instruments are as follows:

	As of December 31, 2013		As of December 31, 2012	
	Fair Value, Asset Derivatives	Fair Value, Liability Derivatives	Fair Value, Asset Derivatives	Fair Value, Liability Derivatives
Derivatives designated as hedging instruments				
Interest rate swaps ^(a)	\$ 2	\$ 1	\$ —	\$ 1
Derivatives not designated as hedging instruments				
Interest rate caps ^(b)	2	13	—	4
Interest rate swaps ^(a)	—	—	—	12
Foreign exchange forward contracts and swaps ^(c)	3	5	3	8
Commodity contracts ^(c)	—	—	—	—
Total	<u>\$ 7</u>	<u>\$ 19</u>	<u>\$ 3</u>	<u>\$ 25</u>

Amounts in this table exclude derivatives issued by Avis Budget Rental Car Funding, as it is not consolidated by the Company; however, certain amounts related to the derivatives held by Avis Budget Rental Car Funding are included within accumulated other comprehensive income, as discussed in Note 16—Stockholders' Equity.

^(a) Included in other non-current assets or other non-current liabilities.

^(b) Included in assets under vehicle programs or liabilities under vehicle programs.

^(c) Included in other current assets or other current liabilities.

The effects of derivatives recognized in the Company's Consolidated Financial Statements are as follows:

	Year Ended December 31,		
	2013	2012	2011
Derivatives designated as hedging instruments			
Interest rate swaps ^(a)	\$ 1	\$ 13	\$ 33
Derivatives not designated as hedging instruments ^(b)			
Foreign exchange forward contracts and swaps ^(c)	27	(31)	(19)
Interest rate caps ^(d)	4	(15)	(3)
Commodity contracts ^(e)	1	3	—
Total	\$ 33	\$ (30)	\$ 11

^(a) Recognized, net of tax, as a component of other comprehensive income within stockholders' equity.

^(b) Gains (losses) related to derivative instruments are expected to be largely offset by (losses) gains on the underlying exposures being hedged.

^(c) For the year ended December 31, 2013, included a \$20 million gain included in interest expense and a \$7 million gain included in operating expenses. For the year ended December 31, 2012, included a \$32 million loss in interest expense and a \$1 million gain in operating expenses. For the year ended December 31, 2011, included a \$46 million loss in transaction-related costs and a \$27 million gain in operating expenses.

^(d) For the year ended December 31, 2013, \$1 million of expense is included in vehicle interest, net and a \$5 million gain is included in interest expense. For the year ended December 31, 2012, amounts are included in vehicle interest, net. For the year ended December 31, 2011, \$2 million of expense is included in vehicle interest, net and \$1 million of expense is included in interest expense.

^(e) Included in operating expenses.

Debt Instruments

The carrying amounts and estimated fair values of financial instruments are as follows:

	As of December 31, 2013		As of December 31, 2012	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Corporate debt				
Short-term debt and current portion of long-term debt, excluding convertible debt	\$ 23	\$ 23	\$ 57	\$ 58
Long-term debt, excluding convertible debt ^(a)	3,305	3,416	2,720	2,903
Convertible debt ^(a)	66	159	128	171
Debt under vehicle programs				
Vehicle-backed debt due to Avis Budget Rental Car Funding ^(a)	\$ 5,656	\$ 5,732	\$ 5,203	\$ 5,391
Vehicle-backed debt ^(a)	1,668	1,675	1,599	1,613
Interest rate swaps and interest rate caps ^(b)	13	13	4	4

^(a) The fair value measurements are based on significant observable inputs (Level 2).

^(b) Derivatives in liability position.

20. Segment Information

The Company's chief operating decision maker assesses performance and allocates resources based upon the separate financial information from the Company's operating segments. In identifying its reportable segments, the Company considered the nature of services provided, the geographical areas in which the segments operated and other relevant factors. The Company aggregates two of its operating segments into each of its North America and International reportable segments.

Management evaluates the operating results of each of its reportable segments based upon revenue and "Adjusted EBITDA," which the Company defines as income from continuing operations before non-vehicle related depreciation and amortization, any impairment charge, early extinguishment of debt, non-vehicle related interest, transaction-related costs and income taxes. The Company's presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

Year Ended December 31, 2013

	North America	International	Truck Rental	Corporate and Other ^(a)	Total
Net revenues	\$ 5,083	\$ 2,481	\$ 373	\$ —	\$ 7,937
Vehicle depreciation and lease charges, net	1,262	501	48	—	1,811
Vehicle interest, net	204	48	12	—	264
Adjusted EBITDA	500	240	15	(47)	708
Non-vehicle depreciation and amortization	102	49	1	—	152
Segment assets exclusive of assets under vehicle programs	3,748	1,779	80	225	5,832
Assets under vehicle programs	7,967	2,136	349	—	10,452
Capital expenditures (excluding vehicles)	99	53	—	—	152

^(a) Primarily represents unallocated corporate overhead, receivables from our former subsidiaries and debt financing fees related to our corporate debt.

Year Ended December 31, 2012

	North America	International	Truck Rental	Corporate and Other ^(a)	Total
Net revenues	\$ 4,640	\$ 2,342	\$ 374	\$ 1	\$ 7,357
Vehicle depreciation and lease charges, net	943	483	45	—	1,471
Vehicle interest, net	246	38	13	—	297
Adjusted EBITDA	556	234	33	(21)	802
Non-vehicle depreciation and amortization	78	46	1	—	125
Segment assets exclusive of assets under vehicle programs	3,065	1,740	90	224	5,119
Assets under vehicle programs	7,394	2,300	405	—	10,099
Capital expenditures (excluding vehicles)	72	60	—	—	132

^(a) Primarily represents unallocated corporate overhead, receivables from our former subsidiaries and debt financing fees related to our corporate debt.

Year Ended December 31, 2011

	North America	International	Truck Rental	Corporate and Other ^(a)	Total
Net revenues	\$ 4,495	\$ 1,028	\$ 376	\$ 1	\$ 5,900
Vehicle depreciation and lease charges, net	969	209	45	—	1,223
Vehicle interest, net	263	11	12	—	286
Adjusted EBITDA	442	127	49	(13)	605
Non-vehicle depreciation and amortization	80	14	1	—	95
Segment assets exclusive of assets under vehicle programs	2,112	1,464	88	184	3,848
Assets under vehicle programs	6,674	2,109	307	—	9,090
Capital expenditures (excluding vehicles)	54	10	1	—	65

^(a) Primarily represents unallocated corporate overhead, receivables from our former subsidiaries and debt financing fees related to our corporate debt.

Provided below is a reconciliation of Adjusted EBITDA to income before income taxes.

	For the Year Ended December 31,		
	2013	2012	2011
Adjusted EBITDA ^(a)	\$ 708	\$ 802	\$ 605
Less: Non-vehicle related depreciation and amortization	152	125	95
Interest expense related to corporate debt, net	228	268	219
Early extinguishment of debt	147	75	—
Transaction-related costs	51	34	255
Impairment	33	—	—
Income before income taxes	\$ 97	\$ 300	\$ 36

^(a) Adjusted EBITDA includes restructuring costs of \$61 million, \$38 million and \$5 million for the years ended December 31, 2013, 2012 and 2011, respectively.

The geographic segment information provided below is classified based on the geographic location of the Company's subsidiaries.

	United States		All Other Countries		Total
	2013				
Net revenues	\$ 5,030	\$ 2,907	\$ 7,937		
Assets exclusive of assets under vehicle programs	3,729	2,103	5,832		
Assets under vehicle programs	7,791	2,661	10,452		
Property and equipment, net	424	190	614		
	2012				
Net revenues	\$ 4,637	\$ 2,720	\$ 7,357		
Assets exclusive of assets under vehicle programs	3,094	2,025	5,119		
Assets under vehicle programs	7,329	2,770	10,099		
Property and equipment, net	366	163	529		
	2011				
Net revenues	\$ 4,489	\$ 1,411	\$ 5,900		
Assets exclusive of assets under vehicle programs	2,177	1,671	3,848		
Assets under vehicle programs	6,553	2,537	9,090		
Property and equipment, net	365	128	493		

21. Guarantor and Non-Guarantor Consolidating Financial Statements

The following consolidating financial information presents Consolidating Condensed Statements of Operations for the years ended December 31, 2013, 2012 and 2011, Consolidating Condensed Balance Sheets as of December 31, 2013 and December 31, 2012 and Consolidating Condensed Statements of Cash Flows for the years ended December 31, 2013, 2012 and 2011 for: (i) Avis Budget Group, Inc. (the "Parent"); (ii) ABCR and Avis Budget Finance, Inc. (the "Subsidiary Issuers"); (iii) the guarantor subsidiaries; (iv) the non-guarantor subsidiaries; (v) elimination entries necessary to consolidate the Parent with the Subsidiary Issuers, the guarantor and non-guarantor subsidiaries; and (vi) the Company on a consolidated basis. The Subsidiary Issuers and the guarantor and non-guarantor subsidiaries are 100% owned by the Parent, either directly or indirectly. All guarantees are full and unconditional and joint and several. This financial information is being presented in relation to the Company's guarantee of the payment of principal, premium (if any) and interest on the notes issued by ABCR. See Note 13—Long-term Debt and Borrowing Arrangements for additional description of these guaranteed notes. The Senior Notes have separate investors than the equity investors of the Company and are guaranteed by the Parent and certain subsidiaries.

Investments in subsidiaries are accounted for using the equity method of accounting for purposes of the consolidating presentation. The principal elimination entries relate to investments in subsidiaries and intercompany balances and transactions. For purposes of the accompanying Consolidating Condensed Statements of Operations, certain expenses incurred by the Subsidiary Issuers are allocated to the

guarantor and non-guarantor subsidiaries. Certain reclassifications have been made to the 2012 and 2011 consolidating condensed financial statements to correct the classification of intercompany transactions to report them on a gross basis and to conform to the current year presentation. The reclassified amounts had no impact on reported net income, stockholders' equity, or the net change in cash for the periods presented for the Parent, Subsidiary Issuer, Guarantor Subsidiaries, Non-Guarantor Subsidiaries, Eliminations or the Company on a consolidated basis.

Consolidating Condensed Statements of Operations

For the Year Ended December 31, 2013

	Parent	Subsidiary Issuers	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Revenues						
Vehicle rental	\$ —	\$ —	\$ 3,786	\$ 1,921	\$ —	\$ 5,707
Other	—	—	1,098	3,086	(1,954)	2,230
Net revenues	—	—	4,884	5,007	(1,954)	7,937
Expenses						
Operating	7	15	2,425	1,627	—	4,074
Vehicle depreciation and lease charges, net	—	—	1,776	1,806	(1,771)	1,811
Selling, general and administrative	35	6	591	387	—	1,019
Vehicle interest, net	—	—	182	265	(183)	264
Non-vehicle related depreciation and amortization	—	2	97	53	—	152
Interest expense related to corporate debt, net:						
Interest expense	3	196	—	29	—	228
Intercompany interest expense (income)	(12)	(30)	6	36	—	—
Early extinguishment of debt	53	94	—	—	—	147
Restructuring expense	—	—	25	36	—	61
Transaction-related costs	1	24	3	23	—	51
Impairment	—	33	—	—	—	33
Total expenses	87	340	5,105	4,262	(1,954)	7,840
Income (loss) before income taxes and equity in earnings of subsidiaries	(87)	(340)	(221)	745	—	97
Provision for (benefit from) income taxes	(14)	(124)	156	63	—	81
Equity in earnings of subsidiaries	89	305	682	—	(1,076)	—
Net income	<u>\$ 16</u>	<u>\$ 89</u>	<u>\$ 305</u>	<u>\$ 682</u>	<u>\$ (1,076)</u>	<u>\$ 16</u>
Comprehensive income	<u>\$ 23</u>	<u>\$ 96</u>	<u>\$ 310</u>	<u>\$ 657</u>	<u>\$ (1,063)</u>	<u>\$ 23</u>

For the Year Ended December 31, 2012

	Parent	Subsidiary Issuers	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenues						
Vehicle rental	\$ —	\$ —	\$ 3,491	\$ 1,806	\$ —	\$ 5,297
Other	1	—	1,052	2,130	(1,123)	2,060
Net revenues	<u>1</u>	<u>—</u>	<u>4,543</u>	<u>3,936</u>	<u>(1,123)</u>	<u>7,357</u>
Expenses						
Operating	—	5	2,305	1,514	—	3,824
Vehicle depreciation and lease charges, net	—	—	902	996	(427)	1,471
Selling, general and administrative	21	—	573	331	—	925
Vehicle interest, net	—	—	234	300	(237)	297
Non-vehicle related depreciation and amortization	—	2	75	48	—	125
Interest expense related to corporate debt, net:						
Interest expense	9	246	—	13	—	268
Intercompany interest expense (income)	(18)	(314)	277	55	—	—
Early extinguishment of debt	44	31	—	—	—	75
Restructuring expense	—	—	3	35	—	38
Transaction-related costs	4	1	1	28	—	34
Total expenses	<u>60</u>	<u>(29)</u>	<u>4,370</u>	<u>3,320</u>	<u>(664)</u>	<u>7,057</u>
Income (loss) before income taxes and equity in earnings of subsidiaries	(59)	29	173	616	(459)	300
Provision for (benefit from) income taxes	(8)	(106)	72	52	—	10
Equity in earnings of subsidiaries	341	206	105	—	(652)	—
Net income	<u>\$ 290</u>	<u>\$ 341</u>	<u>\$ 206</u>	<u>\$ 564</u>	<u>\$ (1,111)</u>	<u>\$ 290</u>
Comprehensive income	<u>\$ 322</u>	<u>\$ 373</u>	<u>\$ 237</u>	<u>\$ 594</u>	<u>\$ (1,204)</u>	<u>\$ 322</u>

For the Year Ended December 31, 2011

	Parent	Subsidiary Issuers	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenues						
Vehicle rental	\$ —	\$ —	\$ 3,393	\$ 945	\$ —	\$ 4,338
Other	2	—	1,006	1,702	(1,148)	1,562
Net revenues	<u>2</u>	<u>—</u>	<u>4,399</u>	<u>2,647</u>	<u>(1,148)</u>	<u>5,900</u>
Expenses						
Operating	3	8	2,241	773	—	3,025
Vehicle depreciation and lease charges, net	—	—	921	868	(566)	1,223
Selling, general and administrative	11	—	564	181	—	756
Vehicle interest, net	—	(1)	243	296	(252)	286
Non-vehicle related depreciation and amortization	—	—	78	17	—	95
Interest expense related to corporate debt, net:						
Interest expense	10	208	—	1	—	219
Intercompany interest expense (income)	(14)	(205)	215	4	—	—
Transaction-related costs	71	56	—	128	—	255
Restructuring expense	—	—	2	3	—	5
Total expenses	<u>81</u>	<u>66</u>	<u>4,264</u>	<u>2,271</u>	<u>(818)</u>	<u>5,864</u>
Income (loss) before income taxes and equity in earnings of subsidiaries	(79)	(66)	135	376	(330)	36
Provision for (benefit from) income taxes	(27)	(22)	66	48	—	65
Equity in earnings (loss) of subsidiaries	23	67	(2)	—	(88)	—
Net income (loss)	<u>\$ (29)</u>	<u>\$ 23</u>	<u>\$ 67</u>	<u>\$ 328</u>	<u>\$ (418)</u>	<u>\$ (29)</u>
Comprehensive income (loss)	<u>\$ (43)</u>	<u>\$ 7</u>	<u>\$ 50</u>	<u>\$ 358</u>	<u>\$ (415)</u>	<u>\$ (43)</u>

Consolidating Condensed Balance Sheets

As of December 31, 2013

	Parent	Subsidiary Issuers	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 14	\$ 242	\$ 12	\$ 425	\$ —	\$ 693
Receivables, net	—	—	150	469	—	619
Deferred income taxes	1	—	156	21	(1)	177
Other current assets	4	80	82	289	—	455
Total current assets	19	322	400	1,204	(1)	1,944
Property and equipment, net	—	109	312	193	—	614
Deferred income taxes	20	1,142	141	—	(4)	1,299
Goodwill	—	—	342	349	—	691
Other intangibles, net	—	41	519	363	—	923
Other non-current assets	104	96	18	143	—	361
Intercompany receivables	145	210	853	331	(1,539)	—
Investment in subsidiaries	671	2,900	3,347	—	(6,918)	—
Total assets exclusive of assets under vehicle programs	959	4,820	5,932	2,583	(8,462)	5,832
Assets under vehicle programs:						
Program cash	—	—	—	116	—	116
Vehicles, net	—	10	9	9,563	—	9,582
Receivables from vehicle manufacturers and other	—	—	—	391	—	391
Investment in Avis Budget Rental Car Funding (AESOP) LLC-related party	—	—	—	363	—	363
	—	10	9	10,433	—	10,452
Total assets	\$ 959	\$ 4,830	\$ 5,941	\$ 13,016	\$ (8,462)	\$ 16,284
Liabilities and stockholders' equity						
Current liabilities:						
Accounts payable and other current liabilities	\$ 25	\$ 238	\$ 487	\$ 730	\$ (1)	\$ 1,479
Short-term debt and current portion of long-term debt	65	14	3	7	—	89
Total current liabilities	90	252	490	737	(1)	1,568
Long-term debt	—	2,955	6	344	—	3,305
Other non-current liabilities	98	96	221	436	(4)	847
Intercompany payables	—	844	340	355	(1,539)	—
Total liabilities exclusive of liabilities under vehicle programs	188	4,147	1,057	1,872	(1,544)	5,720
Liabilities under vehicle programs:						
Debt	—	11	—	1,670	—	1,681
Due to Avis Budget Rental Car Funding (AESOP) LLC-related party	—	—	—	5,656	—	5,656
Deferred income taxes	—	—	1,984	193	—	2,177
Other	—	1	—	278	—	279
	—	12	1,984	7,797	—	9,793
Total stockholders' equity	771	671	2,900	3,347	(6,918)	771
Total liabilities and stockholders' equity	\$ 959	\$ 4,830	\$ 5,941	\$ 13,016	\$ (8,462)	\$ 16,284

As of December 31, 2012

	Parent	Subsidiary Issuers	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 5	\$ 102	\$ —	\$ 499	\$ —	\$ 606
Receivables, net	—	—	156	397	—	553
Deferred income taxes	3	1	138	4	—	146
Other current assets	5	73	81	246	—	405
Total current assets	13	176	375	1,146	—	1,710
Property and equipment, net	—	90	276	163	—	529
Deferred income taxes	23	1,216	223	—	(8)	1,454
Goodwill	—	—	74	301	—	375
Other intangibles, net	—	43	341	347	—	731
Other non-current assets	109	80	14	117	—	320
Intercompany receivables	142	972	546	96	(1,756)	—
Investment in subsidiaries	723	2,030	3,293	—	(6,046)	—
Total assets exclusive of assets under vehicle programs	1,010	4,607	5,142	2,170	(7,810)	5,119
Assets under vehicle programs:						
Program cash	—	—	—	24	—	24
Vehicles, net	—	7	13	9,254	—	9,274
Receivables from vehicle manufacturers and other	—	—	—	439	—	439
Investment in Avis Budget Rental Car Funding (AESOP) LLC-related party	—	—	—	362	—	362
	—	7	13	10,079	—	10,099
Total assets	\$ 1,010	\$ 4,614	\$ 5,155	\$ 12,249	\$ (7,810)	\$ 15,218
Liabilities and stockholders' equity						
Current liabilities:						
Accounts payable and other current liabilities	\$ 22	\$ 250	\$ 490	\$ 659	\$ —	\$ 1,421
Short-term debt and current portion of long-term debt	—	13	3	41	—	57
Total current liabilities	22	263	493	700	—	1,478
Long-term debt	128	2,712	8	—	—	2,848
Other non-current liabilities	103	79	277	420	(8)	871
Intercompany payables	—	831	372	553	(1,756)	—
Total liabilities exclusive of liabilities under vehicle programs	253	3,885	1,150	1,673	(1,764)	5,197
Liabilities under vehicle programs:						
Debt	—	4	—	1,599	—	1,603
Due to Avis Budget Rental Car Funding (AESOP) LLC-related party	—	—	—	5,203	—	5,203
Deferred income taxes	—	—	1,975	188	—	2,163
Other	—	2	—	293	—	295
	—	6	1,975	7,283	—	9,264
Total stockholders' equity	757	723	2,030	3,293	(6,046)	757
Total liabilities and stockholders' equity	\$ 1,010	\$ 4,614	\$ 5,155	\$ 12,249	\$ (7,810)	\$ 15,218

Consolidating Condensed Statements of Cash Flows

For the Year Ended December 31, 2013

	Parent	Subsidiary Issuers	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash provided by (used in) operating activities	\$ (3)	\$ 562	\$ 26	\$ 1,736	\$ (68)	\$ 2,253
Investing activities						
Property and equipment additions	—	(26)	(69)	(57)	—	(152)
Proceeds received on asset sales	—	7	4	11	—	22
Net assets acquired (net of cash acquired)	—	(564)	8	19	—	(537)
Intercompany loan receipts	—	233	60	—	(293)	—
Other, net	146	(50)	48	4	(146)	2
Net cash provided by (used in) investing activities exclusive of vehicle programs	146	(400)	51	(23)	(439)	(665)
<i>Vehicle programs:</i>						
Decrease in program cash	—	—	—	(79)	—	(79)
Investment in vehicles	—	(44)	(2)	(10,853)	—	(10,899)
Proceeds received on disposition of vehicles	—	40	—	9,369	—	9,409
	—	(4)	(2)	(1,563)	—	(1,569)
Net cash provided by (used in) investing activities	146	(404)	49	(1,586)	(439)	(2,234)
Financing activities						
Proceeds from long-term borrowings	—	2,647	—	325	—	2,972
Payments on long-term borrowings	(115)	(2,489)	(3)	(1)	—	(2,608)
Net change in short term borrowings	—	—	—	(36)	—	(36)
Debt financing fees	—	(30)	—	(7)	—	(37)
Purchases of warrants	(78)	—	—	—	—	(78)
Proceeds from sale of call options	104	—	—	—	—	104
Repurchases of common stock	(48)	—	—	—	—	(48)
Intercompany loan payments	—	—	(60)	(233)	293	—
Other, net	3	(146)	—	(68)	214	3
Net cash provided by (used in) financing activities exclusive of vehicle programs	(134)	(18)	(63)	(20)	507	272
<i>Vehicle programs:</i>						
Proceeds from borrowings	—	—	—	12,953	—	12,953
Payments on borrowings	—	—	—	(13,115)	—	(13,115)
Debt financing fees	—	—	—	(34)	—	(34)
	—	—	—	(196)	—	(196)
Net cash provided by (used in) financing activities	(134)	(18)	(63)	(216)	507	76
Effect of changes in exchange rates on cash and cash equivalents	—	—	—	(8)	—	(8)
Net increase (decrease) in cash and cash equivalents	9	140	12	(74)	—	87
Cash and cash equivalents, beginning of period	5	102	—	499	—	606
Cash and cash equivalents, end of period	\$ 14	\$ 242	\$ 12	\$ 425	\$ —	\$ 693

For the Year Ended December 31, 2012

	Parent	Subsidiary Issuers	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash provided by (used in) operating activities	\$ (43)	\$ 272	\$ 70	\$ 1,650	\$ (60)	\$ 1,889
Investing activities						
Property and equipment additions	—	(26)	(43)	(63)	—	(132)
Proceeds received on asset sales	—	8	3	10	—	21
Net assets acquired, (net of cash acquired)	—	—	(1)	(68)	—	(69)
Intercompany loan receipts	224	—	—	—	(224)	—
Other, net	29	(4)	(1)	(8)	(25)	(9)
Net cash provided by (used in) investing activities exclusive of vehicle programs	253	(22)	(42)	(129)	(249)	(189)
<i>Vehicle programs:</i>						
Increase in program cash	—	—	—	(13)	—	(13)
Investment in vehicles	—	(4)	(20)	(11,043)	—	(11,067)
Proceeds received on disposition of vehicles	—	3	2	9,191	—	9,196
	—	(1)	(18)	(1,865)	—	(1,884)
Net cash provided by (used in) investing activities	253	(23)	(60)	(1,994)	(249)	(2,073)
Financing activities						
Proceeds from long-term borrowings	—	1,152	—	—	—	1,152
Payments on long-term borrowings	(222)	(1,268)	(11)	—	—	(1,501)
Net change in short term borrowings	—	—	—	10	—	10
Debt financing fees	—	(16)	—	—	—	(16)
Purchases of warrants	(29)	—	—	—	—	(29)
Proceeds from sale of call options	43	—	—	—	—	43
Intercompany loan payments	—	(224)	—	—	224	—
Other, net	1	(25)	—	(60)	85	1
Net cash provided by (used in) financing activities exclusive of vehicle programs	(207)	(381)	(11)	(50)	309	(340)
<i>Vehicle programs:</i>						
Proceeds from borrowings	—	—	—	12,108	—	12,108
Payments on borrowings	—	—	—	(11,490)	—	(11,490)
Debt financing fees	—	—	—	(28)	—	(28)
	—	—	—	590	—	590
Net cash provided by (used in) financing activities	(207)	(381)	(11)	540	309	250
Effect of changes in exchange rates on cash and cash equivalents	—	—	—	6	—	6
Net increase (decrease) in cash and cash equivalents	3	(132)	(1)	202	—	72
Cash and cash equivalents, beginning of period	2	234	1	297	—	534
Cash and cash equivalents, end of period	\$ 5	\$ 102	\$ —	\$ 499	\$ —	\$ 606

For the Year Ended December 31, 2011

	Parent	Subsidiary Issuers	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash provided by (used in) operating activities	\$ (32)	\$ (1,241)	\$ (236)	\$ 2,661	\$ 426	\$ 1,578
Investing activities						
Property and equipment additions	—	(17)	(34)	(14)	—	(65)
Proceeds received on asset sales	—	10	2	2	—	14
Net assets acquired (net of cash acquired)	—	—	(1)	(840)	—	(841)
Intercompany loan advances	(486)	—	—	—	486	—
Intercompany loan receipts	242	—	—	—	(242)	—
Other, net	(34)	(1)	—	(4)	32	(7)
Net cash (used in) provided by investing activities exclusive of vehicle programs	(278)	(8)	(33)	(856)	276	(899)
<i>Vehicle programs:</i>						
Increase in program cash	—	—	—	(11)	—	(11)
Investment in vehicles	—	(73)	(3)	(8,583)	—	(8,659)
Proceeds received on disposition of vehicles	—	11	7	7,178	—	7,196
Investment in debt securities of AESOP – related party	(400)	—	—	—	—	(400)
Investment in debt securities of AESOP – related party	400	—	—	—	—	400
	—	(62)	4	(1,416)	—	(1,474)
Net cash provided by (used in) investing activities	(278)	(70)	(29)	(2,272)	276	(2,373)
Financing activities						
Proceeds from long-term borrowings	—	682	—	—	—	682
Payments on long-term borrowings	—	(4)	(4)	(660)	—	(668)
Net change in short-term borrowings	—	—	—	(97)	—	(97)
Debt financing fees	(38)	(40)	—	—	—	(78)
Intercompany loan borrowings	—	486	—	—	(486)	—
Intercompany loan payments	—	(242)	—	—	242	—
Other, net	93	152	268	(54)	(458)	1
Net cash provided by (used in) financing activities exclusive of vehicle programs	55	1,034	264	(811)	(702)	(160)
<i>Vehicle programs:</i>						
Proceeds from borrowings	—	—	—	10,534	—	10,534
Payments on borrowings	—	—	—	(9,917)	—	(9,917)
Debt financing fees	—	(2)	(1)	(30)	—	(33)
	—	(2)	(1)	587	—	584
Net cash provided by (used in) financing activities	55	1,032	263	(224)	(702)	424
Effect of changes in exchange rates on cash and cash equivalents	—	—	—	(6)	—	(6)
Net increase (decrease) in cash and cash equivalents	(255)	(279)	(2)	159	—	(377)
Cash and cash equivalents, beginning of period	257	513	3	138	—	911
Cash and cash equivalents, end of period	\$ 2	\$ 234	\$ 1	\$ 297	\$ —	\$ 534

22. Selected Quarterly Financial Data—(unaudited)

Provided below are selected unaudited quarterly financial data for 2013 and 2012.

The earnings per share information is calculated independently for each quarter based on the weighted average number of common stock and common stock equivalents outstanding, which may fluctuate, based on quarterly income levels and market prices. Therefore, the sum of the quarters' per share information may not equal the annual amount presented on the Consolidated Statements of Operations.

	2013			
	First ^{(a) (b)}	Second ^{(a) (c)}	Third ^(d)	Fourth ^{(a) (e)}
Net revenues	\$ 1,691	\$ 2,002	\$ 2,395	\$ 1,849
Net income (loss)	(46)	(28)	118	(28)
<i>Per share information:</i>				
Basic				
Net income (loss)	\$ (0.43)	\$ (0.26)	\$ 1.09	\$ (0.26)
Weighted average shares	107.7	108.4	108.3	107.1
Diluted				
Net income (loss)	\$ (0.43)	\$ (0.26)	\$ 1.02	\$ (0.26)
Weighted average shares	107.7	108.4	116.2	107.1
2012				
	First ^{(a) (f)}	Second ^(g)	Third ^(h)	Fourth ^{(a) (i)}
Net revenues	\$ 1,623	\$ 1,866	\$ 2,170	\$ 1,698
Net income (loss)	(23)	79	280	(46)
<i>Per share information:</i>				
Basic				
Net income (loss)	\$ (0.22)	\$ 0.74	\$ 2.62	\$ (0.43)
Weighted average shares	105.9	106.7	106.8	106.9
Diluted				
Net income (loss)	\$ (0.22)	\$ 0.66	\$ 2.38	\$ (0.43)
Weighted average shares	105.9	121.9	118.0	106.9

^(a) As the Company incurred a loss from continuing operations for this period, all outstanding stock options, restricted stock units, stock warrants and issuable shares underlying convertible notes are anti-dilutive for such period. Accordingly, basic and diluted weighted average shares outstanding are equal for such period.

^(b) Net income (loss) for first quarter 2013 includes \$40 million (\$39 million, net of tax) for costs related to the early extinguishment of corporate debt, \$10 million (\$7 million, net of tax) in restructuring expenses, \$8 million (\$6 million, net of tax) for transaction-related costs primarily related to the integration of Avis Europe and the acquisition of Zipcar, and \$4 million (\$3 million, net of tax) for amortization expense related to intangible assets recognized in the acquisitions of Avis Europe and Zipcar.

^(c) Net income (loss) for second quarter 2013 includes \$91 million (\$56 million, net of tax) for costs related to the early extinguishment of corporate debt, \$19 million (\$16 million, net of tax) for transaction-related costs primarily related to the integration of Avis Europe and the acquisition and integration of Zipcar, \$15 million (\$10 million, net of tax) in restructuring expenses and \$6 million (\$4 million, net of tax) for amortization expense related to intangible assets recognized in the acquisitions of Avis Europe and Zipcar.

^(d) Net income (loss) for third quarter 2013 includes a \$10 million (\$7 million, net of tax) for transaction-related costs primarily related to the integration of Avis Europe and the acquisition of Payless, \$14 million (\$9 million, net of tax) in restructuring expenses, \$6 million (\$4 million, net of tax) for amortization expense related to intangible

assets recognized in the acquisitions of Avis Europe and Zipcar and \$33 million (\$33 million, net of tax) for the impairment of our equity-method investment in our Brazilian licensee.

- (e) Net income (loss) for fourth quarter 2013 includes \$16 million (\$14 million, net of tax) for the early extinguishment of corporate debt, \$22 million (\$15 million, net of tax) in restructuring expenses, \$14 million (\$12 million, net of tax) for transaction-related costs primarily related to the integration of Avis Europe and Zipcar and \$7 million (\$4 million, net of tax) for amortization expense related to intangible assets recognized in the acquisitions of Avis Europe and Zipcar.
- (f) Net income (loss) for first quarter 2012 includes \$27 million (\$23 million, net of tax) for costs related to the early extinguishment of corporate debt, \$7 million (\$5 million, net of tax) in restructuring expenses, \$6 million (\$5 million, net of tax) for transaction-related costs primarily related to the integration of the operations of Avis Europe and \$5 million (\$4 million, net of tax) for amortization expense related to intangible assets recognized in the acquisition of Avis Europe.
- (g) Net income (loss) for second quarter 2012 includes \$23 million (\$21 million, net of tax) for the early extinguishment of corporate debt, \$12 million (\$8 million, net of tax) in restructuring expenses, \$4 million (\$2 million, net of tax) of transaction-related costs primarily related to the integration of the operations of Avis Europe and \$3 million (\$2 million, net of tax) for amortization expense related to intangible assets recognized in the acquisition of Avis Europe.
- (h) Net income (loss) for third quarter 2012 includes a \$128 million non-cash income tax benefit for pre-2007 taxes, \$11 million (\$10 million, net of tax) of transaction-related costs primarily related to the integration of the operations of Avis Europe, \$7 million (\$5 million, net of tax) in restructuring expenses, \$4 million (\$3 million, net of tax) for amortization expense related to intangible assets recognized in the acquisition of Avis Europe, and \$2 million (\$1 million, net of tax) for the early extinguishment of corporate debt.
- (i) Net income (loss) for fourth quarter 2012 includes \$23 million (\$16 million, net of tax) for the early extinguishment of corporate debt, \$13 million (\$13 million, net of tax) of transaction-related costs primarily related to the integration of Avis Europe, \$12 million (\$9 million, net of tax) in restructuring expenses and \$4 million (\$2 million, net of tax) for amortization expense related to intangible assets recognized in the Avis Europe acquisition.

23. Subsequent Events

In February 2014, the Company's Avis Budget Rental Car Funding subsidiary issued approximately \$675 million in five-year asset-backed notes with a weighted average interest rate of 2.60%. The proceeds from the borrowings will provide funds for the repayment of maturing vehicle-backed debt and the acquisition of rental cars in the United States.

**Schedule II – Valuation and Qualifying Accounts
(in millions)**

Description	Balance at Beginning of Period	Expensed	Other Adjustments	Deductions	Balance at End of Period
Allowance for Doubtful Accounts:					
Year Ended December 31,					
2013	\$ 40	\$ 15	\$ 10	\$ (15)	\$ 50
2012	21	27	—	(8)	40
2011	16	9	—	(4)	21
Tax Valuation Allowance:					
Year Ended December 31,					
2013 ^(a)	\$ 298	\$ 27	\$ 22	\$ —	\$ 347
2012	273	25	—	—	298
2011 ^(a)	192	16	65	—	273

^(a) For 2013 and 2011, other adjustments relate to the acquisition of Zipcar and Avis Europe, respectively.

EXHIBIT NO.	DESCRIPTION
2.1	Separation and Distribution Agreement by and among Cendant Corporation*, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 27, 2006 (Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated August 1, 2006).
2.2	Letter Agreement dated August 23, 2006 related to the Separation and Distribution Agreement by and among Realogy Corporation, Cendant Corporation*, Wyndham Worldwide Corporation and Travelport Inc. dated as of July 27, 2006 (Incorporated by reference to Exhibit 2.2 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2007, dated August 8, 2007).
3.1	Amended and Restated Certificate of Incorporation of Avis Budget Group, Inc. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated September 5, 2006).
3.2	Amended and Restated Bylaws of Avis Budget Group, Inc. (as of November 5, 2009) (Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated November 5, 2009).
4.1	Indenture dated as of October 13, 2009, by and between Avis Budget Group, Inc. and The Bank of Nova Scotia Trust Company of New York, as Trustee (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated October 13, 2009).
4.2	Indenture dated as of October 15, 2010 among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as Issuers, the Guarantors from time to time parties thereto and The Bank of Nova Scotia Trust Company of New York as Trustee (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated October 18, 2010).
4.2(a)	Supplemental Indenture, dated as of June 30, 2011, to the Indenture dated as of October 15, 2010 among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as Issuers, the Guarantors from time to time parties thereto and The Bank of Nova Scotia Trust Company of New York as Trustee. (Incorporated by reference to Exhibit 4.8(b) to Avis Budget Car Rental, LLC and Avis Budget Finance, Inc.'s Registration Statement on Form S-4, Registration No. 333-17490, dated October 25, 2011).
4.2(b)	Supplemental Indenture, dated as of June 21, 2013, to the Indenture, dated as of October 15, 2010, by and among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as Issuers, the Guarantors from time to time parties thereto and The Bank of Nova Scotia Trust Company of New York as Trustee (Incorporated by reference to Exhibit 4.6(c) to Avis Budget Car Rental, LLC and Avis Budget Finance, Inc.'s Registration Statement on Form S-4, Registration No. 333-189524, dated June 21, 2013).
4.3	Form of 8.25% Senior Notes Due 2019 (Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated October 18, 2010).
4.4	Indenture dated as of October 3, 2011 between AE Escrow Corporation and The Bank of Nova Scotia Trust Company of New York as Trustee (Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated October 14, 2011).
4.4(a)	Supplemental Indenture dated as of October 10, 2011 among Avis Budget Car Rental, LLC, Avis Budget Finance, Inc., Avis Budget Group, Inc., Avis Budget Holdings, LLC, and the other guarantors party thereto and The Bank of Nova Scotia Trust Company of New York, as trustee (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated October 14, 2011).
4.4(b)	Supplemental Indenture, dated as of June 21, 2013, to the Indenture, dated as of October 3, 2011, by and among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as Issuers (successors to AE Escrow Corporation), the Guarantors from time to time parties thereto and The Bank of Nova Scotia Trust Company of New York as Trustee (Incorporated by reference to Exhibit 4.7(c) to Avis Budget Car Rental, LLC and Avis Budget Finance, Inc.'s Registration Statement on Form S-4, Registration No. 333-189524, dated June 21, 2013).
4.5	Form of 9.75% Senior Notes Due 2020 (Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated October 5, 2011).
4.6	Indenture dated as of November 8, 2012 among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as Issuers, the Guarantors from time to time parties thereto and The Bank of Nova Scotia Trust Company of New York as Trustee (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 13, 2012).
4.6(a)	Supplemental Indenture, dated as of June 21, 2013, to the Indenture, dated as of November 8, 2012, by and among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as Issuers, the Guarantors from time to time parties thereto and The Bank of Nova Scotia Trust Company of New York as Trustee (Incorporated by reference to Exhibit 4.9(b) to Avis Budget Car Rental, LLC and Avis Budget Finance, Inc.'s Registration Statement on Form S-4, Registration No. 333-189524, dated June 21, 2013).
4.7	Form of 4.875% Senior Notes Due 2017 (Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated November 13, 2012).
4.8	Indenture dated as of March 7, 2013 among Avis Budget Finance, plc, as Issuer, the Guarantors from time to time parties thereto, Bank of Nova Scotia Trust Company of New York as Trustee and Citibank, N.A., London Branch, as paying agent and note registrar (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated March 11, 2013).

4.8(a)	Supplemental Indenture, dated as of June 21, 2013, to the Indenture, dated as of March 7, 2013, by and among Avis Budget Finance plc, as Issuer, the Guarantors from time to time parties thereto and The Bank of Nova Scotia Trust Company of New York as Trustee (Incorporated by reference to Exhibit 4.11(b) to Avis Budget Car Rental, LLC and Avis Budget Finance, Inc.'s Registration Statement on Form S-4, Registration No. 333-189524, dated June 21, 2013).
4.9	Form of 6.0% Senior Notes Due 2021 (Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated March 11, 2013).
4.10	Indenture, dated as of April 3, 2013, among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as Issuers, the Guarantors from time to time parties thereto and The Bank of Nova Scotia Trust Company of New York as Trustee (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated April 8, 2013).
4.10(a)	Supplemental Indenture, dated as of June 21, 2013, to the Indenture, dated as of April 3, 2013, by and among Avis Budget Finance plc, as Issuer, the Guarantors from time to time parties thereto and The Bank of Nova Scotia Trust Company of New York as Trustee (Incorporated by reference to Exhibit 4.12(b) to Avis Budget Car Rental, LLC and Avis Budget Finance, Inc.'s Registration Statement on Form S-4, Registration No. 333-189524, dated June 21, 2013).
4.11	Form of 5.50% Senior Notes due 2023 (Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated April 8, 2013).
4.12	Indenture dated as of November 25, 2013 among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as Issuers, the Guarantors from time to time parties thereto and Deutsche Bank Trust Company Americas as Trustee (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 2, 2013).
4.13	Form of Floating Rate Senior Notes Due 2017 (Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated December 2, 2013).
10.1	Amended and Restated Employment Agreement between Avis Budget Group, Inc. and Ronald L. Nelson (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 29, 2010).†
10.2	Amended and Restated Employment Agreement between Avis Budget Group, Inc. and David B. Wyshner (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 27, 2012).†
10.3	Agreement between Avis Budget Group, Inc. and Larry D. De Shon dated December 19, 2008 (Incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K dated December 31, 2008).†
10.3(a)	Amendment dated January 22, 2014 to Agreement between Avis Budget Group, Inc. and Larry D. De Shon dated December 19, 2008.†
10.4	Agreement between Avis Budget Group, Inc. and Patric T. Siniscalchi dated December 19, 2008 (Incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, dated February 26, 2009).†
10.4(a)	Amendment dated January 23, 2014 to Agreement between Avis Budget Group, Inc. Patric T. Siniscalchi dated December 19, 2008.†
10.5	Agreement between Avis Budget Group, Inc. and Thomas Gartland dated April 21, 2008 (Incorporated by reference to Exhibit 10.7(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2009 dated February 23, 2010).†
10.5(a)	Agreement between Avis Budget Group, Inc. and Thomas Gartland dated December 19, 2008 (Incorporated by reference to Exhibit 10.7(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 2009, dated February 24, 2010).†
10.5(b)	Amendment dated January 21, 2014 to Agreement between Avis Budget Group, Inc. and Thomas Gartland dated December 19, 2008.†
10.6	Form of Avis Budget Group, Inc. Severance Agreement (Incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009, dated February 24, 2010).†
10.7	1997 Stock Option Plan (Incorporated by reference to Exhibit 10.23 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended April 30, 1997, dated June 16, 1997).†
10.7(a)	Amendment to 1997 Stock Option Plan dated January 3, 2001 (Incorporated by reference to Exhibit 10.11(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 2000, dated March 29, 2001).†
10.7(b)	Amendment to 1997 Stock Option Plan dated March 19, 2002 (Incorporated by reference to Exhibit 10.11(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2002, dated March 5, 2003).†
10.7(c)	Amendment to 1997 Stock Option Plan dated December 2011 (Incorporated by reference to Exhibit 10.10(d) to the Company's Annual Report on Form 10-K for the year ended December 31, 2011, dated February 29, 2012).†
10.8	Avis Budget Group, Inc. Amended and Restated 2007 Equity and Incentive Plan (Incorporated by reference to Annex A to the Company's Definitive Proxy Statement on Schedule 14A, dated April 17, 2012).†
10.9	1997 Stock Incentive Plan (Incorporated by reference to Appendix E to the Joint Proxy Statement/ Prospectus included as part of the Company's Registration Statement on Form S-4, Registration No. 333-34517, dated August 28, 1997).†

10.9(a)	Amendment to 1997 Stock Incentive Plan dated March 27, 2000 (Incorporated by reference to Exhibit 10.12(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 dated March 29, 2001).†
10.9(b)	Amendment to 1997 Stock Incentive Plan dated March 28, 2000 (Incorporated by reference to Exhibit 10.12(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 dated March 29, 2001).†
10.9(c)	Amendment to 1997 Stock Incentive Plan dated January 3, 2001 (Incorporated by reference to Exhibit 10.12(d) to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 dated March 29, 2001).†
10.10	Amendment to Certain Stock Plans (Incorporated by reference to Exhibit 10.16(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 dated March 5, 2003).†
10.11	Amendment to Various Equity-Based Plans (Incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005 dated March 1, 2006).†
10.12	Avis Budget Group, Inc. Employee Stock Purchase Plan (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated June 18, 2009).†
10.12(a)	Amendment No. 1 to the Avis Budget Group, Inc. Employee Stock Purchase Plan (Incorporated by reference to Exhibit 10.17(b) to Avis Budget Car Rental, LLC and Avis Budget Finance, Inc.'s Registration Statement on Form S-4, Registration No. 333-17490, dated October 25, 2011).†
10.13	Form of Award Agreement-Restricted Stock Units (Incorporated by reference to Exhibit 10.17(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2011, dated February 29, 2012).†
10.14	Form of Award Agreement-Stock Appreciation Rights (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated August 4, 2006).†
10.15	Form of Award Agreement-Stock Options (Incorporated by reference to Exhibit 10.15(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, dated February 26, 2009).†
10.16	Form of Award Agreement-Stock Options (Incorporated by reference to Exhibit 10.15(d) to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, dated February 26, 2009).†
10.17	Form of Other Stock or Cash-Based Award Agreement (Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, dated August 6, 2009).†
10.18	Avis Budget Group, Inc. Non-Employee Directors Deferred Compensation Plan, amended and restated as of January 1, 2013 (Incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 dated February 21, 2013).†
10.19	Avis Budget Group, Inc. Deferred Compensation Plan, amended and restated as of November 1, 2008 (Incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, dated February 26, 2009).†
10.20	Avis Budget Group, Inc. Savings Restoration Plan, amended and restated as of November 1, 2008 (Incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, dated February 26, 2009).†
10.21	Amended and Restated Equalization Benefit Plan (Incorporated by reference to Exhibit 10.59 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007, dated February 29, 2008).†
10.22	Avis Rent A Car System, LLC Pension Plan (Incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008).†
10.23	Asset and Stock Purchase Agreement by and among Budget Group, Inc. and certain of its Subsidiaries, Cendant Corporation* and Cherokee Acquisition Corporation dated as of August 22, 2002 (Incorporated by reference to Exhibit 10.71 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2001 dated November 4, 2002).
10.23(a)	First Amendment to Asset and Stock Purchase Agreement by and among Budget Group, Inc. and certain of its Subsidiaries, Cendant Corporation* and Cherokee Acquisition Corporation dated as of September 10, 2002 (Incorporated by reference to Exhibit 10.72 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2001 dated November 4, 2002).
10.24	Separation Agreement, dated as of January 31, 2005, by and between Cendant Corporation* and PHH Corporation (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated February 4, 2005).
10.25	Tax Sharing Agreement, dated as of January 31, 2005, by and among Cendant Corporation*, PHH Corporation and certain affiliates of PHH Corporation named therein (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated February 4, 2005).††
10.26	Cendant Corporation* Officer Personal Financial Services Policy (Incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K dated January 26, 2005).
10.27	Purchase Agreement, dated as of June 30, 2006, by and among the Company, Travelport Inc. and TDS Investor LLC (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 30, 2006).
10.28	Transition Services Agreement among Cendant Corporation*, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 27, 2006 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 1, 2006).

10.29	Tax Sharing Agreement among Cendant Corporation*, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 28, 2006 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 1, 2006).
10.29(a)	Amendment to the Tax Sharing Agreement, dated July 28, 2006, among Avis Budget Group, Inc., Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc. (Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2008 dated August 7, 2008).
10.30	Purchase Agreement by and among Cendant Corporation*, Affinity Acquisition, Inc. and Affinity Acquisition Holdings, Inc. dated as of July 26, 2005 (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005 dated November 2, 2005).
10.30(a)	Amendment No. 1 dated as of October 17, 2005 to the Purchase Agreement dated as of July 26, 2005 by and among Cendant Corporation*, Affinity Acquisition, Inc. (now known as Affinion Group, Inc.) and Affinity Acquisition Holdings, Inc. (now known as Affinion Group Holdings, Inc.) (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005 dated November 2, 2005).
10.31	Agreement dated October 1, 2012 between Avis Budget Car Rental, LLC and General Motors (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 5, 2012).††
10.32	Agreement dated August 23, 2013 between Avis Budget Car Rental, LLC and General Motors (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 7, 2013).††
10.33	Avis Budget Car Rental 2013 Model Year Program Letter dated November 7, 2012 between Avis Budget Car Rental, LLC and Ford Motor Company (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated November 13, 2012).††
10.34	Avis Budget Car Rental 2014 Model Year Program Letter dated October 26, 2013 between Avis Budget Car Rental, LLC and Ford Motor Company (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 31, 2013).††
10.35	Second Amended and Restated Base Indenture, dated as of June 3, 2004, among Cendant Rental Car Funding (AESOP) LLC***, as Issuer, and The Bank of New York, as Trustee (Incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004, dated August 2, 2004).
10.35(a)	Supplemental Indenture No. 1, dated as of December 23, 2005, among Cendant Rental Car Funding (AESOP) LLC***, as Issuer, and The Bank of New York, as Trustee, to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 20, 2006).
10.35(b)	Supplemental Indenture No. 2, dated as of May 9, 2007, among Avis Budget Rental Car Funding (AESOP) LLC, as Issuer, and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee, to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.6 the Company Form 10-Q for the quarterly period ended June 30, 2007, dated August 8, 2007).
10.35(c)	Supplemental Indenture No. 3, dated as of August 16, 2013, among Avis Budget Rental Car Funding (AESOP) LLC, as Issuer, and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee, to the Second Amended and Restated Base Indenture, dated as of June 3, 2004.
10.36	Second Amended and Restated Loan Agreement, dated as of June 3, 2004, among AESOP Leasing L.P., as Borrower, Quartx Fleet Management, Inc., as a Permitted Nominee, PV Holding Corp., as a Permitted Nominee, and Cendant Rental Car Funding (AESOP) LLC***, as Lender (Incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004, dated August 2, 2004).
10.36(a)	First Amendment, dated as of December 23, 2005, among AESOP Leasing L.P., as Borrower, Quartx Fleet Management, Inc., as a Permitted Nominee, PV Holding Corp., as a Permitted Nominee, and Cendant Rental Car Funding (AESOP) LLC***, as Lender, to the Second Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated January 20, 2006).
10.36(b)	Second Amendment, dated as of May 9, 2007, among AESOP Leasing L.P., as Borrower, PV Holding Corp., as a Permitted Nominee, Quartx Fleet Management, Inc., as a Permitted Nominee, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Second Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.8 the Company Form 10-Q for the quarterly period ended June 30, 2007, dated August 8, 2007).
10.36(c)	Third Amendment, dated as of August 16, 2013, among AESOP Leasing L.P., as Borrower, PV Holding Corp., as a Permitted Nominee, Quartx Fleet Management, Inc., as a Permitted Nominee, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Second Amended and Restated Loan Agreement, dated as of June 3, 2004.
10.37	Amended and Restated Loan Agreement, dated as of June 3, 2004, among AESOP Leasing L.P., as Borrower, and Cendant Rental Car Funding (AESOP) LLC***, as Lender (Incorporated by reference to Exhibit 10.29(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, dated March 1, 2007).
10.37(a)	First Amendment, dated as of December 23, 2005, among AESOP Leasing L.P., as Borrower, and Cendant Rental Car Funding (AESOP) LLC***, as Lender, to the Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.29(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, dated March 1, 2007).

10.37(b)	Second Amendment, dated as of the May 9, 2007, among AESOP Leasing L.P., as Borrower, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.7 the Company Form 10-Q for the quarterly period ended June 30, 2007, dated August 8, 2007).
10.37(c)	Third Amendment, dated as of August 16, 2013, among AESOP Leasing L.P., as Borrower, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Amended and Restated Loan Agreement, dated as of June 3, 2004.
10.38	Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004, among AESOP Leasing L.P., as Lessor, and Cendant Car Rental Group, Inc.**, as Lessee and as Administrator (Incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004, dated August 2, 2004).
10.38(a)	First Amendment, dated December 23, 2005, among AESOP Leasing L.P., as Lessor, and Cendant Car Rental Group, Inc.**, as Lessee and as Administrator, to the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of December 23, 2005 (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated January 20, 2006).
10.38(b)	Third Amendment, dated as of May 9, 2007, among AESOP Leasing L.P., as Lessor and Avis Budget Car Rental, LLC, as Lessee and as the Administrator, to the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.9 the Company Form 10-Q for the quarterly period ended June 30, 2007, dated August 8, 2007).
10.38(c)	Fourth Amendment, dated as of August 16, 2013, among AESOP Leasing L.P., as Lessor and Avis Budget Car Rental, LLC, as Lessee and as the Administrator, to the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004.
10.39	Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004, among AESOP Leasing L.P., as Lessor, Cendant Car Rental Group, Inc.**, as Lessee, as Administrator and as Finance Lease Guarantor, Avis Rent A Car System, Inc.****, as Lessee, and Budget Rent A Car System, Inc., as Lessee (Incorporated by reference to Exhibit 10.30(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, dated March 1, 2007).
10.39(a)	First Amendment, dated as of December 23, 2005, among AESOP Leasing L.P., as Lessor, Cendant Car Rental Group, Inc.**, as Lessee, as Administrator and as Finance Lease Guarantor, Avis Rent A Car System, Inc.****, as Lessee, and Budget Rent A Car System, Inc., as Lessee, to the Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.30(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, dated March 1, 2007).
10.39(b)	Third Amendment, dated as of May 9, 2007, among AESOP Leasing L.P., as Lessor, Avis Budget Car Rental, LLC, as Lessee, as Administrator and as Finance Lease Guarantor, Avis Rent A Car System, LLC, as Lessee, and Budget Rent A Car System, Inc., as Lessee, to the Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.11 the Company Form 10-Q for the quarterly period ended June 30, 2007, dated August 8, 2007).
10.39(c)	Fourth Amendment, dated as of August 16, 2013, among AESOP Leasing L.P., as Lessor, Avis Budget Car Rental, LLC, as Lessee, as Administrator and as Finance Lease Guarantor, Avis Rent A Car System, LLC, as Lessee, and Budget Rent A Car System, Inc., as Lessee, to the Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004.
10.40	AESOP I Operating Sublease Agreement dated as of March 26, 2013 between Zipcar, Inc. and Avis Budget Car Rental, LLC (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013 dated May 8, 2013).
10.41	Second Amended and Restated Administration Agreement, dated as of June 3, 2004, among Cendant Rental Car Funding (AESOP) LLC***, AESOP Leasing L.P., AESOP Leasing Corp. II, Avis Rent A Car System, Inc.****, Budget Rent A Car System, Inc., Cendant Car Rental Group, Inc.** and The Bank of New York, as Trustee (Incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, dated March 1, 2006).
10.41(a)	First Amendment, dated as of August 16, 2013, among Avis Budget Rental Car Funding (AESOP) LLC, AESOP Leasing L.P., AESOP Leasing Corp. II, Avis Rent A Car System, LLC, Budget Rent A Car System, Inc. and Avis Budget Car Rental, LLC, as Administrator, to the Second Amended and Restated Administration Agreement dated as of June 3, 2004.
10.42	Assignment and Assumption Agreement dated as of June 3, 2004, among Avis Rent A Car System, Inc.****, Avis Group Holdings, Inc.***** and Cendant Car Rental Group, Inc.** (Incorporated by reference to Exhibit 10.35 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, dated March 1, 2006).
10.43	Series 2010-3 Supplement, dated as of March 23, 2010, among Avis Budget Car Rental Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2010-3 Agent (Incorporated by reference to Exhibit 10.2 to Avis Budget Group's Current Report on Form 8-K dated March 11, 2010).
10.44	Series 2010-4 Supplement, dated as of October 28, 2010, among Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2010-4 Agent (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, dated October 28, 2010).
10.45	Series 2010-5 Supplement, dated as of October 28, 2010, among Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and Series 2010-5 Agent (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K, dated October 28, 2010).

10.45(a)	Second Amended and Restated Series 2010-6 Supplement, dated as of November 5, 2013, by and among Avis Budget Rental Car Funding (AESOP) LLC, as Issuer, Avis Budget Car Rental, LLC, as Administrator, JPMorgan Chase Bank, N.A., as Administrative Agent, the Non-Conduit Purchasers, the CP Conduit Purchasers, the APA Banks and the Funding Agents named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee and as Series 2010-6 Agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated November 7, 2013).
10.46	Series 2011-1 Supplement, dated as of May 3, 2011, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2011-1 Agent (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated May 6, 2011).
10.47	Series 2011-2 Supplement, dated as of May 3, 2011, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and Series 2011-2 Agent (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated May 6, 2011).
10.48	Amended and Restated Series 2011-3 Supplement, dated as of September 9, 2013, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2011-3 Agent (Incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013, dated November 1, 2013).
10.49	Amended and Restated Series 2011-5 Supplement, dated as of September 9, 2013, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2011-5 Agent (Incorporated by reference to Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013, dated November 1, 2013).
10.50	Series 2012-1 Supplement, dated as of March 22, 2012, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2012-1 Agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 27, 2012).
10.51	Amended and Restated Series 2012-2 Supplement, dated as of September 9, 2013, between Avis Budget Car Funding (AESOP) LLC and The Bank of New York Mellon Trust company, N.A., as trustee and as Series 2012-2 Agent (Incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013, dated November 1, 2013).
10.52	Amended and Restated Series 2012-3 Supplement, dated as of September 9, 2013, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2012-3 Agent (Incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013, dated November 1, 2013).
10.53	Amended and Restated Series 2013-1 Supplement, dated as of September 9, 2013, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2013-1 Agent (Incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013, dated November 1, 2013).
10.54	Amended and Restated Series 2013-2 Supplement, dated as of February 12, 2014, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2013-2 Agent.
10.55	Series 2014-1 Supplement, dated as of February 12, 2014, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2014-1 Agent (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated February 18, 2014).
10.56	Second Amended and Restated Credit Agreement, dated as of August 2, 2013, 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, Deutsche Bank Securities Inc. as syndication agent, Citicorp USA, Inc., Bank of America, N.A., Barclays Bank PLC and Credit Agricole Corporate and Investment Bank and The Royal Bank of Scotland PLC, as co-documentation agents, and JPMorgan Chase Bank, N.A., as administrative agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 6, 2013).
10.57	Amended and Restated Guarantee & Collateral Agreement, dated as of May 3, 2011, among made by each of the signatories thereto in favor of JPMorgan Chase Bank, N.A., as administrative agent (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated May 6, 2011).
10.58	Purchase Agreement dated as of October 7, 2009, by and among Avis Budget Group, Inc. and J.P. Morgan Securities Inc., Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc. and Deutsche Bank Securities Inc. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 13, 2009).
10.59	Purchase Agreement, dated as of October 7, 2010, by and among Avis Budget Car Rental, LLC, Avis Budget Finance, Inc., Avis Budget Group, Inc., Avis Budget Holdings, LLC, AB Car Rental Service, Inc., ARACS LLC, Avis Asia and Pacific, Limited, Avis Car Rental Group, LLC, Avis Caribbean, Limited, Avis Enterprises, Inc., Avis Group Holdings, LLC, Avis International, Ltd., Avis Operations, LLC, Avis Rent A Car System, LLC, PF Claims Management, Ltd., PR Holdco, Inc., Wizard Co., Inc., BGI Leasing, Inc., Budget Rent A Car System, Inc., Budget Truck Rental LLC, Runabout, LLC, Wizard Services, Inc. and Citigroup Global Markets Inc. for itself and on behalf of the several initial purchasers (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 12, 2010).

10.60	Purchase Agreement, dated as of November 15, 2010, by and among Avis Budget Car Rental, LLC, Avis Budget Finance, Inc., Avis Budget Group, Inc., Avis Budget Holdings, LLC, AB Car Rental Service, Inc., ARACS LLC, Avis Asia and Pacific, Limited, Avis Car Rental Group, LLC, Avis Caribbean, Limited, Avis Enterprises, Inc., Avis Group Holdings, LLC, Avis International, Ltd., Avis Operations, LLC, Avis Rent A Car System, LLC, PF Claims Management, Ltd., PR Holdco, Inc., Wizard Co., Inc., BGI Leasing, Inc., Budget Rent A Car System, Inc., Budget Truck Rental LLC, Runabout, LLC, Wizard Services, Inc. and Citigroup Global Markets Inc. for itself and on behalf of the several initial purchasers (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 18, 2010).
10.61	Purchase Agreement, by and among AE Escrow Corporation, Avis Budget Group, Inc. and Morgan Stanley & Co. LLC for itself and on behalf of the several initial purchasers, dated September 21, 2011 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated September 27, 2011).
10.62	Registration Rights Agreement, dated October 3, 2011, among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., the guarantors parties thereto, Morgan Stanley & Co. LLC, and the other initial purchasers parties thereto (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 5, 2011).
10.63	Purchase Agreement, dated as of March 26, 2012, by and among Avis Budget Car Rental, LLC, Avis Budget Finance, Inc., Avis Budget Group, Inc., Avis Budget Holdings, LLC, the subsidiary guarantors party thereto, and Barclays Capital Inc. for itself and on behalf of the several initial purchasers (Incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, dated May 9, 2012).
10.64	Registration Rights Agreement, dated March 29, 2012, among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., the guarantors parties thereto, and Barclays Capital Inc. for itself and on behalf of the several initial purchasers (Incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, dated May 9, 2012).
10.65	Purchase Agreement, dated as of November 5, 2012, by and among Avis Budget Car Rental, LLC, Avis Budget Finance, Inc., Avis Budget Group, Inc., Avis Budget Holdings, LLC, AB Car Rental Service, Inc., ARACS LLC, Avis Asia and Pacific, LLC, Avis Car Rental Group, LLC, Avis Caribbean, Limited, Avis Enterprises, Inc., Avis Group Holdings, LLC, Avis International, Ltd., Avis Operations, LLC, Avis Rent A Car System, LLC, PF Claims Management, Ltd., PR Holdco, Inc., Wizard Co., Inc., BGI Leasing, Inc., Budget Rent A Car System, Inc., Budget Rent A Car Licensor, LLC, Budget Truck Rental LLC, Runabout, LLC, Wizard Services, Inc. and Merrill Lynch, Pierce, Fenner & Smith, Incorporated for itself and on behalf of the several initial purchasers (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 6, 2012).
10.66	Registration Rights Agreement, dated November 8, 2012, among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., the guarantors parties thereto, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and the other initial purchasers parties thereto (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 13, 2012).
10.67	Purchase Agreement, dated as of February 28, 2013, by and among Avis Budget Finance, plc, as issuer, Avis Budget Group, Inc. and certain of its subsidiaries as guarantors, and Citigroup Global Markets Limited, for itself and on behalf of the several initial purchasers (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 5, 2013).
10.68	Purchase Agreement, dated as of March 19, 2013, by and among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc. as issuers, Avis Budget Group, Inc. and certain of its subsidiaries as guarantors, and Barclays Capital Inc. for itself and on behalf of the several initial purchasers (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 25, 2013).
10.69	Registration Rights Agreement, dated as of April 3, 2013, among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., the guarantors parties thereto, Barclays Capital Inc., and the other initial purchasers parties thereto (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 8, 2013).
10.70	Purchase Agreement, dated as of November 20, 2013, by and among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc. as issuers, Avis Budget Group, Inc. and certain of its subsidiaries as guarantors, and Citigroup Global Markets, Inc. as the initial purchaser Trustee (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 22, 2013).
10.71	Registration Rights Agreement, dated November 25, 2013, among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., the guarantors parties thereto and Citigroup Global Markets Inc. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 2, 2013).
10.72	Agreement of Resignation, Appointment And Acceptance, dated as of September 5, 2013, by and among Avis Budget Car Rental, LLC, Avis Budget Finance, Inc., The Bank of Nova Scotia Trust Company of New York, as the retiring trustee, and Deutsche Bank Trust Company Americas, as the successor trustee under the indentures described therein (Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013, dated November 1, 2013).
10.73	Agreement of Resignation, Appointment And Acceptance, dated as of September 5, 2013, by and among Avis Budget Finance, The Bank of Nova Scotia Trust Company of New York, as the retiring trustee, and Deutsche Bank Trust Company Americas, as the successor trustee under the indenture dated as of March 7, 2013 (as amended and supplemented) (Incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013, dated November 1, 2013).

10.74	Agreement of Resignation, Appointment And Acceptance, dated as of September 5, 2013, by and among Avis Budget Car Rental, LLC, Avis Budget Group, Inc., The Bank of Nova Scotia Trust Company of New York, as the retiring trustee, and Deutsche Bank Trust Company Americas, as the successor trustee under the indenture dated as of October 13, 2009 (as amended and supplemented) (Incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013, dated November 1, 2013).
10.75	Trust Indenture, dated as of August 26, 2010, among WTH Car Rental ULC and BNY Trust Company of Canada, as Indenture Trustee (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 27, 2010).
10.76	Series 2011-1 Indenture Supplement, dated as of March 17, 2011, to the Trust Indenture dated as of August 26, 2010, among WTH Car Rental ULC, WTH Funding Limited Partnership, as Administrator, and BNY Trust Company of Canada, as Indenture Trustee (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011).
10.77	Administration Agreement, dated as of August 26, 2010, among WTH Car Rental ULC, WTH Funding Limited Partnership, as Administrator, and BNY Trust Company of Canada, as Indenture Trustee (Incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K dated August 27, 2010, dated May 6, 2011).
10.78	Master Motor Vehicle Lease Agreement, dated as of August 26, 2010, among WTH Car Rental ULC, WTH Funding Limited Partnership, and BNY Trust Company of Canada, as Indenture Trustee (Incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K dated August 27, 2010).
10.79	Global Amendment dated as of February 17, 2011, to the Trust Indenture dated as of August 26, 2010 and certain related agreements, by and among Aviscar Inc., Budgetcar Inc., 2233516 Ontario Inc., WTH Car Rental ULC, WTH Funding Limited Partnership, BNY Trust Company Of Canada, Bay Street Funding Trust, Canadian Master Trust, Deutsche Bank Ag, Canada Branch, Lord Securities Corporation, and Fiserv Automotive Solutions, Inc. (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, dated May 6, 2011).
10.80	Second Global Amendment, dated as of August 22, 2011, among Aviscar Inc., Budgetcar Inc., WTH Funding Limited Partnership, WTH Car Rental ULC, Montreal Trust Company Of Canada, BNY Trust Company Of Canada, as noteholder and Indenture Trustee, and Avis Budget Car Rental, LLC (Incorporated by reference to Exhibit 10.89 to Avis Budget Car Rental, LLC and Avis Budget Finance, Inc.'s Registration Statement on Form S-4, Registration No. 333-17490, dated October 25, 2011).
10.81	Third Global Amendment, dated as of November 27, 2012, among Aviscar Inc., Budgetcar Inc., WTH Funding Limited Partnership, WTH Car Rental ULC, Montreal Trust Company Of Canada, BNY Trust Company Of Canada as noteholder and Indenture Trustee, and Avis Budget Car Rental, LLC (Incorporated by reference to Exhibit 10.81 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012, dated February 21, 2013).
10.82	Fourth Global Amendment dated as of August 21, 2013, among Aviscar Inc., Budgetcar Inc., Zipcar Canada, Inc., WTH Funding Limited Partnership, WTH Car Rental ULC, BNY Trust Company Of Canada as noteholder and Indenture Trustee, Bay Street Funding Trust, Canadian Master Trust, and Avis Budget Car Rental, LLC (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter year ended September 30, 2013, dated November 1, 2013).
10.83	Amended and Restated Base Indenture, dated as of March 9, 2010, between Centre Point Funding, LLC, as Issuer, The Bank of New York Mellon Trust Company, N.A., as Trustee (Incorporated by reference to Exhibit 10.83 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010, dated February 24, 2011).
10.84	Amended and Restated Administration Agreement (Group I), dated as of March 9, 2010, among Centre Point Funding, LLC, Budget Truck Rental LLC, as Administrator, and The Bank of New York Mellon Trust Company, N.A., as Trustee (Incorporated by reference to Exhibit 10.85 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010, dated February 24, 2011).
10.85	Second Amended and Restated Master Motor Vehicle Operating Lease Agreement (Group I), dated March 14, 2012, among, Centre Point Funding, LLC, as Lessor, Budget Truck Rental LLC, as Administrator and as Lessee, and Avis Budget Car Rental, LLC, as Guarantor (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, dated May 9, 2012).
10.86	Administration Agreement (Group II), dated as of March 9, 2010, among Centre Point Funding, LLC, Budget Truck Rental LLC, as Administrator, and The Bank of New York Mellon Trust Company, N.A., as Trustee (Incorporated by reference to Exhibit 10.88 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010, dated February 24, 2011).
10.87	Master Motor Vehicle Operating Lease Agreement (Group II), dated March 9, 2010, among, Centre Point Funding, LLC, as Lessor, Budget Truck Rental LLC, as Administrator and as Lessee, and Avis Budget Car Rental, LLC, as Guarantor (Incorporated by reference to Exhibit 10.87 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010, dated February 24, 2011).
10.88	Umbrella Amending and Rescission Deed, dated September 22, 2011, among AB Funding Pty Ltd., WTH Pty Ltd., Budget Rent A Car Australia Pty Ltd., BNY Trust (Australia) Registry Limited, as Security Trustee, Westpac Banking Corporation, Commonwealth Bank of Australia and Bank of America, N.A. (Australia Branch) (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated September 27, 2011).
10.89	Issuer Note Facility Agreement dated March 5, 2013 among CarFin Finance International Limited, Credit Agricole Corporate And Investment Bank, the Initial Senior Noteholders listed therein, Deutsche Trustee Company Limited, Deutsche Bank AG, London Branch and Deutsche Bank Luxembourg S.A. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 11, 2013).

10.90	Subordinated Loan Agreement dated March 5, 2013, among CarFin Finance International Limited, Deutsche Bank AG, London Branch, Deutsche Trustee Company Limited, and Avis Finance Company Ltd as Subordinated Lender (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 11, 2013).††
10.91	Framework Agreement dated March 5, 2013 among CarFin Finance International Limited, Credit Agricole Corporate And Investment Bank, Deutsche Trustee Company Limited, Credit Agricole Corporate and Investment Bank, Avis Budget Car Rental, LLC, Avis Finance Company Limited, Avis Budget EMEA Limited, Deutsche Bank AG, London Branch, the Initial Senior Noteholders named therein and certain other entities named therein (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated March 11, 2013).††
10.92	Second Amendment Agreement, dated April 15, 2013, to the Framework Agreement, the Master Definitions Agreement, the Issuer Note Issuance Facility Agreement, the Central Servicing Agreement, the Issuer Subordinated Facility Agreement, and the Issuer Cash Management Agreement each dated as of March 5, 2013, between, among others, CarFin Finance International Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Trustee Company Limited, Avis Budget Car Rental, LLC, Avis Finance Company Limited, Avis Budget EMEA Limited, Deutsche Bank AG, London Branch, and certain other entities named therein (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013 dated August 7, 2013).
10.93	Master Definitions Agreement dated March 5, 2013, among CarFin Finance International Limited, Credit Agricole Corporate And Investment Bank, Deutsche Trustee Company Limited, Credit Agricole Corporate and Investment Bank, Avis Budget Car Rental, LLC, Avis Finance Company Limited, Avis Budget EMEA Limited, Deutsche Bank AG, London Branch, the Initial Senior Noteholders named therein and certain other entities named therein (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated March 11, 2013).††
10.94	Amendment Letter, dated March 19, 2013, to the Framework Agreement dated March 5, 2013 and the Master Definitions Agreement dated March 5, 2013 between, among others, Avis Finance Company Limited, Avis Budget Italia S.p.A. FleetCo S.A.p.A., FinCar Fleet B.V. and Avis Budget Italia S.p.A., Avis Budget Car Rental, LLC, Avis Budget EMEA Limited, Avis Alquile un Coche S.A., Avis Budget Autovermietung GmbH & Co. KG, Crédit Agricole Corporate and Investment Bank the Initial Senior Noteholders named therein, and Deutsche Trustee Company Limited (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013 dated May 8, 2013).
10.95	Fleetco Italian Facility Agreement dated March 5, 2013, among CarFin Finance International Limited, Avis Budget Italia S.p.A., Fleet Co. S.A.p.A., Deutsche Trustee Company Limited, Credit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch and Avis Finance Company Limited (Incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K dated March 11, 2013).
10.96	Fleetco Spanish Facility Agreement dated March 5, 2013, among CarFin Finance International Limited, FinCar Fleet B.V., Sucursal en España, Deutsche Trustee Company Limited, Credit Agricole Corporate and Investment Bank and Deutsche Bank AG, London Branch (Incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K dated March 11, 2013).
10.97	Fleetco German Facility Agreement dated March 5, 2013, among CarFin Finance International Limited, FinCar Fleet B.V., Deutsche Trustee Company Limited, Credit Agricole Corporate and Investment Bank and Deutsche Bank AG, London Branch (Incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K dated March 11, 2013).
10.98	Master German Fleet Purchase Agreement dated March 5, 2013 among FinCar Fleet B.V., Avis Budget Autovermietung GmbH & Co. Kg, and Credit Agricole Corporate And Investment Bank (Incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K dated March 11, 2013).
10.99	Spanish Master Lease Agreement dated March 5, 2013, among FinCar Fleet B.V., Sucursal en España, Avis Alquile un Coche, S.A. and Credit Agricole Corporate And Investment Bank (Incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K dated March 11, 2013).
10.100	Amended and Restated Italian Master Lease Agreement dated March 5, 2013 among Avis Budget Italia S.p.A., Fleet Co. S.A.p.A., Avis Budget Italia S.p.A. and Credit Agricole Corporate And Investment Bank (Incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K dated March 11, 2013).
10.101	Spanish Servicing Agreement dated March 5, 2013 among FinCar Fleet B.V., Sucursal en España, Avis Alquile un Coche, S.A. and Credit Agricole Corporate And Investment Bank (Incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-K dated March 11, 2013).††
10.102	Amended and Restated Italian Servicing Agreement dated March 5, 2013 among Avis Budget Italia S.p.A., Fleet Co. S.A.p.A., Avis Budget Italia S.p.A. and Credit Agricole Corporate And Investment Bank (Incorporated by reference to Exhibit 10.12 to the Company's Current Report on Form 8-K dated March 11, 2013).††
10.103	Finco Payment Guarantee dated March 5, 2013, among Avis Finance Company Limited in favor of FinCar Fleet B.V., FinCar Fleet B.V., Sucursal en España, Avis Budget Italia S.p.A. Fleet Co. S.A.p.A. and Credit Agricole Corporate and Investment Bank (Incorporated by reference to Exhibit 10.13 to the Company's Current Report on Form 8-K dated March 11, 2013).
10.104	Avis Europe Payment Guarantee dated March 5, 2013, among Avis Budget EMEA Limited in favor of Deutsche Trustee Company Limited (Incorporated by reference to Exhibit 10.14 to the Company's Current Report on Form 8-K dated March 11, 2013).
12	Statement Re: Computation of Ratio of Earnings to Fixed Charges.
21	Subsidiaries of Registrant.

23.1	Consent of Deloitte & Touche LLP.
31.1	Certification of Chief Executive Officer pursuant to Rules 13(a)-14(a) and 15(d)-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rules 13(a)-14(a) and 15(d)-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

* Cendant Corporation is now known as Avis Budget Group, Inc.

** Cendant Car Rental Group, LLC (formerly known as Cendant Car Rental Group, Inc.) is now known as Avis Budget Car Rental, LLC.

*** Cendant Rental Car Funding (AESOP) LLC, formerly known as AESOP Funding II L.L.C, is now known as Avis Budget Rental Car Funding (AESOP) LLC.

**** Avis Rent A Car System, Inc. is now known as Avis Rent A Car System, LLC.

***** Avis Group Holdings, Inc. is now known as Avis Group Holdings, LLC.

† Denotes management contract or compensatory plan.

†† Confidential treatment has been requested for certain portions of this Exhibit pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, which portions have been omitted and filed separately with the Securities and Exchange Commission.

**AVIS BUDGET CAR RENTAL, LLC
6 Sylvan Way
Parsippany, New Jersey 07054**

January 22, 2014

Mr. Larry De Shon
President, Europe/Middle East/Africa
Avis Budget Group, Inc.
6 Sylvan Way
Parsippany, New Jersey 07054

Re. Amendment to Employment Letter Agreement.

Dear Larry:

You have previously entered into an employment letter agreement with Avis Budget Car Rental, LLC (“ABCR” or the “Company”) on December 19, 2008 (the “Agreement”) pursuant to which you may become entitled to severance benefits from the Company under certain circumstances. The Company now wishes to amend the Agreement to enhance certain of the severance benefits to which you may become entitled upon certain qualifying terminations of employment as specified in the Agreement. If the provisions of this amendment (as set forth below) are acceptable to you, please sign and date one copy of this amendment in the space provided at the end of this letter and return the same to Jean Sera, Senior Vice President and Corporate Secretary of Avis Budget Group, Inc., for the Company’s records.

AMENDMENT

The fifth and sixth paragraphs of the Agreement are hereby amended and restated in their entireties to read in full as follows:

“In addition, if your employment with ABCR is terminated by ABCR other than “for cause,” and other than as a result of your “disability”, death or resignation, your then outstanding unvested stock-based awards in Avis Budget Group, Inc. that would have vested in accordance with their original vesting schedule by the two (2)-year anniversary of such termination of employment will become vested effective as of the date of such termination, subject to the satisfaction of the release execution requirement set forth in the preceding paragraph of this letter; provided that, to the extent required to achieve deductibility under Section 162(m) of the Internal Revenue Code of awards that vest based on the achievement of specified objective performance goals, with respect to any awards that vest based on the achievement of specified objective performance goals during the two (2)-year period following

such termination, such awards shall not vest as of the date of such termination, but instead, shall remain outstanding following such termination and become vested or be forfeited at such time(s) as provided in accordance with the terms and conditions of the applicable award agreement based on actual achievement of the performance goals applicable for purposes of vesting of such awards during the two (2)-year period following such termination.

In addition, if you experience a termination of employment from ABCR due to your “disability” or death, your then outstanding unvested stock-based awards in Avis Budget Group, Inc. will become fully vested effective as of the date of such termination, subject to the satisfaction of the release execution requirement set forth in the fourth paragraph of this letter.”

* * * * *

Except as specifically modified herein, the Agreement will remain in full force and effect in accordance with all of the terms and conditions thereof.

Very truly yours,

AVIS BUDGET CAR RENTAL, LLC

By: /s/ Ned Linnen
Name: Ned Linnen
Title: CHRO

AGREED AND ACCEPTED:

/s/ Larry De Shon
Larry De Shon

Date: December 22, 2013

Signature Page to Amendment to Employment Letter Agreement

**AVIS BUDGET CAR RENTAL, LLC
6 Sylvan Way
Parsippany, New Jersey 07054**

January 23, 2014

Mr. Patric T. Siniscalchi
President, Latin America/Asia Pacific
Avis Budget Group, Inc.
6 Sylvan Way
Parsippany, New Jersey 07054

Re. Amendment to Employment Letter Agreement.

Dear Patric:

You have previously entered into an employment letter agreement with Avis Budget Car Rental, LLC (“ABCR” or the “Company”) on December 19, 2008 (the “Agreement”) pursuant to which you may become entitled to severance benefits from the Company under certain circumstances. The Company now wishes to amend the Agreement to enhance certain of the severance benefits to which you may become entitled upon certain qualifying terminations of employment as specified in the Agreement. If the provisions of this amendment (as set forth below) are acceptable to you, please sign and date one copy of this amendment in the space provided at the end of this letter and return the same to Jean Sera, Senior Vice President and Corporate Secretary of Avis Budget Group, Inc., for the Company’s records.

AMENDMENT

The fifth and sixth paragraphs of the Agreement are hereby amended and restated in their entireties to read in full as follows:

“In addition, if your employment with ABCR is terminated by ABCR other than “for cause,” and other than as a result of your “disability”, death or resignation, your then outstanding unvested stock-based awards in Avis Budget Group, Inc. that would have vested in accordance with their original vesting schedule by the two (2)-year anniversary of such termination of employment will become vested effective as of the date of such termination, subject to the satisfaction of the release execution requirement set forth in the preceding paragraph of this letter; provided that, to the extent required to achieve deductibility under Section 162(m) of the Internal Revenue Code of awards that vest based on the achievement of specified objective performance goals, with respect to any awards that vest based on the achievement of specified objective performance goals during the two (2)-year period following

such termination, such awards shall not vest as of the date of such termination, but instead, shall remain outstanding following such termination and become vested or be forfeited at such time(s) as provided in accordance with the terms and conditions of the applicable award agreement based on actual achievement of the performance goals applicable for purposes of vesting of such awards during the two (2)-year period following such termination.

In addition, if you experience a termination of employment from ABCR due to your “disability” or death, your then outstanding unvested stock-based awards in Avis Budget Group, Inc. will become fully vested effective as of the date of such termination, subject to the satisfaction of the release execution requirement set forth in the fourth paragraph of this letter.”

* * * * *

Except as specifically modified herein, the Agreement will remain in full force and effect in accordance with all of the terms and conditions thereof.

Very truly yours,

AVIS BUDGET CAR RENTAL, LLC

By: /s/ Ned Linnen

Name: Ned Linnen

Title: CHRO

AGREED AND ACCEPTED:

/s/ Patric T. Siniscalchi

Patric T. Siniscalchi

Date: January 23, 2014

**AVIS BUDGET CAR RENTAL, LLC
6 Sylvan Way
Parsippany, New Jersey 07054**

January 21, 2014

Mr. Thomas M. Gartland
President, North America
Avis Budget Group, Inc.
6 Sylvan Way
Parsippany, New Jersey 07054

Re. Amendment to Employment Letter Agreement.

Dear Thomas:

You have previously entered into an employment letter agreement with Avis Budget Car Rental, LLC (“ABCR” or the “Company”) on December 19, 2008 (the “Agreement”) pursuant to which you may become entitled to severance benefits from the Company under certain circumstances. The Company now wishes to amend the Agreement to enhance certain of the severance benefits to which you may become entitled upon certain qualifying terminations of employment as specified in the Agreement. If the provisions of this amendment (as set forth below) are acceptable to you, please sign and date one copy of this amendment in the space provided at the end of this letter and return the same to Jean Sera, Senior Vice President and Corporate Secretary of Avis Budget Group, Inc., for the Company’s records.

AMENDMENT

The fifth and sixth paragraphs of the Agreement are hereby amended and restated in their entireties to read in full as follows:

“In addition, if your employment with ABCR is terminated by ABCR other than “for cause,” and other than as a result of your “disability”, death or resignation, your then outstanding unvested stock-based awards in Avis Budget Group, Inc. that would have vested in accordance with their original vesting schedule by the two (2)-year anniversary of such termination of employment will become vested effective as of the date of such termination, subject to the satisfaction of the release execution requirement set forth in the preceding paragraph of this letter; provided that, to the extent required to achieve deductibility under Section 162(m) of the Internal Revenue Code of awards that vest based on the achievement of specified objective performance goals, with respect to any awards that vest based on the achievement of specified objective performance goals during the two (2)-year period following

such termination, such awards shall not vest as of the date of such termination, but instead, shall remain outstanding following such termination and become vested or be forfeited at such time(s) as provided in accordance with the terms and conditions of the applicable award agreement based on actual achievement of the performance goals applicable for purposes of vesting of such awards during the two (2)-year period following such termination.

In addition, if you experience a termination of employment from ABCR due to your “disability” or death, your then outstanding unvested stock-based awards in Avis Budget Group, Inc. will become fully vested effective as of the date of such termination, subject to the satisfaction of the release execution requirement set forth in the fourth paragraph of this letter.”

* * * * *

Except as specifically modified herein, the Agreement will remain in full force and effect in accordance with all of the terms and conditions thereof.

Very truly yours,

AVIS BUDGET CAR RENTAL, LLC

By: /s/ Ned Linnen

Name: Ned Linnen

Title: CHRO

AGREED AND ACCEPTED:

/s/ Thomas M. Gartland

Thomas M. Gartland

Date: January 21, 2014

AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC

as Issuer

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

as Trustee

SUPPLEMENTAL INDENTURE No. 3

Dated as of August 16, 2013

to

SECOND AMENDED AND RESTATED
BASE INDENTURE

Dated as of June 3, 2004

Rental Car Asset Backed Notes
(Issuable in Series)

SUPPLEMENTAL INDENTURE No. 3, dated as of August 16, 2013 (“Supplemental Indenture”), to the SECOND AMENDED AND RESTATED BASE INDENTURE, dated as of June 3, 2004 (the “Base Indenture”), between 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, as issuer (“ABRCF”), and 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”).

W I T N E S S E T H:

WHEREAS, ABRCF and the Trustee are parties to the Base Indenture;

WHEREAS, ABRCF desires to amend certain definitions to allow for changes to the Escrow Agreement and the Master Exchange Agreement and additions to the Related Documents;

WHEREAS, ABRCF has duly authorized the execution and delivery of this Supplemental Indenture;

WHEREAS, pursuant to Section 12.1 of the Base Indenture, covenants of ABRCF for the benefit of any Secured Parties may be added to the Base Indenture without the consent of any Noteholder;

WHEREAS, pursuant to Section 12.2 of the Base Indenture, certain amendments (such as those set forth in Section 2 below) require the consent of the Requisite Investors and any applicable Enhancement Provider; and

WHEREAS, to the extent required pursuant to Section 12.2 of the Base Indenture, ABRCF has received the consent of each applicable Enhancement Provider and the Requisite Investors (in accordance with the terms and conditions of the applicable Supplements) in connection with the execution of this Supplemental Indenture;

NOW, THEREFORE, for and in consideration of the premises, and other good and valuable consideration the receipt and sufficiency of which are acknowledged, it is mutually covenanted and agreed, that the Base Indenture be amended and supplemented as follows:

SECTION 1: AMENDMENT TO ARTICLE 8

Section 1.1 Amendment to Article 8. Article 8 of the Base Indenture is hereby amended by adding the following Section 8.30:

Section 8.30. Used Vehicles. ABRCF hereby covenants that it will not make or maintain any Loan to AESOP Leasing that would finance the purchase of a Vehicle that was

not new at its date of acquisition by AESOP Leasing except Loans with respect to Vehicles for which the Depreciation Schedule provides for a depreciation rate per calendar month not less than (A) if the purchase price paid for such Vehicle by the original purchaser thereof (including dealer profit and delivery charges but excluding taxes and any registration or titling fees) is known by ABRCF and AESOP Leasing, 1.67% of such price or (B) otherwise, 2.25% of the Capitalized Cost of such Vehicle; provided, however, that the limitations set forth in this covenant may be revised or eliminated to the extent that the Rating Agency Consent Condition is satisfied.

SECTION 2: AMENDMENT TO SCHEDULE I

Section 2.1 Amended and Restated Definitions. The Definitions List in Schedule I to the Base Indenture is hereby amended by deleting the definitions of “AESOP I Finance Lease Loan Agreement Non-Program Vehicle Borrowing Base”, “AESOP I Operating Lease Loan Agreement Non-Program Vehicle Borrowing Base”, “Bankrupt Manufacturer”, “Depreciation Schedule”, “Escrow Agreement”, “Excluded Redesignated Vehicle”, “QI Parent Downgrade Event” and “Related Documents” and the following are hereby inserted in place thereof:

““AESOP I Finance Lease Loan Agreement Non-Program Vehicle Borrowing Base” means, on any date of determination, without duplication, an amount equal to (i) the Capitalized Cost of newly acquired Non-Program Vehicles being leased under the Finance Lease on such date and the Net Book Value of all Non-Program Vehicles (other than newly acquired Vehicles) leased under the Finance Lease that are Eligible Vehicles on such date, plus (ii) all amounts receivable, as of such date, by a Lessee, AESOP Leasing or the Intermediary from any person or entity in connection with the auction, sale or other disposition of Non-Program Vehicles leased under the Finance Lease that were at the time of disposition Eligible Vehicles, plus (iii) all accrued and unpaid amounts pursuant to clause (b) of the definition of Monthly Base Rent and all accrued and unpaid Supplemental Rent, in each case, with respect to Non-Program Vehicles leased under the Finance Lease (other than amounts specified in clause (ii) above), minus (iv) the Finance Lease Non-Program Vehicle Ineligible Asset Amount, if any.”

““AESOP I Operating Lease Loan Agreement Non-Program Vehicle Borrowing Base” means, on any date of determination, without duplication, an amount equal to (i) the Capitalized Cost of newly acquired Non-Program Vehicles being leased under the AESOP I Operating Lease on such date and the Net Book Value of all Non-Program Vehicles (other than newly acquired Vehicles) leased under the AESOP I Operating Lease that are Eligible Vehicles on such date, plus (ii) all amounts receivable, as of such date, by AESOP Leasing or the Intermediary from any person or entity in connection with the auction, sale or other disposition of Non-Program Vehicles leased under the AESOP I Operating Lease that were at the time of disposition Eligible Vehicles, plus (iii) all accrued and unpaid amounts pursuant to clause (b) of the definition of Monthly Base Rent and all accrued and unpaid Supplemental Rent, in each case, with respect to Non-Program Vehicles leased under the AESOP I Operating Lease (other than amounts specified in clause (ii) above), minus (iv) the AESOP I Operating Lease Non-Program Vehicle Ineligible Asset Amount, if any.”

““Bankrupt Manufacturer” means any Manufacturer with respect to which an Event of Bankruptcy (determined without regard to the 60 day period in clause (a) of the definition of Event of Bankruptcy) has occurred and is continuing.”

“Depreciation Schedule” means the schedule of estimated daily depreciation prepared by AESOP Leasing based on a depreciation rate of not less than 1.67% per calendar month with respect to each type of Non-Program Vehicle that is an Eligible Vehicle, as revised from time to time by AESOP Leasing; provided, however, that the effectiveness of any such revision that lowers the depreciation rate below 1.67% shall be subject to satisfaction of the Rating Agency Consent Condition.

““Escrow Agreement” shall mean the Escrow Agreement, dated as of June 3, 2004, by and among each Exchangor, the Intermediary and the escrow agent thereunder, as amended, supplemented, replaced, restated or otherwise modified from time to time in accordance with its terms, pursuant to which the Exchange Account and one or more Joint Disbursement Accounts shall be maintained as escrow accounts on behalf of each Exchangor.”

““Excluded Redesignated Vehicle” means each Vehicle manufactured by a Manufacturer with respect to which an Event of Bankruptcy or Manufacturer Event of Default has occurred that becomes a Redesignated Vehicle, as of and from the date such Vehicle becomes a Redesignated Vehicle to and until the Inclusion Date for such Vehicle.”

““QI Parent Downgrade Event” shall have the meaning given to such term in the Master Exchange Agreement.”

““Related Documents” means, collectively, the Indenture, the Notes, any Enhancement Agreement, the Loan Agreements, the Assignment Agreements, the Vehicle Title and Lienholder Nominee Agreements, the Administration Agreement, the Termination Services Agreement, the Securities Account Control Agreements, the Loan Notes, any Placement Agency Agreement, any agreements relating to the issuance or the purchase of any of the Notes, the Leases, the Supplemental Documents relating to the Leases, the Subleases, each Lockbox Agreement, the Disposition Agent Agreement, the Back-up Administration Agreement, the Master Exchange Agreement and the Escrow Agreement.”

Section 2.2 Additional Definitions. The Definitions List in Schedule I to the Base Indenture is hereby amended by adding the following definitions in the appropriate alphabetical order:

““Back-up Administration Agreement” means the Back-Up Administration Agreement, dated July 23, 2009, by and among the Issuer, ABCR, as Administrator, AESOP Leasing, AESOP Leasing II, ARAC, BRAC, the Intermediary, Lord Securities Corporation,

as Back-Up Administrator, and the Trustee, as amended, amended and restated, modified, or supplemented from time to time in accordance with its terms.”

““Disposition Agent Agreement” means the Disposition Agent Agreement, dated July 23, 2009, by and among the Issuer, ABCR, as Administrator, AESOP Leasing, AESOP Leasing II, ARAC, BRAC, Fiserv Automotive Solutions, Inc., as Disposition Agent and Lord Securities Corporation, as Back-Up Administrator, and the Trustee, as amended, amended and restated, modified, or supplemented from time to time in accordance with its terms.”

SECTION 3: REPRESENTATIONS AND WARRANTIES

In order to induce the Trustee to agree to this Supplemental Indenture, ABRCF hereby represents and warrants as follows for the benefit of the Trustee and the Secured Parties, as of the date hereof:

Section 3.1 Affirmation of Representations and Warranties.

Each representation and warranty of ABRCF set forth in the Base Indenture and in each other Related Document to which it is a party is true and correct as of the date of this Supplemental Indenture in all material respects (except for representations and warranties which are limited as to materiality by their terms, which representations and warranties shall be true and correct as of the date of this Supplemental Indenture) as though such representation or warranty were being made on and as of the date hereof and is hereby deemed repeated as though fully set forth herein.

Section 3.2 Limited Liability Company and Governmental Authorization.

The execution, delivery and performance by ABRCF of this Supplemental Indenture (a) is within ABRCF’s limited liability company powers and has been duly authorized by all necessary limited liability company action, (b) requires no action by or in respect of, or filing with, any governmental body, agency or official which has not been obtained, and (c) does not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of formation or limited liability company agreement of ABRCF or of any law or governmental regulation, rule, contract, agreement, judgment, injunction, order, decree or other instrument binding upon ABRCF or any of its Assets or result in the creation or imposition of any Lien on any Asset of ABRCF, except for Liens created by this Supplemental Indenture or the other Related Documents. This Supplemental Indenture has been executed and delivered by a duly authorized officer of ABRCF.

Section 3.3 Binding Effect.

This Supplemental Indenture is a legal, valid and binding obligation of ABRCF enforceable against ABRCF in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors’ rights generally or by general equitable principles, whether

considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing).

Section 3.4 No Consent.

No consent or action by or in respect of, approval or other authorization of, or registration, declaration or filing with, any Governmental Authority or other Person is required for the valid execution and delivery of this Supplemental Indenture or for the performance of any of ABRCF's obligations hereunder other than such consents, approvals, authorizations, registrations, declarations or filings as were obtained by ABRCF prior to the Initial Closing Date, or the date hereof, as applicable.

SECTION 4: CONDITIONS PRECEDENT

This Supplemental Indenture shall become effective and shall be binding on each of the parties hereto upon the satisfaction or due waiver of each of the following conditions precedent:

1. The consent of the Requisite Investors shall have been given in accordance with the terms of the applicable Supplement and a copy thereof provided to the Trustee.
2. The Rating Agency Consent Condition shall have been satisfied.
3. The Trustee shall have received an Officer's Certificate of ABRCF dated as of the date hereof to the effect that (i) no Amortization Event, Aggregate Asset Amount Deficiency, Enhancement Agreement Event of Default, Enhancement Deficiency, Loan Event of Default, AESOP I Operating Lease Vehicle Deficiency, Manufacturer Event of Default, Lease Event of Default, Potential Amortization Event, Potential Enhancement Agreement Event of Default, Potential Loan Event of Default, Potential Lease Event of Default, or Potential Manufacturer Event of Default is continuing or will occur as a result of the execution and delivery of this Supplemental Indenture, and (ii) the execution and delivery of this Supplemental Indenture will not result in any breach of any of the terms, conditions or provisions of or constitute a default under any indenture, mortgage, deed of trust or other agreement or instrument, including, without limitation, any Related Document, to which ABRCF is a party or by which it or its property is bound or any order of any court or administrative agency entered in the suit, action or other judicial or administrative proceeding to which ABRCF is a party or by which it or its property may be bound or to which it or its property may be subject,
4. The Trustee shall have received one or more Opinions of Counsel, subject to the assumptions and qualifications stated therein and an Officer's Certificate of ABRCF, in each case, in a form substantially acceptable to the Trustee, dated the date hereof, substantially to the effect that (x) the amendment effected by Section 1.1 of this Supplemental Indenture shall not

adversely affect in any material respect the interests of any Noteholders, (y) all conditions precedent provided for in the Base Indenture with respect to the execution and delivery of this Supplemental Indenture have been complied with in all material respects and (z) the execution of this Supplemental Indenture is authorized and permitted by the Indenture and that it will be valid and binding upon ABRCF in accordance with its terms.

SECTION 5: MISCELLANEOUS

Section 5.1 Counterpart Originals.

The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 5.2 Ratification and Effect.

The Base Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects ratified and confirmed, shall continue to be in full force and effect, and shall be read, taken and construed as one and the same instrument.

Section 5.3 Effect of Supplemental Indenture.

This Supplemental Indenture is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Base Indenture.

Section 5.4 Headings, etc.

The headings of the Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 5.5 Choice of Law.

THIS SUPPLEMENTAL INDENTURE SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the Trustee and ABRCF have caused this Supplemental Indenture to be duly executed by their respective duly authorized officers as of the day and year first written above.

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

By: /s/ David Calabria

Name: David Calabria
Title: Vice President, Assistant
Secretary & Assistant Treasurer

THE BANK OF NEW YORK
MELLON TRUST COMPANY,
N.A.,
as Trustee

By: /s/ David H. Hill

Name: David H. Hill
Title: Vice President

THIRD AMENDMENT TO SECOND AMENDED AND RESTATED LOAN AGREEMENT

This THIRD AMENDMENT (this "Amendment"), dated as of August 16, 2013, amends the Second Amended and Restated Loan Agreement, dated as of June 3, 2004 (as amended to date, the "AESOP I Operating Lease Loan Agreement"), among AESOP LEASING L.P., a Delaware limited partnership ("AESOP Leasing" or the "Borrower"), PV HOLDING CORP., a Delaware corporation ("PVHC"), as a Permitted Nominee of the Borrower, QUARTX FLEET MANAGEMENT, INC., a Delaware corporation ("Quartx"), as a Permitted Nominee of the Borrower, and AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a Delaware limited liability company ("ABRCF" or the "Lender"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (as amended to date, the "Base Indenture"), between ABRCF, as issuer, and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture, or (ii) the AESOP I Operating Lease Loan Agreement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 13.1 of the AESOP I Operating Lease Loan Agreement, the AESOP I Operating Lease Loan Agreement may be amended with an agreement in writing signed by the Lender, AESOP Leasing, PVHC and Quartx and consented to in writing by the Trustee;

WHEREAS, pursuant to Section 12.2 of the Base Indenture, the AESOP I Operating Lease Loan Agreement may be amended with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider, and the Requisite Investors;

WHEREAS, the parties desire to amend the AESOP I Operating Lease Loan Agreement to (i) allow for a change in ownership of the Qualified Intermediary and (ii) subject to certain restrictions, allow the Certificates of Title relating to the Vehicles to be held at any titling service; and

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to consent, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented, to the amendment of certain provisions of the AESOP I Operating Lease Loan Agreement as set forth herein;

NOW, THEREFORE, it is agreed:

1. Section 7.2 of the AESOP I Operating Lease Loan Agreement is hereby amended by deleting clause (iii) of the second sentence thereof and inserting the following text in lieu thereof:

“(iii) any other titling service, acting as agent for the Administrator, so long as notice is provided to the Noteholders and the Rating Agency Consent Condition is satisfied with respect to the possession of the Certificates of Title by such titling service.”

2. Section 9.19 of the AESOP I Operating Lease Loan Agreement is hereby amended and restated in its entirety as follows:

“SECTION 9.19 Replacement of Intermediary. If at any time, the ultimate parent of the Intermediary does not have a short-term indebtedness rating of “P-1” from Moody’s and at least “A-1” from S&P and a long-term indebtedness rating of at least “A2” from Moody’s and at least “A” from S&P, AESOP Leasing shall, within thirty (30) days thereafter, (x) replace the Intermediary with a Person that is a bankruptcy-remote special purpose entity, all of the equity in which is owned either (1) by a Person that has a short-term indebtedness rating of “P-1” from Moody’s and at least “A-1” from S&P and a long-term indebtedness rating of at least “A2” from Moody’s and at least “A” from S&P or (2) directly and indirectly (to the extent any such indirect owner has a greater than 10% indirect ownership interest in the Intermediary) solely by Persons that are eligible to be debtors under the Bankruptcy Code and satisfy the Rating Agency Consent Condition with respect to such replacement or (y) satisfy the Rating Agency Consent Condition with respect to the Intermediary continuing as the Intermediary under the Master Exchange Agreement.”

3. 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 AESOP I Operating Lease Loan Agreement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite Investors, the Trustee, the Lender and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

5. From and after the Amendment Effective Date, all references to the AESOP I Operating Lease Loan Agreement shall be deemed to be references to the AESOP I Operating Lease Loan Agreement as amended hereby.

6. 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.

7. 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.

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.

AESOP LEASING L.P.

By: AESOP LEASING CORP.,
its general partner

By: /s/ David Calabria

Name: David Calabria

Title: Vice President and Assistant Treasurer

PV HOLDING CORP.

By: /s/ David Calabria

Name: David Calabria

Title: Vice President and Assistant Treasurer

QUARTX FLEET MANAGEMENT, INC.

By: /s/ David B. Wyshner

Name: David B. Wyshner

Title: Senior Executive Vice President, Chief Financial Officer and Treasurer

AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC

By: /s/ David Calabria

Name: David Calabria

Title: Vice President, Assistant Secretary & Assistant Treasurer

Acknowledged and consented to:

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee

By: /s/ David H. Hill

Name: David H. Hill

Title: Vice President

THIRD AMENDMENT TO AMENDED AND RESTATED LOAN AGREEMENT

This THIRD AMENDMENT (this "Amendment"), dated as of August 16, 2013, amends the Amended and Restated Loan Agreement, dated as of June 3, 2004 (as amended to date, the "AESOP I Finance Lease Loan Agreement"), between AESOP LEASING L.P., a Delaware limited partnership ("AESOP Leasing" or the "Borrower"), and AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a Delaware limited liability company ("ABRCF" or the "Lender"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (as amended to date, the "Base Indenture"), between ABRCF, as issuer, and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture, or (ii) the AESOP I Finance Lease Loan Agreement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 13.1 of the AESOP I Finance Lease Loan Agreement, the AESOP I Finance Lease Loan Agreement may be amended with an agreement in writing signed by the Lender and AESOP Leasing and consented to in writing by the Trustee;

WHEREAS, pursuant to Section 12.2 of the Base Indenture, the AESOP I Finance Lease Loan Agreement may be amended with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider, and the Requisite Investors;

WHEREAS, the parties desire to amend the AESOP I Finance Lease Loan Agreement to (i) allow for a change in ownership of the Qualified Intermediary and (ii) subject to certain restrictions, allow the Certificates of Title relating to the Vehicles to be held at any titling service; and

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to consent, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented, to the amendment of certain provisions of the AESOP I Finance Lease Loan Agreement as set forth herein;

NOW, THEREFORE, it is agreed:

1. Section 7.2 of the AESOP I Finance Lease Loan Agreement is hereby amended by deleting clause (iii) of the second sentence thereof and inserting the following text in lieu thereof:

"(iii) any other titling service, acting as agent for the Administrator, so long as notice is provided to the Noteholders and the Rating Agency Consent Condition is satisfied with respect to the possession of the Certificates of Title by such titling service."

2. Section 9.19 of the AESOP I Finance Lease Loan Agreement is hereby amended and restated in its entirety as follows:

“SECTION 9.19 Replacement of Intermediary. If at any time, the ultimate parent of the Intermediary does not have a short-term indebtedness rating of “P-1” from Moody’s and at least “A-1” from S&P and a long-term indebtedness rating of at least “A2” from Moody’s and at least “A” from S&P, AESOP Leasing shall, within thirty (30) days thereafter, (x) replace the Intermediary with a Person that is a bankruptcy-remote special purpose entity, all of the equity in which is owned either (1) by a Person that has a short-term indebtedness rating of “P-1” from Moody’s and at least “A-1” from S&P and a long-term indebtedness rating of at least “A2” from Moody’s and at least “A” from S&P or (2) directly and indirectly (to the extent any such indirect owner has a greater than 10% indirect ownership interest in the Intermediary) solely by Persons that are eligible to be debtors under the Bankruptcy Code and satisfy the Rating Agency Consent Condition with respect to such replacement or (y) satisfy the Rating Agency Consent Condition with respect to the Intermediary continuing as the Intermediary under the Master Exchange Agreement.”

3. 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 AESOP I Finance Lease Loan Agreement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite Investors, the Trustee, the Lender and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

5. From and after the Amendment Effective Date, all references to the AESOP I Finance Lease Loan Agreement shall be deemed to be references to the AESOP I Finance Lease Loan Agreement as amended hereby.

6. 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.

7. 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.

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.

AESOP LEASING L.P.

By: AESOP LEASING CORP.,
its general partner

By: /s/ David Calabria
Name: David Calabria
Title: Vice President and Assistant
Treasurer

AVIS BUDGET RENTAL CAR
FUNDING (AESOP) LLC

By: /s/ David Calabria
Name: David Calabria
Title: Vice President, Assistant
Secretary & Assistant Treasurer

Acknowledged and
consented to:

THE BANK OF NEW
YORK TRUST
COMPANY, N.A.,
as Trustee

By:

David H. Hill
Name: David H. Hill
Title: Vice President

FOURTH AMENDMENT TO SECOND AMENDED AND RESTATED MASTER MOTOR VEHICLE OPERATING LEASE AGREEMENT

This FOURTH AMENDMENT (this "Amendment"), dated as of August 16, 2013, amends the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004 (as amended to date, the "AESOP I Operating Lease"), by and among AESOP LEASING L.P., a Delaware limited partnership, as lessor (the "Lessor") and AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, LLC), a Delaware limited liability company ("ABCR"), as lessee (in such capacity, the "Lessee") and as administrator (in such capacity, the "Administrator"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (as amended to date, the "Base Indenture"), between Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC) ("ABRCF"), as Issuer, and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture, or (ii) the AESOP I Operating Lease, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 29 of the AESOP I Operating Lease, the AESOP I Operating Lease may be amended with an agreement in writing signed by the Lessor and the Lessee and consented to in writing by ABRCF, as lender (in such capacity, the "Lender"), and the Trustee;

WHEREAS, pursuant to Section 8.24 of the Base Indenture, ABRCF is prohibited, subject to certain exceptions, from giving any approval or consent or permission provided for in any Related Document;

WHEREAS, pursuant to Section 12.2 of the Base Indenture the provisions of the Base Indenture may be waived with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider and the Requisite Investors;

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to consent, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented, to the amendment of certain provisions of the AESOP I Operating Lease as set forth herein;

WHEREAS, the parties desire to amend the AESOP I Operating Lease (i) to allow used vehicles to be leased pursuant thereto, and (ii) subject to certain restrictions, to allow the Certificates of Title relating to the Vehicles to be held at any titling service; and

WHEREAS, the Lessor has requested the Trustee and the Lender to, and, upon this Amendment becoming effective, the Lessor, the Lender and the Trustee have agreed to, amend certain provisions of the AESOP I Operating Lease as set forth herein;

NOW, THEREFORE, it is agreed:

1. Clause (i) of Section 2.1 of the AESOP I Operating Lease is hereby amended by deleting the text "new vehicles" and inserting the text "new or used vehicles" in lieu thereof.

2. Section 2.3 of the AESOP I Operating Lease is hereby amended by deleting the text “any new Vehicles” and inserting the text “any new or used Vehicle” in lieu thereof.

3. Section 2.8 of the AESOP I Operating Lease is hereby amended by deleting the text “and (e)” therein and inserting the following text in lieu thereof:

“, (e) the aggregate Net Book Value of all Vehicles that were used vehicles at the time of acquisition thereof by the Lessor (or such portion thereof as is specified in such Supplement) and leased under the Leases (after giving effect to the inclusion of such Vehicle under this Agreement) as of such date shall not exceed the lowest applicable percentage set forth in any Supplement under which Notes are Outstanding and (f)”

4. Section 3.1(a) of the AESOP I Operating Lease is hereby amended by deleting clause (v) of the second sentence thereof, and inserting the following text in lieu thereof:

“(v) the date that is the last Business Day of the month that is thirty-six (36) months after (x) with respect to any new Vehicle acquired by the Lessor, the month in which the Vehicle Operating Lease Commencement Date occurs with respect to such Vehicle or (y) with respect to any used Vehicle acquired by the Lessor, the date of the original manufacturer’s invoice for such Vehicle, as set forth in an Officer’s Certificate delivered to the Lessor on or prior to the Vehicle Operating Lease Commencement Date with respect to such Vehicle.”

5. Section 10 of the AESOP I Operating Lease is hereby amended by deleting clause (iii) of the proviso to the first sentence thereof and inserting the following text in lieu thereof:

“(iii) any other titling service, acting as agent for the Administrator, so long as notice is provided to the Noteholders and the Rating Agency Consent Condition is satisfied with respect to the possession of the Certificates of Title by such titling service.”

6. Section 10 of the AESOP I Operating Lease is hereby amended by deleting clause (iii) of the proviso to the first sentence thereof and inserting the following text in lieu thereof:

7. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite Investors, the Trustee, the Lender and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

8. From and after the Amendment Effective Date, all references to the AESOP I Operating Lease shall be deemed to be references to the AESOP I Operating Lease as amended hereby.

9. 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.

10. 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.

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.

AESOP LEASING L.P., as Lessor

By: AESOP LEASING CORP.,
its general partner

By: /s/ David Calabria
Name: David Calabria
Title: Vice President and Assistant
Treasurer

AVIS BUDGET CAR RENTAL,
LLC, as Lessee and Administrator

By: /s/ David Calabria
Name: David Calabria
Title: Assistant Treasurer

Acknowledged and Consented

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

By: /s/ David Calabria

Name: David Calabria
Title: Vice President, Assistant
Secretary & Assistant Treasurer

THE BANK OF NEW YORK
TRUST COMPANY,
N.A., as Trustee

By: /s/ David H. Hill

Name: David H. Hill
Title: Vice President

FOURTH AMENDMENT TO AMENDED AND RESTATED MASTER MOTOR VEHICLE FINANCE LEASE AGREEMENT

This FOURTH AMENDMENT (this "Amendment"), dated as of August 16, 2013, amends the Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004 (as amended to date, the "Finance Lease"), by and among AESOP LEASING L.P., a Delaware limited partnership, as lessor (the "Lessor"), AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, LLC), a Delaware limited liability company ("ABCR"), as a lessee (in such capacity, a "Lessee"), as administrator (in such capacity, the "Administrator") and as guarantor (in such capacity, the "Finance Lease Guarantor"), AVIS RENT A CAR SYSTEM, LLC (formerly known as Avis Rent A Car System, Inc.), a Delaware limited liability company ("ARAC"), as a lessee (in such capacity, a "Lessee") and BUDGET RENT A CAR SYSTEM, INC., a Delaware corporation ("BRAC"), as a lessee (in such capacity, a "Lessee") and together, with ABCR and ARAC, in their capacities as lessees, the "Lessees"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (as amended to date, the "Base Indenture"), between Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC) ("ABRCF"), as Issuer, and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture, or (ii) the Finance Lease, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 29 of the Finance Lease, the Finance Lease may be amended with an agreement in writing signed by the Lessor, the Finance Lease Guarantor and each Lessee and consented to in writing by ABRCF, as lender (in such capacity, the "Lender"), and the Trustee;

WHEREAS, pursuant to Section 8.24 of the Base Indenture, ABRCF is prohibited, subject to certain exceptions, from giving any approval or consent or permission provided for in any Related Document;

WHEREAS, pursuant to Section 12.2 of the Base Indenture the provisions of the Base Indenture may be waived with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider and the Requisite Investors;

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to consent, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented, to the amendment of certain provisions of the Finance Lease as set forth herein;

WHEREAS, the parties desire to amend the Finance Lease (i) to allow used vehicles to be leased pursuant thereto, and (ii) subject to certain restrictions, to allow the Certificates of Title relating to the Vehicles to be held at any titling service; and

WHEREAS, the Lessor has requested the Trustee and the Lender to, and, upon this Amendment becoming effective, the Lessor, the Lender and the Trustee have agreed to, amend certain provisions of the Finance Lease as set forth herein;

NOW, THEREFORE, it is agreed:

1. Clause (i) of Section 2.1 of the Finance Lease is hereby amended by deleting the text “new vehicles” and inserting the text “new or used vehicles” in lieu thereof.

2. Section 2.3 of the Finance Lease is hereby amended by deleting the text “any new Vehicles” and inserting the text “any new or used Vehicle” in lieu thereof.

3. Section 2.9 of the Finance Lease is hereby amended by deleting the text “and (e)” therein and inserting the following text in lieu thereof:

“, (e) the aggregate Net Book Value of all Vehicles that were used vehicles at the time of acquisition thereof by the Lessor (or such portion thereof as is specified in such Supplement) and leased under the Leases (after giving effect to the inclusion of such Vehicle under this Agreement) as of such date shall not exceed the lowest applicable percentage set forth in any Supplement under which Notes are Outstanding and (f)”

4. Section 3.1(a) of the Finance Lease is hereby amended by deleting clause (v) of the second sentence thereof, and inserting the following text in lieu thereof:

“(v) the date that is the last Business Day of the month that is thirty-six (36) months after (x) with respect to any new Vehicle acquired by the Lessor, the month in which the Vehicle Finance Lease Commencement Date occurs with respect to such Vehicle or (y) with respect to any used Vehicle acquired by the Lessor, the date of the original manufacturer’s invoice for such Vehicle, as set forth in an Officer’s Certificate delivered to the Lessor on or prior to the Vehicle Finance Lease Commencement Date with respect to such Vehicle,”

5. Section 10 of the Finance Lease is hereby amended by deleting clause (iii) of the proviso to the first sentence thereof and inserting the following text in lieu thereof:

“(iii) any other titling service, acting as agent for the Administrator, so long as notice is provided to the Noteholders and the Rating Agency Consent Condition is satisfied with respect to the possession of the Certificates of Title by such titling service.”

6. 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 Finance Lease.

7. This Amedment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite Investors, the Trustee, the Lender and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

8. From and after the Amendment Effective Date, all references to the Finance Lease shall be deemed to be references to the Finance Lease as amended hereby.

9. 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.

10. 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.YORK.

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.

AESOP LEASING L.P.

AESOP LEASING CORP., its
By: general partner

By: /s/ David Calabria
Name: David Calabria
Title: Vice President and Assistant
Treasurer

AVIS BUDGET CAR RENTAL,
LLC, as Lessee, Administrator and
Finance Lease Guarantor

By: /s/ David Calabria
Name: David Calabria
Title: Assistant Treasurer

AVIS RENT A CAR SYSTEM,
LLC., as Lessee

By: /s/ David Calabria
Name: David Calabria
Title: Vice President and Assistant
Treasurer

BUDGET RENT A CAR
SYSTEM, INC.,
as Lessee

By: /s/ David B. Wyshner
Name: David B. Wyshner
Title: Senior Executive Vice
President, Chief Financial Officer
& Treasurer

Acknowledged and
Consented

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

By:

David Calabria

Name: David Calabria
Title: Vice President,
Assistant Secretary &
Assistant Treasurer

THE BANK OF NEW
YORK TRUST
COMPANY,
N.A., as Trustee

By:

David H. Hill

Name: David H. Hill
Title: Vice President

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED ADMINISTRATION AGREEMENT

This FIRST AMENDMENT (this "Amendment"), dated as of August 16, 2013, amends the Second Amended and Restated Administration Agreement, dated as of June 3, 2004 (the "Administration Agreement"), among AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a Delaware limited liability company ("ABRCF"), AESOP LEASING L.P., a Delaware limited partnership ("AESOP Leasing"), AESOP LEASING CORP. II, a Delaware corporation ("AESOP Leasing II"), AVIS RENT A CAR SYSTEM, LLC (formerly known as Avis Rent A Car System, Inc.), a Delaware limited liability company ("ARAC"), BUDGET RENT A CAR SYSTEM, INC., a Delaware corporation ("BRAC") and AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, Inc.), a Delaware limited liability company (the "Administrator"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, (as amended to date, the "Base Indenture"), between ABRCF, as issuer, and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture, or (ii) the Administration Agreement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 16 of the Administration Agreement, the Administration Agreement may be amended with an agreement in writing signed by ABRCF, AESOP Leasing, AESOP Leasing II, the Administrator and the Trustee and consented to in writing by the Requisite Investors;

WHEREAS, pursuant to Section 12.2 of the Base Indenture, the Administration Agreement may be amended with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider, and the Requisite Investors;

WHEREAS, the parties desire to amend the Administration Agreement to subject to certain restrictions, allow the Certificates of Title relating to the Vehicles to be held at any titling service; and

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to consent, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented, to the amendment of certain provisions of the Administration Agreement as set forth herein;

NOW, THEREFORE, it is agreed:

1. Section 2(b)(ii) of the Administration Agreement is hereby amended by deleting clause (y) thereof and inserting the following text in lieu thereof:

“(y) any other titling service, acting as agent for the Administrator, so long as notice is provided to the Noteholders and the Rating Agency Consent Condition is satisfied with respect to the possession of the Certificates of Title by such titling service.”

2. 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 Administration Agreement.

3. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite Investors, the Trustee, ABRCF and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

4. From and after the Amendment Effective Date, all references to the Administration Agreement shall be deemed to be references to the Administration Agreement as amended hereby.

5. 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.

6. 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.

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

By: /s/ David Calabria
Name: David Calabria
Title: Vice President, Assistant
Secretary & Assistant Treasurer

AESOP LEASING L.P.

By: AESOP LEASING CORP., its general partner

By: /s/ David Calabria
Name: David Calabria
Title: Vice President and Assistant Treasurer

AESOP LEASING CORP. II

By: /s/ David Calabria
Name: David Calabria
Title: Vice President and Assistant Treasurer

AVIS BUDGET RENTAL CAR, LLC

By: /s/ David Calabria
Name: David Calabria
Title: Assistant Treasurer

Acknowledged and
consented to:

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee

By: David H. Hill
Name: David H. Hill
Title: Vice President

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

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee and Series 2013-2 Agent

AMENDED AND RESTATED SERIES 2013-2 SUPPLEMENT
dated as of February 12, 2014

to

SECOND AMENDED AND RESTATED BASE INDENTURE
dated as of June 3, 2004

Series 2013-2 2.97% Rental Car Asset Backed Notes, Class A
Series 2013-2 3.66% Rental Car Asset Backed Notes, Class B
Series 2013-2 3.52% Rental Car Asset Backed Notes, Class C

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AMENDED AND RESTATED SERIES 2013-2 SUPPLEMENT, dated as of February 12, 2014 (this "Supplement"), among AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC, a special purpose limited liability company established under the laws of Delaware ("ABRCF"), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (formerly known as The Bank of New York), a limited purpose national banking association with trust powers, as trustee (in such capacity, and together with its successors in trust thereunder as provided in the Base Indenture referred to below, the "Trustee"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (formerly known as The Bank of New York), as agent (in such capacity, the "Series 2013-2 Agent") for the benefit of the Series 2013-2 Noteholders, 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").

PRELIMINARY STATEMENT

WHEREAS, Sections 2.2 and 12.1 of the Base Indenture provide, among other things, that ABRCF and the Trustee may at any time and from time to time enter into a supplement to the Base Indenture for the purpose of authorizing the issuance of one or more Series of Notes;

WHEREAS, ABRCF and the Trustee entered into the Series 2013-2 Supplement, dated September 18, 2013 (the "Prior Supplement");

WHEREAS, on September 18, 2013, ABRCF issued its Series 2013-2 2.97% Rental Car Asset Backed Notes, Class A and its Series 2013-2 3.66% Rental Car Asset Backed Notes, Class B under the Prior Supplement;

WHEREAS, Section 5.15 of the Prior Supplement permits ABRCF to issue Class C Notes and to make certain amendments to the Prior Supplement in connection with such issuance, subject, in each case, to certain conditions set forth therein;

WHEREAS, ABRCF desires to issue Class C Notes on the Class C Notes Closing Date; and

WHEREAS, in connection with the issuance of the Class C Notes and in accordance with Section 5.15 of the Prior Supplement, the Prior Supplement is amended and restated on the Class C Notes Closing Date in its entirety as set forth herein;

NOW, THEREFORE, the parties hereto agree as follows:

DESIGNATION

There was created a Series of Notes issued pursuant to the Base Indenture and the Prior Supplement, and such Series of Notes was designated generally as the "Series 2013-2 Rental Car Asset Backed Notes." The Series 2013-2 Notes were permitted to be issued in up to three Classes, the first of which shall be known as the "Class A Notes", the second of which shall be known as the "Class B Notes" and the third of which shall be known as the "Class C Notes".

On the Series 2013-2 Closing Date, ABRCF issued (i) one tranche of Class A Notes, which was designated as the “Series 2013-2 2.97% Rental Car Asset Backed Notes, Class A” and (ii) one tranche of Class B Notes, which was designated as the “Series 2013-2 3.66% Rental Car Asset Backed Notes, Class B”.

On the Class C Notes Closing Date, ABRCF shall issue one tranche of Class C Notes, which shall be designated as the “Series 2013-2 3.52% Rental Car Asset Backed Notes, Class C”.

The Class A Notes, Class B Notes and Class C Notes, together, constitute the Series 2013-2 Notes. The Class B Notes shall be subordinated in right of payment to the Class A Notes, to the extent set forth herein. The Class C Notes shall be subordinated in right of payment to the Class A Notes and Class B Notes, to the extent set forth herein.

The proceeds from the sale of the Class A Notes and Class B Notes were deposited in the Collection Account and were deemed to be Principal Collections, and the proceeds of the Class C Notes shall be deposited in the Collection Account and shall be deemed to be Principal Collections.

The Series 2013-2 Notes are a non-Segregated Series of Notes (as more fully described in the Base Indenture). Accordingly, all references in this Supplement to “all” Series of Notes (and all references in this Supplement to terms defined in the Base Indenture that contain references to “all” Series of Notes) shall refer to all Series of Notes other than Segregated Series of Notes.

ARTICLE I DEFINITIONS

(a) All capitalized terms not otherwise defined herein are defined in the Definitions List attached to the Base Indenture as Schedule I thereto. All Article, Section, Subsection or Exhibit references herein shall refer to Articles, Sections, Subsections or Exhibits of this Supplement, except as otherwise provided herein. Unless otherwise stated herein, as the context otherwise requires or if such term is otherwise defined in the Base Indenture, each capitalized term used or defined herein shall relate only to the Series 2013-2 Notes and not to any other Series of Notes issued by ABRCF. In the event that a term used herein shall be defined both herein and in the Base Indenture, the definition of such term herein shall govern.

(b) The following words and phrases shall have the following meanings with respect to the Series 2013-2 Notes and the definitions of such terms are applicable to the singular as well as the plural form of such terms and to the masculine as well as the feminine and neuter genders of such terms:

“ABCR” means Avis Budget Car Rental, LLC.

“Adjusted Net Book Value” means, as of any date of determination, with respect to each Adjusted Program Vehicle as of such date, the product of 0.965 and the Net Book Value of such Adjusted Program Vehicle as of such date.

“Business Day” means any day other than (a) a Saturday or a Sunday or (b) a day on which banking institutions in New York City or in the city in which the corporate trust office of the Trustee is located are authorized or obligated by law or executive order to close.

“Certificate of Lease Deficit Demand” means a certificate substantially in the form of Annex A to the Series 2013-2 Letters of Credit.

“Certificate of Termination Date Demand” means a certificate substantially in the form of Annex D to the Series 2013-2 Letters of Credit.

“Certificate of Termination Demand” means a certificate substantially in the form of Annex C to the Series 2013-2 Letters of Credit.

“Certificate of Unpaid Demand Note Demand” means a certificate substantially in the form of Annex B to the Series 2013-2 Letters of Credit.

“Class” means a class of the Series 2013-2 Notes, which may be the Class A Notes, the Class B Notes or the Class C Notes.

“Class A/B Available Cash Collateral Account Amount” means, as of any date of determination, the amount on deposit in the Class A/B Cash Collateral Account (after giving effect to any deposits thereto and withdrawals and releases therefrom on such date).

“Class A/B Available Reserve Account Amount” means, as of any date of determination, the amount on deposit in the Class A/B Reserve Account (after giving effect to any deposits thereto and withdrawals and releases therefrom on such date).

“Class A/B Cash Collateral Account” is defined in Section 2.8(h).

“Class A/B Cash Collateral Account Collateral” is defined in Section 2.8(a).

“Class A/B Cash Collateral Account Surplus” means, with respect to any Distribution Date, the lesser of (a) the Class A/B Available Cash Collateral Account Amount and (b) the least of (A) the excess, if any, of the Class A/B Liquidity Amount (after giving effect to any withdrawal from the Class A/B Reserve Account on such Distribution Date) over the Class A/B Required Liquidity Amount on such Distribution Date, (B) the excess, if any, of the Class A/B Enhancement Amount (after giving effect to any withdrawal from the Class A/B Reserve Account on such Distribution Date) over the Class A/B Required Enhancement Amount on such Distribution Date and (C) the excess, if any, of the Class C Enhancement Amount (after giving effect to any withdrawal from the Series 2013-2 Reserve Accounts on such Distribution Date) over the Class C Required Enhancement Amount on such Distribution Date; provided, however that, on any date after the Series 2013-2 Letter of Credit Termination Date, the Class A/B Cash Collateral Account Surplus shall mean the excess, if any, of (x) the Class A/B Available Cash Collateral Account Amount over (y) the Series 2013-2 Demand Note Payment Amount minus the Pre-Preference Period Demand Note Payments as of such date.

“Class A/B Cash Collateral Percentage” means, as of any date of determination, the percentage equivalent of a fraction, the numerator of which is the Class A/B Available Cash Collateral Amount as of such date and the denominator of which is the Class A/B Letter of Credit Liquidity Amount as of such date.

“Class A/B DBRS Enhancement Percentage” means, as of any date of determination, the sum of (i) the product of (A) the Class A/B DBRS Lowest Enhancement Rate as of such date and (B) the Series 2013-2 DBRS Lowest Enhanced Vehicle Percentage as of such date, (ii) the product of (A) the Class A/B DBRS Intermediate Enhancement Rate as of such date and (B) the Series 2013-2 DBRS Intermediate Enhanced Vehicle Percentage as of such date, and (iii) the product of (A) the Class A/B DBRS Highest Enhancement Rate as of such date and (B) the Series 2013-2 DBRS Highest Enhanced Vehicle Percentage as of such date.

“Class A/B DBRS Highest Enhancement Rate” means, as of any date of determination, the sum of (a) 30.25% and (b) 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).

“Class A/B DBRS Intermediate Enhancement Rate” means, as of any date of determination, the sum of (a) 27.50% and (b) the highest, for any calendar month within the preceding twelve calendar months, of the greater of (c) 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).

“Class A/B DBRS Lowest Enhancement Rate” means, as of any date of determination, 25.00%.

“Class A/B Enhancement” means the Class A/B Cash Collateral Account Collateral, the Class A/B Letters of Credit, the Series 2013-2 Demand Notes, the Class A/B Overcollateralization Amount and the Class A/B Reserve Account Amount.

“Class A/B Enhancement Amount” means, as of any date of determination, the sum of (i) the Class A/B Overcollateralization Amount as of such date, (ii) the Class A/B Letter of Credit Amount as of such date, (iii) the Class A/B Available Reserve Account Amount as of such date and (iv) the amount of cash and Permitted Investments on deposit in the Series 2013-2 Collection Account (not including amounts allocable to the Series 2013-2 Accrued Interest Account) and the Series 2013-2 Excess Collection Account as of such date.

“Class A/B Enhancement Deficiency” means, on any date of determination, the amount by which the Class A/B Enhancement Amount is less than the Class A/B Required Enhancement Amount as of such date.

“Class A/B Invested Amount” means, as of any date of determination, the sum of the Class A Invested Amount as of such date and the Class B Invested Amount as of such date.

“Class A/B Letter of Credit” means an irrevocable letter of credit, if any, substantially in the form of Exhibit E-1 issued by a Series 2013-2 Eligible Letter of Credit Provider in favor of the Trustee for the benefit of the Series 2013-2 Noteholders.

“Class A/B Letter of Credit Amount” means, as of any date of determination, the lesser of (a) the sum of (i) the aggregate amount available to be drawn on such date under each Class A/B Letter of Credit on which no draw has been made pursuant to Section 2.8(e), as specified therein, and (ii) if the Class A/B Cash Collateral Account has been established and funded pursuant to Section 2.8, the Class A/B Available Cash Collateral Account Amount on such date and (b) the aggregate outstanding principal amount of the Series 2013-2 Demand Notes on such date.

“Class A/B Letter of Credit Expiration Date” means, with respect to any Class A/B Letter of Credit, the expiration date set forth in such Class A/B Letter of Credit, as such date may be extended in accordance with the terms of such Class A/B Letter of Credit.

“Class A/B Letter of Credit Liquidity Amount” means, as of any date of determination, the sum of (a) the aggregate amount available to be drawn on such date under each Class A/B Letter of Credit on which no draw has been made pursuant to Section 2.8(e), as specified therein, and (b) if the Class A/B Cash Collateral Account has been established and funded pursuant to Section 2.8, the Class A/B Available Cash Collateral Account Amount on such date.

“Class A/B Liquidity Amount” means, as of any date of determination, the sum of (a) the Class A/B Letter of Credit Liquidity Amount on such date and (b) the Class A/B Available Reserve Account Amount on such date.

“Class A/B Percentage” means (i) as of any date of determination on which the Class A Notes or Class B Notes remain outstanding, the lesser of (x) 100% and (y) the percentage equivalent of a fraction, the numerator of which is the sum of the Class A/B Invested Amount and the Class A/B Required Overcollateralization Amount and the denominator of which is the sum of the Series 2013-2 Invested Amount and the Class C Required Overcollateralization Amount and (ii) as of any other date of determination, 0%.

“Class A/B Principal Deficit Amount” means, as of any date of determination, the excess, if any, of (i) the Class A/B Invested Amount on such date (after giving effect to the distribution of the Monthly Total Principal Allocation for the Related Month if such date is a Distribution Date) over (ii) the product of the Class A/B Percentage and the Series 2013-2 AESOP I Operating Lease Loan Agreement Borrowing Base on such date; provided, however that the Class A/B Principal Deficit Amount on any date occurring during the period commencing on and including the date of the filing by any of the Lessees of a petition for relief under Chapter 11 of the Bankruptcy Code to but excluding the date on which each of the Lessees shall have resumed making all payments of the portion of Monthly Base Rent relating to Loan Interest required to be made under the AESOP I Operating Lease, shall mean the excess, if any, of (x) the Class A/B Invested Amount on such date (after giving effect to the distribution of Monthly Total Principal Allocation for the Related Month

if such date is a Distribution Date) over (y) the sum of (1) the product of the Class A/B Percentage and the Series 2013-2 AESOP I Operating Lease Loan Agreement Borrowing Base on such date and (2) the lesser of (a) the Class A/B Liquidity Amount on such date and (b) the Class A/B Required Liquidity Amount on such date.

“Class A/B Pro Rata Share” means, with respect to any Series 2013-2 Letter of Credit Provider as of any date, the fraction (expressed as a percentage) obtained by dividing (A) the available amount under such Series 2013-2 Letter of Credit Provider’s Class A/B Letter of Credit as of such date by (B) an amount equal to the aggregate available amount under all Class A/B Letters of Credit as of such date; provided, that only for purposes of calculating the Class A/B Pro Rata Share with respect to any Series 2013-2 Letter of Credit Provider as of any date, if such Series 2013-2 Letter of Credit Provider has not complied with its obligation to pay the Trustee the amount of any draw under its Class A/B Letter of Credit made prior to such date, the available amount under such Series 2013-2 Letter of Credit Provider’s Class A/B Letter of Credit as of such date shall be treated as reduced (for calculation purposes only) by the amount of such unpaid demand and shall not be reinstated for purposes of such calculation unless and until the date as of which such Series 2013-2 Letter of Credit Provider has paid such amount to the Trustee and been reimbursed by the Lessee or the applicable Demand Note Issuer, as the case may be, for such amount (provided that the foregoing calculation shall not in any manner reduce the undersigned’s actual liability in respect of any failure to pay any demand under its Class A/B Letter of Credit).

“Class A/B Overcollateralization Amount” means the excess, if any, of (x) the Series 2013-2 AESOP I Operating Lease Loan Agreement Borrowing Base as of such date over (y) the sum of the Class A Invested Amount and the Class B Invested Amount, in each case, as of such date.

“Class A/B Required Enhancement Amount” means, as of any date of determination, the sum of (i) the product of the Class A/B Required Enhancement Percentage as of such date and the Class A/B Invested Amount as of such date and (ii) the product of the Class A/B Percentage and the Series 2013-2 Incremental Enhancement Amount.

“Class A/B Required Enhancement Percentage” means, as of any date of determination, the greater of (i) the Class A/B DBRS Enhancement Percentage as of such date and (ii) the Series 2013-2 Moody’s Required Enhancement Percentage as of such date.

“Class A/B Required Liquidity Amount” means, as of any date of determination, an amount equal to the product of 2.25% and the Class A/B Invested Amount as of such date.

“Class A/B Required Overcollateralization Amount” means, as of any date of determination, the excess, if any, of the Class A/B Required Enhancement Amount over the sum of (i) the Class A/B Letter of Credit Amount as of such date, (ii) the Class A/B Available Reserve Account Amount on such date and (iii) the amount of cash and Permitted Investments on deposit in the Series 2013-2 Collection Account (not including amounts allocable to the Series 2013-2 Accrued Interest Account) and the Series 2013-2 Excess Collection Account on such date.

“Class A/B Required Reserve Account Amount” means, for any date of determination, an amount equal to the greatest of (a) the excess, if any, of the Class A/B Required Liquidity Amount as of such date over the Class A/B Letter of Credit Liquidity Amount as of such date, (b) the excess, if any, of the Class A/B Required Enhancement Amount over the Class A/B Enhancement Amount (excluding therefrom the Class A/B Available Reserve Account Amount and calculated after giving effect to any payments of principal to be made on the Series 2013-2 Notes) as of such date and (c) the excess, if any, of the Class C Required Enhancement Amount over the Class C Enhancement Amount (excluding therefrom the Class A/B Available Reserve Account Amount and calculated after giving effect to any payments of principal to be made on the Series 2013-2 Notes) as of such date.

“Class A/B Reserve Account” is defined in Section 2.7(a).

“Class A/B Reserve Account Collateral” is defined in Section 2.7(d).

“Class A/B Reserve Account Surplus” means, with respect to any Distribution Date, the excess, if any, of the Class A/B Available Reserve Account Amount over the Class A/B Required Reserve Account Amount on such Distribution Date.

“Class A Carryover Controlled Amortization Amount” means, with respect to any Related Month during the Series 2013-2 Controlled Amortization Period, the amount, if any, by which the portion of the Monthly Total Principal Allocation paid to the Class A Noteholders pursuant to Section 2.5(f)(i) for the previous Related Month was less than the Class A Controlled Distribution Amount for the previous Related Month; provided, however, that for the first Related Month in the Series 2013-2 Controlled Amortization Period, the Class A Carryover Controlled Amortization Amount shall be zero.

“Class A Controlled Amortization Amount” means, with respect to any Related Month during the Series 2013-2 Controlled Amortization Period, \$79,750,000.

“Class A Controlled Distribution Amount” means, with respect to any Related Month during the Series 2013-2 Controlled Amortization Period, an amount equal to the sum of the Class A Controlled Amortization Amount and any Class A Carryover Controlled Amortization Amount for such Related Month.

“Class A Initial Invested Amount” means the aggregate initial principal amount of the Class A Notes, which is \$478,500,000.

“Class A Invested Amount” means, when used with respect to any date, an amount equal to (a) the Class A Initial Invested Amount minus (b) the amount of principal payments made to Class A Noteholders on or prior to such date.

“Class A Monthly Interest” means, with respect to (i) the initial Series 2013-2 Interest Period, an amount equal to \$1,263,240.00 and (ii) any other Series 2013-2 Interest Period, an amount equal to the product of (A) one-twelfth of the Class A Note Rate and (B) the Class A Invested

Amount on the first day of such Series 2013-2 Interest Period, after giving effect to any principal payments made on such date.

“Class A Note” means any one of the Series 2013-2 2.97% Rental Car Asset Backed Notes, Class A, executed by ABRCF and authenticated by or on behalf of the Trustee, substantially in the form of Exhibit A-1, Exhibit A-2 or Exhibit A-3. Definitive Class A Notes shall have such insertions and deletions as are necessary to give effect to the provisions of Section 2.18 of the Base Indenture.

“Class A Note Rate” means 2.97% per annum.

“Class A Noteholder” means the Person in whose name a Class A Note is registered in the Note Register.

“Class A Shortfall” has the meaning set forth in Section 2.3(g)(i).

“Class B Carryover Controlled Amortization Amount” means, with respect to any Related Month during the Series 2013-2 Controlled Amortization Period, the amount, if any, by which the portion of the Monthly Total Principal Allocation paid to the Class B Noteholders pursuant to Section 2.5(f)(ii) for the previous Related Month was less than the Class B Controlled Distribution Amount for the previous Related Month; provided, however, that for the first Related Month in the Series 2013-2 Controlled Amortization Period, the Class B Carryover Controlled Amortization Amount shall be zero.

“Class B Controlled Amortization Amount” means, (i) with respect to any Related Month during the Series 2013-2 Controlled Amortization Period, other than the Related Month immediately preceding the Series 2013-2 Expected Final Distribution Date, \$11,916,666.67 and (ii) with respect to the Related Month immediately preceding the Series 2013-2 Expected Final Distribution Date, \$11,916,666.65.

“Class B Controlled Distribution Amount” means, with respect to any Related Month during the Series 2013-2 Controlled Amortization Period, an amount equal to the sum of the Class B Controlled Amortization Amount and any Class B Carryover Controlled Amortization Amount for such Related Month.

“Class B Initial Invested Amount” means the aggregate initial principal amount of the Class B Notes, which is \$71,500,000.

“Class B Invested Amount” means, when used with respect to any date, an amount equal to (a) the Class B Initial Invested Amount minus (b) the amount of principal payments made to Class B Noteholders on or prior to such date.

“Class B Monthly Interest” means, with respect to (i) the initial Series 2013-2 Interest Period, an amount equal to \$232,613.33 and (ii) any other Series 2013-2 Interest Period, an amount equal to the product of (A) one-twelfth of the Class B Note Rate and (B) the Class B Invested

Amount on the first day of such Series 2013-2 Interest Period, after giving effect to any principal payments made on such date.

“Class B Note” means any one of the Series 2013-2 3.66% Rental Car Asset Backed Notes, Class B, executed by ABRCF and authenticated by or on behalf of the Trustee, substantially in the form of Exhibit B-1, Exhibit B-2 or Exhibit B-3. Definitive Class B Notes shall have such insertions and deletions as are necessary to give effect to the provisions of Section 2.18 of the Base Indenture.

“Class B Note Rate” means 3.66% per annum.

“Class B Noteholder” means the Person in whose name a Class B Note is registered in the Note Register.

“Class B Shortfall” has the meaning set forth in Section 2.3(g)(ii).

“Class C Available Cash Collateral Account Amount” means, as of any date of determination, the amount on deposit in the Class C Cash Collateral Account (after giving effect to any deposits thereto and withdrawals and releases therefrom on such date).

“Class C Available Reserve Account Amount” means, as of any date of determination, the amount on deposit in the Class C Reserve Account (after giving effect to any deposits thereto and withdrawals and releases therefrom on such date).

“Class C Carryover Controlled Amortization Amount” means, with respect to any Related Month during the Series 2013-2 Controlled Amortization Period, the amount, if any, by which the portion of the Monthly Total Principal Allocation paid to the Class C Noteholders pursuant to Section 2.5(f)(iii) for the previous Related Month was less than the Class C Controlled Distribution Amount for the previous Related Month; provided, however, that for the first Related Month in the Series 2013-2 Controlled Amortization Period, the Class C Carryover Controlled Amortization Amount shall be zero.

“Class C Cash Collateral Account” is defined in Section 2.8(j).

“Class C Cash Collateral Account Collateral” is defined in Section 2.8(b).

“Class C Cash Collateral Account Surplus” means, with respect to any Distribution Date, the lesser of (a) the Class C Available Cash Collateral Account Amount and (b) the lesser of (A) the excess, if any, of the Class C Liquidity Amount (after giving effect to any withdrawal from the Class C Reserve Account on such Distribution Date) over the Class C Required Liquidity Amount on such Distribution Date and (B) the excess, if any, of the Class C Enhancement Amount (after giving effect to any withdrawal from the Class A/B Reserve Account and the Class C Reserve Account and any draws on the Class A/B Letters of Credit (or withdrawals from the Class A/B Cash Collateral Account) on such Distribution Date) over the Class C Required Enhancement Amount on such Distribution Date; provided, however that, on any date after the Series 2013-2 Letter of Credit Termination Date, the Class C Cash Collateral Account Surplus shall mean the excess, if

any, of (x) the Class C Available Cash Collateral Account Amount over (y) the Series 2013-2 Demand Note Payment Amount minus the Pre-Preference Period Demand Note Payments as of such date minus the Class A/B Cash Collateral Account Amount.

“Class C Cash Collateral Percentage” means, as of any date of determination, the percentage equivalent of a fraction, the numerator of which is the Class C Available Cash Collateral Amount as of such date and the denominator of which is the Class C Letter of Credit Liquidity Amount as of such date.

“Class C Controlled Amortization Amount” means, (i) with respect to any Related Month during the Series 2013-2 Controlled Amortization Period, other than the Related Month immediately preceding the Series 2013-2 Expected Final Distribution Date, \$4,616,666.67 and (ii) with respect to the Related Month immediately preceding the Series 2013-2 Expected Final Distribution Date, \$4,616,666.65.

“Class C Controlled Distribution Amount” means, with respect to any Related Month during the Series 2013-2 Controlled Amortization Period, an amount equal to the sum of the Class C Controlled Amortization Amount and any Class C Carryover Controlled Amortization Amount for such Related Month.

“Class C DBRS Enhancement Percentage” means, as of any date of determination, the sum of (i) the product of (A) the Class C DBRS Lowest Enhancement Rate as of such date and (B) the Series 2013-2 DBRS Lowest Enhanced Vehicle Percentage as of such date, (ii) the product of (A) the Class C DBRS Intermediate Enhancement Rate as of such date and (B) the Series 2013-2 DBRS Intermediate Enhanced Vehicle Percentage as of such date, and (iii) the product of (A) the Class C DBRS Highest Enhancement Rate as of such date and (B) the Series 2013-2 DBRS Highest Enhanced Vehicle Percentage as of such date.

“Class C DBRS Highest Enhancement Rate” means, as of any date of determination, the sum of (a) 29.00% and (b) 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).

“Class C DBRS Intermediate Enhancement Rate” means, as of any date of determination, the sum of (a) 25.00% and (b) the highest, for any calendar month within the preceding twelve calendar months, of the greater of (c) 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).

“Class C DBRS Lowest Enhancement Rate” means, as of any date of determination, 22.00%.

“Class C Enhancement” means the Class A/B Cash Collateral Account Collateral, the Class C Cash Collateral Account Collateral, the Class A/B Letters of Credit, the Class C Letters of Credit, the Series 2013-2 Demand Notes, the Class C Overcollateralization Amount, the Class A/B Reserve Account Amount and the Class C Reserve Account Amount.

“Class C Enhancement Amount” means, as of any date of determination, the sum of (i) the Class C Overcollateralization Amount as of such date, (ii) the Class C Letter of Credit Amount as of such date, (iii) the Class C Available Reserve Account Amount as of such date, (iv) the Class A/B Letter of Credit Amount as of such date, (v) the Class A/B Available Reserve Account Amount as of such date and (vi) the amount of cash and Permitted Investments on deposit in the Series 2013-2 Collection Account (not including amounts allocable to the Series 2013-2 Accrued Interest Account) and the Series 2013-2 Excess Collection Account as of such date.

“Class C Enhancement Deficiency” means, on any date of determination, the amount by which the Class C Enhancement Amount is less than the Class C Required Enhancement Amount as of such date.

“Class C Initial Invested Amount” means the aggregate initial principal amount of the Class C Notes, which is \$27,700,000.

“Class C Invested Amount” means, when used with respect to any date, an amount equal to (a) the Class C Initial Invested Amount minus (b) the amount of principal payments made to Class C Noteholders on or prior to such date.

“Class C Letter of Credit” means an irrevocable letter of credit, if any, substantially in the form of Exhibit E-2 issued by a Series 2013-2 Eligible Letter of Credit Provider in favor of the Trustee for the benefit of the Class C Noteholders.

“Class C Letter of Credit Amount” means, as of any date of determination, the lesser of (a) the sum of (i) the aggregate amount available to be drawn on such date under each Class C Letter of Credit on which no draw has been made pursuant to Section 2.8(e), as specified therein, and (ii) if the Class C Cash Collateral Account has been established and funded pursuant to Section 2.8, the Class C Available Cash Collateral Account Amount on such date and (b) the excess of the aggregate outstanding principal amount of the Series 2013-2 Demand Notes on such date over the Class A/B Letter of Credit Amount on such date.

“Class C Letter of Credit Expiration Date” means, with respect to any Class C Letter of Credit, the expiration date set forth in such Class C Letter of Credit, as such date may be extended in accordance with the terms of such Class C Letter of Credit.

“Class C Letter of Credit Liquidity Amount” means, as of any date of determination, the sum of (a) the aggregate amount available to be drawn on such date under each Class C Letter of Credit on which no draw has been made pursuant to Section 2.8(e), as specified therein, and (b) if the Class C Cash Collateral Account has been established and funded pursuant to Section 2.8, the Class C Available Cash Collateral Account Amount on such date.

“Class C Liquidity Amount” means, as of any date of determination, the sum of (a) the Class C Letter of Credit Liquidity Amount on such date and (b) the Class C Available Reserve Account Amount on such date.

“Class C Monthly Interest” means, with respect to (i) the initial Series 2013-2 Interest Period for the Class C Notes, an amount equal to \$102,920.89 and (ii) any other Series 2013-2 Interest Period, an amount equal to the product of (A) one-twelfth of the Class C Note Rate and (B) the Class C Invested Amount on the first day of such Series 2013-2 Interest Period, after giving effect to any principal payments made on such date.

“Class C Note” means any one of the Series 2013-2 3.52% Rental Car Asset Backed Notes, Class C, executed by ABRCF and authenticated by or on behalf of the Trustee, substantially in the form of Exhibit C-1, Exhibit C-2 or Exhibit C-3. Definitive Class C Notes shall have such insertions and deletions as are necessary to give effect to the provisions of Section 2.18 of the Base Indenture.

“Class C Note Rate” means 3.52% per annum.

“Class C Noteholder” means the Person in whose name a Class C Note is registered in the Note Register.

“Class C Notes Closing Date” means February 12, 2014.

“Class C Overcollateralization Amount” means the excess, if any, of (x) the Series 2013-2 AESOP I Operating Lease Loan Agreement Borrowing Base as of such date over (y) the Series 2013-2 Invested Amount as of such date.

“Class C Percentage” means, as of any date of determination, a percentage equal to the excess, if any, of (x) 100% over (y) the Class A/B Percentage as of such date.

“Class C Principal Deficit Amount” means, as of any date of determination, the excess, if any, of (i) the Class C Invested Amount on such date (after giving effect to the distribution of the Monthly Total Principal Allocation for the Related Month if such date is a Distribution Date) over (ii) the Series 2013-2 AESOP I Operating Lease Loan Agreement Borrowing Base on such date; provided, however that the Class C Principal Deficit Amount on any date occurring during the period commencing on and including the date of the filing by any of the Lessees of a petition for relief under Chapter 11 of the Bankruptcy Code to but excluding the date on which each of the Lessees shall have resumed making all payments of the portion of Monthly Base Rent relating to Loan Interest required to be made under the AESOP I Operating Lease, shall mean the excess, if any, of (x) the Class C Invested Amount on such date (after giving effect to the distribution of Monthly Total Principal Allocation for the Related Month if such date is a Distribution Date) over (y) the sum of (1) the Series 2013-2 AESOP I Operating Lease Loan Agreement Borrowing Base on such date and (2) the lesser of (a) the Class C Liquidity Amount on such date and (b) the Class C Required Liquidity Amount on such date.

“Class C Pro Rata Share” means, with respect to any Series 2013-2 Letter of Credit Provider as of any date, the fraction (expressed as a percentage) obtained by dividing (A) the available amount under such Series 2013-2 Letter of Credit Provider’s Class C Letter of Credit as of such date by (B) an amount equal to the aggregate available amount under all Class C Letters of Credit as of such date; provided, that only for purposes of calculating the Class C Pro Rata Share with respect to any Series 2013-2 Letter of Credit Provider as of any date, if such Series 2013-2 Letter of Credit Provider has not complied with its obligation to pay the Trustee the amount of any draw under its Class C Letter of Credit made prior to such date, the available amount under such Series 2013-2 Letter of Credit Provider’s Class C Letter of Credit as of such date shall be treated as reduced (for calculation purposes only) by the amount of such unpaid demand and shall not be reinstated for purposes of such calculation unless and until the date as of which such Series 2013-2 Letter of Credit Provider has paid such amount to the Trustee and been reimbursed by the Lessee or the applicable Demand Note Issuer, as the case may be, for such amount (provided that the foregoing calculation shall not in any manner reduce the undersigned’s actual liability in respect of any failure to pay any demand under its Class C Letter of Credit).

“Class C Required Enhancement Amount” means, as of any date of determination, the sum of (i) the product of the Class C DBRS Enhancement Percentage as of such date and the Series 2013-2 Invested Amount as of such date and (ii) the Series 2013-2 Incremental Enhancement Amount.

“Class C Required Liquidity Amount” means, as of any date of determination, an amount equal to the product of 2.25% and the Class C Invested Amount as of such date.

“Class C Required Overcollateralization Amount” means, as of any date of determination, the excess, if any, of the Class C Required Enhancement Amount over the sum of (i) the Class A/B Letter of Credit Amount as of such date, (ii) the Class C Letter of Credit Amount as of such date, (iii) the Class A/B Available Reserve Account Amount on such date, (iv) the Class C Available Reserve Account Amount on such date and (v) the amount of cash and Permitted Investments on deposit in the Series 2013-2 Collection Account (not including amounts allocable to the Series 2013-2 Accrued Interest Account) and the Series 2013-2 Excess Collection Account on such date.

“Class C Required Reserve Account Amount” means, for any date of determination, an amount equal to the greater of (a) the excess, if any, of the Class C Required Liquidity Amount as of such date over the Class C Letter of Credit Liquidity Amount as of such date and (b) the excess, if any, of the Class C Required Enhancement Amount over the Class C Enhancement Amount (excluding therefrom the Class C Available Reserve Account Amount and calculated after giving effect to any payments of principal to be made on the Series 2013-2 Notes) as of such date.

“Class C Reserve Account” is defined in Section 2.7(g).

“Class C Reserve Account Collateral” is defined in Section 2.7(j).

“Class C Reserve Account Surplus” means, with respect to any Distribution Date, the excess, if any, of the Class C Available Reserve Account Amount over the Class C Required Reserve Account Amount on such Distribution Date.

“Class C Shortfall” has the meaning set forth in Section 2.3(g)(iii).

“Clearstream” is defined in Section 4.2.

“Confirmation Condition” means, with respect to any Bankrupt Manufacturer which is a debtor in Chapter 11 Proceedings, a condition that shall be satisfied upon the bankruptcy court having competent jurisdiction over such Chapter 11 Proceedings issuing an order that remains in effect approving (i) the assumption of such Bankrupt Manufacturer’s Manufacturer Program (and the related Assignment Agreements) by such Bankrupt Manufacturer or the trustee in bankruptcy of such Bankrupt Manufacturer under Section 365 of the Bankruptcy Code and at the time of such assumption, the payment of all amounts due and payable by such Bankrupt Manufacturer under such Manufacturer Program and the curing of all other defaults by the Bankrupt Manufacturer thereunder or (ii) the execution, delivery and performance by such Bankrupt Manufacturer of a new post-petition Manufacturer Program (and the related assignment agreements) on the same terms and covering the same Vehicles as such Bankrupt Manufacturer’s Manufacturer Program (and the related Assignment Agreements) in effect on the date such Bankrupt Manufacturer became subject to such Chapter 11 Proceedings and, at the time of the execution and delivery of such new post-petition Manufacturer Program, the payment of all amounts due and payable by such Bankrupt Manufacturer under such Manufacturer Program and the curing of all other defaults by the Bankrupt Manufacturer thereunder; provided that notwithstanding the foregoing, the Confirmation Condition shall be deemed satisfied until the 90th calendar day following the initial filing in respect of such Chapter 11 Proceedings.

“DBRS” means DBRS, Inc.

“DBRS Equivalent Rating” means, with respect to any Person not rated by DBRS, (i) if such Person is rated by all three of Moody’s, Standard & Poor’s and Fitch Ratings, Ltd. (together, the “Equivalent Rating Agencies”), either (A) if at least two Equivalent Rating Agencies have provided equivalent ratings with respect to such Person, the DBRS equivalent of such equivalent ratings (regardless of any rating from another Equivalent Rating Agency) or (B) otherwise, the median of the DBRS equivalents of the ratings for such Person provided by each of the three Equivalent Rating Agencies, (ii) if such Person is rated by any two of the Equivalent Rating Agencies, the DBRS equivalent of the lower of the ratings for such Person provided by the relevant Equivalent Rating Agencies or (iii) if such Person is rated by only one of the Equivalent Rating Agencies, the DBRS equivalent of the rating for such Person provided by such Equivalent Rating Agency.

“DBRS Excluded Manufacturer Amount” means, as of any date of determination, an amount equal to the excess, if any, of (x) the sum of the following amounts with respect to each DBRS Non-Investment Grade Manufacturer as of such date: the product of (i) to the extent such amounts are included in the calculation of AESOP I Operating Lease Loan Agreement Borrowing Base as of such date, all amounts receivable as of such date by AESOP Leasing or the Intermediary

from such DBRS Non-Investment Grade Manufacturer and (ii) the DBRS Excluded Manufacturer Receivable Specified Percentage for such DBRS Non-Investment Grade Manufacturer as of such date over (y) the sum of the following amounts with respect to each DBRS Non-Investment Grade Manufacturer as of such date: the product of (i) the aggregate Net Book Value of any Vehicles subject to a Manufacturer Program from such Manufacturer that have had a Turnback Date but for which (A) AESOP Leasing or its Permitted Nominee continues to be named as the owner of the Vehicle on the Certificate of Title for such Vehicle and (B) AESOP Leasing or its agent continues to hold the Certificate of Title for such Vehicle and (ii) the DBRS Turnback Vehicle Specified Percentage for such DBRS Non-Investment Grade Manufacturer as of such date.

“DBRS Excluded Manufacturer Receivable Specified Percentage” means, as of any date of determination, with respect to each DBRS Non-Investment Grade Manufacturer as of such date, the percentage (not to exceed 100%) most recently specified in writing by DBRS to ABRCF and the Trustee and consented to by the Requisite Series 2013-2 Noteholders with respect to such DBRS Non-Investment Grade Manufacturer; provided, however, that as of the Series 2013-2 Closing Date the DBRS Excluded Manufacturer Receivable Specified Percentage for each DBRS Non-Investment Grade Manufacturer shall be 100%; provided, further, that the initial DBRS Excluded Manufacturer Receivable Specified Percentage with respect to any Manufacturer that becomes a DBRS Non-Investment Grade Manufacturer after the Series 2013-2 Closing Date shall be 100%.

“DBRS Non-Investment Grade Manufacturer” means, as of any date of determination, any Manufacturer that (i) is not a Bankrupt Manufacturer and (ii) does not have a long-term senior unsecured debt rating from DBRS (or, if such Manufacturer is not rated by DBRS, a DBRS Equivalent Rating) of at least “BBB (low)”; provided that any Manufacturer whose long-term senior unsecured debt rating from DBRS (or, if such Manufacturer is not rated by DBRS, its DBRS Equivalent Rating) is downgraded from at least “BBB (low)” to below “BBB (low)” after the Series 2013-2 Closing Date shall not be deemed a DBRS Non-Investment Grade Manufacturer until the thirtieth (30th) calendar day following such downgrade.

“DBRS Turnback Vehicle Specified Percentage” means, as of any date of determination: (i) with respect to each Manufacturer that has a long-term senior unsecured debt rating from DBRS (or, if such Manufacturer is not rated by DBRS, a DBRS Equivalent Rating) on such date of determination of at least “BB (low)” but less than “BBB (low)”, 65%; (ii) with respect to each Manufacturer that has a long-term senior unsecured debt rating from DBRS (or, if such Manufacturer is not rated by DBRS, a DBRS Equivalent Rating) on such date of determination of at least “B (low)” but less than “BB (low)”, 25%; and (iii) with respect to each Manufacturer that has a long-term senior unsecured debt rating from DBRS (or, if such Manufacturer is not rated by DBRS, a DBRS Equivalent Rating) on such date of determination of “CCC” or below (or is not rated by DBRS or any Equivalent Rating Agency on such date of determination), 0%; provided that any Manufacturer whose long-term senior unsecured debt rating from DBRS is downgraded after the Series 2013-2 Closing Date (or, if such Manufacturer is not rated by DBRS, its DBRS Equivalent Rating is lowered as a result of such Manufacturer being downgraded by an Equivalent Rating Agency after the Series 2013-2 Closing Date) shall be deemed to retain its long-term senior unsecured debt rating from DBRS (or, if such Manufacturer is not rated by DBRS, its DBRS

Equivalent Rating) in effect immediately prior to such downgrade until the thirtieth (30th) calendar day following such downgrade.

“Demand Note Issuer” means each issuer of a Series 2013-2 Demand Note.

“Disbursement” means any Lease Deficit Disbursement, any Unpaid Demand Note Disbursement, any Termination Date Disbursement or any Termination Disbursement under a Series 2013-2 Letter of Credit, or any combination thereof, as the context may require.

“Euroclear” is defined in Section 4.2.

“Excess Collections” is defined in Section 2.3(f)(i).

“Excluded Manufacturer Amount” means, as of any date of determination, the greater of the Moody’s Excluded Manufacturer Amount and the DBRS Excluded Manufacturer Amount as of such date.

“Finance Guide” means the Black Book Official Finance/Lease Guide.

“Inclusion Date” means, with respect to any Vehicle, the date that is three months after the earlier of (i) the date such Vehicle became a Redesignated Vehicle and (ii) if the Manufacturer of such Vehicle is a Bankrupt Manufacturer, the date upon which the Event of Bankruptcy which caused such Manufacturer to become a Bankrupt Manufacturer first occurred.

“Lease Deficit Disbursement” means an amount drawn under a Series 2013-2 Letter of Credit pursuant to a Certificate of Lease Deficit Demand.

“Market Value Average” means, as of any day, the percentage equivalent of a fraction, the numerator of which is the average of the Selected Fleet Market Value as of the preceding Determination Date and the two Determination Dates precedent thereto and the denominator of which is the sum of (a) the average of the aggregate Net Book Value of all Non-Program Vehicles (excluding (i) any Unaccepted Program Vehicles, (ii) any Excluded Redesignated Vehicles and (iii) any other Non-Program Vehicles that are subject to a Manufacturer Program with an Eligible Non-Program Manufacturer with respect to which no Manufacturer Event of Default has occurred and is continuing) and (b) the average of the aggregate Adjusted Net Book Value of all Adjusted Program Vehicles, in the case of each of clause (a) and (b) leased under the AESOP I Operating Lease and the Finance Lease as of the preceding Determination Date and the two Determination Dates precedent thereto.

“Monthly Total Principal Allocation” means for any Related Month the sum of all Series 2013-2 Principal Allocations with respect to such Related Month.

“Moody’s Excluded Manufacturer Amount” means, as of any date of determination, an amount equal to the excess, if any, of (x) the sum of the following amounts with respect to each Moody’s Non-Investment Grade Manufacturer as of such date: the product of (i) to the extent such amounts are included in the calculation of AESOP I Operating Lease Loan Agreement Borrowing Base as of such date, all amounts receivable as of such date by AESOP Leasing or the Intermediary

from such Moody's Non-Investment Grade Manufacturer and (ii) the Moody's Excluded Manufacturer Receivable Specified Percentage for such Moody's Non-Investment Grade Manufacturer as of such date over (y) the sum of the following amounts with respect to each Moody's Non-Investment Grade Manufacturer as of such date: the product of (i) the aggregate Net Book Value of any Vehicles subject to a Manufacturer Program from such Manufacturer that have had a Turnback Date but for which (A) AESOP Leasing or its Permitted Nominee continues to be named as the owner of the Vehicle on the Certificate of Title for such Vehicle and (B) AESOP Leasing or its agent continues to hold the Certificate of Title for such Vehicle and (ii) the Moody's Turnback Vehicle Specified Percentage for such Moody's Non-Investment Grade Manufacturer as of such date.

"Moody's Excluded Manufacturer Receivable Specified Percentage" means, as of any date of determination, with respect to each Moody's Non-Investment Grade Manufacturer as of such date, the percentage (not to exceed 100%) most recently specified in writing by Moody's to ABRCF and the Trustee and consented to by the Requisite Series 2013-2 Noteholders with respect to such Moody's Non-Investment Grade Manufacturer; provided, however, that as of the Series 2013-2 Closing Date the Moody's Excluded Manufacturer Receivable Specified Percentage for each Moody's Non-Investment Grade Manufacturer shall be 100%; provided further that the initial Moody's Excluded Manufacturer Receivable Specified Percentage with respect to any Manufacturer that becomes a Moody's Non-Investment Grade Manufacturer after the Series 2013-2 Closing Date shall be 100%.

"Moody's Non-Investment Grade Manufacturer" means, as of any date of determination, any Manufacturer that (i) is not a Bankrupt Manufacturer and (ii) does not have a long term senior unsecured debt rating of at least "Baa3" from Moody's; provided that any Manufacturer whose long term senior unsecured debt rating is downgraded from at least "Baa3" to below "Baa3" by Moody's after the Series 2013-2 Closing Date shall not be deemed a Moody's Non-Investment Grade Manufacturer until the thirtieth (30th) calendar day following such downgrade.

"Moody's Turnback Vehicle Specified Percentage" means, as of any date of determination: (i) with respect to each Manufacturer that has a long-term senior unsecured debt rating from Moody's on such date of determination of at least "Ba3" but less than "Baa3", 65%; (ii) with respect to each Manufacturer that has a long-term senior unsecured debt rating from Moody's on such date of determination of at least "B3" but less than "Ba3", 25%; and (iii) with respect to each Manufacturer that has a long-term senior unsecured debt rating from Moody's on such date of determination of "Caa1" or lower (or is not rated by Moody's on such date of determination), 0%; provided that any Manufacturer whose long-term senior unsecured debt rating from Moody's is downgraded after the Series 2013-2 Closing Date shall be deemed to retain its long-term senior unsecured debt rating from Moody's in effect immediately prior to such downgrade until the thirtieth (30th) calendar day following such downgrade.

"Past Due Rent Payment" is defined in Section 2.2(g).

"Permanent Global Class A Note" is defined in Section 4.2.

“Permanent Global Class B Note” is defined in Section 4.2.

“Permanent Global Class C Note” is defined in Section 4.2.

“Permanent Global Series 2013-2 Notes” is defined in Section 4.2.

“Pre-Preference Period Demand Note Payments” means, as of any date of determination, the aggregate amount of all proceeds of demands made on the Series 2013-2 Demand Notes included in the Series 2013-2 Demand Note Payment Amount as of the Series 2013-2 Letter of Credit Termination Date that were paid by the Demand Note Issuers more than one year before such date of determination; provided, however, that if an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of sixty (60) consecutive days) with respect to a Demand Note Issuer occurs during such one-year period, (x) the Pre-Preference Period Demand Note Payments as of any date during the period from and including the date of the occurrence of such Event of Bankruptcy to and including the conclusion or dismissal of the proceedings giving rise to such Event of Bankruptcy without continuing jurisdiction by the court in such proceedings shall equal the Pre-Preference Period Demand Note Payments as of the date of such occurrence for all Demand Note Issuers and (y) the Pre-Preference Period Demand Note Payments as of any date after the conclusion or dismissal of such proceedings shall equal the Series 2013-2 Demand Note Payment Amount as of the date of the conclusion or dismissal of such proceedings.

“Prior Supplement” is defined in the preamble hereto.

“Required Controlling Class Series 2013-2 Noteholders” means (i) for so long as any Class A Notes are outstanding, Class A Noteholders holding more than 50% of the Class A Invested Amount, (ii) if no Class A Notes are outstanding, Class B Noteholders holding more than 50% of the Class B Invested Amount and (iii) if no Class A Notes or Class B Notes are outstanding, Class C Noteholders holding more than 50% of the Class C Invested Amount (excluding, for the purposes of making any of the foregoing calculations, any Series 2013-2 Notes held by ABCR or any Affiliate of ABCR unless ABCR is the sole Series 2013-2 Noteholder).

“Requisite Series 2013-2 Noteholders” means Series 2013-2 Noteholders holding, in the aggregate, more than 50% of the Series 2013-2 Invested Amount (excluding, for the purposes of making the foregoing calculation (x) for all purposes, any Series 2013-2 Notes held by ABCR or any Affiliate of ABCR unless ABCR is the sole Series 2013-2 Noteholder and (y) for so long as any Class A Notes or Class B Notes are outstanding, any Class C Notes).

“Restricted Global Class A Note” is defined in Section 4.1.

“Restricted Global Class B Note” is defined in Section 4.1.

“Restricted Global Class C Note” is defined in Section 4.1.

“Selected Fleet Market Value” means, with respect to all Adjusted Program Vehicles and all Non-Program Vehicles (excluding (i) any Unaccepted Program Vehicles, (ii) any Excluded

Redesignated Vehicles and (iii) any other Non-Program Vehicles that are subject to a Manufacturer Program with an Eligible Non-Program Manufacturer with respect to which no Manufacturer Event of Default has occurred and is continuing) as of any date of determination, the sum of the respective Market Values of each such Adjusted Program Vehicle and each such Non-Program Vehicle, in each case subject to the AESOP I Operating Lease or the Finance Lease as of such date. For purposes of computing the Selected Fleet Market Value, the “Market Value” of an Adjusted Program Vehicle or a Non-Program Vehicle means the market value of such Vehicle as specified in the most recently published NADA Guide for the model class and model year of such Vehicle based on the average equipment and the average mileage of each Vehicle of such model class and model year then leased under the AESOP I Operating Lease and the Finance Lease; provided, that if the NADA Guide is not being published or the NADA Guide is being published but such Vehicle is not included therein, the Market Value of such Vehicle shall be based on the market value specified in the most recently published Finance Guide for the model class and model year of such Vehicle based on the average equipment and the average mileage of each Vehicle of such model class and model year then leased under the AESOP I Operating Lease or the Finance Lease; provided, further, that if the Finance Guide is being published but such Vehicle is not included therein, the Market Value of such Vehicle shall mean (x) in the case of an Adjusted Program Vehicle, the Adjusted Net Book Value of such Adjusted Program Vehicle and (y) in the case of a Non-Program Vehicle, the Net Book Value of such Non-Program Vehicle provided, further, that if the Finance Guide is not being published, the Market Value of such Vehicle shall be based on an independent third-party data source selected by the Administrator and approved by each Rating Agency that is rating any Series of Notes at the request of ABRCF based on the average equipment and average mileage of each Vehicle of such model class and model year then leased under the AESOP I Operating Lease or the Finance Lease; provided, further, that if no such third-party data source or methodology shall have been so approved or any such third-party data source or methodology is not available, the Market Value of such Vehicle shall be equal to a reasonable estimate of the wholesale market value of such Vehicle as determined by the Administrator, based on the Net Book Value of such Vehicle and any other factors deemed relevant by the Administrator.

“Series 2010-1 Notes” means the Series of Notes designated as the Series 2010-1 Notes.

“Series 2010-3 Notes” means the Series of Notes designated as the Series 2010-3 Notes.

“Series 2010-4 Notes” means the Series of Notes designated as the Series 2010-4 Notes.

“Series 2010-5 Notes” means the Series of Notes designated as the Series 2010-5 Notes.

“Series 2010-6 Notes” means the Series of Notes designated as the Series 2010-6 Notes.

“Series 2011-2 Notes” means the Series of Notes designated as the Series 2011-2 Notes.

“Series 2011-3 Notes” means the Series of Notes designated as the Series 2011-3 Notes.

“Series 2011-4 Notes” means the Series of Notes designated as the Series 2011-4 Notes.

“Series 2011-5 Notes” means the Series of Notes designated as the Series 2011-5 Notes.

“Series 2012-1 Notes” means the Series of Notes designated as the Series 2012-1 Notes.

“Series 2012-2 Notes” means the Series of Notes designated as the Series 2012-2 Notes.

“Series 2012-3 Notes” means the Series of Notes designated as the Series 2012-3 Notes.

“Series 2013-1 Notes” means the Series of Notes designated as the Series 2013-1 Notes.

“Series 2013-2 Accounts” means each of the Series 2013-2 Distribution Account, the Class A/B Reserve Account, the Class C Reserve Account, the Series 2013-2 Collection Account, the Series 2013-2 Excess Collection Account and the Series 2013-2 Accrued Interest Account.

“Series 2013-2 Accrued Interest Account” is defined in Section 2.1(b).

“Series 2013-2 AESOP I Operating Lease Loan Agreement Borrowing Base” means, as of any date of determination, the product of (a) the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of such date and (b) the excess of (i) the AESOP I Operating Lease Loan Agreement Borrowing Base as of such date over (ii) the Excluded Manufacturer Amount as of such date.

“Series 2013-2 AESOP I Operating Lease Vehicle Percentage” means, as of any date of determination, a fraction, expressed as a percentage (which percentage shall never exceed 100%), the numerator of which is the Series 2013-2 Required AESOP I Operating Lease Vehicle Amount as of such date and the denominator of which is the sum of the Required AESOP I Operating Lease Vehicle Amounts for all Series of Notes as of such date.

“Series 2013-2 Agent” is defined in the recitals hereto.

“Series 2013-2 Cash Collateral Accounts” means the Class A/B Cash Collateral Account and the Class C Cash Collateral Account, collectively.

“Series 2013-2 Closing Date” means September 18, 2013.

“Series 2013-2 Collateral” means the Collateral, each Series 2013-2 Letter of Credit, each Series 2013-2 Demand Note, the Series 2013-2 Distribution Account Collateral, the Class A/B Cash Collateral Account Collateral, the Class C Cash Collateral Account Collateral, the Class A/B Reserve Account Collateral and the Class C Reserve Account Collateral.

“Series 2013-2 Collection Account” is defined in Section 2.1(b).

“Series 2013-2 Controlled Amortization Period” means the period commencing at the opening of business on August 1, 2018 (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 2013-2 Rapid Amortization Period, (ii) the date on which the Series 2013-2 Notes are fully paid and (iii) the termination of the Indenture.

“Series 2013-2 DBRS Highest Enhanced Vehicle Percentage” means, as of any date of determination, a fraction, expressed as a percentage, (a) the numerator of which is the aggregate Net Book Value of all Vehicles leased under the AESOP I Operating Lease that were manufactured by a Manufacturer that does not have a long-term senior unsecured debt rating from DBRS (or, if such Manufacturer is not rated by DBRS, a DBRS Equivalent Rating) of at least “BBB (low)” as of such date and (b) the denominator of which is the aggregate Net Book Value of all Vehicles leased under the AESOP I Operating Lease as of such date.

“Series 2013-2 DBRS Intermediate Enhanced Vehicle Percentage” means, as of any date of determination, 100% minus the sum of (a) the Series 2013-2 DBRS Lowest Enhanced Vehicle Percentage and (b) the Series 2013-2 DBRS Highest Enhanced Vehicle Percentage.

“Series 2013-2 DBRS Lowest Enhanced Vehicle Percentage” means, as of any date of determination, a fraction, expressed as a percentage, (a) the numerator of which is the sum, without duplication, of (1) the aggregate Net Book Value of all Program Vehicles leased under the AESOP I Operating Lease that are manufactured by Eligible Program Manufacturers having long-term senior unsecured debt ratings from DBRS (or, with respect to any Manufacturer that is not rated by DBRS, a DBRS Equivalent Rating) of “BBB” or higher as of such date, (2) so long as any Eligible Non-Program Manufacturer has a long-term senior unsecured debt rating from DBRS (or, if any such Manufacturer is not rated by DBRS, a DBRS Equivalent Rating) of “BBB” or higher and no Manufacturer Event of Default has occurred and is continuing with respect to such Eligible Non-Program Manufacturer, the aggregate Net Book Value of all Non-Program Vehicles leased under the AESOP I Operating Lease manufactured by each such Eligible Non-Program Manufacturer that are subject to a Manufacturer Program and remain eligible for repurchase thereunder as of such date and (3) the lesser of (A) the sum of (x) if as of such date any Eligible Program Manufacturer has a long-term senior unsecured debt rating from DBRS (or, if any such Manufacturer is not rated by DBRS, a DBRS Equivalent Rating) of “BBB (low)”, the aggregate Net Book Value of all Program Vehicles leased under the AESOP I Operating Lease manufactured by each such Eligible Program Manufacturer as of such date and (y) if as of such date any Eligible Non-Program Manufacturer has a long-term senior unsecured debt rating from DBRS (or, if any such Manufacturer is not rated by DBRS, a DBRS Equivalent Rating) of “BBB (low)” and no Manufacturer Event of Default has occurred and is continuing with respect to such Eligible Non-Program Manufacturer, the aggregate Net Book Value of all Non-Program Vehicles leased under

the AESOP I Operating Lease manufactured by each such Eligible Non-Program Manufacturer that are subject to a Manufacturer Program and remain eligible for repurchase thereunder as of such date and (B) 25% of the aggregate Net Book Value of all Vehicles leased under the AESOP I Operating Lease as of such date and (b) the denominator of which is the aggregate Net Book Value of all Vehicles leased under the AESOP I Operating Lease as of such date.

“Series 2013-2 Demand Note” means each demand note made by a Demand Note Issuer, substantially in the form of Exhibit D, as amended, modified or restated from time to time.

“Series 2013-2 Demand Note Payment Amount” means, as of the Series 2013-2 Letter of Credit Termination Date, the aggregate amount of all proceeds of demands made on the Series 2013-2 Demand Notes pursuant to Section 2.5(c)(i), (d)(i) or (e)(i) that were deposited into the Series 2013-2 Distribution Account and paid to the Series 2013-2 Noteholders during the one year period ending on the Series 2013-2 Letter of Credit Termination Date; provided, however, that if an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of sixty (60) consecutive days) with respect to a Demand Note Issuer shall have occurred during such one year period, the Series 2013-2 Demand Note Payment Amount as of the Series 2013-2 Letter of Credit Termination Date shall equal the Series 2013-2 Demand Note Payment Amount as if it were calculated as of the date of such occurrence.

“Series 2013-2 Deposit Date” is defined in Section 2.2.

“Series 2013-2 Distribution Account” is defined in Section 2.9(a).

“Series 2013-2 Distribution Account Collateral” is defined in Section 2.9(d).

“Series 2013-2 Eligible Letter of Credit Provider” means a Person satisfactory to ABCR and the Demand Note Issuers and having, at the time of the issuance of the related Series 2013-2 Letter of Credit, a long-term senior unsecured debt rating (or the equivalent thereof) of at least “A1” from Moody’s and at least “A (high)” from DBRS and a short term senior unsecured debt rating of at least “P-1” from Moody’s and at least “R-1” from DBRS that is (a) a commercial bank having total assets in excess of \$500,000,000, (b) a finance company, insurance company or other financial institution that in the ordinary course of business issues letters of credit and has total assets in excess of \$200,000,000 or (c) any other financial institution; provided, however, that if a Person is not a Series 2013-2 Letter of Credit Provider (or a letter of credit provider under the Supplement for any other Series of Notes), then such Person shall not be a Series 2013-2 Eligible Letter of Credit Provider until ABRCF has provided 10 days’ prior notice to the Rating Agencies that such Person has been proposed as a Series 2013-2 Letter of Credit Provider.

“Series 2013-2 Enhancement Deficiency” means a Class A/B Enhancement Deficiency or a Class C Enhancement Deficiency.

“Series 2013-2 Excess Collection Account” is defined in Section 2.1(b).

“Series 2013-2 Expected Final Distribution Date” means the February 2019 Distribution Date.

“Series 2013-2 Final Distribution Date” means the February 2020 Distribution Date.

“Series 2013-2 Incremental Enhancement Amount” means, as of any date of determination, the sum of (i) the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of the immediately preceding Business Day of the excess, if any, of the Non-Program Vehicle Amount as of such date over the Series 2013-2 Maximum Non-Program Vehicle Amount as of such date, (ii) the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of the immediately preceding Business Day of the excess, if any, of the aggregate Net Book Value of all Vehicles manufactured by Mitsubishi and leased under the Leases as of such date over the Series 2013-2 Maximum Mitsubishi Amount as of such date, (iii) the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of the immediately preceding Business Day of the excess, if any, of the aggregate Net Book Value of all Vehicles manufactured by Isuzu or Subaru, individually, and leased under the Leases as of such date over the Series 2013-2 Maximum Individual Isuzu/Subaru Amount as of such date, (iv) the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of the immediately preceding Business Day of the excess, if any, of the aggregate Net Book Value of all Vehicles manufactured by Hyundai and leased under the Leases as of such date over the Series 2013-2 Maximum Hyundai Amount as of such date, (v) the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of the immediately preceding Business Day of the excess, if any, of the aggregate Net Book Value of all Vehicles manufactured by Kia and leased under the Leases as of such date over the Series 2013-2 Maximum Kia Amount as of such date, (vi) the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of the immediately preceding Business Day of the excess, if any, of the aggregate Net Book Value of all Vehicles manufactured by Suzuki and leased under the Leases as of such date over the Series 2013-2 Maximum Suzuki Amount as of such date, (vii) the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of the immediately preceding Business Day of the excess, if any, of the Specified States Amount as of such date over the Series 2013-2 Maximum Specified States Amount as of such date, (viii) the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of the immediately preceding Business Day of the excess, if any, of the Non-Eligible Manufacturer Amount as of such date over the Series 2013-2 Maximum Non-Eligible Manufacturer Amount as of such date and (ix) the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of the immediately preceding Business Day of the excess, if any, of the Net Book Value of all Vehicles leased under the Leases as of such date that were used vehicles at the time of acquisition over the Series 2013-2 Maximum Used Vehicle Amount as of such date.

“Series 2013-2 Interest Period” means a period commencing on and including a Distribution Date and ending on and including the day preceding the next succeeding Distribution Date; provided, however that (x) the initial Series 2013-2 Interest Period with respect to the Class A Notes and the Class B Notes commenced on and included the Series 2013-2 Closing Date and ended on and included October 20, 2013 and (y) the initial Series 2013-2 Interest Period with respect to the Class C Notes shall commence on and include the Class C Closing Date and shall end on and include March 19, 2014.

“Series 2013-2 Invested Amount” means, as of any date of determination, the sum of the Class A Invested Amount as of such date, the Class B Invested Amount as of such date and the Class C Invested Amount as of such date.

“Series 2013-2 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 greater of (x) the sum of the Class A/B Invested Amount and the Class A/B Overcollateralization Amount and (y) the Series 2013-2 Invested Amount and the Class C Overcollateralization Amount, determined during the Series 2013-2 Revolving Period as of the end of the Related Month (or, until the end of the Related Month during which the Class C Notes Closing Date occurs, on the Class C Notes Closing Date), or, during the Series 2013-2 Controlled Amortization Period and the Series 2013-2 Rapid Amortization Period, as of the end of the Series 2013-2 Revolving Period, and the denominator of which shall be the greater of (I) the Aggregate Asset Amount as of the end of the Related Month or, until the end of the initial Related Month, as of the Series 2013-2 Closing Date, and (II) as of the same date as in clause (I), the sum of the numerators used to determine the invested percentages for allocations with respect to Principal Collections (for all Series of Notes and all classes of such Series of Notes); and

(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 2013-2 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 2013-2 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 2.2(a), (b), (c) or (d) would have been allocated to the Series 2013-2 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 2.2(a), (b), (c) or (d) have been allocated to the Series 2013-2 Accrued Interest Account (excluding any amounts paid into the Series 2013-2 Accrued Interest Account pursuant to the proviso in Sections 2.2(c)(ii) and/or 2.2(d)(ii)) from and excluding the preceding Distribution Date to and including the Business Day immediately preceding such Distribution Date.

“Series 2013-2 Lease Payment Deficit” means either a Series 2013-2 Lease Interest Payment Deficit or a Series 2013-2 Lease Principal Payment Deficit.

“Series 2013-2 Lease Principal Payment Carryover Deficit” means (a) for the initial Distribution Date, zero and (b) for any other Distribution Date, the excess of (x) the Series 2013-2 Lease Principal Payment Deficit, if any, on the preceding Distribution Date over (y) the amount deposited in the Distribution Account on such preceding Distribution Date pursuant to Section 2.5(b) on account of such Series 2013-2 Lease Principal Payment Deficit.

“Series 2013-2 Lease Principal Payment Deficit” means on any Distribution Date the sum of (a) the Series 2013-2 Monthly Lease Principal Payment Deficit for such Distribution

Date and (b) the Series 2013-2 Lease Principal Payment Carryover Deficit for such Distribution Date.

“Series 2013-2 Letter of Credit” means a Class A/B Letter of Credit or a Class C Letter of Credit, as the context may require.

“Series 2013-2 Letter of Credit Liquidity Amount” means, as of any date of determination, the sum of (a) the Class A/B Letter of Credit Liquidity Amount on such date and (b) the Class C Letter of Credit Liquidity Amount on such date.

“Series 2013-2 Letter of Credit Provider” means the issuer of a Series 2013-2 Letter of Credit.

“Series 2013-2 Letter of Credit Termination Date” means the first to occur of (a) the date on which the Series 2013-2 Notes are fully paid and (b) the Series 2013-2 Termination Date.

“Series 2013-2 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 (g) of Article III; provided, however, that any event or condition of the type specified in clauses (a) through (g) of Article III shall not constitute a Series 2013-2 Limited Liquidation Event of Default if the Trustee shall have received the written consent of the Requisite Series 2013-2 Noteholders waiving the occurrence of such Series 2013-2 Limited Liquidation Event of Default. The Trustee shall promptly (but in any event within two days) provide the Rating Agencies with written notice of such waiver.

“Series 2013-2 Maximum Amount” means any of the Series 2013-2 Maximum Manufacturer Amounts, the Series 2013-2 Maximum Non-Eligible Manufacturer Amount, the Series 2013-2 Maximum Non-Program Vehicle Amount, the Series 2013-2 Maximum Specified States Amount or the Series 2013-2 Maximum Used Vehicle Amount.

“Series 2013-2 Maximum Hyundai Amount” means, as of any day, an amount equal to 20% of the aggregate Net Book Value of all Vehicles leased under the Leases on such day.

“Series 2013-2 Maximum Individual Isuzu/Subaru Amount” means, as of any day, with respect to Isuzu or Subaru individually, an amount equal to 5% of the aggregate Net Book Value of all Vehicles leased under the Leases on such day.

“Series 2013-2 Maximum Kia Amount” means, as of any day, an amount equal to 10% of the aggregate Net Book Value of all Vehicles leased under the Leases on such day.

“Series 2013-2 Maximum Manufacturer Amount” means, as of any day, any of the Series 2013-2 Maximum Mitsubishi Amount, the Series 2013-2 Maximum Individual Isuzu/Subaru Amount, the Series 2013-2 Maximum Hyundai Amount, the Series 2013-2 Maximum Kia Amount or the Series 2013-2 Maximum Suzuki Amount.

“Series 2013-2 Maximum Mitsubishi Amount” means, as of any day, an amount equal to 10% of the aggregate Net Book Value of all Vehicles leased under the Leases on such day.

“Series 2013-2 Maximum Non-Eligible Manufacturer Amount” means, as of any day, an amount equal to 3% of the aggregate Net Book Value of all Vehicles leased under the Leases on such day.

“Series 2013-2 Maximum Non-Program Vehicle Amount” means, as of any day, an amount equal to the Series 2013-2 Maximum Non-Program Vehicle Percentage of the aggregate Net Book Value of all Vehicles leased under the Leases on such day.

“Series 2013-2 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, the sum of (a) 85% and (b) a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by a Bankrupt Manufacturer or a Manufacturer with respect to which a Manufacturer Event of Default has occurred, and in each case leased under the AESOP I Operating Lease or the Finance Lease as of such date, and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

“Series 2013-2 Maximum Specified States Amount” means, as of any day, an amount equal to 7.5% of the aggregate Net Book Value of all Vehicles leased under the Leases on such day.

“Series 2013-2 Maximum Suzuki Amount” means, as of any day, an amount equal to 7.5% of the aggregate Net Book Value of all Vehicles leased under the Leases on such day.

“Series 2013-2 Maximum Used Vehicle Amount” means, as of any day, an amount equal to 5% of the aggregate Net Book Value of all Vehicles leased under the Leases on such day.

“Series 2013-2 Monthly Interest” means, with respect to any Series 2013-2 Interest Period, the sum of the Class A Monthly Interest, the Class B Monthly Interest and the Class C Monthly Interest, in each case with respect to such Series 2013-2 Interest Period.

“Series 2013-2 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 2.2(a), (b), (c) or (d) would have been allocated to the Series 2013-2 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 2.2(a), (b), (c) or (d) have been allocated to the Series 2013-2 Collection Account (without giving effect to any amounts paid into the Series 2013-2 Accrued Interest Account pursuant to the proviso in Sections 2.2(c)(ii) and/or 2.2(d)(ii)) from and excluding the preceding Distribution Date to and including the Business Day immediately preceding such Distribution Date.

“Series 2013-2 Moody’s Highest Enhanced Vehicle Percentage” means, as of any date of determination, a fraction, expressed as a percentage, (a) the numerator of which is the aggregate Net Book Value of all Vehicles leased under the AESOP I Operating Lease that are either not subject to a Manufacturer Program or not eligible for repurchase under a Manufacturer Program as of such date and (b) the denominator of which is the aggregate Net Book Value of all Vehicles leased under the AESOP I Operating Lease as of such date.

“Series 2013-2 Moody’s Highest Enhancement Rate” means, as of any date of determination, the sum of (a) 33.25% and (b) 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 2013-2 Moody’s Intermediate Enhanced Vehicle Percentage” means, as of any date of determination, 100% minus the sum of (a) the Series 2013-2 Moody’s Lowest Enhanced Vehicle Percentage and (b) the Series 2013-2 Moody’s Highest Enhanced Vehicle Percentage.

“Series 2013-2 Moody’s Intermediate Enhancement Rate” means, as of any date of determination, 29.25%.

“Series 2013-2 Moody’s Lowest Enhanced Vehicle Percentage” means, as of any date of determination, a fraction, expressed as a percentage, (a) the numerator of which is the sum, without duplication, of (1) the aggregate Net Book Value of all Program Vehicles leased under the AESOP I Operating Lease that are manufactured by Eligible Program Manufacturers having long-term senior unsecured debt ratings of “Baa2” or higher from Moody’s as of such date, (2) so long as any Eligible Non-Program Manufacturer has a long-term senior unsecured debt rating of “Baa2” or higher from Moody’s and no Manufacturer Event of Default has occurred and is continuing with respect to such Eligible Non-Program Manufacturer, the aggregate Net Book Value of all Non-Program Vehicles leased under the AESOP I Operating Lease manufactured by each such Eligible Non-Program Manufacturer that are subject to a Manufacturer Program and remain eligible for repurchase thereunder as of such date and (3) the lesser of (A) the sum of (x) if as of such date any Eligible Program Manufacturer has a long-term senior unsecured debt rating of “Baa3” from Moody’s, the aggregate Net Book Value of all Program Vehicles leased under the AESOP I Operating Lease manufactured by each such Eligible Program Manufacturer as of such date and (y) if as of such date any Eligible Non-Program Manufacturer has a long-term senior unsecured debt rating of “Baa3” from Moody’s and no Manufacturer Event of Default has occurred and is continuing with respect to such Eligible Non-Program Manufacturer, the aggregate Net Book Value of all Non-Program Vehicles leased under the AESOP I Operating Lease manufactured by each such Eligible Non-Program Manufacturer that are subject to a Manufacturer Program and remain eligible for repurchase thereunder as of such date and (B) 10% of the aggregate Net Book Value of all Vehicles leased under the AESOP I Operating Lease as of such date and (b) the denominator of which is the aggregate Net Book Value of all Vehicles leased under the AESOP I Operating Lease as of such date.

“Series 2013-2 Moody’s Lowest Enhancement Rate” means, as of any date of determination, 25.00%.

“Series 2013-2 Moody’s Required Enhancement Percentage” means, as of any date of determination, the sum of (i) the product of (A) the Series 2013-2 Moody’s Lowest Enhancement Rate as of such date and (B) the Series 2013-2 Moody’s Lowest Enhanced Vehicle Percentage as of such date, (ii) the product of (A) the Series 2013-2 Moody’s Intermediate Enhancement Rate as

of such date and (B) the Series 2013-2 Moody's Intermediate Enhanced Vehicle Percentage as of such date, and (iii) the product of (A) the Series 2013-2 Moody's Highest Enhancement Rate as of such date and (B) the Series 2013-2 Moody's Highest Enhanced Vehicle Percentage as of such date.

“Series 2013-2 Note Owner” means each beneficial owner of a Series 2013-2 Note.

“Series 2013-2 Noteholder” means any Class A Noteholder, any Class B Noteholder or any Class C Noteholder.

“Series 2013-2 Notes” means, collectively, the Class A Notes, the Class B Notes and the Class C Notes.

“Series 2013-2 Past Due Rent Payment” is defined in Section 2.2(g).

“Series 2013-2 Percentage” means, as of any date of determination, a fraction, expressed as a percentage, the numerator of which is the Series 2013-2 Invested Amount as of such date and the denominator of which is the Aggregate Invested Amount as of such date.

“Series 2013-2 Principal Allocation” is defined in Section 2.2(a)(ii).

“Series 2013-2 Rapid Amortization Period” means the period beginning at the close of business on the Business Day immediately preceding the day on which an Amortization Event is deemed to have occurred with respect to the Series 2013-2 Notes and ending upon the earliest to occur of (i) the date on which the Series 2013-2 Notes are fully paid, (ii) the Series 2013-2 Final Distribution Date and (iii) the termination of the Indenture.

“Series 2013-2 Reimbursement Agreement” means any and each agreement providing for the reimbursement of a Series 2013-2 Letter of Credit Provider for draws under its Series 2013-2 Letter of Credit as the same may be amended, supplemented, restated or otherwise modified from time to time.

“Series 2013-2 Repurchase Amount” is defined in Section 5.1.

“Series 2013-2 Required AESOP I Operating Lease Vehicle Amount” means, as of any date of determination, the sum of (i) the Class A/B Invested Amount as of such date and (ii) the greater of (x) the Class A/B Required Overcollateralization Amount as of such date and (y) the sum of (A) the Class C Invested Amount as of such date and (B) the Class C Required Overcollateralization Amount as of such date.

“Series 2013-2 Reserve Accounts” means, the Class A/B Reserve Account and the Class C Reserve Account, collectively.

“Series 2013-2 Revolving Period” means the period from and including the Series 2013-2 Closing Date to the earlier of (i) the commencement of the Series 2013-2 Controlled Amortization Period and (ii) the commencement of the Series 2013-2 Rapid Amortization Period.

“Series 2013-2 Shortfall” means, on any Distribution Date, the sum of the Class A Shortfall, the Class B Shortfall and the Class C Shortfall on such Distribution Date.

“Series 2013-2 Termination Date” means the February 2020 Distribution Date.

“Series 2013-2 Trustee’s Fees” means, for any Distribution Date during the Series 2013-2 Rapid Amortization Period on which there exists a Series 2013-2 Lease Interest Payment Deficit, a portion of the fees payable to the Trustee in an amount equal to the product of (i) the Series 2013-2 Percentage as of the beginning of the Series 2013-2 Interest Period ending on the day preceding such Distribution Date and (ii) the fees owing to the Trustee under the Indenture; provided that the Series 2013-2 Trustee’s Fees in the aggregate for all Distribution Dates shall not exceed 1.1% of the Series 2013-2 Required AESOP I Operating Lease Vehicle Amount as of the last day of the Series 2013-2 Revolving Period.

“Series 2014-1 Notes” means the Series of Notes designated as the Series 2014-1 Notes.

“Supplement” is defined in the preamble hereto.

“Temporary Global Class A Note” is defined in Section 4.2.

“Temporary Global Class B Note” is defined in Section 4.2.

“Temporary Global Class C Note” is defined in Section 4.2.

“Temporary Global Series 2013-2 Notes” is defined in Section 4.2.

“Termination Date Disbursement” means an amount drawn under a Series 2013-2 Letter of Credit pursuant to a Certificate of Termination Date Demand.

“Termination Disbursement” means an amount drawn under a Series 2013-2 Letter of Credit pursuant to a Certificate of Termination Demand.

“Trustee” is defined in the recitals hereto.

“Unpaid Demand Note Disbursement” means an amount drawn under a Series 2013-2 Letter of Credit pursuant to a Certificate of Unpaid Demand Note Demand.

(c) Any amounts calculated by reference to the Series 2013-2 Invested Amount (or any component thereof) on any date shall, unless otherwise stated, be calculated after giving effect to any payment of principal made to the applicable Series 2013-2 Noteholders on such date.

ARTICLE II
SERIES 2013-2 ALLOCATIONS

With respect to the Series 2013-2 Notes, the following shall apply:

Section 2.1. Establishment of Series 2013-2 Collection Account, Series 2013-2 Excess Collection Account and Series 2013-2 Accrued Interest Account.

(a) All Collections allocable to the Series 2013-2 Notes shall be allocated to the Collection Account.

(b) The Trustee has created three administrative subaccounts within the Collection Account for the benefit of the Series 2013-2 Noteholders: the Series 2013-2 Collection Account (such sub-account, the "Series 2013-2 Collection Account"), the Series 2013-2 Excess Collection Account (such sub-account, the "Series 2013-2 Excess Collection Account") and the Series 2013-2 Accrued Interest Account (such sub-account, the "Series 2013-2 Accrued Interest Account").

Section 2.2. Allocations with Respect to the Series 2013-2 Notes. The net proceeds from the initial sale of the Class A Notes and the Class B Notes were deposited into the Collection Account on the Series 2013-2 Closing Date and the net proceeds from the issuance of Class C Notes shall be deposited into the Collection Account on the Class C Notes Closing Date. On each Business Day on which Collections are deposited into the Collection Account (each such date, a "Series 2013-2 Deposit Date"), the Administrator will direct the Trustee in writing pursuant to the Administration Agreement to allocate all amounts deposited into the Collection Account in accordance with the provisions of this Section 2.2.

(a) Allocations of Collections During the Series 2013-2 Revolving Period. During the Series 2013-2 Revolving 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 each Series 2013-2 Deposit Date, all amounts deposited into the Collection Account as set forth below:

(i) allocate to the Series 2013-2 Collection Account an amount equal to the Series 2013-2 Invested Percentage (as of such day) of the aggregate amount of Interest Collections on such day. All such amounts allocated to the Series 2013-2 Collection Account shall be further allocated to the Series 2013-2 Accrued Interest Account; and

(ii) allocate to the Series 2013-2 Excess Collection Account an amount equal to the Series 2013-2 Invested Percentage (as of such day) of the aggregate amount of Principal Collections on such day (for any such day, the "Series 2013-2 Principal Allocation").

(b) Allocations of Collections During the Series 2013-2 Controlled Amortization Period. With respect to the Series 2013-2 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 2013-2 Deposit Date, all amounts deposited into the Collection Account as set forth below:

(i) allocate to the Series 2013-2 Collection Account an amount determined as set forth in Section 2.2(a)(i) above for such day, which amount shall be further allocated to the Series 2013-2 Accrued Interest Account; and

(ii) allocate to the Series 2013-2 Collection Account an amount equal to the Series 2013-2 Principal Allocation for such day, which amount shall be used to make principal payments in respect of the Series 2013-2 Notes in accordance with Section 2.5, (A) first, in respect of the Class A Notes in an amount equal to the Class A Controlled Distribution Amount, (B) second, in respect of the Class B Notes in an amount equal to the Class B Controlled Distribution Amount and (C) third, in respect of the Class C Notes in an amount equal to the Class C Controlled Distribution Amount, in each case with respect to the Related Month; provided, however, that if the Monthly Total Principal Allocation exceeds the sum of the Class A Controlled Distribution Amount, the Class B Controlled Distribution Amount and the Class C Controlled Distribution Amount, in each case with respect to the Related Month, then the amount of such excess shall be allocated to the Series 2013-2 Excess Collection Account.

(c) Allocations of Collections During the Series 2013-2 Rapid Amortization Period. With respect to the Series 2013-2 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 2013-2 Deposit Date, all amounts deposited into the Collection Account as set forth below:

(i) allocate to the Series 2013-2 Collection Account an amount determined as set forth in Section 2.2(a)(i) above for such day, which amount shall be further allocated to the Series 2013-2 Accrued Interest Account; and

(ii) allocate to the Series 2013-2 Collection Account an amount equal to the Series 2013-2 Principal Allocation for such day, which amount shall be used in accordance with Section 2.5 to make principal payments in respect of the Class A Notes until the Class A Notes have been paid in full, and after the Class A Notes have been paid in full shall be used to make principal payments in respect of the Class B Notes until the Class B Notes have been paid in full and after the Class B Notes have been paid in full shall be used to make principal payments in respect of the Class C Notes until the Class C Notes have been 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 2013-2

Notes and other amounts available pursuant to Section 2.3 to pay the sum of (w) the Class A Monthly Interest for the next succeeding Distribution Date, (x) the Class B Monthly Interest for the next succeeding Distribution Date, (y) any unpaid Class A Shortfall on such Distribution Date (together with interest on such Class A Shortfall) and (z) any unpaid Class B Shortfall on such Distribution Date (together with interest on such Class B Shortfall) will be less than the sum of (I) the Class A Monthly Interest for such Distribution Date, (II) the Class B Monthly Interest for such Distribution Date, (III) such Class A Shortfall (together with interest thereon) and (IV) such Class B Shortfall (together with interest thereon) and (B) the Class A/B 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 2013-2 Notes during the Related Month equal to the lesser of such insufficiency and the Class A/B Enhancement Amount to the Series 2013-2 Accrued Interest Account to be treated as Interest Collections on such Distribution Date; provided, further, if on any Determination Date with respect to a Distribution Date on which the both the Class A Notes and the Class B Notes will no longer be outstanding (after giving effect to all anticipated reductions in the Class A Invested Amount and Class B Invested Amount to be made on such Distribution Date) (A) the Administrator determines that the amount anticipated to be available from Interest Collections allocable to the Series 2013-2 Notes and other amounts available pursuant to Section 2.3 to pay the sum of (x) the Class C Monthly Interest for the next succeeding Distribution Date and (y) any unpaid Class C Shortfall on such Distribution Date (together with interest on such Class C Shortfall) will be less than the sum of (I) the Class C Monthly Interest for such Distribution Date and (II) such Class C Shortfall (together with interest thereon) and (B) the Class C 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 2013-2 Notes during the Related Month equal to the lesser of such insufficiency and the Class C Enhancement Amount to the Series 2013-2 Accrued Interest Account to be treated as Interest Collections on such Distribution Date.

(d) Allocations of Collections after the Occurrence of an Event of Bankruptcy. 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 2013-2 Deposit Date, all amounts attributable to the AESOP I Operating Lease Loan Agreement deposited into the Collection Account as set forth below:

(i) allocate to the Series 2013-2 Collection Account an amount equal to the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of the date of the occurrence of such Event of Bankruptcy of the aggregate amount of Interest Collections made under the AESOP I Operating Lease Loan Agreement for such day. All such amounts allocated to the Series 2013-2 Collection Account shall be further allocated to the Series 2013-2 Accrued Interest Account; and

(ii) allocate to the Series 2013-2 Collection Account an amount equal to the Series 2013-2 AESOP I Operating Lease Vehicle Percentage as of the date of the occurrence of such Event of Bankruptcy of the aggregate amount of Principal Collections made under the AESOP I Operating Lease Loan Agreement, which amount shall be used in accordance with Section 2.5 to make principal payments in respect of the Class A Notes until the Class A Notes have been paid in full, and after the Class A Notes have been paid in full shall be used to make principal payments in respect of the Class B Notes until the Class B Notes have been paid in full, and after the Class B Notes have been paid in full shall be used to make principal payments in respect of the Class C Notes until the Class C Notes have been 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 2013-2 Notes and other amounts available pursuant to Section 2.3 to pay the sum of (w) the Class A Monthly Interest for the next succeeding Distribution Date, (x) the Class B Monthly Interest for the next succeeding Distribution Date, (y) any unpaid Class A Shortfall on such Distribution Date (together with interest on such Class A Shortfall) and (z) any unpaid Class B Shortfall on such Distribution Date (together with interest on such Class B Shortfall) will be less than the sum of (I) the Class A Monthly Interest for such Distribution Date, (II) the Class B Monthly Interest for such Distribution Date, (III) such Class A Shortfall (together with interest thereon) and (IV) such Class B Shortfall (together with interest thereon) and (B) the Class A/B 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 2013-2 Notes during the Related Month equal to the lesser of such insufficiency and the Class A/B Enhancement Amount to the Series 2013-2 Accrued Interest Account to be treated as Interest Collections on such Distribution Date; provided, further, if on any Determination Date with respect to a Distribution Date on which the both the Class A Notes and the Class B Notes will no longer be outstanding (after giving effect to all anticipated reductions in the Class A Invested Amount and Class B Invested Amount to be made on such Distribution Date) (A) the Administrator determines that the amount anticipated to be available from Interest Collections allocable to the Series 2013-2 Notes and other amounts available pursuant to Section 2.3 to pay the sum of (x) the Class C Monthly Interest for the next succeeding Distribution Date and (y) any unpaid Class C Shortfall on such Distribution Date (together with interest on such Class C Shortfall) will be less than the sum of (I) the Class C Monthly Interest for such Distribution Date and (II) such Class C Shortfall (together with interest thereon) and (B) the Class C 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 2013-2 Notes during the Related Month equal to the lesser of such insufficiency and the Class C Enhancement Amount to the Series 2013-2 Accrued Interest Account to be treated as Interest Collections on such Distribution Date.

(e) Series 2013-2 Excess Collection Account. Amounts allocated to the Series 2013-2 Excess Collection Account on any Series 2013-2 Deposit Date will be (v) first,

deposited in the Class A/B Reserve Account in an amount up to the excess, if any, of the Class A/B Required Reserve Account Amount for such date over the Class A/B Available Reserve Account Amount for such date, (w) second, deposited in the Class C Reserve Account in an amount up to the excess, if any, of the Class C Required Reserve Account Amount for such date over the Class C Available Reserve Account Amount for such date, (x) third, used to pay the principal amount of other Series of Notes that are then in amortization, (y) fourth, released to AESOP Leasing in an amount equal to the product of (A) the Loan Agreement's Share with respect to the AESOP I Operating Lease Loan Agreement as of such date and (B) 100% minus the Loan Payment Allocation Percentage with respect to the AESOP I Operating Lease Loan Agreement as of such date and (C) the amount of any remaining funds and (z) fifth, paid to ABRCF for any use permitted by the Related Documents including to make Loans under the Loan Agreements to the extent the Borrowers have requested Loans thereunder and Eligible Vehicles are available for financing thereunder; provided, however, that in the case of clauses (x), (y) and (z), that no Amortization Event, Series 2013-2 Enhancement Deficiency or AESOP I Operating Lease Vehicle Deficiency would result therefrom or exist immediately thereafter. Upon the occurrence of an Amortization Event and once a Trust Officer has actual knowledge of the Amortization Event, funds on deposit in the Series 2013-2 Excess Collection Account will be withdrawn by the Trustee, deposited in the Series 2013-2 Collection Account and allocated as Principal Collections to reduce the Series 2013-2 Invested Amount on the immediately succeeding Distribution Date.

(f) Allocations From Other Series. Amounts allocated to other Series of Notes that have been reallocated by ABRCF to the Series 2013-2 Notes (i) during the Series 2013-2 Revolving Period shall be allocated to the Series 2013-2 Excess Collection Account and applied in accordance with Section 2.2(e) and (ii) during the Series 2013-2 Controlled Amortization Period or the Series 2013-2 Rapid Amortization Period shall be allocated to the Series 2013-2 Collection Account and applied in accordance with Section 2.2(b) or 2.2(c), as applicable, to make principal payments in respect of the Series 2013-2 Notes.

(g) Past Due Rent Payments. Notwithstanding the foregoing, if in the case of Section 2.2(a) or (b), after the occurrence of a Series 2013-2 Lease Payment Deficit, the Lessees shall make payments of Monthly Base Rent or other amounts payable by the Lessees under the Leases on or prior to the fifth Business Day after the occurrence of such Series 2013-2 Lease Payment Deficit (a "Past Due Rent Payment"), the Administrator shall direct the Trustee in writing pursuant to the Administration Agreement to allocate to the Series 2013-2 Collection Account an amount equal to the Series 2013-2 Invested Percentage as of the date of the occurrence of such Series 2013-2 Lease Payment Deficit of the Collections attributable to such Past Due Rent Payment (the "Series 2013-2 Past Due Rent Payment"). The Administrator shall instruct the Trustee in writing pursuant to the Administration Agreement to withdraw from the Series 2013-2 Collection Account and apply the Series 2013-2 Past Due Rent Payment in the following order:

(i) if the occurrence of such Series 2013-2 Lease Payment Deficit resulted in one or more Lease Deficit Disbursements being made under the Class A/

B Letters of Credit, pay to each Series 2013-2 Letter of Credit Provider who made such a Lease Deficit Disbursement under a Class A/B Letter of Credit for application in accordance with the provisions of the applicable Series 2013-2 Reimbursement Agreement an amount equal to the lesser of (x) the unreimbursed amount of such Series 2013-2 Letter of Credit Provider's Lease Deficit Disbursement under a Class A/B Letter of Credit and (y) such Series 2013-2 Letter of Credit Provider's Class A/B Pro Rata Share of the Series 2013-2 Past Due Rent Payment;

(ii) if the occurrence of such Series 2013-2 Lease Payment Deficit resulted in a withdrawal being made from the Class A/B Cash Collateral Account, deposit in the Class A/B Cash Collateral Account an amount equal to the lesser of (x) the amount of the Series 2013-2 Past Due Rent Payment remaining after any payment pursuant to clause (i) above and (y) the amount withdrawn from the Class A/B Cash Collateral Account on account of such Series 2013-2 Lease Payment Deficit;

(iii) if the occurrence of such Series 2013-2 Lease Payment Deficit resulted in a withdrawal being made from the Class A/B Reserve Account pursuant to Section 2.3(d), deposit in the Class A/B Reserve Account an amount equal to the lesser of (x) the amount of the Series 2013-2 Past Due Rent Payment remaining after any payments pursuant to clauses (i) and (ii) above and (y) the excess, if any, of the Class A/B Required Reserve Account Amount over the Class A/B Available Reserve Account Amount on such day;

(iv) if the occurrence of such Series 2013-2 Lease Payment Deficit resulted in one or more Lease Deficit Disbursements being made under the Class C Letters of Credit, pay to each Series 2013-2 Letter of Credit Provider who made such a Lease Deficit Disbursement under a Class C Letter of Credit for application in accordance with the provisions of the applicable Series 2013-2 Reimbursement Agreement an amount equal to the lesser of (x) the unreimbursed amount of such Series 2013-2 Letter of Credit Provider's Lease Deficit Disbursement under a Class C Letter of Credit and (y) such Series 2013-2 Letter of Credit Provider's Class C Pro Rata Share of the amount of the Series 2013-2 Past Due Rent Payment remaining after any payment pursuant to clauses (i) through (iii) above

(v) if the occurrence of such Series 2013-2 Lease Payment Deficit resulted in a withdrawal being made from the Class C Cash Collateral Account, deposit in the Class C Cash Collateral Account an amount equal to the lesser of (x) the amount of the Series 2013-2 Past Due Rent Payment remaining after any payment pursuant to clause (i) through (iv) above and (y) the amount withdrawn from the Class C Cash Collateral Account on account of such Series 2013-2 Lease Payment Deficit;

(vi) if the occurrence of such Series 2013-2 Lease Payment Deficit resulted in a withdrawal being made from the Class C Reserve Account pursuant to Section 2.3(d), deposit in the Class C Reserve Account an amount equal to the lesser

of (x) the amount of the Series 2013-2 Past Due Rent Payment remaining after any payments pursuant to clauses (i) through (v) above and (y) the excess, if any, of the Class C Required Reserve Account Amount over the Class C Available Reserve Account Amount on such day;

(vii) allocate to the Series 2013-2 Accrued Interest Account the amount, if any, by which the Series 2013-2 Lease Interest Payment Deficit, if any, relating to such Series 2013-2 Lease Payment Deficit exceeds the amount of the Series 2013-2 Past Due Rent Payment applied pursuant to clauses (i) through (vi) above; and

(viii) treat the remaining amount of the Series 2013-2 Past Due Rent Payment as Principal Collections allocated to the Series 2013-2 Notes in accordance with Section 2.2(a)(ii) or 2.2(b)(ii), as the case may be.

Section 2.3. Payments to Noteholders. On each Determination Date, as provided below, the Administrator shall instruct the Paying Agent in writing pursuant to the Administration Agreement to withdraw, and on the following Distribution Date the Paying Agent, acting in accordance with such instructions, shall withdraw the amounts required to be withdrawn from the Collection Account pursuant to Section 2.3(a) below in respect of all funds available from Interest Collections processed since the preceding Distribution Date and allocated to the holders of the Series 2013-2 Notes.

(a) Note Interest with Respect to the Series 2013-2 Notes. On each Determination Date, the Administrator shall instruct the Trustee and the Paying Agent in writing pursuant to the Administration Agreement as to the amount to be withdrawn and paid pursuant to Section 2.4 from the Series 2013-2 Accrued Interest Account to the extent funds are anticipated to be available from Interest Collections allocable to the Series 2013-2 Notes processed from but not including the preceding Distribution Date through the succeeding Distribution Date in respect of (i) an amount equal to the Class A Monthly Interest for the Series 2013-2 Interest Period ending on the day preceding the related Distribution Date, (ii) an amount equal to the amount of any unpaid Class A Shortfall as of the preceding Distribution Date (together with any accrued interest on such Class A Shortfall), (iii) an amount equal to the Class B Monthly Interest for the Series 2013-2 Interest Period ending on the day preceding the related Distribution Date (iv) an amount equal to the amount of any unpaid Class B Shortfall as of the preceding Distribution Date (together with any accrued interest on such Class B Shortfall), (v) an amount equal to the Class C Monthly Interest for the Series 2013-2 Interest Period ending on the day preceding the related Distribution Date and (vi) an amount equal to the amount of any unpaid Class C Shortfall as of the preceding Distribution Date (together with any accrued interest on such Class C Shortfall). On the following Distribution Date, the Trustee shall withdraw the amounts described in the first sentence of this Section 2.3(a) from the Series 2013-2 Accrued Interest Account and deposit such amounts in the Series 2013-2 Distribution Account.

(b) Lease Payment Deficit Notice. On or before 3:00 p.m. (New York City time) on the Business Day immediately preceding each Distribution Date, the Administrator shall notify the Trustee of the amount of any Series 2013-2 Lease Payment Deficit, such notification to be in the form of Exhibit F (each a "Lease Payment Deficit Notice").

(c) Draws on Series 2013-2 Letters of Credit For Series 2013-2 Lease Interest Payment Deficits. If the Administrator determines on the Business Day immediately preceding any Distribution Date that on such Distribution Date there will exist a Series 2013-2 Lease Interest Payment Deficit, the Administrator shall:

(i) on or prior to 3:00 p.m. (New York City time) on such Business Day, instruct the Trustee in writing to draw on the Class A/B Letters of Credit, if any, and, the Trustee shall, by 5:00 p.m. (New York City time) on such Business Day draw an amount as set forth in such notice equal to (I) so long as any Class A Notes or any Class B Notes remain outstanding, the least of (x) the excess, if any, of such Series 2013-2 Lease Interest Payment Deficit over the sum of (1) the amounts described in clauses (v) and (vi) of Section 2.3(a) above and (2) during the Series 2013-2 Rapid Amortization Period, the product of the Class C Percentage and the Series 2013-2 Trustee's Fees for such Distribution Date, (y) the excess, if any, of (A) the sum of (1) the amounts described in clauses (i) through (iv) of Section 2.3(a) above for such Distribution Date and (2) during the Series 2013-2 Rapid Amortization Period, the product of the Class A/B Percentage and the Series 2013-2 Trustee's Fees for such Distribution Date, over (B) the amounts available from the Series 2013-2 Accrued Interest Account and (z) the Class A/B Letter of Credit Liquidity Amount or (II) if no Class A Notes or Class B Notes remain outstanding, the least of (x) such Series 2013-2 Lease Interest Payment Deficit, (y) the excess, if any, of (A) the sum of (1) the amounts described in clauses (i) through (vi) of Section 2.3(a) above for such Distribution Date and (2) during the Series 2013-2 Rapid Amortization Period, the Series 2013-2 Trustee's Fees for such Distribution Date, over (B) the amounts available from the Series 2013-2 Accrued Interest Account and (z) the Class A/B Letter of Credit Liquidity Amount, in either case, on the Class A/B Letter of Credit by presenting to each Series 2013-2 Letter of Credit Provider with respect to a Class A/B Letter of Credit a draft accompanied by a Certificate of Lease Deficit Demand and shall cause the Lease Deficit Disbursements to be deposited in the Series 2013-2 Distribution Account on such date; provided, however, that if the Class A/B Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Class A/B Cash Collateral Account and deposit in the Series 2013-2 Distribution Account an amount equal to the lesser of (x) the Class A/B Cash Collateral Percentage on such date of the least of the amounts described in clauses (I)(x), (y) and (z) above or clauses (II)(x), (y) and (z) above, as applicable, and (y) the Class A/B Available Cash Collateral Account Amount on such date and draw an amount equal to the remainder of such amount on the Class A/B Letters of Credit; and

(ii) on or prior to 3:00 p.m. (New York City time) on such Business Day, instruct the Trustee in writing to draw on the Class C Letters of Credit, if any, and, the Trustee shall, by 5:00 p.m. (New York City time) on such Business Day draw an amount as set forth in such notice equal to the least of (x) such Series 2013-2 Lease Interest Payment Deficit, (y) the excess, if any, of (A) the sum of (1) the amounts described in clauses (v) and (vi) of Section 2.3(a) above for such Distribution Date and (2) during the Series 2013-2 Rapid Amortization Period, the product of the Class C Percentage and the Series 2013-2 Trustee's Fees for such Distribution Date, over (B) the excess of (1) the sum of (X) the amounts available from the Series 2013-2 Accrued Interest Account and (Y) the amount drawn on

the Class A/B Letters of Credit (and/or withdrawn from the Class A/B Cash Collateral Account) pursuant to Section 2.3(c) (i) above over (2) the sum of (X) the amounts described in clauses (i) through (iv) of Section 2.3(a) above for such Distribution Date and (Y) during the Series 2013-2 Rapid Amortization Period, the product of the Class A/B Percentage and the Series 2013-2 Trustee's Fees for such Distribution Date and (z) the Class C Letter of Credit Liquidity Amount on the Class C Letters of Credit by presenting to each Series 2013-2 Letter of Credit Provider with respect to a Class C Letter of Credit a draft accompanied by a Certificate of Lease Deficit Demand and shall cause the Lease Deficit Disbursements to be deposited in the Series 2013-2 Distribution Account on such date; provided, however, that if the Class C Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Class C Cash Collateral Account and deposit in the Series 2013-2 Distribution Account an amount equal to the lesser of (x) the Class C Cash Collateral Percentage on such date of the least of the amounts described in clauses (x), (y) and (z) above and (y) the Class C Available Cash Collateral Account Amount on such date and draw an amount equal to the remainder of such amount on the Class C Letters of Credit.

(d) Withdrawals from Series 2013-2 Reserve Accounts. If the Administrator determines on any Distribution Date that the amounts available from the Series 2013-2 Accrued Interest Account plus the amount, if any, to be drawn under the Series 2013-2 Letters of Credit and/or withdrawn from the Series 2013-2 Cash Collateral Accounts pursuant to Section 2.3(c) are insufficient to pay the sum of (A) the amounts described in clauses (i) through (vi) of Section 2.3(a) above on such Distribution Date and (B) during the Series 2013-2 Rapid Amortization Period, the Series 2013-2 Trustee's Fees for such Distribution Date, the Administrator shall:

(i) instruct the Trustee in writing to withdraw from the Class A/B Reserve Account and deposit in the Series 2013-2 Distribution Account on such Distribution Date an amount equal to the lesser of (x) the Class A/B Available Reserve Account Amount and (y) the excess of (A) either (I) so long as any Class A Notes or any Class B Notes remain outstanding, the sum of (1) the amounts described in clauses (i) through (iv) of Section 2.3(a) above with respect to such Distribution Date and (2) during the Series 2013-2 Rapid Amortization Period, the product of the Class A/B Percentage and the Series 2013-2 Trustee's Fees for such Distribution Date or (II) if no Class A Notes or Class B Notes remain outstanding, the sum of (1) the amounts described in clauses (i) through (vi) of Section 2.3(a) above with respect to such Distribution Date and (2) during the Series 2013-2 Rapid Amortization Period, the Series 2013-2 Trustee's Fees for such Distribution Date over (B) the sum of (1) the amounts available from the Series 2013-2 Accrued Interest Account and (2) the amount drawn on the Class A/B Letters of Credit and/or withdrawn from the Class A/B Cash Collateral Account with respect to such Distribution Date in accordance with Section 2.3(c)(i) above. The Trustee shall withdraw such amount from the Class A/B Reserve Account and deposit such amount in the Series 2013-2 Distribution Account; and

(ii) instruct the Trustee in writing to withdraw from the Class C Reserve Account and deposit in the Series 2013-2 Distribution Account on such Distribution Date an amount equal to the lesser of (x) the Class C Available Reserve Account Amount and (y) the excess of (A) the sum of (1) the amounts described in clauses (v) and (vi) of Section 2.3(a) above

with respect to such Distribution Date and (2) during the Series 2013-2 Rapid Amortization Period, the product of the Class C Percentage and the Series 2013-2 Trustee's Fees for such Distribution Date over (B) the excess with respect to such Distribution Date of (1) the sum of (W) the amounts available from the Series 2013-2 Accrued Interest Account, (X) the amount drawn on the Class A/B Letters of Credit (and/or withdrawn from the Class A/B Cash Collateral Account) in accordance with Section 2.3(c)(i) above, (Y) the amount drawn on the Class C Letters of Credit (and/or withdrawn from the Class C Cash Collateral Account) in accordance with Section 2.3(c)(ii) above and (Z) the amount withdrawn from the Class A/B Reserve Account in accordance with Section 2.3(d)(i) over (2) the sum of (X) the amounts described in clauses (i) through (iv) of Section 2.3(a) above for such Distribution Date and (Y) during the Series 2013-2 Rapid Amortization Period, the product of the Class A/B Percentage and the Series 2013-2 Trustee's Fees for such Distribution Date. The Trustee shall withdraw such amount from the Class C Reserve Account and deposit such amount in the Series 2013-2 Distribution Account.

(e) [RESERVED]

(f) Balance. On or prior to the second Business Day preceding each Distribution Date, the Administrator shall instruct the Trustee and the Paying Agent in writing pursuant to the Administration Agreement to pay the balance (after making the payments required in Section 2.4), if any, of the amounts available from the Series 2013-2 Accrued Interest Account and the Series 2013-2 Distribution Account, plus the amount, if any, drawn under the Series 2013-2 Letters of Credit and/or withdrawn from the Series 2013-2 Cash Collateral Accounts pursuant to Section 2.3(c) plus the amount, if any, withdrawn from the Series 2013-2 Reserve Accounts pursuant to Section 2.3(d) as follows:

(i) on each Distribution Date during the Series 2013-2 Revolving Period or the Series 2013-2 Controlled Amortization Period, (1) first, to the Administrator, an amount equal to the Series 2013-2 Percentage as of the beginning of the Series 2013-2 Interest Period ending on the day preceding such Distribution Date of the portion of the Monthly Administration Fee payable by ABRCF (as specified in clause (iii) of the definition thereof) for such Series 2013-2 Interest Period, (2) second, to the Trustee, an amount equal to the Series 2013-2 Percentage as of the beginning of such Series 2013-2 Interest Period of the fees owing to the Trustee under the Indenture for such Series 2013-2 Interest Period, (3) third to pay any Carrying Charges (other than Carrying Charges provided for above) to the Persons to whom such amounts are owed, an amount equal to the Series 2013-2 Percentage as of the beginning of such Series 2013-2 Interest Period of such Carrying Charges (other than Carrying Charges provided for above) for such Series 2013-2 Interest Period and (4) fourth, the balance, if any ("Excess Collections"), shall be withdrawn by the Paying Agent from the Series 2013-2 Collection Account and deposited in the Series 2013-2 Excess Collection Account; and

(ii) on each Distribution Date during the Series 2013-2 Rapid Amortization Period, (1) first, to the Trustee, an amount equal to the Series 2013-2 Percentage as of the beginning of such Series 2013-2 Interest Period ending on the day preceding such

Distribution Date of the fees owing to the Trustee under the Indenture for such Series 2013-2 Interest Period, (2) second, to the Administrator, an amount equal to the Series 2013-2 Percentage as of the beginning of such Series 2013-2 Interest Period of the portion of the Monthly Administration Fee (as specified in clause (iii) of the definition thereof) payable by ABRCF for such Series 2013-2 Interest Period, (3) third, to pay any Carrying Charges (other than Carrying Charges provided for above) to the Persons to whom such amounts are owed, an amount equal to the Series 2013-2 Percentage as of the beginning of such Series 2013-2 Interest Period of such Carrying Charges (other than Carrying Charges provided for above) for such Series 2013-2 Interest Period and (4) fourth, so long as the Series 2013-2 Invested Amount is greater than the Monthly Total Principal Allocations for the Related Month, an amount equal to the excess of the Series 2013-2 Invested Amount over the Monthly Total Principal Allocations for the Related Month shall be treated as Principal Collections.

(g) Shortfalls. (i) If the amounts described in Section 2.3 are insufficient to pay the Class A Monthly Interest on any Distribution Date, payments of interest to the Class A Noteholders will be reduced on a pro rata basis by the amount of such deficiency. The aggregate amount, if any, of such deficiency on any Distribution Date, together with the aggregate unpaid amount of any such deficiencies with respect to all prior Distribution Dates, shall be referred to as the “Class A Shortfall”. Interest shall accrue on the Class A Shortfall at the Class A Note Rate.

(ii) If the amounts described in Section 2.3 are insufficient to pay the amounts described in clauses (i) and (ii) of Section 2.3(a) and the Class B Monthly Interest on any Distribution Date, payments of interest to the Class B Noteholders will be reduced on a pro rata basis by the amount of such deficiency. The aggregate amount, if any, of such deficiency on any Distribution Date (which deficiency on any Distribution Date shall not exceed the Class B Monthly Interest for the Series 2013-2 Interest Period ended on the day preceding such Distribution Date), together with the aggregate unpaid amount of any such deficiencies with respect to all prior Distribution Dates, shall be referred to as the “Class B Shortfall”. Interest shall accrue on the Class B Shortfall at the Class B Note Rate.

(iii) If the amounts described in Section 2.3 are insufficient to pay the amounts described in clauses (i) through (iv) of Section 2.3(a) and the Class C Monthly Interest on any Distribution Date, payments of interest to the Class C Noteholders will be reduced on a pro rata basis by the amount of such deficiency. The aggregate amount, if any, of such deficiency on any Distribution Date (which deficiency on any Distribution Date shall not exceed the Class C Monthly Interest for the Series 2013-2 Interest Period ended on the day preceding such Distribution Date), together with the aggregate unpaid amount of any such deficiencies with respect to all prior Distribution Dates, shall be referred to as the “Class C Shortfall”. Interest shall accrue on the Class C Shortfall at the Class C Note Rate.

Section 2.4. Payment of Note Interest.

(a) On each Distribution Date, subject to Section 9.8 of the Base Indenture, the Paying Agent shall, in accordance with Section 6.1 of the Base Indenture, pay the following amounts in the following order of priority from amounts deposited into the Series 2013-2 Distribution Account pursuant to Section 2.3:

- (i) first, to the Class A Noteholders, the amounts due to the Class A Noteholders described in Sections 2.3(a)(i) and (ii);
- (ii) second, to the Class B Noteholders, the amounts due to the Class B Noteholders described in Sections 2.3(a)(iii) and (iv) and
- (iii) third, to the Class C Noteholders, the amounts due to the Class C Noteholders described in Sections 2.3(a)(v) and (vi).

Section 2.5. Payment of Note Principal.

(a) Monthly Payments During Controlled Amortization Period or Rapid Amortization Period. On each Determination Date, commencing on the second Determination Date during the Series 2013-2 Controlled Amortization Period or the first Determination Date after the commencement of the Series 2013-2 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 2.5 as to (1) the amount allocated to the Series 2013-2 Notes during the Related Month pursuant to Section 2.2(b)(ii), (c)(ii) or (d)(ii), as the case may be, (2) any amounts to be drawn on the Series 2013-2 Demand Notes and/or on the Series 2013-2 Letters of Credit (or withdrawn from the Series 2013-2 Cash Collateral Accounts) pursuant to this Section 2.5 and (3) any amounts to be withdrawn from the Series 2013-2 Reserve Accounts pursuant to this Section 2.5 and deposited into the Series 2013-2 Distribution Account. On the Distribution Date following each such Determination Date, the Trustee shall withdraw the amount allocated to the Series 2013-2 Notes during the Related Month pursuant to Section 2.2(b)(ii), (c)(ii) or (d)(ii), as the case may be, from the Series 2013-2 Collection Account and deposit such amount in the Series 2013-2 Distribution Account, to be paid to the holders of the Series 2013-2 Notes.

(b) Principal Draws on Series 2013-2 Letters of Credit. If the Administrator determines on the Business Day immediately preceding any Distribution Date during the Series 2013-2 Rapid Amortization Period that on such Distribution Date there will exist a Series 2013-2 Lease Principal Payment Deficit, the Administrator shall instruct the Trustee in writing to:

(i) so long as any Class A Notes or any Class B Notes remain outstanding, draw on the Class A/B Letters of Credit, if any, as provided below. Upon receipt of a notice by the Trustee from the Administrator in respect of a Series 2013-2 Lease Principal Payment Deficit on or prior to 3:00 p.m. (New York City time) on the Business Day immediately preceding a Distribution Date, the Trustee shall, by 5:00 p.m. (New York City time) on such Business Day draw an amount as set forth in such notice equal to the least of (x) such Series 2013-2 Lease Principal Payment Deficit, (y) the Class A/B Principal Deficit Amount for such Distribution Date and (z) the Class A/B Letter of Credit Liquidity Amount on the Class A/B Letters of Credit by presenting to each Series 2013-2 Letter of Credit Provider with respect to a Class A/B Letter of Credit a draft accompanied by a Certificate of Lease Deficit Demand and shall cause the Lease Deficit Disbursements to be deposited in the Series 2013-2 Distribution Account on such date; provided, however, that if the Class A/B Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Class A/B Cash Collateral Account and deposit in the Series 2013-2 Distribution Account an amount

equal to the lesser of (x) the Class A/B Cash Collateral Percentage for such date of the lesser of the Series 2013-2 Lease Principal Payment Deficit and the Class A/B Principal Deficit Amount for such Distribution Date and (y) the Class A/B Available Cash Collateral Account Amount on such date and draw an amount equal to the remainder of such amount on the Class A/B Letters of Credit. Notwithstanding any of the preceding to the contrary, during the period after the date of the filing by any of the Lessees of a petition for relief under Chapter 11 of the Bankruptcy Code until the date on which each of the Lessees shall have resumed making all payments of the portion of Monthly Base Rent relating to Loan Interest required to be made under the AESOP I Operating Lease, the Administrator shall only instruct the Trustee to draw on the Class A/B Letters of Credit (or withdraw from the Class A/B Cash Collateral Account, if applicable) pursuant to this Section 2.5(b)(i), and if such instruction from the Administrator references this Section 2.5(b)(i), the Trustee shall only draw (or withdraw), an amount equal to the lesser of (x) the amount determined as provided in the preceding sentence and (y) the excess, if any, of (A) the Class A/B Liquidity Amount on such date over (B) the Class A/B Required Liquidity Amount on such date; and

(ii) if, after giving effect to any payments to be made on such Distribution Date, the Class A Notes and the Class B Notes will have been paid in full, draw on the Class A/B Letters of Credit, if any, as provided below. Upon receipt of a notice by the Trustee from the Administrator in respect of a Series 2013-2 Lease Principal Payment Deficit on or prior to 3:00 p.m. (New York City time) on the Business Day immediately preceding a Distribution Date, the Trustee shall, by 5:00 p.m. (New York City time) on such Business Day draw an amount as set forth in such notice equal to the least of (x) the excess of (A) such Series 2013-2 Lease Principal Payment Deficit over (B) the amount, if any, to be drawn on the Class A/B Letters of Credit and/or withdrawn from the Class A/B Cash Collateral Account on such Distribution Date in accordance with Section 2.5(b)(i), (y) the Class C Principal Deficit Amount for such Distribution Date and (z) the Class A/B Letter of Credit Liquidity Amount (after giving effect to any draws the Class A/B Letters of Credit and/or withdrawals from the Class A/B Cash Collateral Account on such Distribution Date in accordance with Section 2.5(b)(i)) on the Class A/B Letters of Credit by presenting to each Series 2013-2 Letter of Credit Provider with respect to a Class A/B Letter of Credit a draft accompanied by a Certificate of Lease Deficit Demand and shall cause the Lease Deficit Disbursements to be deposited in the Series 2013-2 Distribution Account on such date; provided, however, that if the Class A/B Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Class A/B Cash Collateral Account and deposit in the Series 2013-2 Distribution Account an amount equal to the lesser of (x) the Class A/B Cash Collateral Percentage for such date of the lesser of (A) the excess of (1) the Series 2013-2 Lease Principal Payment Deficit over (2) the amount, if any, to be drawn on the Class A/B Letters of Credit and/or withdrawn from the Class A/B Cash Collateral Account on such Distribution Date in accordance with Section 2.5(b)(i) and (B) the Class C Principal Deficit Amount for such Distribution Date and (y) the Class A/B Available Cash Collateral Account Amount on such date (after giving effect to any withdrawals from the Class A/B Cash Collateral Account on such Distribution Date in accordance with Section 2.5(b)(i)) and draw an amount equal to the remainder of such amount on the Class A/B Letters of Credit.

(iii) if, after giving effect to any payments to be made on such Distribution Date, the Class A Notes and the Class B Notes will have been paid in full, draw on the Class C Letters of Credit, if any, as provided below. Upon receipt of a notice by the Trustee from the Administrator in respect of a Series 2013-2 Lease Principal Payment Deficit on or prior to 3:00 p.m. (New York City time) on the Business Day immediately preceding a Distribution Date, the Trustee shall, by 5:00 p.m. (New York City time) on such Business Day draw an amount as set forth in such notice equal to the least of (x) the excess of (A) such Series 2013-2 Lease Principal Payment Deficit over (B) the amount, if any, to be drawn on the Class A/B Letters of Credit and/or withdrawn from the Class A/B Cash Collateral Account on such Distribution Date in accordance with Section 2.5(b)(i) and/or (ii), (y) the Class C Principal Deficit Amount for such Distribution Date and (z) the Class C Letter of Credit Liquidity Amount on the Class C Letters of Credit by presenting to each Series 2013-2 Letter of Credit Provider with respect to a Class C Letter of Credit a draft accompanied by a Certificate of Lease Deficit Demand and shall cause the Lease Deficit Disbursements to be deposited in the Series 2013-2 Distribution Account on such date; provided, however, that if the Class C Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Class C Cash Collateral Account and deposit in the Series 2013-2 Distribution Account an amount equal to the lesser of (x) the Class C Cash Collateral Percentage for such date of the lesser of (A) the excess of (1) the Series 2013-2 Lease Principal Payment Deficit over (2) the amount, if any, to be drawn on the Class A/B Letters of Credit and/or withdrawn from the Class A/B Cash Collateral Account on such Distribution Date in accordance with Section 2.5(b)(i) and/or (ii) and (B) the Class C Principal Deficit Amount for such Distribution Date and (y) the Class C Available Cash Collateral Account Amount on such date and draw an amount equal to the remainder of such amount on the Class C Letters of Credit. Notwithstanding any of the preceding to the contrary, during the period after the date of the filing by any of the Lessees of a petition for relief under Chapter 11 of the Bankruptcy Code until the date on which each of the Lessees shall have resumed making all payments of the portion of Monthly Base Rent relating to Loan Interest required to be made under the AESOP I Operating Lease, the Administrator shall only instruct the Trustee to draw on the Class C Letters of Credit (or withdraw from the Class C Cash Collateral Account, if applicable) pursuant to this Section 2.5(b)(iii), and if such instruction from the Administrator references this Section 2.5(b)(iii), the Trustee shall only draw (or withdraw), an amount equal to the lesser of (x) the amount determined as provided in the preceding sentence and (y) the excess, if any, of (A) the Class C Liquidity Amount on such date over (B) the Class C Required Liquidity Amount on such date.

(c) Final Distribution Date. Each of the entire Class A Invested Amount, the entire Class B Invested Amount and the entire Class C Invested Amount shall be due and payable on the Series 2013-2 Final Distribution Date. In connection therewith:

(i) Demand Note Draw. If the amount to be deposited in the Series 2013-2 Distribution Account in accordance with Section 2.5(a) together with any amounts to be deposited therein in accordance with Section 2.5(b) on the Series 2013-2 Final Distribution Date is less than the Series 2013-2 Invested Amount and there are any Series 2013-2 Letters of Credit on such date, then, prior to 10:00 a.m. (New York City time) on the second Business

Day prior to the Series 2013-2 Final Distribution Date, the Administrator shall instruct the Trustee in writing to make a demand (a “Demand Notice”) substantially in the form attached hereto as Exhibit G on the Demand Note Issuers for payment under the Series 2013-2 Demand Notes in an amount equal to the lesser of (i) such insufficiency and (ii) the sum of the Class A/B Letter of Credit Amount and the Class C Letter of Credit Amount. The Trustee shall, prior to 12:00 noon (New York City time) on the second Business Day preceding such Series 2013-2 Final Distribution Date deliver such Demand Notice to the Demand Note Issuers; provided, however, that if an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to a Demand Note Issuer shall have occurred and be continuing, the Trustee shall not be required to deliver such Demand Notice to such Demand Note Issuer. The Trustee shall cause the proceeds of any demand on the Series 2013-2 Demand Notes to be deposited into the Series 2013-2 Distribution Account.

(ii) Letter of Credit Draw. In the event that either (x) on or prior to 10:00 a.m. (New York City time) on the Business Day immediately preceding the Series 2013-2 Final Distribution Date a Demand Notice has been transmitted by the Trustee to the Demand Note Issuers pursuant to clause (i) of this Section 2.5(c) and any Demand Note Issuer shall have failed to pay to the Trustee or deposit into the Series 2013-2 Distribution Account the amount specified in such Demand Notice in whole or in part or (y) due to the occurrence of an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to one or more of the Demand Note Issuers, the Trustee shall not have delivered such Demand Notice to any Demand Note Issuer on the second Business Day preceding the Series 2013-2 Final Distribution Date, then, in the case of (x) or (y) the Trustee shall:

(1) draw on the Class A/B Letters of Credit by 12:00 noon (New York City time) on such Business Day an amount equal to the lesser of (a) the amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) and (b) the Class A/B Letter of Credit Amount on such Business Day by presenting to each Series 2013-2 Letter of Credit Provider of a Class A/B Letter of Credit a draft accompanied by a Certificate of Unpaid Demand Note Demand; provided, however, that if the Class A/B Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Class A/B Cash Collateral Account and deposit in the Series 2013-2 Distribution Account an amount equal to the lesser of (x) the Class A/B Cash Collateral Percentage on such Business Day of the amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) and (y) the Class A/B Available Cash Collateral Account Amount on such Business Day and draw an amount equal to the remainder of the amount that the Demand Note Issuers failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) on the Class A/B Letters of Credit. The Trustee shall deposit, or cause the deposit of, the proceeds of any draw on the Class A/B

Letters of Credit and the proceeds of any withdrawal from the Class A/B Cash Collateral Account to be deposited in the Series 2013-2 Distribution Account; and

(2) draw on the Class C Letters of Credit by 12:00 noon (New York City time) on such Business Day an amount equal to the lesser of (a) the excess of (x) the amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) over (y) the amount drawn on the Class A/B Letters of Credit and/or withdrawn from the Class A/B Cash Collateral Account on such Business Day in accordance with Section 2.5(c)(ii)(1) and (b) the Class C Letter of Credit Amount on such Business Day by presenting to each Series 2013-2 Letter of Credit Provider of a Class C Letter of Credit a draft accompanied by a Certificate of Unpaid Demand Note Demand; provided, however, that if the Class C Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Class C Cash Collateral Account and deposit in the Series 2013-2 Distribution Account an amount equal to the lesser of (x) the Class C Cash Collateral Percentage on such Business Day of the excess of (A) the amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) over (B) the amount drawn on the Class A/B Letters of Credit and/or withdrawn from the Class A/B Cash Collateral Account on such Business Day in accordance with Section 2.5(c)(ii)(1) and (y) the Class C Available Cash Collateral Account Amount on such Business Day and draw an amount equal to the remainder of the excess of (A) the amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) over (B) the amount drawn on the Class A/B Letters of Credit and/or withdrawn from the Class A/B Cash Collateral Account on such Business Day in accordance with Section 2.5(c)(ii)(1) on the Class C Letters of Credit. The Trustee shall deposit, or cause the deposit of, the proceeds of any draw on the Class C Letters of Credit and the proceeds of any withdrawal from the Class C Cash Collateral Account to be deposited in the Series 2013-2 Distribution Account.

(iii) Reserve Account Withdrawal. If, after giving effect to the deposit into the Series 2013-2 Distribution Account of the amount to be deposited in accordance with Section 2.5(a) and the amounts described in clauses (i) and (ii) of this Section 2.5(c), the amount to be deposited in the Series 2013-2 Distribution Account with respect to the Series 2013-2 Final Distribution Date is or will be less than the Series 2013-2 Invested Amount, then, prior to 12:00 noon (New York City time) on the second Business Day prior to such Series 2013-2 Final Distribution Date, the Administrator shall instruct the Trustee in writing to withdraw (x) first, from the Class A/B Reserve Account, an amount equal to the lesser of the Class A/B Available Reserve Account Amount and such remaining insufficiency and (y) second, from the Class C Reserve Account, an amount equal to the lesser of the Class C Available Reserve Account Amount and such remaining insufficiency (after giving effect to any withdrawal from the Class A/B Reserve Account) and, in each case, deposit it in the Series 2013-2 Distribution Account on such Series 2013-2 Final Distribution Date.

(d) Class A/B Principal Deficit Amount. On each Distribution Date, other than the Series 2013-2 Final Distribution Date, on which the Class A/B Principal Deficit Amount is greater than zero, amounts shall be transferred to the Series 2013-2 Distribution Account as follows:

(i) Demand Note Draw. If on any Determination Date, the Administrator determines that the Class A/B Principal Deficit Amount with respect to the next succeeding Distribution Date will be greater than zero and there are any Class A/B Letters of Credit on such date, prior to 10:00 a.m. (New York City time) on the second Business Day prior to such Distribution Date, the Administrator shall instruct the Trustee in writing to deliver a Demand Notice to the Demand Note Issuers demanding payment of an amount equal to the lesser of (A) the Class A/B Principal Deficit Amount and (B) the Class A/B Letter of Credit Amount. The Trustee shall, prior to 12:00 noon (New York City time) on the second Business Day preceding such Distribution Date, deliver such Demand Notice to the Demand Note Issuers; provided, however, that if an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to a Demand Note Issuer shall have occurred and be continuing, the Trustee shall not be required to deliver such Demand Notice to such Demand Note Issuer. The Trustee shall cause the proceeds of any demand on the Series 2013-2 Demand Note to be deposited into the Series 2013-2 Distribution Account.

(ii) Class A/B Letter of Credit Draw. In the event that either (x) on or prior to 10:00 a.m. (New York City time) on the Business Day prior to such Distribution Date, any Demand Note Issuer shall have failed to pay to the Trustee or deposit into the Series 2013-2 Distribution Account the amount specified in such Demand Notice delivered pursuant to Section 2.5(d)(i) in whole or in part or (y) due to the occurrence of an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to any Demand Note Issuer, the Trustee shall not have delivered such Demand Notice to any Demand Note Issuer on the second Business Day preceding such Distribution Date, then, in the case of (x) or (y) the Trustee shall on such Business Day draw on the Class A/B Letters of Credit an amount equal to the lesser of (i) Class A/B Letter of Credit Amount and (ii) the aggregate amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) by presenting to each Series 2013-2 Letter of Credit Provider of a Class A/B Letter of Credit a draft accompanied by a Certificate of Unpaid Demand Note Demand; provided, however, that if the Class A/B Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Class A/B Cash Collateral Account and deposit in the Series 2013-2 Distribution Account an amount equal to the lesser of (x) the Class A/B Cash Collateral Percentage on such Business Day of the aggregate amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) and (y) the Class A/B Available Cash Collateral Account Amount on such Business Day and draw an amount equal to the remainder of the aggregate amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) on the Class A/B Letters of Credit. The Trustee shall deposit into, or cause the deposit of, the proceeds of any draw on the Class

A/B Letters of Credit and the proceeds of any withdrawal from the Class A/B Cash Collateral Account to be deposited in the Series 2013-2 Distribution Account.

(iii) Class A/B Reserve Account Withdrawal. If the Class A/B Letter of Credit Amount will be less than the Class A/B Principal Deficit Amount on any Distribution Date, then, prior to 12:00 noon (New York City time) on the second Business Day prior to such Distribution Date, the Administrator shall instruct the Trustee in writing to withdraw from the Class A/B Reserve Account, an amount equal to the lesser of (x) the Class A/B Available Reserve Account Amount and (y) the amount by which the Class A/B Principal Deficit Amount exceeds the amounts to be deposited in the Series 2013-2 Distribution Account in accordance with clauses (i) and (ii) of this Section 2.5(d) and deposit it in the Series 2013-2 Distribution Account on such Distribution Date.

(e) Class C Principal Deficit Amount. On each Distribution Date, other than the Series 2013-2 Final Distribution Date, on which the Class A Notes and Class B Notes will have been paid in full and the Class C Principal Deficit Amount is greater than zero, amounts shall be transferred to the Series 2013-2 Distribution Account as follows:

(i) Demand Note Draw. If on the Determination Date with respect to any such Distribution Date, the Administrator determines that the Class C Principal Deficit Amount with respect to the next succeeding Distribution Date will be greater than zero and there are any Class A/B Letters of Credit or Class C Letters of Credit on such date, prior to 10:00 a.m. (New York City time) on the second Business Day prior to such Distribution Date, the Administrator shall instruct the Trustee in writing to deliver a Demand Notice to the Demand Note Issuers demanding payment of an amount equal to the lesser of (A) the Class C Principal Deficit Amount and (B) the sum of (x) the Class A/B Letter of Credit Amount and (y) the Class C Letter of Credit Amount. The Trustee shall, prior to 12:00 noon (New York City time) on the second Business Day preceding such Distribution Date, deliver such Demand Notice to the Demand Note Issuers; provided, however, that if an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to a Demand Note Issuer shall have occurred and be continuing, the Trustee shall not be required to deliver such Demand Notice to such Demand Note Issuer. The Trustee shall cause the proceeds of any demand on the Series 2013-2 Demand Note to be deposited into the Series 2013-2 Distribution Account.

(ii) Class A/B Letter of Credit Draw. In the event that either (x) on or prior to 10:00 a.m. (New York City time) on the Business Day prior to such Distribution Date, any Demand Note Issuer shall have failed to pay to the Trustee or deposit into the Series 2013-2 Distribution Account the amount specified in such Demand Notice delivered pursuant to Section 2.5(e)(i) in whole or in part or (y) due to the occurrence of an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to any Demand Note Issuer, the Trustee shall not have delivered such Demand Notice to any Demand Note Issuer on the second Business Day preceding such Distribution Date, then, in the case of (x) or (y) the Trustee shall on such Business Day draw on the Class A/B Letters of Credit, if any, an amount equal

to the lesser of (i) Class A/B Letter of Credit Amount and (ii) the aggregate amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) by presenting to each Series 2013-2 Letter of Credit Provider of a Class A/B Letter of Credit a draft accompanied by a Certificate of Unpaid Demand Note Demand; provided, however, that if the Class A/B Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Class A/B Cash Collateral Account and deposit in the Series 2013-2 Distribution Account an amount equal to the lesser of (x) the Class A/B Cash Collateral Percentage on such Business Day of the aggregate amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) and (y) the Class A/B Available Cash Collateral Account Amount on such Business Day and draw an amount equal to the remainder of the aggregate amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) on the Class A/B Letters of Credit. The Trustee shall deposit into, or cause the deposit of, the proceeds of any draw on the Class A/B Letters of Credit and the proceeds of any withdrawal from the Class A/B Cash Collateral Account to be deposited in the Series 2013-2 Distribution Account.

(iii) Class A/B Reserve Account Withdrawal. If the amounts to be deposited in the Series 2013-2 Distribution Account in accordance with Section 2.5(c)(i) and (ii) will be less than the Class C Principal Deficit Amount on any Distribution Date, then, prior to 12:00 noon (New York City time) on the second Business Day prior to such Distribution Date, the Administrator shall instruct the Trustee in writing to withdraw from the Class A/B Reserve Account, an amount equal to the lesser of (x) the Class A/B Available Reserve Account Amount and (y) the amount by which the Class C Principal Deficit Amount exceeds the amounts to be deposited in the Series 2013-2 Distribution Account in accordance with clauses (i) and (ii) of this Section 2.5(e) and deposit it in the Series 2013-2 Distribution Account on such Distribution Date.

(iv) Class C Letter of Credit Draw. In the event that either (x) on or prior to 10:00 a.m. (New York City time) on the Business Day prior to such Distribution Date, any Demand Note Issuer shall have failed to pay to the Trustee or deposit into the Series 2013-2 Distribution Account the amount specified in such Demand Notice in whole or in part or (y) due to the occurrence of an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to any Demand Note Issuer, the Trustee shall not have delivered such Demand Notice to any Demand Note Issuer on the second Business Day preceding such Distribution Date, then, in the case of (x) or (y) the Trustee shall on such Business Day draw on the Class C Letters of Credit, if any, an amount equal to the lesser of (i) Class C Letter of Credit Amount and (ii) the excess of (A) the aggregate amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) over (B) the amount deposited into the Series 2013-2 Distribution Account in accordance with Section 2.5(e)(ii) and (iii) above, by presenting to each Series 2013-2 Letter of Credit Provider of a Class C Letter of Credit a draft accompanied by a Certificate of Unpaid Demand Note Demand; provided, however, that if the Class C

Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Class C Cash Collateral Account and deposit in the Series 2013-2 Distribution Account an amount equal to the lesser of (x) the Class C Cash Collateral Percentage on such Business Day of the excess of (A) the aggregate amount that the Demand Note Issuers so failed to pay under the Series 2013-2 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) over (B) the amount deposited into the Series 2013-2 Distribution Account in accordance with Section 2.5(e)(ii) and (iii) above and (y) the Class C Available Cash Collateral Account Amount on such Business Day and draw an amount equal to the remainder of such excess on the Class C Letters of Credit. The Trustee shall deposit into, or cause the deposit of, the proceeds of any draw on the Class C Letters of Credit and the proceeds of any withdrawal from the Class C Cash Collateral Account to be deposited in the Series 2013-2 Distribution Account.

(v) Class C Reserve Account Withdrawal. If the amounts to be deposited in the Series 2013-2 Distribution Account in accordance with Section 2.5(e)(i) through (iv) will be less than the Class C Principal Deficit Amount on any Distribution Date, then, prior to 12:00 noon (New York City time) on the second Business Day prior to such Distribution Date, the Administrator shall instruct the Trustee in writing to withdraw from the Class C Reserve Account, an amount equal to the lesser of (x) the Class C Available Reserve Account Amount and (y) the amount by which the Class C Principal Deficit Amount exceeds the amounts to be deposited in the Series 2013-2 Distribution Account in accordance with clauses (i) through (iv) of this Section 2.5(e) and deposit it in the Series 2013-2 Distribution Account on such Distribution Date.

(f) Distributions. (i) Class A Notes. On each Distribution Date occurring on or after the date a withdrawal is made from the Series 2013-2 Collection Account pursuant to Section 2.5(a) or amounts are deposited in the Series 2013-2 Distribution Account pursuant to Section 2.5(b), (c), (d) or (e) the Paying Agent shall, in accordance with Section 6.1 of the Base Indenture, pay pro rata to each Class A Noteholder from the Series 2013-2 Distribution Account the amount deposited therein pursuant to Section 2.5(a), (b), (c), (d) or (e), to the extent necessary to pay the Class A Controlled Amortization Amount during the Series 2013-2 Controlled Amortization Period or to the extent necessary to pay the Class A Invested Amount during the Series 2013-2 Rapid Amortization Period.

(ii) Class B Notes. On each Distribution Date occurring on or after the date a withdrawal is made from the Series 2013-2 Collection Account pursuant to Section 2.5(a) or amounts are deposited in the Series 2013-2 Distribution Account pursuant to Section 2.5(b), (c), (d) or (e) the Paying Agent shall, in accordance with Section 6.1 of the Base Indenture, pay pro rata to each Class B Noteholder from the Series 2013-2 Distribution Account the amount deposited therein pursuant to Section 2.5(a), (b), (c), (d) or (e) less the aggregate amount applied to make the payments required pursuant to Section 2.5(f)(i), to the extent necessary to pay the Class B Controlled Amortization Amount during the Series 2013-2 Controlled Amortization Period or to the extent necessary to pay the Class B Invested Amount during the Series 2013-2 Rapid Amortization Period.

(iii) Class C Notes. On each Distribution Date occurring on or after the date a withdrawal is made from the Series 2013-2 Collection Account pursuant to Section 2.5(a) or amounts are deposited in the Series 2013-2 Distribution Account pursuant to Section 2.5(b), (c), (d) or (e) the Paying Agent shall, in accordance with Section 6.1 of the Base Indenture, pay pro rata to each Class C Noteholder from the Series 2013-2 Distribution Account the amount deposited therein pursuant to Section 2.5(a), (b), (c), (d) or (e) less the aggregate amount applied to make the payments required pursuant to Section 2.5(f)(i) and Section 2.5(f)(ii), to the extent necessary to pay the Class C Controlled Amortization Amount during the Series 2013-2 Controlled Amortization Period or to the extent necessary to pay the Class C Invested Amount during the Series 2013-2 Rapid Amortization Period.

Section 2.6. Administrator's Failure to Instruct the Trustee to Make a Deposit or Payment. If the Administrator fails to give notice or instructions to make any payment from or deposit into the Collection Account required to be given by the Administrator, at the time specified in the Administration Agreement or any other Related Document (including applicable grace periods), the Trustee shall make such payment or deposit into or from the Collection Account without such notice or instruction from the Administrator, provided that the Administrator, upon request of the Trustee, promptly provides the Trustee with all information necessary to allow the Trustee to make such a payment or deposit. When any payment or deposit hereunder or under any other Related Document is required to be made by the Trustee or the Paying Agent at or prior to a specified time, the Administrator shall deliver any applicable written instructions with respect thereto reasonably in advance of such specified time.

Section 2.7. Series 2013-2 Reserve Accounts.

(a) Establishment of Class A/B Reserve Account. ABRCF has established and shall maintain in the name of the Series 2013-2 Agent for the benefit of the Series 2013-2 Noteholders, or cause to be maintained, an account (the "Class A/B Reserve Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Series 2013-2 Noteholders. The Class A/B Reserve Account shall be maintained (i) with a Qualified Institution, or (ii) as a segregated trust account with the corporate trust department of a depository institution or trust company having corporate trust powers and acting as trustee for funds deposited in the Class A/B Reserve Account; provided that, if at any time such Qualified Institution is no longer a Qualified Institution or the credit rating of any securities issued by such depository institution or trust company shall be reduced to below "BBB (low)" by DBRS or "Baa3" by Moody's, then ABRCF shall, within thirty (30) days of such reduction, establish a new Class A/B Reserve Account with a new Qualified Institution. If the Class A/B Reserve Account is not maintained in accordance with the previous sentence, ABRCF shall establish a new Class A/B Reserve Account, within ten (10) Business Days after obtaining knowledge of such fact, which complies with such sentence, and shall instruct the Series 2013-2 Agent in writing to transfer all cash and investments from the non-qualifying Class A/B Reserve Account into the new Class A/B Reserve Account. The Class A/B Reserve Account has initially been established with The Bank of New York Mellon Trust Company, N.A.

(b) Administration of the Class A/B Reserve Account. The Administrator may instruct the institution maintaining the Class A/B Reserve Account to invest funds on deposit in the

Class A/B Reserve Account from time to time in Permitted Investments; provided, however, that any such investment shall mature not later than the Business Day prior to the Distribution Date following the date on which such funds were received, unless any Permitted Investment held in the Class A/B Reserve Account is held with the Paying Agent, then such investment may mature on such Distribution Date and such funds shall be available for withdrawal on or prior to such Distribution Date. All such Permitted Investments will be credited to the Class A/B Reserve Account and any such Permitted Investments that constitute (i) physical property (and that is not either a United States security entitlement or a security entitlement) shall be physically delivered to the Trustee; (ii) United States security entitlements or security entitlements shall be controlled (as defined in Section 8-106 of the New York UCC) by the Trustee pending maturity or disposition, and (iii) uncertificated securities (and not United States security entitlements) shall be delivered to the Trustee by causing the Trustee to become the registered holder of such securities. The Trustee shall, at the expense of ABRCF, take such action as is required to maintain the Trustee's security interest in the Permitted Investments credited to the Class A/B Reserve Account. ABRCF shall not direct the Trustee to dispose of (or permit the disposal of) any Permitted Investments prior to the maturity thereof to the extent such disposal would result in a loss of the purchase price of such Permitted Investments. In the absence of written investment instructions hereunder, funds on deposit in the Class A/B Reserve Account shall remain uninvested.

(c) Earnings from Class A/B Reserve Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Class A/B Reserve Account shall be deemed to be on deposit therein and available for distribution.

(d) Class A/B Reserve Account Constitutes Additional Collateral for Series 2013-2 Notes. In order to secure and provide for the repayment and payment of the ABRCF Obligations with respect to the Series 2013-2 Notes, ABRCF hereby grants a security interest in and assigns, pledges, grants, transfers and sets over to the Trustee, for the benefit of the Series 2013-2 Noteholders, all of ABRCF's right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) the Class A/B Reserve Account, including any security entitlement thereto; (ii) all funds on deposit therein from time to time; (iii) all certificates and instruments, if any, representing or evidencing any or all of the Class A/B Reserve Account or the funds on deposit therein from time to time; (iv) all investments made at any time and from time to time with monies in the Class A/B Reserve Account, whether constituting securities, instruments, general intangibles, investment property, financial assets or other property; (v) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for the Class A/B Reserve Account, the funds on deposit therein from time to time or the investments made with such funds; and (vi) all proceeds of any and all of the foregoing, including, without limitation, cash (the items in the foregoing clauses (i) through (vi) are referred to, collectively, as the "Class A/B Reserve Account Collateral"). The Trustee shall possess all right, title and interest in and to all funds on deposit from time to time in the Class A/B Reserve Account and in all proceeds thereof, and shall be the only person authorized to originate entitlement orders in respect of the Class A/B Reserve Account. The Class A/B Reserve Account Collateral shall be under the sole dominion and control of the Trustee for the benefit of the Series 2013-2 Noteholders. The Series 2013-2 Agent hereby agrees (i) to act as the securities intermediary (as defined in Section 8-102(a)(14) of the New York UCC) with respect to the Class A/B Reserve

Account; (ii) that its jurisdiction as securities intermediary is New York; (iii) that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Class A/B Reserve Account shall be treated as a financial asset (as defined in Section 8-102(a)(9) of the New York UCC) and (iv) to comply with any entitlement order (as defined in Section 8-102(a)(8) of the New York UCC) issued by the Trustee.

(e) Class A/B Reserve Account Surplus. In the event that the Class A/B Reserve Account Surplus on any Distribution Date, after giving effect to all withdrawals from the Class A/B Reserve Account, is greater than zero, if no Series 2013-2 Enhancement Deficiency or AESOP I Operating Lease Vehicle Deficiency would result therefrom or exist thereafter, the Trustee, acting in accordance with the written instructions of the Administrator pursuant to the Administration Agreement, shall withdraw from the Class A/B Reserve Account an amount equal to the Class A/B Reserve Account Surplus and shall (i) transfer an amount equal to the excess, if any, of the Class C Required Liquidity Amount as of such date over the Class C Liquidity Amount as of such date to the Class C Reserve Account and (ii) pay any remaining Class A/B Reserve Account Surplus to ABRCF.

(f) Termination of Class A/B Reserve Account. Upon the termination of the Indenture pursuant to Section 11.1 of the Base Indenture, the Trustee, acting in accordance with the written instructions of the Administrator, after the prior payment of all amounts owing to the Series 2013-2 Noteholders and payable from the Class A/B Reserve Account as provided herein, shall withdraw from the Class A/B Reserve Account all amounts on deposit therein for payment to ABRCF.

(g) Establishment of Class C Reserve Account. ABRCF shall establish and maintain in the name of the Series 2013-2 Agent for the benefit of the Class C Noteholders, or cause to be established and maintained, an account (the "Class C Reserve Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Class C Noteholders. The Class C Reserve Account shall be maintained (i) with a Qualified Institution, or (ii) as a segregated trust account with the corporate trust department of a depository institution or trust company having corporate trust powers and acting as trustee for funds deposited in the Class C Reserve Account; provided that, if at any time such Qualified Institution is no longer a Qualified Institution or the credit rating of any securities issued by such depository institution or trust company shall be reduced to below "BBB (low)" by DBRS or "Baa3" by Moody's, then ABRCF shall, within thirty (30) days of such reduction, establish a new Class C Reserve Account with a new Qualified Institution. If the Class C Reserve Account is not maintained in accordance with the previous sentence, ABRCF shall establish a new Class C Reserve Account, within ten (10) Business Days after obtaining knowledge of such fact, which complies with such sentence, and shall instruct the Series 2013-2 Agent in writing to transfer all cash and investments from the non-qualifying Class C Reserve Account into the new Class C Reserve Account. Initially, the Class C Reserve Account will be established with The Bank of New York Mellon Trust Company, N.A.

(h) Administration of the Class C Reserve Account. The Administrator may instruct the institution maintaining the Class C Reserve Account to invest funds on deposit in the Class C Reserve Account from time to time in Permitted Investments; provided, however, that any

such investment shall mature not later than the Business Day prior to the Distribution Date following the date on which such funds were received, unless any Permitted Investment held in the Class C Reserve Account is held with the Paying Agent, then such investment may mature on such Distribution Date and such funds shall be available for withdrawal on or prior to such Distribution Date. All such Permitted Investments will be credited to the Class C Reserve Account and any such Permitted Investments that constitute (i) physical property (and that is not either a United States security entitlement or a security entitlement) shall be physically delivered to the Trustee; (ii) United States security entitlements or security entitlements shall be controlled (as defined in Section 8-106 of the New York UCC) by the Trustee pending maturity or disposition, and (iii) uncertificated securities (and not United States security entitlements) shall be delivered to the Trustee by causing the Trustee to become the registered holder of such securities. The Trustee shall, at the expense of ABRCF, take such action as is required to maintain the Trustee's security interest in the Permitted Investments credited to the Class C Reserve Account. ABRCF shall not direct the Trustee to dispose of (or permit the disposal of) any Permitted Investments prior to the maturity thereof to the extent such disposal would result in a loss of the purchase price of such Permitted Investments. In the absence of written investment instructions hereunder, funds on deposit in the Class C Reserve Account shall remain uninvested.

(i) Earnings from Class C Reserve Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Class C Reserve Account shall be deemed to be on deposit therein and available for distribution.

(j) Class C Reserve Account Constitutes Additional Collateral for Class C Notes. In order to secure and provide for the repayment and payment of the ABRCF Obligations with respect to the Class C Notes, ABRCF hereby grants a security interest in and assigns, pledges, grants, transfers and sets over to the Trustee, for the benefit of the Class C Noteholders, all of ABRCF's right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) the Class C Reserve Account, including any security entitlement thereto; (ii) all funds on deposit therein from time to time; (iii) all certificates and instruments, if any, representing or evidencing any or all of the Class C Reserve Account or the funds on deposit therein from time to time; (iv) all investments made at any time and from time to time with monies in the Class C Reserve Account, whether constituting securities, instruments, general intangibles, investment property, financial assets or other property; (v) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for the Class C Reserve Account, the funds on deposit therein from time to time or the investments made with such funds; and (vi) all proceeds of any and all of the foregoing, including, without limitation, cash (the items in the foregoing clauses (i) through (vi) are referred to, collectively, as the "Class C Reserve Account Collateral"). The Trustee shall possess all right, title and interest in and to all funds on deposit from time to time in the Class C Reserve Account and in all proceeds thereof, and shall be the only person authorized to originate entitlement orders in respect of the Class C Reserve Account. The Class C Reserve Account Collateral shall be under the sole dominion and control of the Trustee for the benefit of the Class C Noteholders. The Series 2013-2 Agent hereby agrees (i) to act as the securities intermediary (as defined in Section 8-102(a)(14) of the New York UCC) with respect to the Class C Reserve Account; (ii) that its jurisdiction as securities intermediary is New York; (iii) that each item of property (whether investment property, financial asset, security,

instrument or cash) credited to the Class C Reserve Account shall be treated as a financial asset (as defined in Section 8-102(a)(9) of the New York UCC) and (iv) to comply with any entitlement order (as defined in Section 8-102(a)(8) of the New York UCC) issued by the Trustee.

(k) Class C Reserve Account Surplus. In the event that the Class C Reserve Account Surplus on any Distribution Date, after giving effect to all withdrawals from the Class C Reserve Account, is greater than zero, if no Series 2013-2 Enhancement Deficiency or AESOP I Operating Lease Vehicle Deficiency would result therefrom or exist thereafter, the Trustee, acting in accordance with the written instructions of the Administrator pursuant to the Administration Agreement, shall withdraw from the Class C Reserve Account an amount equal to the Class C Reserve Account Surplus and shall pay such amount to ABRCF.

(l) Termination of Class C Reserve Account. Upon the termination of the Indenture pursuant to Section 11.1 of the Base Indenture, the Trustee, acting in accordance with the written instructions of the Administrator, after the prior payment of all amounts owing to the Class C Noteholders and payable from the Class C Reserve Account as provided herein, shall withdraw from the Class C Reserve Account all amounts on deposit therein for payment to ABRCF.

Section 2.8. Series 2013-2 Letters of Credit and Series 2013-2 Cash Collateral Accounts.

(a) Class A/B Letters of Credit and Class A/B Cash Collateral Account Constitute Additional Collateral for Series 2013-2 Notes. In order to secure and provide for the repayment and payment of the ABRCF Obligations with respect to the Series 2013-2 Notes, ABRCF hereby grants a security interest in and assigns, pledges, grants, transfers and sets over to the Trustee, for the benefit of the Series 2013-2 Noteholders, all of ABRCF's right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) each Class A/B Letter of Credit; (ii) the Class A/B Cash Collateral Account, including any security entitlement thereto; (iii) all funds on deposit in the Class A/B Cash Collateral Account from time to time; (iv) all certificates and instruments, if any, representing or evidencing any or all of the Class A/B Cash Collateral Account or the funds on deposit therein from time to time; (v) all investments made at any time and from time to time with monies in the Class A/B Cash Collateral Account, whether constituting securities, instruments, general intangibles, investment property, financial assets or other property; (vi) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for the Class A/B Cash Collateral Account, the funds on deposit therein from time to time or the investments made with such funds; and (vii) all proceeds of any and all of the foregoing, including, without limitation, cash (the items in the foregoing clauses (ii) through (vii) are referred to, collectively, as the "Class A/B Cash Collateral Account Collateral"). The Trustee shall, for the benefit of the Series 2013-2 Noteholders, possess all right, title and interest in all funds on deposit from time to time in the Class A/B Cash Collateral Account and in all proceeds thereof, and shall be the only person authorized to originate entitlement orders in respect of the Class A/B Cash Collateral Account. The Class A/B Cash Collateral Account shall be under the sole dominion and control of the Trustee for the benefit of the Series 2013-2 Noteholders. The Series 2013-2 Agent hereby agrees (i) to act as the securities intermediary (as defined in Section 8-102(a)(14) of the New York UCC) with respect to the Class A/B Cash Collateral Ac

count; (ii) that its jurisdiction as a securities intermediary is New York, (iii) that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Class A/B Cash Collateral Account shall be treated as a financial asset (as defined in Section 8-102(a)(9) of the New York UCC) and (iv) to comply with any entitlement order (as defined in Section 8-102(a)(8) of the New York UCC) issued by the Trustee.

(b) Class C Letters of Credit and Class C Cash Collateral Account Constitute Additional Collateral for Class C Notes. In order to secure and provide for the repayment and payment of the ABRCF Obligations with respect to the Class C Notes, ABRCF hereby grants a security interest in and assigns, pledges, grants, transfers and sets over to the Trustee, for the benefit of the Class C Noteholders, all of ABRCF's right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) each Class C Letter of Credit; (ii) the Class C Cash Collateral Account, including any security entitlement thereto; (iii) all funds on deposit in the Class C Cash Collateral Account from time to time; (iv) all certificates and instruments, if any, representing or evidencing any or all of the Class C Cash Collateral Account or the funds on deposit therein from time to time; (v) all investments made at any time and from time to time with monies in the Class C Cash Collateral Account, whether constituting securities, instruments, general intangibles, investment property, financial assets or other property; (vi) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for the Class C Cash Collateral Account, the funds on deposit therein from time to time or the investments made with such funds; and (vii) all proceeds of any and all of the foregoing, including, without limitation, cash (the items in the foregoing clauses (ii) through (vii) are referred to, collectively, as the "Class C Cash Collateral Account Collateral"). The Trustee shall, for the benefit of the Class C Noteholders, possess all right, title and interest in all funds on deposit from time to time in the Class C Cash Collateral Account and in all proceeds thereof, and shall be the only person authorized to originate entitlement orders in respect of the Class C Cash Collateral Account. The Class C Cash Collateral Account shall be under the sole dominion and control of the Trustee for the benefit of the Class C Noteholders. The Series 2013-2 Agent hereby agrees (i) to act as the securities intermediary (as defined in Section 8-102(a)(14) of the New York UCC) with respect to the Class C Cash Collateral Account; (ii) that its jurisdiction as a securities intermediary is New York, (iii) that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Class C Cash Collateral Account shall be treated as a financial asset (as defined in Section 8-102(a)(9) of the New York UCC) and (iv) to comply with any entitlement order (as defined in Section 8-102(a)(8) of the New York UCC) issued by the Trustee.

(c) Class A/B Letter of Credit Expiration Date. If prior to the date which is ten (10) days prior to the then-scheduled Class A/B Letter of Credit Expiration Date with respect to any Class A/B Letter of Credit, excluding the amount available to be drawn under such Class A/B Letter of Credit but taking into account each substitute Class A/B Letter of Credit which has been obtained from a Series 2013-2 Eligible Letter of Credit Provider and is in full force and effect on such date, the Class A/B Enhancement Amount would be equal to or more than the Class A/B Required Enhancement Amount and the Class A/B Liquidity Amount would be equal to or greater than the Class A/B Required Liquidity Amount, then the Administrator shall notify the Trustee in writing no later than two (2) Business Days prior to such Class A/B Letter of Credit Expiration Date of such determination. If prior to the date which is ten (10) days prior to the then-scheduled Class

A/B Letter of Credit Expiration Date with respect to any Class A/B Letter of Credit, excluding the amount available to be drawn under such Class A/B Letter of Credit but taking into account a substitute Class A/B Letter of Credit which has been obtained from a Series 2013-2 Eligible Letter of Credit Provider and is in full force and effect on such date, the Class A/B Enhancement Amount would be less than the Class A/B Required Enhancement Amount or the Class A/B Liquidity Amount would be less than the Class A/B Required Liquidity Amount, then the Administrator shall notify the Trustee in writing no later than two (2) Business Days prior to such Class A/B Letter of Credit Expiration Date of (x) the greater of (A) the excess, if any, of the Class A/B Required Enhancement Amount over the Class A/B Enhancement Amount, excluding the available amount under such expiring Class A/B Letter of Credit but taking into account any substitute Class A/B Letter of Credit which has been obtained from a Series 2013-2 Eligible Letter of Credit Provider and is in full force and effect, on such date, and (B) the excess, if any, of the Class A/B Required Liquidity Amount over the Class A/B Liquidity Amount, excluding the available amount under such expiring Class A/B Letter of Credit but taking into account any substitute Class A/B Letter of Credit which has been obtained from a Series 2013-2 Eligible Letter of Credit Provider and is in full force and effect, on such date, and (y) the amount available to be drawn on such expiring Class A/B Letter of Credit on such date. Upon receipt of such notice by the Trustee on or prior to 10:00 a.m. (New York City time) on any Business Day, the Trustee shall, by 12:00 noon (New York City time) on such Business Day (or, in the case of any notice given to the Trustee after 10:00 a.m. (New York City time), by 12:00 noon (New York City time) on the next following Business Day), draw the lesser of the amounts set forth in clauses (x) and (y) above on such expiring Class A/B Letter of Credit by presenting a draft accompanied by a Certificate of Termination Demand and shall cause the Termination Disbursement to be deposited in the Class A/B Cash Collateral Account.

If the Trustee does not receive the notice from the Administrator described in the first paragraph of this Section 2.8(c) on or prior to the date that is two (2) Business Days prior to each Class A/B Letter of Credit Expiration Date, the Trustee shall, by 12:00 noon (New York City time) on such Business Day draw the full amount of such Class A/B Letter of Credit by presenting a draft accompanied by a Certificate of Termination Demand and shall cause the Termination Disbursement to be deposited in the Class A/B Cash Collateral Account.

(d) Class C Letter of Credit Expiration Date. If prior to the date which is ten (10) days prior to the then-scheduled Class C Letter of Credit Expiration Date with respect to any Class C Letter of Credit, excluding the amount available to be drawn under such Class C Letter of Credit but taking into account each substitute Class C Letter of Credit which has been obtained from a Series 2013-2 Eligible Letter of Credit Provider and is in full force and effect on such date, the Class C Enhancement Amount would be equal to or more than the Class C Required Enhancement Amount and the Class C Liquidity Amount would be equal to or greater than the Class C Required Liquidity Amount, then the Administrator shall notify the Trustee in writing no later than two (2) Business Days prior to such Class C Letter of Credit Expiration Date of such determination. If prior to the date which is ten (10) days prior to the then-scheduled Class C Letter of Credit Expiration Date with respect to any Class C Letter of Credit, excluding the amount available to be drawn under such Class C Letter of Credit but taking into account a substitute Class C Letter of Credit which has been obtained from a Series 2013-2 Eligible Letter of Credit Provider and is in full force and effect on such date, the Class C Enhancement Amount would be less than the Class C Required

Enhancement Amount or the Class C Liquidity Amount would be less than the Class C Required Liquidity Amount, then the Administrator shall notify the Trustee in writing no later than two (2) Business Days prior to such Class C Letter of Credit Expiration Date of (x) the greater of (A) the excess, if any, of the Class C Required Enhancement Amount over the Class C Enhancement Amount, excluding the available amount under such expiring Class C Letter of Credit but taking into account any substitute Class C Letter of Credit which has been obtained from a Series 2013-2 Eligible Letter of Credit Provider and is in full force and effect, on such date, and (B) the excess, if any, of the Class C Required Liquidity Amount over the Class C Liquidity Amount, excluding the available amount under such expiring Class C Letter of Credit but taking into account any substitute Class C Letter of Credit which has been obtained from a Series 2013-2 Eligible Letter of Credit Provider and is in full force and effect, on such date, and (y) the amount available to be drawn on such expiring Class C Letter of Credit on such date. Upon receipt of such notice by the Trustee on or prior to 10:00 a.m. (New York City time) on any Business Day, the Trustee shall, by 12:00 noon (New York City time) on such Business Day (or, in the case of any notice given to the Trustee after 10:00 a.m. (New York City time), by 12:00 noon (New York City time) on the next following Business Day), draw the lesser of the amounts set forth in clauses (x) and (y) above on such expiring Class C Letter of Credit by presenting a draft accompanied by a Certificate of Termination Demand and shall cause the Termination Disbursement to be deposited in the Class C Cash Collateral Account.

If the Trustee does not receive the notice from the Administrator described in the first paragraph of this Section 2.8(d) on or prior to the date that is two (2) Business Days prior to each Class C Letter of Credit Expiration Date, the Trustee shall, by 12:00 noon (New York City time) on such Business Day draw the full amount of such Class C Letter of Credit by presenting a draft accompanied by a Certificate of Termination Demand and shall cause the Termination Disbursement to be deposited in the Class C Cash Collateral Account.

(e) Series 2013-2 Letter of Credit Providers. The Administrator shall notify the Trustee in writing within one (1) Business Day of becoming aware that (i) the long-term senior unsecured debt credit rating of any Series 2013-2 Letter of Credit Provider has fallen below “A (high)” as determined by DBRS or “A1” as determined by Moody’s or (ii) the short-term senior unsecured debt credit rating of any Series 2013-2 Letter of Credit Provider has fallen below “R-1” as determined by DBRS or “P-1” as determined by Moody’s. At such time the Administrator shall also notify the Trustee of (I)(i) if such Series 2013-2 Letter of Credit Provider has issued a Class A/B Letter of Credit, the greater of (A) the excess, if any, of the Class A/B Required Enhancement Amount over the Class A/B Enhancement Amount, excluding the available amount under such Class A/B Letter of Credit issued by such Series 2013-2 Letter of Credit Provider, on such date, and (B) the excess, if any, of the Class A/B Required Liquidity Amount over the Class A/B Liquidity Amount, excluding the available amount under such Class A/B Letter of Credit, on such date, and (ii) the amount available to be drawn on such Class A/B Letter of Credit on such date and/or (II)(i) if such Series 2013-2 Letter of Credit Provider has issued a Class C Letter of Credit, the greater of (A) the excess, if any, of the Class C Required Enhancement Amount over the Class C Enhancement Amount, excluding the available amount under such Class C Letter of Credit issued by such Series 2013-2 Letter of Credit Provider, on such date, and (B) the excess, if any, of the Class C Required Liquidity Amount over the Class C Liquidity Amount, excluding the available

amount under such Class C Letter of Credit, on such date, and (ii) the amount available to be drawn on such Class C Letter of Credit on such date. Upon receipt of such notice by the Trustee on or prior to 10:00 a.m. (New York City time) on any Business Day, the Trustee shall, by 12:00 noon (New York City time) on such Business Day (or, in the case of any notice given to the Trustee after 10:00 a.m. (New York City time), by 12:00 noon (New York City time) on the next following Business Day), draw on each such Class A/B Letter of Credit in an amount equal to the lesser of the amounts in clause (I)(i) and clause (I)(ii) of the immediately preceding sentence and to draw on each such Class C Letter of Credit in an amount equal to the lesser of the amounts in clause (II)(i) and clause (II)(ii) of the immediately preceding sentence, in each case, on such Business Day by presenting a draft accompanied by a Certificate of Termination Demand and shall cause the Termination Disbursement with respect to a Class A/B Letter of Credit to be deposited in the Class A/B Cash Collateral Account and the Termination Disbursement with respect to a Class C Letter of Credit to be deposited in the Class C Cash Collateral Account.

(f) Termination Date Demands on the Series 2013-2 Letters of Credit. Prior to 10:00 a.m. (New York City time) on the Business Day immediately succeeding the Series 2013-2 Letter of Credit Termination Date, the Administrator shall determine the Series 2013-2 Demand Note Payment Amount, if any, as of the Series 2013-2 Letter of Credit Termination Date and, if the Series 2013-2 Demand Note Payment Amount is greater than zero, instruct the Trustee in writing to draw on the Class A/B Letters of Credit and/or the Class C Letters of Credit, as described herein. Upon receipt of any such notice by the Trustee on or prior to 11:00 a.m. (New York City time) on a Business Day, the Trustee shall, by 12:00 noon (New York City time) on such Business Day draw an amount (I) on each such Class A/B Letter of Credit equal to the lesser of (i) the Series 2013-2 Demand Note Payment Amount and (ii) the Class A/B Letter of Credit Liquidity Amount on the Class A/B Letters of Credit by presenting to each relevant Series 2013-2 Letter of Credit Provider a draft for each such Class A/B Letter of Credit accompanied by a Certificate of Termination Date Demand and shall cause the Termination Date Disbursement on a Class A/B Letter of Credit to be deposited in the Class A/B Cash Collateral Account; provided, however, that if the Class A/B Cash Collateral Account has been established and funded, the Trustee shall draw an amount equal to the product of (a) 100% minus the Class A/B Cash Collateral Percentage and (b) the lesser of the amounts referred to in clause (i) and (ii) on such Business Day on the Class A/B Letters of Credit, as calculated by the Administrator and provided in writing to the Trustee and (II) on each such Class C Letter of Credit equal to the lesser of (i) the excess of (x) the Series 2013-2 Demand Note Payment Amount over (y) the amounts drawn on the Class A/B Letter of Credit pursuant to this Section 2.8(f) and (ii) the Class C Letter of Credit Liquidity Amount on the Class C Letters of Credit by presenting to each relevant Series 2013-2 Letter of Credit Provider a draft for each such Class C Letter of Credit accompanied by a Certificate of Termination Date Demand and shall cause the Termination Date Disbursement on a Class C Letter of Credit to be deposited in the Class C Cash Collateral Account; provided, however, that if the Class C Cash Collateral Account has been established and funded, the Trustee shall draw an amount equal to the product of (a) 100% minus the Class C Cash Collateral Percentage and (b) the lesser of the amounts referred to in clause (i) and (ii) on such Business Day on the Class C Letters of Credit, as calculated by the Administrator and provided in writing to the Trustee.

(g) Draws on the Series 2013-2 Letters of Credit. If there is more than one Class A/B Letter of Credit on the date of any draw on the Class A/B Letters of Credit pursuant to the terms of this Supplement, the Administrator shall instruct the Trustee, in writing, to draw on each Class A/B Letter of Credit in an amount equal to the Class A/B Pro Rata Share of the Series 2013-2 Letter of Credit Provider issuing such Class A/B Letter of Credit of the amount of such draw on the Class A/B Letters of Credit. If there is more than one Class C Letter of Credit on the date of any draw on the Class C Letters of Credit pursuant to the terms of this Supplement, the Administrator shall instruct the Trustee, in writing, to draw on each Class C Letter of Credit in an amount equal to the Class C Pro Rata Share of the Series 2013-2 Letter of Credit Provider issuing such Class C Letter of Credit of the amount of such draw on the Class C Letters of Credit.

(h) Establishment of Class A/B Cash Collateral Account. On or prior to the date of any drawing under a Class A/B Letter of Credit pursuant to Section 2.8(c), (e) or (f) above, ABRCF shall establish and maintain in the name of the Trustee for the benefit of the Series 2013-2 Noteholders, or cause to be established and maintained, an account (the “Class A/B Cash Collateral Account”), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Series 2013-2 Noteholders. The Class A/B Cash Collateral Account shall be maintained (i) with a Qualified Institution, or (ii) as a segregated trust account with the corporate trust department of a depository institution or trust company having corporate trust powers and acting as trustee for funds deposited in the Class A/B Cash Collateral Account; provided, however, that if at any time such Qualified Institution is no longer a Qualified Institution or the credit rating of any securities issued by such depository institution or trust company shall be reduced to below “BBB (low)” by DBRS or “Baa3” by Moody’s, then ABRCF shall, within thirty (30) days of such reduction, establish a new Class A/B Cash Collateral Account with a new Qualified Institution or a new segregated trust account with the corporate trust department of a depository institution or trust company having corporate trust powers and acting as trustee for funds deposited in the Class A/B Cash Collateral Account. If a new Class A/B Cash Collateral Account is established, ABRCF shall instruct the Trustee in writing to transfer all cash and investments from the non-qualifying Class A/B Cash Collateral Account into the new Class A/B Cash Collateral Account.

(i) Administration of the Class A/B Cash Collateral Account. ABRCF may instruct (by standing instructions or otherwise) the institution maintaining the Class A/B Cash Collateral Account to invest funds on deposit in the Class A/B Cash Collateral Account from time to time in Permitted Investments; provided, however, that any such investment shall mature not later than the Business Day prior to the Distribution Date following the date on which such funds were received, unless any Permitted Investment held in the Class A/B Cash Collateral Account is held with the Paying Agent, in which case such investment may mature on such Distribution Date so long as such funds shall be available for withdrawal on or prior to such Distribution Date. All such Permitted Investments will be credited to the Class A/B Cash Collateral Account and any such Permitted Investments that constitute (i) physical property (and that is not either a United States security entitlement or a security entitlement) shall be physically delivered to the Trustee; (ii) United States security entitlements or security entitlements shall be controlled (as defined in Section 8-106 of the New York UCC) by the Trustee pending maturity or disposition, and (iii) uncertificated securities (and not United States security entitlements) shall be delivered to the Trustee by causing the Trustee to become the registered holder of such securities. The Trustee shall, at the expense of

ABRCF, take such action as is required to maintain the Trustee's security interest in the Permitted Investments credited to the Class A/B Cash Collateral Account. ABRCF shall not direct the Trustee to dispose of (or permit the disposal of) any Permitted Investments prior to the maturity thereof to the extent such disposal would result in a loss of the purchase price of such Permitted Investments. In the absence of written investment instructions hereunder, funds on deposit in the Class A/B Cash Collateral Account shall remain uninvested.

(j) Establishment of Class C Cash Collateral Account. On or prior to the date of any drawing under a Class C Letter of Credit pursuant to Section 2.8(d), (e) or (f) above, ABRCF shall establish and maintain in the name of the Trustee for the benefit of the Class C Noteholders, or cause to be established and maintained, an account (the "Class C Cash Collateral Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Class C Noteholders. The Class C Cash Collateral Account shall be maintained (i) with a Qualified Institution, or (ii) as a segregated trust account with the corporate trust department of a depository institution or trust company having corporate trust powers and acting as trustee for funds deposited in the Class C Cash Collateral Account; provided, however, that if at any time such Qualified Institution is no longer a Qualified Institution or the credit rating of any securities issued by such depository institution or trust company shall be reduced to below "BBB (low)" by DBRS or "Baa3" by Moody's, then ABRCF shall, within thirty (30) days of such reduction, establish a new Class C Cash Collateral Account with a new Qualified Institution or a new segregated trust account with the corporate trust department of a depository institution or trust company having corporate trust powers and acting as trustee for funds deposited in the Class C Cash Collateral Account. If a new Class C Cash Collateral Account is established, ABRCF shall instruct the Trustee in writing to transfer all cash and investments from the non-qualifying Class C Cash Collateral Account into the new Class C Cash Collateral Account.

(k) Administration of the Class C Cash Collateral Account. ABRCF may instruct (by standing instructions or otherwise) the institution maintaining the Class C Cash Collateral Account to invest funds on deposit in the Class C Cash Collateral Account from time to time in Permitted Investments; provided, however, that any such investment shall mature not later than the Business Day prior to the Distribution Date following the date on which such funds were received, unless any Permitted Investment held in the Class C Cash Collateral Account is held with the Paying Agent, in which case such investment may mature on such Distribution Date so long as such funds shall be available for withdrawal on or prior to such Distribution Date. All such Permitted Investments will be credited to the Class C Cash Collateral Account and any such Permitted Investments that constitute (i) physical property (and that is not either a United States security entitlement or a security entitlement) shall be physically delivered to the Trustee; (ii) United States security entitlements or security entitlements shall be controlled (as defined in Section 8-106 of the New York UCC) by the Trustee pending maturity or disposition, and (iii) uncertificated securities (and not United States security entitlements) shall be delivered to the Trustee by causing the Trustee to become the registered holder of such securities. The Trustee shall, at the expense of ABRCF, take such action as is required to maintain the Trustee's security interest in the Permitted Investments credited to the Class C Cash Collateral Account. ABRCF shall not direct the Trustee to dispose of (or permit the disposal of) any Permitted Investments prior to the maturity thereof to the extent such disposal would result in a loss of the purchase price of such Permitted Investments. In the absence

of written investment instructions hereunder, funds on deposit in the Class C Cash Collateral Account shall remain uninvested.

(l) Earnings from Series 2013-2 Cash Collateral Accounts. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Series 2013-2 Cash Collateral Accounts shall be deemed to be on deposit therein and available for distribution.

(m) Cash Collateral Account Surpluses. In the event that the Class A/B Cash Collateral Account Surplus on any Distribution Date (or, after the Class A/B Letter of Credit Termination Date, on any date) is greater than zero, the Trustee, acting in accordance with the written instructions of the Administrator, shall withdraw from the Class A/B Cash Collateral Account an amount equal to the Class A/B Cash Collateral Account Surplus and shall pay such amount: first, to the Series 2013-2 Letter of Credit Providers to the extent of any unreimbursed drawings with respect to any Class A/B Letters of Credit under the related Series 2013-2 Reimbursement Agreement, for application in accordance with the provisions of the related Series 2013-2 Reimbursement Agreement, and, second, to ABRCF any remaining amount. In the event that the Class C Cash Collateral Account Surplus on any Distribution Date (or, after the Class C Letter of Credit Termination Date, on any date) is greater than zero, the Trustee, acting in accordance with the written instructions of the Administrator, shall withdraw from the Class C Cash Collateral Account an amount equal to the Class C Cash Collateral Account Surplus and shall pay such amount: first, to the Series 2013-2 Letter of Credit Providers to the extent of any unreimbursed drawings with respect to any Class C Letters of Credit under the related Series 2013-2 Reimbursement Agreement, for application in accordance with the provisions of the related Series 2013-2 Reimbursement Agreement, and, second, to ABRCF any remaining amount.

(n) Termination of Series 2013-2 Cash Collateral Accounts. Upon the termination of this Supplement in accordance with its terms, the Trustee, acting in accordance with the written instructions of the Administrator, after the prior payment of all amounts owing to the Series 2013-2 Noteholders and payable from any Series 2013-2 Cash Collateral Account as provided herein, shall (i) withdraw from the Class A/B Cash Collateral Account all amounts on deposit therein (to the extent not withdrawn pursuant to Section 2.8(m) above) and shall pay such amounts: first, to the Series 2013-2 Letter of Credit Providers to the extent of any unreimbursed drawings with respect to any Class A/B Letters of Credit under the related Series 2013-2 Reimbursement Agreement, for application in accordance with the provisions of the related Series 2013-2 Reimbursement Agreement, and, second, to ABRCF any remaining amount and (ii) withdraw from the Class C Cash Collateral Account all amounts on deposit therein (to the extent not withdrawn pursuant to Section 2.8(m) above) and shall pay such amounts: first, to the Series 2013-2 Letter of Credit Providers to the extent of any unreimbursed drawings with respect to any Class C Letters of Credit under the related Series 2013-2 Reimbursement Agreement, for application in accordance with the provisions of the related Series 2013-2 Reimbursement Agreement, and, second, to ABRCF any remaining amount.

Section 2.9. Series 2013-2 Distribution Account.

(a) Establishment of Series 2013-2 Distribution Account. ABRCF has established and shall maintain in the name of the Trustee for the benefit of the Series 2013-2 Noteholders, or c

ause to be established and maintained, an account (the “Series 2013-2 Distribution Account”), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Series 2013-2 Noteholders. The Series 2013-2 Distribution Account shall be maintained (i) with a Qualified Institution, or (ii) as a segregated trust account with the corporate trust department of a depository institution or trust company having corporate trust powers and acting as trustee for funds deposited in the Series 2013-2 Distribution Account; provided, however, that if at any time such Qualified Institution is no longer a Qualified Institution or the credit rating of any securities issued by such depository institution or trust company shall be reduced to below “BBB (low)” by DBRS or “Baa3” by Moody’s, then ABRCF shall, within thirty (30) days of such reduction, establish a new Series 2013-2 Distribution Account with a new Qualified Institution. If the Series 2013-2 Distribution Account is not maintained in accordance with the previous sentence, ABRCF shall establish a new Series 2013-2 Distribution Account, within ten (10) Business Days after obtaining knowledge of such fact, which complies with such sentence, and shall instruct the Series 2013-2 Agent in writing to transfer all cash and investments from the non-qualifying Series 2013-2 Distribution Account into the new Series 2013-2 Distribution Account. The Series 2013-2 Distribution Account has initially been established with The Bank of New York Mellon Trust Company, N.A.

(b) Administration of the Series 2013-2 Distribution Account. The Administrator may instruct the institution maintaining the Series 2013-2 Distribution Account to invest funds on deposit in the Series 2013-2 Distribution Account from time to time in Permitted Investments; provided, however, that any such investment shall mature not later than the Business Day prior to the Distribution Date following the date on which such funds were received, unless any Permitted Investment held in the Series 2013-2 Distribution Account is held with the Paying Agent, then such investment may mature on such Distribution Date and such funds shall be available for withdrawal on or prior to such Distribution Date. All such Permitted Investments will be credited to the Series 2013-2 Distribution Account and any such Permitted Investments that constitute (i) physical property (and that is not either a United States security entitlement or a security entitlement) shall be physically delivered to the Trustee; (ii) United States security entitlements or security entitlements shall be controlled (as defined in Section 8-106 of the New York UCC) by the Trustee pending maturity or disposition, and (iii) uncertificated securities (and not United States security entitlements) shall be delivered to the Trustee by causing the Trustee to become the registered holder of such securities. The Trustee shall, at the expense of ABRCF, take such action as is required to maintain the Trustee’s security interest in the Permitted Investments credited to the Series 2013-2 Distribution Account. ABRCF shall not direct the Trustee to dispose of (or permit the disposal of) any Permitted Investments prior to the maturity thereof to the extent such disposal would result in a loss of the purchase price of such Permitted Investments. In the absence of written investment instructions hereunder, funds on deposit in the Series 2013-2 Distribution Account shall remain uninvested.

(c) Earnings from Series 2013-2 Distribution Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Series 2013-2 Distribution Account shall be deemed to be on deposit and available for distribution.

(d) Series 2013-2 Distribution Account Constitutes Additional Collateral for Series 2013-2 Notes. In order to secure and provide for the repayment and payment of the ABRCF Obligations with respect to the Series 2013-2 Notes, ABRCF hereby grants a security interest in and assigns, pledges, grants, transfers and sets over to the Trustee, for the benefit of the Series 2013-2 Noteholders, all of ABRCF's right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) the Series 2013-2 Distribution Account, including any security entitlement thereto; (ii) all funds on deposit therein from time to time; (iii) all certificates and instruments, if any, representing or evidencing any or all of the Series 2013-2 Distribution Account or the funds on deposit therein from time to time; (iv) all investments made at any time and from time to time with monies in the Series 2013-2 Distribution Account, whether constituting securities, instruments, general intangibles, investment property, financial assets or other property; (v) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for the Series 2013-2 Distribution Account, the funds on deposit therein from time to time or the investments made with such funds; and (vi) all proceeds of any and all of the foregoing, including, without limitation, cash (the items in the foregoing clauses (i) through (vi) are referred to, collectively, as the "Series 2013-2 Distribution Account Collateral"). The Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Series 2013-2 Distribution Account and in and to all proceeds thereof, and shall be the only person authorized to originate entitlement orders in respect of the Series 2013-2 Distribution Account. The Series 2013-2 Distribution Account Collateral shall be under the sole dominion and control of the Trustee for the benefit of the Series 2013-2 Noteholders. The Series 2013-2 Agent hereby agrees (i) to act as the securities intermediary (as defined in Section 8-102(a)(14) of the New York UCC) with respect to the Series 2013-2 Distribution Account; (ii) that its jurisdiction as securities intermediary is New York, (iii) that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Series 2013-2 Distribution Account shall be treated as a financial asset (as defined in Section 8-102(a)(9) of the New York UCC) and (iv) to comply with any entitlement order (as defined in Section 8-102(a)(8) of the New York UCC) issued by the Trustee.

Section 2.10. Series 2013-2 Accounts Permitted Investments. ABRCF shall not, and shall not permit, funds on deposit in the Series 2013-2 Accounts to be invested in:

- (i) Permitted Investments that do not mature at least one Business Day before the next Distribution Date;
- (ii) demand deposits, time deposits or certificates of deposit with a maturity in excess of 360 days;
- (iii) commercial paper which is not rated "P-1" by Moody's;
- (iv) money market funds or eurodollar time deposits which are not rated at least "P-1" by Moody's;
- (v) eurodollar deposits that are not rated "P-1" by Moody's or that are with financial institutions not organized under the laws of a G-7 nation; or

(vi) any investment, instrument or security not otherwise listed in clause (i) through (vi) of the definition of “Permitted Investments” in the Base Indenture.

Section 2.11. Series 2013-2 Demand Notes Constitute Additional Collateral for Series 2013-2 Notes. In order to secure and provide for the repayment and payment of the ABRCF Obligations with respect to the Series 2013-2 Notes, ABRCF hereby grants a security interest in and assigns, pledges, grants, transfers and sets over to the Trustee, for the benefit of the Series 2013-2 Noteholders, all of ABRCF’s right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) the Series 2013-2 Demand Notes; (ii) all certificates and instruments, if any, representing or evidencing the Series 2013-2 Demand Notes; and (iii) all proceeds of any and all of the foregoing, including, without limitation, cash. On the date hereof, ABRCF shall deliver to the Trustee, for the benefit of the Series 2013-2 Noteholders, each Series 2013-2 Demand Note, endorsed in blank. The Trustee, for the benefit of the Series 2013-2 Noteholders, shall be the only Person authorized to make a demand for payments on the Series 2013-2 Demand Notes.

Section 2.12. Subordination of the Class B Notes and Class C Notes.

(a) Notwithstanding anything to the contrary contained in this Supplement, the Indenture or in any other Related Document, the Class B Notes will be subordinate in all respects to the Class A Notes as and to the extent set forth in this Section 2.12(a). No payments on account of principal shall be made with respect to the Class B Notes on any Distribution Date during the Series 2013-2 Controlled Amortization Period unless an amount equal to the Class A Controlled Distribution Amount for the Related Month shall have been paid to the Class A Noteholders and no payments on account of principal shall be made with respect to the Class B Notes during the Series 2013-2 Rapid Amortization Period or on the Series 2013-2 Final Distribution Date until the Class A Notes have been paid in full. No payments on account of interest shall be made with respect to the Class B Notes on any Distribution Date until all payments of interest then due and payable with respect to the Class A Notes (including, without limitation, all accrued interest, all Class A Shortfall and all interest accrued on such Class A Shortfall) have been paid in full.

(b) Notwithstanding anything to the contrary contained in this Supplement, the Indenture or in any other Related Document, the Class C Notes will be subordinate in all respects to the Class A Notes and the Class B Notes as and to the extent set forth in this Section 2.12(b). No payments on account of principal shall be made with respect to the Class C Notes on any Distribution Date during the Series 2013-2 Controlled Amortization Period unless an amount equal to the Class A Controlled Distribution Amount for the Related Month shall have been paid to the Class A Noteholders and an amount equal to the Class B Controlled Distribution Amount for the Related Month shall have been paid to the Class B Noteholders. No payments on account of principal shall be made with respect to the Class C Notes during the Series 2013-2 Rapid Amortization Period or on the Series 2013-2 Final Distribution Date until the Class A Notes and the Class B Notes have been paid in full. No payments on account of interest shall be made with respect to the Class C Notes on any Distribution Date until all payments of interest then due and payable with respect to the Class A Notes and Class B Notes (including, without limitation, all accrued interest, all Class A

Shortfall, all interest accrued on such Class A Shortfall, all Class B Shortfall and all interest accrued on such Class B Shortfall) have been paid in full.

ARTICLE III AMORTIZATION EVENTS

In addition to the Amortization Events set forth in Section 9.1 of the Base Indenture, any of the following shall be an Amortization Event with respect to the Series 2013-2 Notes and collectively shall constitute the Amortization Events set forth in Section 9.1(n) of the Base Indenture with respect to the Series 2013-2 Notes (without notice or other action on the part of the Trustee or any holders of the Series 2013-2 Notes):

(a) a Series 2013-2 Enhancement Deficiency shall occur and continue for at least two (2) Business Days; provided, however, that such event or condition shall not be an Amortization Event if during such two (2) Business Day period such Series 2013-2 Enhancement Deficiency shall have been cured in accordance with the terms and conditions of the Indenture and the Related Documents;

(b) either (i) the Class A/B Liquidity Amount shall be less than the Class A/B Required Liquidity Amount for at least two (2) Business Days or (ii) the Class C Liquidity Amount shall be less than the Class C Required Liquidity Amount for at least two (2) Business Days; provided, however, that, in either case, such event or condition shall not be an Amortization Event if during such two (2) Business Day period such insufficiency shall have been cured in accordance with the terms and conditions of the Indenture and the Related Documents;

(c) the Collection Account, the Series 2013-2 Collection Account, the Series 2013-2 Excess Collection Account, the Class A/B Reserve Account or the Class C Reserve Account shall be subject to an injunction, estoppel or other stay or a Lien (other than Liens permitted under the Related Documents);

(d) all principal of and interest on any Class of the Series 2013-2 Notes is not paid in full on or before the Series 2013-2 Expected Final Distribution Date;

(e) any Series 2013-2 Letter of Credit shall not be in full force and effect for at least two (2) Business Days and either (x) a Series 2013-2 Enhancement Deficiency would result from excluding such Series 2013-2 Letter of Credit from the Class A/B Enhancement Amount or the Class C Enhancement Amount or (y) the Class A/B Liquidity Amount or the Class C Liquidity Amount excluding therefrom the available amount under such Series 2013-2 Letter of Credit, would be less than the Class A/B Required Liquidity Amount or the Class C Required Liquidity Amount, respectively;

(f) from and after the funding of any Series 2013-2 Cash Collateral Account, such Series 2013-2 Cash Collateral Account shall be subject to an injunction, estoppel or other stay or a Lien (other than Liens permitted under the Related Documents) for at least two (2) Business Days and either (x) a Series 2013-2 Enhancement Deficiency would result

from excluding the Class A/B Available Cash Collateral Account Amount or the Class C Available Cash Collateral Account Amount from the Class A/B Enhancement Amount or the Class C Enhancement Amount, respectively, (y) the Class A/B Liquidity Amount, excluding therefrom the Class A/B Available Cash Collateral Amount, would be less than the Class A/B Required Liquidity Amount or (z) the Class C Liquidity Amount, excluding therefrom the Class C Available Cash Collateral Amount, would be less than the Class C Required Liquidity Amount; and

(g) an Event of Bankruptcy shall have occurred with respect to any Series 2013-2 Letter of Credit Provider or any Series 2013-2 Letter of Credit Provider repudiates its Series 2013-2 Letter of Credit or refuses to honor a proper draw thereon and either (x) a Series 2013-2 Enhancement Deficiency would result from excluding such Series 2013-2 Letter of Credit from the Class A/B Enhancement Amount or the Class C Enhancement Amount or (y) the Class A/B Liquidity Amount or Class C Liquidity Amount, excluding therefrom the available amount under such Series 2013-2 Letter of Credit, would be less than the Class A/B Required Liquidity Amount or the Class C Required Liquidity Amount, respectively.

ARTICLE IV FORM OF SERIES 2013-2 NOTES

Section 4.1. Restricted Global Series 2013-2 Notes. Each Class of the Series 2013-2 Notes to be issued in the United States will be issued in book-entry form and represented by one or more permanent global Notes in fully registered form without interest coupons (each, a “Restricted Global Class A Note”, a “Restricted Global Class B Note” or a “Restricted Global Class C Note”, as the case may be), substantially in the form set forth in Exhibits A-1, B-1 and C-1, with such legends as may be applicable thereto as set forth in the Base Indenture, and will be sold only in the United States (1) initially to institutional accredited investors within the meaning of Regulation D under the Securities Act in reliance on an exemption from the registration requirements of the Securities Act and (2) thereafter to qualified institutional buyers within the meaning of, and in reliance on, Rule 144A under the Securities Act and shall be deposited on behalf of the purchasers of such Class of the Series 2013-2 Notes represented thereby, with the Trustee as custodian for DTC, and registered in the name of Cede as DTC’s nominee, duly executed by ABRCF and authenticated by the Trustee in the manner set forth in Section 2.4 of the Base Indenture.

Section 4.2. Temporary Global Series 2013-2 Notes; Permanent Global Series 2013-2 Notes. Each Class of the Series 2013-2 Notes to be issued outside the United States will be issued and sold in transactions outside the United States in reliance on Regulation S under the Securities Act, as provided in the applicable note purchase agreement, and shall initially be issued in the form of one or more temporary notes in registered form without interest coupons (each, a “Temporary Global Class A Note”, a “Temporary Global Class B Note” or a “Temporary Global Class C Note”, as the case may be, and collectively the “Temporary Global Series 2013-2 Notes”), substantially in the form set forth in Exhibits A-2, B-2 and C-2 which shall be deposited on behalf of the purchasers of such Class of the Series 2013-2 Notes represented thereby with a custodian for, and registered in the name of a nominee of DTC, for the account of Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) or for Clearstream Banking, société anonyme

(“Clearstream”), duly executed by ABRCF and authenticated by the Trustee in the manner set forth in Section 2.4 of the Base Indenture. Interests in each Temporary Global Series 2013-2 Note will be exchangeable, in whole or in part, for interests in one or more permanent global notes in registered form without interest coupons (each, a “Permanent Global Class A Note”, a “Permanent Global Class B Note” or a “Permanent Global Class C Note”, as the case may be, and collectively the “Permanent Global Series 2013-2 Notes”), substantially in the form of Exhibits A-3, B-3 and C-3 in accordance with the provisions of such Temporary Global Series 2013-2 Note and the Base Indenture (as modified by this Supplement). Interests in a Permanent Global Series 2013-2 Note will be exchangeable for a definitive Series 2013-2 Note in accordance with the provisions of such Permanent Global Series 2013-2 Note and the Base Indenture (as modified by this Supplement).

ARTICLE V GENERAL

Section 5.1. Optional Repurchase. The Series 2013-2 Notes shall be subject to repurchase by ABRCF at its option in accordance with Section 6.3 of the Base Indenture on any Distribution Date after the Series 2013-2 Invested Amount is reduced to an amount less than or equal to 10% of the sum of the Class A Initial Invested Amount, the Class B Initial Invested Amount and the Class C Initial Invested Amount (the “Series 2013-2 Repurchase Amount”). The repurchase price for any Series 2013-2 Note shall equal the aggregate outstanding principal balance of such Series 2013-2 Note (determined after giving effect to any payments of principal and interest on such Distribution Date), plus accrued and unpaid interest on such outstanding principal balance.

Section 5.2. Information. The Trustee shall provide to the Series 2013-2 Noteholders, or their designated agent, copies of all information furnished to the Trustee or ABRCF pursuant to the Related Documents, as such information relates to the Series 2013-2 Notes or the Series 2013-2 Collateral.

Section 5.3. Exhibits. The following exhibits attached hereto supplement the exhibits included in the Indenture.

<u>Exhibit A-1:</u>	Form of Restricted Global Class A Note
<u>Exhibit A-2:</u>	Form of Temporary Global Class A Note
<u>Exhibit A-3:</u>	Form of Permanent Global Class A Note
<u>Exhibit B-1:</u>	Form of Restricted Global Class B Note
<u>Exhibit B-2:</u>	Form of Temporary Global Class B Note
<u>Exhibit B-3:</u>	Form of Permanent Global Class B Note
<u>Exhibit C-1:</u>	Form of Restricted Global Class C Note
<u>Exhibit C-2:</u>	Form of Temporary Global Class C Note
<u>Exhibit C-3:</u>	Form of Permanent Global Class C Note
<u>Exhibit D:</u>	Form of Series 2013-2 Demand Note

<u>Exhibit E-1:</u>	Form of Class A/B Letter of Credit
<u>Exhibit E-2:</u>	Form of Class C Letter of Credit
<u>Exhibit F:</u>	Form of Lease Payment Deficit Notice
<u>Exhibit G:</u>	Form of Demand Notice
<u>Exhibit H:</u>	Form of Supplemental Indenture No. 4 to the Base Indenture
<u>Exhibit I:</u>	Form of Amendment to the Master Exchange Agreement
<u>Exhibit J:</u>	Form of Amendment to the AESOP I Operating Lease
<u>Exhibit K:</u>	Form of Amendment to the Finance Lease
<u>Exhibit L:</u>	Form of Amendment to the AESOP I Operating Lease Loan Agreement
<u>Exhibit M:</u>	Form of Amendment to the AESOP I Finance Lease Loan Agreement

Section 5.4. Ratification of Base Indenture. As supplemented by this Supplement, the Base Indenture is in all respects ratified and confirmed and the Base Indenture as so supplemented by this Supplement shall be read, taken, and construed as one and the same instrument.

Section 5.5. Counterparts. This Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

Section 5.6. Governing Law. This Supplement shall be construed in accordance with the law of the State of New York, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such law.

Section 5.7. Amendments. This Supplement may be modified or amended from time to time in accordance with the terms of the Base Indenture; provided, however, that if, pursuant to the terms of the Base Indenture or this Supplement, the consent of the Required Noteholders is required for an amendment or modification of this Supplement or any other Related Document, such requirement shall be satisfied if such amendment or modification is consented to by the Requisite Series 2013-2 Noteholders; provided further, that, so long as (i) no Amortization Event has occurred and is continuing and (ii) the Rating Agency Consent Condition is met with respect to the outstanding Series 2013-2 Notes, ABRCF shall be able to (x) increase the Series 2013-2 Maximum Hyundai Amount up to an amount not to exceed 30% of the aggregate Net Book Value of all Vehicles leased under the Leases, (y) increase the Series 2013-2 Maximum Kia Amount up to an amount not to exceed 15% of the aggregate Net Book Value of all Vehicles leased under the Leases and (z) increase the Series 2013-2 Maximum Used Vehicle Amount up to an amount not to exceed 10% of the aggregate Net Book Value of all Vehicles leased under the Leases at any time without the consent of the Series 2013-2 Noteholders by giving written notice of such increase to the Trustee along with an Officer's Certificate certifying that no Amortization Event has occurred and is continuing.

Section 5.8. Discharge of Indenture. Notwithstanding anything to the contrary contained in the Base Indenture, no discharge of the Indenture pursuant to Section 11.1(b) of the Base Indenture will be effective as to the Series 2013-2 Notes without the consent of the Requisite Series 2013-2 Noteholders.

Section 5.9. Notice to Rating Agencies. The Trustee shall provide to each Rating Agency a copy of each notice, opinion of counsel, certificate or other item delivered to, or required to be provided by, the Trustee pursuant to this Supplement or any other Related Document.

Section 5.10. Capitalization of ABRCF. ABRCF agrees that on the Class C Notes Closing Date it will have capitalization in an amount equal to or greater than 3% of the sum of (x) the Series 2013-2 Invested Amount and (y) the invested amount of the Series 2010-1 Notes, the Series 2010-3 Notes, the Series 2010-4 Notes, the Series 2010-5 Notes, the Series 2010-6 Notes, the Series 2011-2 Notes, the Series 2011-3 Notes, the Series 2011-4 Notes, the Series 2011-5 Notes, the Series 2012-1 Notes, the Series 2012-2 Notes, the Series 2013-1 Notes and the Series 2014-1 Notes.

Section 5.11. Required Noteholders. Subject to Section 5.7 above, any action pursuant to Section 5.6, Section 8.13 or Article 9 of the Base Indenture that requires the consent of, or is permissible at the direction of, the Required Noteholders with respect to the Series 2013-2 Notes pursuant to the Base Indenture shall only be allowed with the consent of, or at the direction of, the Required Controlling Class Series 2013-2 Noteholders. Any other action pursuant to any Related Document which requires the consent or approval of, or the waiver by, the Required Noteholders with respect to the Series 2013-2 Notes shall require the consent or approval of, or waiver by, the Requisite Series 2013-2 Noteholders.

Section 5.12. Series 2013-2 Demand Notes. Other than pursuant to a demand thereon pursuant to Section 2.5, ABRCF shall not reduce the amount of the Series 2013-2 Demand Notes or forgive amounts payable thereunder so that the outstanding principal amount of the Series 2013-2 Demand Notes after such reduction or forgiveness is less than the Series 2013-2 Letter of Credit Liquidity Amount. ABRCF shall not agree to any amendment of the Series 2013-2 Demand Notes without first satisfying the Rating Agency Confirmation Condition and the Rating Agency Consent Condition.

Section 5.13. Termination of Supplement. This Supplement shall cease to be of further effect when all outstanding Series 2013-2 Notes theretofore authenticated and issued have been delivered (other than destroyed, lost, or stolen Series 2013-2 Notes which have been replaced or paid) to the Trustee for cancellation, ABRCF has paid all sums payable hereunder, and, if the Series 2013-2 Demand Note Payment Amount on the Series 2013-2 Letter of Credit Termination Date was greater than zero, all amounts have been withdrawn from the Series 2013-2 Cash Collateral Accounts in accordance with Section 2.8(m).

Section 5.14. Noteholder Consent to Certain Amendments. Each Series 2013-2 Noteholder, upon any acquisition of a Series 2013-2 Note, will be deemed to agree and consent to (i) the execution by ABRCF of a Supplemental Indenture to the Base Indenture substantially in the form of Exhibit H hereto, (ii) the execution of an amendment to the Master Exchange Agreement

substantially in the form of Exhibit I hereto, (iii) the execution of an amendment to the AESOP I Operating Lease substantially in the form of Exhibit J hereto, (iv) the execution of an amendment to the Finance Lease substantially in the form of Exhibit K hereto, (v) the execution of an amendment to the AESOP I Operating Lease Loan Agreement substantially in the form of Exhibit L hereto and (vi) the execution of an amendment to the AESOP I Finance Lease Loan Agreement substantially in the form of Exhibit M hereto. Such deemed consent will apply to each proposed amendment set forth in Exhibits H, I, J, K, L and M individually, and the failure to adopt any of the amendments set forth therein will not revoke the consent with respect to any other amendment.

Section 5.15. Confidential Information.

(a) The Trustee and each Series 2013-2 Note Owner agrees, by its acceptance and holding of a beneficial interest in a Series 2013-2 Note, to maintain the confidentiality of all Confidential Information in accordance with procedures adopted by the Trustee or such Series 2013-2 Note Owner in good faith to protect confidential information of third parties delivered to such Person; provided, that such Person may deliver or disclose Confidential Information to: (i) such Person's directors, trustees, officers, employees, agents, attorneys, independent or internal auditors and affiliates who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 5.15; (ii) such Person's financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 5.15; (iii) any other Series 2013-2 Note Owner; (iv) any Person of the type that would be, to such Person's knowledge, permitted to acquire an interest in the Series 2013-2 Notes in accordance with the requirements of the Indenture to which such Person sells or offers to sell any such Series 2013-2 Note or any part thereof and that agrees to hold confidential the Confidential Information substantially in accordance with this Section 5.15 (or in accordance with such other confidentiality procedures as are acceptable to ABRCF); (v) any federal or state or other regulatory, governmental or judicial authority having jurisdiction over such Person; (vi) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about the investment portfolio of such Person, (vii) any reinsurers or liquidity or credit providers that agree to hold confidential the Confidential Information substantially in accordance with this Section 5.15 (or in accordance with such other confidentiality procedures as are acceptable to ABRCF); (viii) any other Person with the consent of ABRCF; or (ix) any other Person to which such delivery or disclosure may be necessary or appropriate (A) to effect compliance with any law, rule, regulation, statute or order applicable to such Person, (B) in response to any subpoena or other legal process upon prior notice to ABRCF (unless prohibited by applicable law, rule, order or decree or other requirement having the force of law), (C) in connection with any litigation to which such Person is a party upon prior notice to ABRCF (unless prohibited by applicable law, rule, order or decree or other requirement having the force of law) or (D) if an Amortization Event with respect to the Series 2013-2 Notes has occurred and is continuing, to the extent such Person may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under the Series 2013-2 Notes, the Indenture or any other Related Document; and provided, further, however, that delivery to any Series 2013-2 Note Owner of any report or information required by the terms of the Indenture to be provided to such Series 2013-2 Note Owner shall not be a violation of this Section 5.15. Each Series 2013-2 Note Owner agrees, b

y acceptance of a beneficial interest in a Series 2013-2 Note, except as set forth in clauses (v), (vi) and (ix) above, that it shall use the Confidential Information for the sole purpose of making an investment in the Series 2013-2 Notes or administering its investment in the Series 2013-2 Notes. In the event of any required disclosure of the Confidential Information by such Series 2013-2 Note Owner, such Series 2013-2 Note Owner agrees to use reasonable efforts to protect the confidentiality of the Confidential Information.

(b) For the purposes of this Section 5.15, “Confidential Information” means information delivered to the Trustee or any Series 2013-2 Note Owner by or on behalf of ABRCF in connection with and relating to the transactions contemplated by or otherwise pursuant to the Indenture and the Related Documents; provided, that such term does not include information that: (i) was publicly known or otherwise known to the Trustee or such Series 2013-2 Note Owner prior to the time of such disclosure; (ii) subsequently becomes publicly known through no act or omission by the Trustee, any Series 2013-2 Note Owner or any person acting on behalf of the Trustee or any Series 2013-2 Note Owner; (iii) otherwise is known or becomes known to the Trustee or any Series 2013-2 Note Owner other than (x) through disclosure by ABRCF or (y) as a result of the breach of a fiduciary duty to ABRCF or a contractual duty to ABRCF; or (iv) is allowed to be treated as non-confidential by consent of ABRCF.

Section 5.16. Capitalized Cost Covenant. ABRCF hereby agrees that it 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 ABRCF 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.

Section 5.17. Further Limitation of Liability. Notwithstanding anything in this Supplement to the contrary, in no event shall the Trustee or its directors, officers, agents or employees be liable under this Supplement for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, lost profits), even if the Trustee or its directors, officers, agents or employees have been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 5.18. Series 2013-2 Agent. The Series 2013-2 Agent shall be entitled to the same rights, benefits, protections, indemnities and immunities hereunder as are granted to the Trustee under the Base Indenture as if set forth fully herein.

Section 5.19. Force Majeure. In no event shall the Trustee be liable for any failure or delay in the performance of its obligations under this Supplement because of circumstances beyond the Trustee’s control, including, but not limited to, a failure, termination, suspension of a clearing house, securities depository, settlement system or central payment system in any applicable part of the world or acts of God, flood, war (whether declared or undeclared), civil or military disturbances or hostilities, nuclear or natural catastrophes, political unrest, explosion, severe weather or accident, earthquake, terrorism, fire, riot, labor disturbances, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like (whether

domestic, federal, state, county or municipal or foreign) which delay, restrict or prohibit the providing of the services contemplated by this Supplement, or the unavailability of communications or computer facilities, the failure of equipment or interruption of communications or computer facilities, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility, or any other causes beyond the Trustee's control whether or not of the same class or kind as specified above.

Section 5.20. Waiver of Jury Trial, etc. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS SUPPLEMENT, THE SERIES 2013-2 NOTES, THE SERIES 2013-2 DEMAND NOTES, THE SERIES 2013-2 LETTER OF CREDIT AND ANY OTHER RELATED DOCUMENTS EXECUTED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2013-2 NOTES, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF THE PARTIES HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES HERETO TO ENTER INTO THIS SUPPLEMENT.

Section 5.21. Submission to Jurisdiction. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY SUBMITS (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) TO THE NON-EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN, NEW YORK CITY, STATE OF NEW YORK, OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT, THE SERIES 2013-2 NOTES, THE SERIES 2013-2 DEMAND NOTES, THE SERIES 2013-2 LETTER OF CREDIT AND ANY OTHER RELATED DOCUMENTS EXECUTED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2013-2 NOTES AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE OR FEDERAL COURT. EACH OF THE PARTIES HERETO EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION EACH MAY NOW OR HEREAFTER HAVE, TO THE LAYING OF VENUE IN ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT AS WELL AS ANY RIGHT EACH MAY NOW OR HEREAFTER HAVE, TO REMOVE ANY SUCH ACTION OR PROCEEDING, ONCE COMMENCED, TO ANOTHER COURT ON THE GROUNDS OF FORUM NON CONVENIENS OR OTHERWISE. NOTHING CONTAINED HEREIN SHALL PRECLUDE ANY PARTY HERETO FROM BRINGING AN ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT, THE SERIES 2013-2 NOTES, THE SERIES 2013-2 DEMAND NOTES, THE SERIES 2013-2 LETTER OF CREDIT AND ANY OTHER RELATED DOCUMENTS EXECUTED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2013-2 NOTES IN ANY OTHER COUNTRY, STATE OR PLACE HAVING JURISDICTION OVER SUCH ACTION OR PROCEEDING.

Section 5.22. Class C Notes Conditions Precedent. ABRCF may only issue Class C Notes upon the satisfaction of the conditions precedent set forth in Section 5.15 of the Prior Supplement.

IN WITNESS WHEREOF, ABRCF and the Trustee have caused this Supplement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

AVIS BUDGET RENTAL CAR FUNDING
(AESOP) LLC

By: /s/ Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Treasurer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: /s/ Mitchell Brumwell
Name: Mitchell Brumwell
Title: Vice President

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Series 2013-2 Agent

By: /s/ Mitchell Brumwell
Name: Mitchell Brumwell
Title: Vice President

Avis Budget Group, Inc.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Dollars in millions)

	Year Ended December 31,				
	2013	2012	2011	2010	2009
Earnings available to cover fixed charges:					
Income (loss) from continuing operations before income taxes	\$ 97	\$ 300	\$ 36	\$ 72	\$ (77)
Plus: Fixed charges	741	638	576	510	408
Earnings available to cover fixed charges	<u>\$ 838</u>	<u>\$ 938</u>	<u>\$ 612</u>	<u>\$ 582</u>	<u>\$ 331</u>
Fixed charges ^(a):					
Interest, including amortization of deferred financing costs	\$ 643	\$ 546	\$ 506	\$ 445	\$ 343
Interest portion of rental payment	98	92	70	65	65
Total fixed charges	<u>\$ 741</u>	<u>\$ 638</u>	<u>\$ 576</u>	<u>\$ 510</u>	<u>\$ 408</u>
Ratio of earnings to fixed charges ^(b)	<u>1.13x</u>	<u>1.47x</u>	<u>1.06x</u>	<u>1.14x</u>	<u>—</u>

^(a) Consists of interest expense on all indebtedness (including amortization of deferred financing costs) and the portion of operating lease rental expense that is representative of the interest factor. Interest expense on all indebtedness is detailed as follows:

	Year Ended December 31,				
	2013	2012	2011	2010	2009
Related to debt under vehicle programs	\$ 271	\$ 303	\$ 279	\$ 215	\$ 186
All other	372	243	227	230	157
	<u>\$ 643</u>	<u>\$ 546</u>	<u>\$ 506</u>	<u>\$ 445</u>	<u>\$ 343</u>

^(b) Earnings were not sufficient to cover fixed charges in 2009 by \$77 million.

* * *

Subsidiary	Jurisdiction of Incorporation
2233516 Ontario, Inc.	Canada
AB Canada Holdings I Limited Partnership	Canada
AB Canada Holdings II Partnership	Canada
AB Canada Holdings III Limited Partnership	Canada
AB Car Rental Services Inc.	Delaware
AB Funding Pty Ltd.	Australia
AB Luxembourg Holdings, S.á r.l.	Luxembourg
ABG Car Services Holdings LLC	Delaware
ABQ Rentals, Inc.	New Mexico
Advance Ross Corporation	Delaware
Advance Ross Intermediate Corporation	Delaware
Advance Ross Sub Company	Delaware
AE Consolidation Limited	England and Wales
AE Holdco Limited	England and Wales
Aegis Motor Insurance Limited	Isle of Man
AESOP Leasing Corp.	Delaware
AESOP Leasing LP	Delaware
Anji Car Rental & Leasing Company Limited	China
Apex Car Rentals	New Zealand
Apex Car Rentals Pty Ltd.	Australia
ARAC Management Services Inc.	Delaware
ARACS LLC	Delaware
Arbitra S.A.	Argentina
Atlin, Inc.	Florida
AU Holdco Pty Ltd.	Australia
Auto Accident Consultants Pty. Limited	Australia
Auto-Hall S.A.	Monaco
Avis (US) Holdings BV	The Netherlands
Avis Africa Limited	England and Wales
Avis Alquile un Coche S.A.	Spain
Avis Asia and Pacific LLC	Delaware
Avis Asia Limited	England and Wales
Avis Assistance Limited	England and Wales
Avis Budget Autoverhuur B.V.	The Netherlands
Avis Autovermietung GesbmH	Austria
AvisBudget Group Limited	New Zealand
Avis Belgium SA	Belgium
Avis Budget Auto Service GmbH	Germany
Avis Budget Autovermietung Beteiligungs GmbH	Germany
Avis Budget Autovermietung AG	Switzerland
Avis Budget Autovermietung GmbH & Co KG	Germany
Avis Budget Autovermietung Verwaltungs GmbH	Germany

Avis Budget Car Rental Canada ULC	Canada
Avis Budget Car Rental LLC	Delaware
Avis Budget Contact Centers Inc.	Canada
Avis Budget Group Contact Centre EMEA S.A.	Spain
Avis Budget de Puerto Rico, Inc.	Puerto Rico
Avis Budget EMEA Limited	England and Wales
Avis Budget Finance Inc.	Delaware
Avis Budget Finance plc	Jersey
Avis Budget Group BSC Korlátolt Felelősségű Társaság	Hungary
Avis Budget Group Limited	New Zealand
Avis Budget Group Pty Limited	Australia
Avis Budget Holdings LLC	Delaware
Avis Budget International Financing, S.á r.l.	Luxembourg
Avis Budget Italia S.p.A.	Italy
Avis Budget Italia SpA Fleet Co S.A.P.A.	Italy
Avis Budget Rental Car Funding (AESOP) LLC	Delaware
Avis Budget Services Limited	England and Wales
Avis Budget UK Limited	England and Wales
Avis Car Rental Group LLC	Delaware
Avis Caribbean, Limited	Delaware
Avis Commercial Holdings Limited	England and Wales
Avis Contact Centres Limited	England and Wales
Avis Enterprises, Inc.	Delaware
Avis Europe Group Holdings BV	The Netherlands
Avis Europe Holdings Limited	England and Wales
Avis Europe International Reinsurance Limited	Isle of Man
Avis Europe Investment Holdings Limited	England and Wales
Avis Europe Investments Limited	England and Wales
Avis Europe Overseas Limited	England and Wales
Avis Europe Risk Management Limited	England and Wales
Avis Europe & Middle East Limited	England and Wales
Avis Finance Company (No. 2) Limited	England and Wales
Avis Finance Company (No. 3) Limited	Jersey Channel Islands
Avis Finance Company Limited	England and Wales
Avis Financement Vehicles SAS	France
Avis Financial Services Limited	England and Wales
Avis Group Holdings LLC	Delaware
Avis Holdings, Inc	Delaware
Avis India Investments Private Limited	India
Avis International Holdings, LLC	Delaware
Avis International Ltd.	Delaware
Avis Investment Services (No. 2)	England and Wales
Avis Investment Services Limited	England and Wales
Avis IP Security Limited	England and Wales
Avis Leasing Corporation	Delaware

Avis Leisure Services Limited	Jersey Channel Islands
Avis Licence Holdings Limited	England and Wales
Avis Location de Voitures Sarl	Luxembourg
Avis Location de Voitures SAS	France
Avis Lube Inc.	Delaware
Avis Management Pty. Limited	Australia
Avis Management Services, Ltd.	Delaware
Avis New York General Partnership	New York
Avis Operations LLC	Delaware
Avis Pension Trustees Limited	England and Wales
Avis Portugal S.G.P.S. LDA	Portugal
Avis Profit Share Trustees Limited	England and Wales
Avis Rent A Car (Isle Of Man) Limited	Isle of Man
Avis Rent A Car Limited	New Zealand
Avis Rent A Car Sdn. Bhd.	Malaysia
Avis Rent A Car System LLC	Delaware
Avis Service Inc.	Delaware
Avis Truck Leasing Limited	England and Wales
Aviscar Inc.	Canada
Baker Car and Truck Rental Inc.	Arkansas
Barcelsure Limited	England and Wales
Bell'Aria S.p.A	Italy
BGI Leasing Inc.	Delaware
Budget Funding Corporation	Delaware
Budget International, Inc.	Delaware
Budget Locacao de Veiculos Ltda.	Brazil
Budget Rent A Car Australia Pty. Ltd.	Australia
Budget Rent A Car Licensor, LLC	Delaware
Budget Rent A Car Limited	New Zealand
Budget Rent a Car Operations Pty. Ltd.	Australia
Budget Rent A Car System Inc.	Delaware
Budget Truck Rental LLC	Delaware
Budgetcar Inc.	Canada
Business Rent A Car GmbH	Austria
C.D. Bramall (Bingley) Limited	England and Wales
Camfox Pty. Ltd.	Australia
Catalunya Carsharing S.A.	Spain
CCRG Servicos De Automoveis Ltda	Brazil
CD Intellectual Property Holdings, LLC	Delaware
Cellrent Limited	England and Wales
Cendant Finance Holding Company LLC	Delaware
Centre Point Funding, LLC	Delaware
Centrus Limited	England and Wales
Chaconne Pty. Limited	Australia
Cilva Holdings Limited	England and Wales
Cirrus Capital (Jersey) One Limited	Jersey Channel Islands

Cirrus Capital (Jersey) Two Limited	Jersey Channel Islands
Constellation Reinsurance Company Limited	Barbados
Dallas Holding, S.A.	Brazil
Ecovale	England and Wales
Europe Leisure Holdings NV	The Netherlands
Flomco, Inc.	Florida
Garage St Martin sas	France
Garep AG	Switzerland
HFS Truck Funding Corporation	Delaware
L&S Vehicle Leasing, Inc.	Florida
LAS Rentals, LLC	Florida
LAS Sales & Leasing, Inc.	Nevada
Manor National Limited	England and Wales
Mercury Car Rentals Private Limited	India
Milton Location de Voitures SAS	France
Mobility, Inc.	Washington
Motorent Inc.	Tennessee
National Car Rentals (Private) Limited	Singapore
Nocal Rentals, Inc.	California
Orlin, Inc.	Florida
Pathfinder Insurance Company	Colorado
Payhot Limited	England and Wales
Payless Car Rental, Inc.	Nevada
Payless Car Rental System, Inc.	Florida
Payless Car Sales, Inc.	Florida
Payless Parking, LLC	Florida
PCR Venture, LLC	Delaware
PCR Venture of Denver, LLC	Delaware
PCR Venture of Phoenix, LLC	Delaware
PF Claims Management Ltd.	Delaware
PR Holdco, Inc.	Delaware
Prolita Ltd.	United Kingdom
PV Holding Corp.	Delaware
PVI Kraftfahrzeug- Leasing GmbH	Germany
Quartx Fleet Management Inc.	Delaware
Rent-A-Car Company, Incorporated	Virginia
REZLink International, Inc.	Florida
Runabout, LLC	Delaware
Safeguard (Legal Expenses) Limited	England and Wales
SCA sas	France
Sceptre-Europe Limited	England and Wales
Seatac Rentals, Inc.	Washington
Servicios Avis S.A.	Mexico
Show Group Enterprises Limited	New Zealand
Show Group Enterprises Pty Limited	Australia
SLC Rentals, Inc.	Utah

Sovial Sociedade de Viaturas de Aluguer LDA	Portugal
Sovialma Sociedade de Viaturas de Aluguer da Madeira LDA	Portugal
Strongdraw Limited	England and Wales
Team Fleet Financing Corporation	Delaware
Upperextra (No. 2) Limited	England and Wales
Upperextra Limited	England and Wales
Virgin Islands Enterprises Inc.	Virgin Islands
W.T.H. Fleet Leasing Pty. Limited	Australia
W.T.H. PTY. Limited	Australia
We Try Harder Pty. Limited	Australia
Wizard Co. Inc.	Delaware
Wizard Services Inc.	Delaware
WTH Canada Inc.	Canada
WTH Car Rental, ULC	Canada
WTH Funding Limited Partnership	Canada
Yourway Rent A Car Limited	New Zealand
Yourway Rent A Car Pty Limited	Australia
Zipcar, Inc.	Delaware
Zipcar (UK) Limited	United Kingdom
Zipcar Austria GmbH	Austria
Zipcar Canada, Inc.	Canada
Zipcar New York, Inc.	Delaware
Zipcar Securities Corporation	Massachusetts
Zipcar Vehicle Financing, LLC	Delaware
Zodiac Autovermietung AG	Switzerland
Zodiac Europe Finance Company Limited	England and Wales
Zodiac Europe Investments Limited	England and Wales
Zodiac Europe Limited	England and Wales
Zodiac Italia S.p.A.	Italy
Zodiac Rent a Car Limited	England and Wales

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 33-91656, 333-78475, 333-38638, 333-58670, 333-98933, 333-114744, 333-124925, 333-144143 and 333-161418 on Form S-8 of our reports dated February 20, 2014, relating to the consolidated financial statements and financial statement schedule of Avis Budget Group, Inc. and subsidiaries, and the effectiveness of Avis Budget Group Inc. and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Avis Budget Group, Inc. and subsidiaries for the year ended December 31, 2013.

/s/ DELOITTE & TOUCHE LLP
New York, New York
February 20, 2014

SECTION 302 CERTIFICATION

I, Ronald L. Nelson, certify that:

1. I have reviewed this annual report on Form 10-K of Avis Budget Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2014

/s/ Ronald L. Nelson

Chief Executive Officer

SECTION 302 CERTIFICATION

I, David B. Wyshner, certify that:

1. I have reviewed this annual report on Form 10-K of Avis Budget Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2014

/s/ David B. Wyshner

Senior Executive Vice President and
Chief Financial Officer

**CERTIFICATION OF CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Avis Budget Group, Inc. (the "Company") on Form 10-K for the period ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Ronald L. Nelson, as Chief Executive Officer of the Company, and David B. Wyshner, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/s/ RONALD L. NELSON

Ronald L. Nelson
Chief Executive Officer
February 20, 2014

/s/ DAVID B. WYSHNER

David B. Wyshner
Senior Executive Vice President
and Chief Financial Officer
February 20, 2014