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

FORM 8-K

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

Date of report (Date of earliest event reported): **October 31, 2013 (October 26, 2013)**

Avis Budget Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-10308
(Commission File Number)

06-0918165
(IRS 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)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

On October 26, 2013, our Avis Budget Car Rental, LLC subsidiary (“ABCR”) and Ford Motor Company (“Ford”) entered into a letter agreement (the “Ford Agreement”) for the purchase of Ford vehicles. The Ford Agreement sets forth the terms and conditions related to ABCR’s purchase of Ford vehicles for the 2014 vehicle model year. The Ford Agreement also sets forth the terms and conditions related to Ford’s guaranteed auction value program, which guarantees the price of certain vehicles purchased by ABCR under the Ford Agreement when sold at auction. The Ford Agreement is attached hereto as [Exhibit 10.1](#), and is incorporated herein by reference.

(d) Exhibits.

The following exhibits are filed as part of this report:

Exhibit No.	Description
10.1	Avis Budget Car Rental 2014 Model Year Program Letter dated October 26, 2013 between Avis Budget Car Rental, LLC and Ford Motor Company.*

*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.

SIGNATURES

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

AVIS BUDGET GROUP, INC.

By: /s/ Bryon L. Koepke
Name: Bryon L. Koepke
Title: Senior Vice President and Chief Securities Counsel

Date: October 31, 2013

AVIS BUDGET GROUP, INC.
CURRENT REPORT ON FORM 8-K
Report Dated October 31, 2013 (October 26, 2012)

EXHIBIT INDEX

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Confidential



North American Fleet,
Lease & Remarketing
Operations

16800 Executive Plaza
Dr. Regent Court
Bldg., 6N-1A
Dearborn, MI 48126
October 04, 2013

To: Mike Schmidt, Senior Vice President - Fleet Services
Avis Budget Car Rental, LLC

Subject: Avis Budget Car Rental 2014 Model Year Program Letter

This Avis Budget Car Rental, LLC 2014 Model Year Program Letter (the "Program Letter") will confirm the agreement reached between Avis Budget Car Rental, LLC ("ABCR"), its affiliates and all entities it controls and Ford Motor Company ("Ford"), (the "Parties"), regarding purchases by ABCR of Ford vehicles, which include any new and unused passenger cars, vans or trucks bearing the marks "Ford" or "Lincoln" as from time to time are offered for sale by Ford in the United States to Ford Dealers ("Ford Vehicles") for the 2014 Program Year. "Program Year" ("PY") is defined and outlined on Attachment VI "Volume Adjustments" beginning with the 2014 model year Fiesta on April 19, 2013 through June 30, 2014. The PY includes 2014 MY Ford Vehicles purchased by ABCR during the specified time, unless both parties mutually agree to conclude the PY sooner. Exceptions to the PY are summarized in Attachment VII "*Volume Adjustments*" attached hereto and incorporated herein. The Parties agree that each month, ABCR shall prepare and submit to Ford during the last week of the month, an updated requested production plan by week and by month, for the entire PY.

Other than those items specifically identified in this Program Letter, all terms and conditions announced in related communications from Ford to ABCR, Ford's 2014 Model Daily Rental Repurchase Program and Ford's 2014 Model Daily Rental Long Term Risk Program, (the "Program Communications") control. Terms used in this letter that are defined in such Program Communications shall have the meaning set forth in the Program Communications unless a contrary definition is provided in this Program Letter in which case the definition in this Program Letter shall prevail. "Ford Dealer" is defined as an independent entity in the United States authorized by Ford to sell new Ford Vehicles under one or more dealer sales and service agreements.

The Parties hereto acknowledge and agree that this Program Letter, and the Program Communications relating to the acquisition by ABCR or its affiliates from Ford, and the repurchase by Ford, of Ford Vehicles, shall constitute a single contract among the Parties for all purposes, including in the event of a bankruptcy filing by any of the Parties.

This Program Letter and all of the enhancements apply to the 2014 Program Year as defined herein. The terms and conditions contained in this Program letter are offered to meet competitive offers and promote the selection of Ford and Lincoln products. This Program Letter contains the entire agreement between Ford and ABCR with respect to the subject matter hereof and supersedes any prior agreements and understanding, written or oral. This Program Letter may only be changed by writing signed and delivered by the duly authorized representatives of ABCR and Ford.

Like Kind Exchange Notification

Ford is hereby notified that (ABCR) and its subsidiaries, AESOP Leasing L.P. ("AESOP Leasing"), Avis Rent A Car System, LLC ("Avis") and Budget Rent A Car System, Inc. ("Budget"), have engaged AESOP Exchange Corporation as a qualified intermediary ("QI") for the purpose of facilitating a like kind exchange program under Section 1031 of the Internal Revenue Code of 1986, as amended. As such, ABCR, AESOP Leasing, Avis and Budget have assigned to AESOP Exchange Corporation, acting in its capacity as QI, all of their rights, but not their obligations, in any existing manufacturer purchase agreements they may have with Ford for the purchase of replacement Vehicles and/or the repurchase of relinquished Vehicles. This notification will apply to all future purchases of replacement Vehicles and/or the repurchases of relinquished Vehicles unless specifically excluded in writing.

Purchase Volume

ABCR agrees to purchase for use in or in support of operations at ABCR locations a Minimum Annual Volume of [*REDACTED*] Ford Vehicles from the Ford Dealers of their choice in the United States ("Minimum Annual Volume"). ABCR agrees to order [*REDACTED*] of the [*REDACTED*] Ford Vehicles from Ford for production prior to December 15, 2013. ABCR agrees to purchase Ford Vehicles in the mix outlined on *Attachment I "Program Volume"* attached hereto and incorporated herein.

In consideration of the obligations undertaken by ABCR, Ford shall cooperate with Ford Dealers with whom ABCR negotiates the purchase of Ford Vehicles (consistent with the sales and service agreements between Ford and Ford Dealers) to make reasonable allocations of Ford Vehicles available for resale to ABCR. ABCR understands and agrees that production loss attributable to (a) shortage or curtailment of material, labor, transportation, or utility service; (b) any labor or production difficulty; (c) any governmental action; and/or (d) any cause beyond the reasonable control of Ford may affect vehicle volumes and may result in lower volume deliveries and/or delays in deliveries. In any such event(s), Ford shall notify ABCR in a timely fashion and, if applicable, shall provide ABCR with an estimate as to the times(s) of any delays in such deliveries.

Ford will use commercially reasonable efforts to achieve the mix outlined in Attachment A herein, and ABCR recognizes that the mix could change and that any such changes to the mix shall be changes determined necessary by Ford to accommodate changes to the Ford Vehicle production plans. ABCR acknowledges and agrees that it is possible that future demand for Ford Vehicles for retail sales in the United States could be at levels that may limit the allocation of such Vehicles available to fleet buyers such as ABCR. In the event Ford is unable to deliver the Minimum Annual Volume and to the extent such shortfall/delay is not due to causes beyond Ford's reasonable control as set forth above, Ford agrees to work with ABCR to find a commercially reasonable solution.

Risk Program

ABCR agrees that of the [*REDACTED*] Ford Vehicles it purchases during the 2014 Acquisition Year, [*REDACTED*] will be Ford Risk Vehicles, as outlined on *Attachment I "Program Volume"*. Vehicle mix and incentives are outlined on *Attachment I "Program Volume"* and on *Attachment II "Risk Incentives"* attached hereto and incorporated herein.

All Risk Vehicles must be ordered with Fleet Identification Number ("FIN") and option code 56K. Risk Vehicle incentive payments will be made monthly through the automated competitive allowance payment system. All Risk Vehicles [*REDACTED*] with the exception of any equipment changes or reconfigurations that affect the price.

Any 2014 MY Risk Fiesta, Mustang, or Flex vehicle ordered prior to July 1, 2013 will be paid within the 2013 PY automated competitive allowance payment system (this system uses a 6/30 cutoff date for vehicles designated as early introduction vehicles). Vehicles ordered prior to July 1, 2013 that are part of the 14 PY, are set forth on *Attachment VII "Program Reconciliation"* attached hereto and incorporated herein. The [*REDACTED*] vehicles outlined on Attachment VII had a program-over-program incentive increase which will be paid through the Rental Incentive Program System "RIPS".

Guaranteed Auction Value ("GAV") Program Description

Ford and ABCR agree that the terms and conditions of the GAV Program shall be the same as the terms and conditions set forth in the 2014 Model Daily Rental Repurchase Program as amended by this Program Letter, except as follows:

a. All references to "Repurchase" or "Repurchase Program" shall be deleted and replaced by "Guaranteed Auction Value," "GAV" or "Guaranteed Auction Value Program." The terms "Guaranteed Auction Value" and "GAV" shall have the same meaning and shall be used interchangeably.

b. The GAV shall be equal to the Repurchase Settlement Amount as defined in the Repurchase Programs and will be paid to ABCR in two separate transactions: (1) the first payment will consist of Net Auction Proceeds and be paid by the Ford Sponsored Auction to ABCR as directed by ABCR; and (2) the second payment will consist of a GAV Supplement Amount ("GAVSA") to be paid by Ford on the Wednesday of the week following the sale of vehicles at the Ford Sponsored Auction. The GAVSA shall be determined by calculating the GAV, deducting net auction proceeds and adding the interest reimbursement amount set forth below.

c. To reimburse ABCR for [*REDACTED*] held for sale at Ford Sponsored Auctions more than [*REDACTED*] from Acceptance Date, [*REDACTED*] will be included in the GAVSA as follows:

- * [*REDACTED*] Days [*REDACTED*]
- * [*REDACTED*] Days [*REDACTED*]
- * [*REDACTED*] Days [*REDACTED*]

- a. Title to GAV vehicles will remain in the name of ABCR until the auction sale date at which time ABCR will transfer title, or cause title to be transferred, to the purchasing dealer.
- b. On the [*REDACTED*] day after the Acceptance Date, vehicles not sold at a Ford Sponsored Auction will be repurchased by Ford and Ford will pay ABCR the Repurchase Settlement Amount set forth in the applicable Ford Repurchase Program for such model year. In addition to the Repurchase Settlement Amount, Ford will also [*REDACTED*] set forth herein.
- c. Notwithstanding anything to the contrary in the Program Communications, as of the date of this Program Letter, Ford shall be under no obligation to repurchase vehicles except as set forth herein.
- d. Except as specifically amended herein, all other terms and conditions in the 2014 Model Daily Rental Repurchase Program remain in effect.

GAV Program

ABCR agrees that of the [*REDACTED*] Ford Vehicles it purchases during the 2014 Program Year [*REDACTED*] will be subject to the Ford GAV program, as outlined on Attachment I "Program Volume" attached hereto and incorporated herein.

As part of the ABCR GAV Program, Ford agrees to enhance the 2014 Model Repurchase Program with the following items described below. The ABCR Guaranteed Auction Value Program details are outlined on *Attachment III "GAV Program Detail" and Attachment IV "GAV Depreciation Rates"* attached hereto and incorporated herein.

- [*REDACTED*]
- ABCR GAV volume will be ordered as 100% Days-In-Service Program 56Z (less any HI Vehicles 56G).

[*REDACTED*]

[*REDACTED*] as outlined on *Attachment IV "GAV Depreciation Rates"* attached hereto and incorporated herein. This payment will be made through [*REDACTED*] following the sale date. [*REDACTED*] when the Ford Vehicle is returned.

[*REDACTED*] Agreement

ABCR agrees that so long as it purchases Ford Vehicles that are subject to Ford's GAV Program and/or Ford's Repurchase Program, at Ford's request, ABCR will enter into [*REDACTED*] Agreement in which [*REDACTED*]. Each such agreement will provide that the parties will [*REDACTED*].

Days-In Service Program - Order Code 56Z (Overall Description)

- The 2014 Days-In-Service Program details are outlined on *Attachment III "GAV Program Detail"* attached hereto and incorporated herein. Rates are outlined on *Attachment IV "GAV Depreciation Rates"*. As detailed in the 2014 Model Daily Rental Repurchase Program (page 3), the Ford Mustang continues to be the only Ford Vehicle that has a surcharge applied to the monthly depreciation rate based on the month of vehicle acceptance. Once vehicles are delivered, order code 56Z is not transferable to other programs.
- As outlined on Attachment IV "GAV Depreciation Rates" attached hereto and incorporated herein, [*REDACTED*]. The [*REDACTED*] which can be claimed within [*REDACTED*]. If the [*REDACTED*] the vehicle will be [*REDACTED*] regardless of days-in-service.

[*REDACTED*]

- [*REDACTED*] are set forth on *Attachment V [*REDACTED*]* attached hereto and incorporated herein.
- Any Ford vehicle tendered for sale/repurchase, and rejected for any reason [*REDACTED*].
- Vehicles must be ordered as GAV with order code 56 G or 56 Z.
- [*REDACTED*], VINs must be submitted through Ford's fleet website after January 4, 2014.
- [*REDACTED*] must be submitted prior to the vehicle exceeding the Maximum-Out-of-Service-Date (MOSD) +180 days.
- [*REDACTED*] submitted prior to the 15th of the month will [*REDACTED*] at the end of the month; [*REDACTED*] submitted after the 15th of the month will [*REDACTED*] at the end of the next month.
- [*REDACTED*] that are made in error can be reversed but will be charged [*REDACTED*] per annum interest from the claim date to the repayment date.

Post Acceptance Chargeback

- If Ford accepts a returned Ford vehicle, the vehicle will not be subject to future chargeback for undetected issues except for oil sludge and title issues.

[*REDACTED*]

ABCR and Ford agree that the Minimum Volume represents a significant percentage of the ABCR vehicle rental fleet and that if **[*REDACTED*]**

Confidentiality

This Program Agreement, or any part of the contents hereof, and all records, statements and matters relating hereto including information obtained or provided, including information related to Ford's vehicle cycle plans, future products and related activities, shall be treated as confidential and each of the parties shall take or cause to be taken the same degree of care in preventing disclosure of the Confidential Material as it does with its own confidential trade or business information, including ensuring that any employees, vendors or suppliers that obtain or have access to such Confidential Material also maintain the same level of confidentiality. Further, except as may otherwise be required by law or by subpoena or civil investigative demand, neither party shall provide the Confidential Material, or any part thereof, to any other person or legal entity, including vendors and suppliers, without the prior written consent of the other, which consent shall not be withheld unreasonably. In disclosing the Confidential Material to any person or legal entity, the disclosing party will impose on the receiving party the same degree of confidentiality and care that the parties have undertaken in the first sentence of this Section or, in the case of Confidential Material supplied to any person or governmental agency pursuant to subpoena or civil investigative demand, requirement of the Securities and Exchange Commission or similar request, the disclosing party will seek an appropriate protective order or confidential treatment, and will use its best efforts to assure that the receiving party or entity returns all copies of all the Confidential Material that shall have been furnished to it, promptly after the receiving party or entity shall have completed its required analysis or review of such Confidential Material.

Illegality of Agreement

If any provision of this Program Agreement is rendered invalid, illegal or unenforceable by enactment of a statute or a final decision by a court or governmental agency of competent jurisdiction, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired.

Michigan Law

This Program Agreement shall in all respects be governed by and be construed in accordance with the laws of the State of Michigan without giving effect to the principles of conflicts of laws thereof. Any litigation regarding this Program Agreement shall be brought only in the United States District Court in Detroit, Michigan. The parties irrevocably and unconditionally waive any objection to the laying of venue of any such litigation in that Court, and agree not to plead or claim that such litigation has been brought in an inconvenient forum. Neither party shall be liable for any special, incidental, consequential or punitive damages caused by or arising out of any performance or non-performance of this Agreement.

Failure to Perform due to Strike, etc Excused

Other than as to payment obligations, if the failure of either party to fulfill its obligations within the time periods set forth in this Agreement, arise because of circumstances such as acts of God, acts of government, floods, fires, explosions, accidents, strikes or other labor disturbances, wars, civil insurrection, sabotage, nuclear or environmental disaster or other similar circumstances wholly outside the control of the defaulting Party (collectively, "Force Majeure Event"), then such failure shall be excused hereunder for the duration of such Force Majeure Event. In the event a Force Majeure Event continues for more than thirty calendar days, or a mutually-recognized significant reduction in air travel occurs, the parties will commence negotiations in an effort to agree on modifications to this Program Agreement permitting both parties to continue without substantial penalty.

Counterparts

This Program Agreement may be executed in counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

Waivers and Extensions

The parties to this Program Agreement may waive any right, breach or default which such party has the right to waive, provided that such waiver will not be effective against the waiving party unless it is in writing, signed by such party, and specifically refers to this Agreement. Waivers may be made in advance or after the right waived has arisen or the breach or default waived has occurred. Any waiver may be conditional. No waiver of any breach of any agreement or provision will be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision. No waiver or extension of time for performance of any obligations or acts will be deemed a waiver or extension of the time for performance of any other obligations or acts.

Notices

Any notice, consent, approval or other communication required or permitted hereunder shall be in writing, shall be transmitted given by registered or certified United States Mail or by express mail courier service, and shall be deemed given when deposited in the mail, postage prepaid and addressed as follows:

Ford Motor Company, Regent Court Building
16800 Executive Plaza Drive
Dearborn, MI 48126
Attention: Rental Manager, Rental, Lease and Remarketing Operations

Recap of 2014 AY Attachments

<i>Attachment I</i>	<i>Program Volume</i>
<i>Attachment II</i>	<i>Risk Program</i>
<i>Attachment III</i>	<i>GAV Program Detail</i>
<i>Attachment IV</i>	<i>GAV Rates</i>
<i>Attachment V</i>	[*REDACTED*]
<i>Attachment VI</i>	<i>Volume Adjustments</i>
<i>Attachment VII</i>	<i>Program Reconciliation</i>

Please concur by signing below signifying ABCR's acceptance of the 2014 Program Letter. By executing this Annual Program Letter ABCR certifies that Ford's Fleet Program **[*REDACTED*]**.

Sincerely,

/s/ Susan Kizoff
Susan Kizoff, Rental Manager

Agreed:

Avis Budget Car Rental, LLC

/s/ Michael Schmidt

Mike Schmidt, Senior Vice-President - Fleet Services

October 26, 2013

Date

Ford Motor Company Concurrence:

/s/ Ken Czubay

Ken Czubay, V.P. Sales & Marketing

October 7, 2013

Date

Ford Motor Company / Avis Budget Car Rental

2014 PROGRAM YEAR
PROGRAM VOLUME

	RISK VOLUME	PROGRAM VOLUME	TOTAL VOLUME	Memo:
	FORD	Ford	Ford	Cum Dec.
	RISK	GAV	Total	Delivery
Cars	[REDACTED]			
Fiesta				
Focus				
Fusion				
Mustang Coupe				
Mustang Conv				
Taurus				
MKZ				
MKS				
Hybrids				
C-MAX				
Fusion				
Cross Overs				
Edge				
Flex				
MKX				
MKT Town Car				
MKT				
SUVs				
Escape				
Explorer				
Expedition				
Navigator				
MKC				
Ford Trucks				
Fseries (F150-F250)				
Econoline (Wagon, Van, Cutaway)				
Total				
Memo:				
% of Total				

Ford Motor Company / Avis Budget Car Rental

2014 Program Year

Risk Program a/

14 Model Year Vehicles & Minimum Specs b/	Total Volume b/	Series Code	Option Code	Rapid Series	Incentive Components c/ d/			
					Total Incentive	Off- Invoice	FIMPS Payment	
Cars								
[*REDACTED*]		P4B		200A				
		P4E		200A				
				201A				
		P3F		200A				
		P3K		200A				
				201A				
				43M				
		POH	997	200A				
		POH	99D	202A				
		POK or POD	999	300A				
				13B				
		P8A		201A				
		P8C		400A				
		P8E		201A				
		P2F or P2J		300A				
				20N				
		L2G/L2J	99K	102A				
		L2G/L2J	999	102A				
	[*REDACTED*]		L9F		201A			
					43W			
			P5B		300A			
			K3K		300A			
			K4K		300A			
			K5D, K6D		300A			
			J6J, J8J		100A			
			J6J, J8J		101A			
			J6J, J8J		102A			
			J5F		100A			
			UOG	99X	200A			
			U9G	999	200A			
		UOJ	999	400A				
		U9J	999	400A				
				43M				
				201A				
		K7F		300A				
		K8F		300A				
				439				
				642				
		U1H, U1J		200A				
		U1H, U1J		201A				
		U1H, U1J		202A				
		K1H, K1J			58F			
					91D			
		All		All				
				43M				
		W1C		300A				
		W1E						
		F2B,X2B,W2B						
	E3B		713A					
	E1E							
	E3F/E4F							

Total Risk Volume

a/ Intro Price Level on all vehicles ordered as Risk

b/ Any changes must be mutually agreed

c/ **[*REDACTED *]**

d/ 2014 MY (Fiesta, Mustang, Flex, and MKT) ordered as part of the 2014 Program prior to 7/1/13 will be paid under the 2013 Program with 2013 incentives and the 2014 PY Incentives will be "Trued-up" and paid through RIPS - Volume is detailed on Att VII "Program Reconciliation"

Ford Motor Company / Avis Budget Car Rental

2014 Program Year
GAV PROGRAM DETAIL

DAYS-IN-SERVICE PROGRAM DETAILS				
[*REDACTED*] [*REDACTED*] [*REDACTED*] [*REDACTED*]				
In-Service & Ordering Requirements				
* Months-In-Service	[*REDACTED*]			
* Days in Service				
* GAV Order Code				
* Tier Distribution (max % per Tier per VL)				
a/				
* Base Vehicles				
* Seasonal / Lincoln Vehicles				
* Specialty Vehicles				
Volume, Depreciation and Vehicle Lines				
* Base Depreciation Rates	See Program Summary / Dep Rates			
* Depreciation Return Surcharge	b/	Mustang Only	Mustang Only	Mustang Only N/A
* 4th Quarter Production (Cum-Dec)	c/	[*REDACTED*]		
Return Restrictions				
* No Acceptance Dates	Good Friday, Memorial Day, July 4th, Labor Day, Thanksgiving Thursday & Friday, and 12-23-13 thru 1-01-14			
* Max OSD 180 Day Extension	N/A	N/A	\$15/day plus deprec.	\$15/day plus deprec.
Mileage				
* Econoline Wagon / Flex	[*REDACTED*]			
* [*REDACTED*]				
* All Other Vehicles				
* Excess Mileage Penalty				
d/				
[*REDACTED*]				
* [*REDACTED*]	Eligible (not to exceed 10% by vehicle line)			
* [*REDACTED*]	[*REDACTED*]			
* [*REDACTED*]	Maximum-Out-of-Service-Date (MOSD) + 180 days			
* Turn In Standards				
* Shipping Costs	N/A	N/A	N/A	200
* Hawaii	N/A	N/A	N/A	10 days
* Deductible	500			
* Express Sign-Off	100			
* All other Standards and Procedures	As published in the 2014 Program Year Daily Rental Repurchase Program Announcement			

a/	Seasonal / Lincoln Vehicles: [*REDACTED*] if exceeded vehicle will be paid [*REDACTED*]. For example once [*REDACTED*] have been returned the next vehicle turned in (regardless of age) will be charged a minimum of [*REDACTED*] months depreciation.			
b/	Mustang return surcharge applies as outlined in 2014 Model Daily Rental Repurchase Program (page 3)			
c/	4th quarter production must be prioritized for production no later than December 14, 2013			
d/	[*REDACTED*]			

Ford Motor Company / Avis Budget Car Rental

2014 Program Year

GAV DEPRECIATION RATES

Base Vehicles
 % by tier by vehicle line DNE
 Fiesta
 Focus
 Fusion
 Mustang Coupe
 Escape
 Taurus

Seasonal & Lincoln Vehicles
 % by tier by vehicle line DNE
 Mustang Convertible
 Edge
 Flex
 Explorer
 Expedition
 MKZ
 MKS
 MKX
 Navigator

Specialty Vehicles
 % by tier by vehicle line DNE
 F150 Super Crew
 Econoline Van
 Econoline Wagon

[*REDACTED*]
 C-Max and Fusion Hybrid

2014 GAV RATES and TIER STRUCTURE a/ b/	
Mthly Depreciation Rates b/	Other
MIS	
[*REDACTED*]	

a/ GAV vehicles are price protected to the level in effect at the date of order receipt

b/ As part of the 2014 Program Agreement, Within the 2013 Program [*REDACTED*] additional 2013 PY vehicles will be allowed in [*REDACTED*] additional 2013 PY vehicles will be allowed as [*REDACTED*] returns (additional over the % established for that vehicle line) above the FINAL [*REDACTED*]. If any vehicle line does not have a [*REDACTED*] established, the Vehicle Line Rate we be honored in [*REDACTED*]. All vehicles will be returned and paid based on all other 2013 PY rules and this exception will be exercised by ABG at a later date (once [*REDACTED*] have been exceeded) and those specific [*REDACTED*] vehicles will be manually adjusted.

c/ [*REDACTED*] and will be deducted from the GAV/Repurchase calculations when the Ford Vehicle is returned.

Ford Motor Company / Avis Budget Car Rental

2014 Program Year

[*REDACTED*]

14 MY Eligible Vehicles

[*REDACTED*]

	<u>Spec A</u>	<u>Model</u>	<u>Spec B</u>	<u>Model</u>
Cars				
Fiesta				
Focus				
Fusion				
Mustang Coupe				
Mustang Convertible				
Taurus				
MKZ				
MKS				
<u>HYBRIDS</u>				
C-Max Hybrid				
Fusion Hybrid				
<u>CROSS OVERS</u>				
Edge				
Flex				
MKX				
MKT & MKT TOWN CAR				
<u>SUV's</u>				
Escape				
Explorer				
Expedition & Expedition EL				
Navigator & Navigator L				
MKC				
<u>TRUCKS</u>				
F-Series				
E-Series -- Wagon				
E-Series -- Van				

[*REDACTED*]

a/ Vehicle must be an eligible GAV vehicle for [*REDACTED*]. If payment is made the vehicle is ineligible for future GAV return.

b/ MOSD for claiming [*REDACTED*]. MOSD + 180 Days
[*REDACTED*]of any one vehicle line repurchase volume

c/ [*REDACTED*]apply to 2014 MY in the 14 PY

d/ [*REDACTED*]

2014 Program Year
 Ford Motor Company / Avis Budget Car Rental

VOLUME ADJUSTMENTS

FULL PROGRAM YEAR	A/ Start Date	B/ #s not in	Base	ADJUSTMENTS							TOTAL	Program End Date
	Corporate*	weekly rpt		1	2	3	4	5	6	7	VOLUME	
CARS												
FIESTA												
FOCUS												
FUSION												
TOTAL MUSTANG COUPE												
TOTAL MUSTANG CONV												
TAURUS												
MKZ												
MKS												
HYBRIDS												
C-Max Hybrid												
C-Max Energi												
Fusion Hybrid												
CROSSOVERS												
EDGE												
FLEX												
MKX												
MKT												
SUVS & TRUCKS												
ESCAPE												
EXPLORER												
EXPEDITION												
NAVIGATOR												
MKC												
F-150 - F250												
ECONOLINE												
Grand Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

NOTES:
 A/ 2014 models included beginning with the date noted; if no date all 14 MY vehicles are included
 B/ Volume to add to Ford Weekly reports (ordered prior to 7/1/13)

Ford Motor Company / Avis Budget Car Rental

2014 PROGRAM YEAR
PROGRAM RECONCILIATION a/

Vehicle Line/ Series c/	Start Date	Vehicle Counts			Incentive Impact y-o-y		
		Risk	GAV	Total	2013	2014	b/ 14 h/(L) 13
Fiesta P4E 200A P4B 200A	5/10/2013 d/						
Mustang Coupe P8A w/ 201A	6/27/2013	[*REDACTED*]			[*REDACTED*]		
Mustang Convertible P8E w/ 201A	6/27/2013						
FLEX K5D Lmtd FWD K6D Lmtd AWD 302 Ecoboost	4/23/2013						
Grand Total							

a/ Vehicle Lines set up to pay incentives through the 2013 Program: Fiesta, Mustang, and Flex orderd prior to July 1, 2012 that were ordered as part of the 2014 Program and should be paid 14 PY Incentives

b/ Reconciliation payment that will be paid [*REDACTED*]

c/ Any 2014 ordered prior to 7/1/2013, other than the vehicle lines noted above, will be paid under the 2014 Program as a 14 PY vehicle with no reconciliation required.

d/ Fiesta P4B was not part of the 13 Program but will be added at [*REDACTED*]