

**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): **August 27, 2010 (August 26, 2010)**

Avis Budget Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-10308
(Commission File Number)

06-0918165
(IRS Employer Identification 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))
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Item 1.01 **Entry into a Material Definitive Agreement.**

On August 26, 2010, our subsidiary WTH Car Rental ULC (“WTH Car Rental”) renewed and refinanced our Canadian rental fleet securitization program through the issuance of two series of asset-backed notes in the aggregate principal amount of C\$415 million (collectively, the “WTH Notes”). The WTH Notes comprise a 14-month conduit facility which generally bears interest at 225 basis points above the weighted average commercial paper rate offered by the noteholders, subject to certain exceptions. The WTH Notes were issued pursuant to two indenture supplements (the “Indenture Supplements”), each dated as of August 26, 2010, among WTH Car Rental, WTH Funding Limited Partnership (“WTH Funding”), as Administrator, and BNY Trust Company of Canada (“BNY Trust”), as Indenture Trustee, pursuant to the Trust Indenture dated as of August 26, 2010 between WTH Car Rental and BNY Trust, as Indenture Trustee (the “Indenture”). The WTH Notes are secured primarily by our Canadian rental vehicle fleet and other related assets of WTH Car Rental. WTH Funding has also granted a security interest in certain collateral to BNY Trust, as Indenture Trustee. A copy of the Indenture and each of the Indenture Supplements is attached hereto as [Exhibit 10.1](#), [Exhibit 10.2](#), and [Exhibit 10.3](#), respectively, and each is incorporated by reference herein.

WTH Car Rental entered into a third indenture supplement to provide the additional terms upon which \$200 million of commitments could be funded in Canada pursuant to the Series 2009-3 Supplement dated November 5, 2009, among Avis Budget Rental Car Funding (AESOP) LLC and other parties thereto, to the Amended and Restated Base Indenture, dated as of June 3, 2004. Such indenture supplement was dated as of August 26, 2010 and entered into among WTH Car Rental, WTH Funding, as Administrator, and BNY Trust, as Indenture Trustee, pursuant to the Indenture (the “2010-3 Supplement”). A copy of the 2010-3 Supplement is attached hereto as [Exhibit 10.4](#) and is incorporated by reference herein.

As part of our refinanced Canadian fleet securitization program, WTH Car Rental will purchase vehicles using the proceeds of the WTH Notes and through the issuance of additional series of asset-backed notes pursuant to the Indenture. WTH Funding will lease vehicles from WTH Car Rental, for rental to customers, pursuant to a Master Motor Vehicle Lease Agreement, dated as of August 26, 2010, between WTH Car Rental, WTH Funding and BNY Trust, as Indenture Trustee and WTH Funding will also serve as administrator of the WTH Car Rental fleet pursuant to an Administration Agreement, dated as of August 26, 2010, among WTH Car Rental, WTH Funding and BNY Trust, as Indenture Trustee. A copy of each of the Administration Agreement and the Master Motor Vehicle Lease Agreement is attached hereto as [Exhibit 10.5](#) and [Exhibit 10.6](#), respectively, and each is incorporated by reference herein. Also, as part of the refinancing, WTH Funding’s limited partnership agreement was amended and restated. A copy of the Fifth Amended and Restated Limited Partnership Agreement of WTH Funding is attached hereto as [Exhibit 10.7](#), and is incorporated by reference herein.

The refinancing documents contain representations, warranties and covenants including restrictive covenants on transfers of assets, mergers and the incurrence of debt by WTH Car Rental, subject to certain exceptions. Certain performance obligations of our subsidiaries under the refinancing documents are guaranteed pursuant to guarantees provided by Avis Budget Car Rental, LLC, which are not guarantees of any monetary obligations to the holders of the WTH Notes (the “WTH Noteholders”). The Indenture and other transaction documents also contain certain customary trigger or amortization events, including the occurrence of an event of default under the non-financial guarantees provided by Avis Budget Car Rental, LLC. Upon the occurrence of certain events, if not waived by the requisite WTH Noteholders, the obligation of the WTH Noteholders to purchase additional WTH Notes or to make additional advances under the WTH Notes shall cease. Some events may lead to the amortization of one or more series of notes, while other events could result in the enforcement of security against the assets of WTH Car Rental or WTH Funding.

Certain of the WTH Noteholders, their Securitization Agents, and the Indenture Trustee, and each of their respective affiliates, have performed, and may in the future perform, various commercial banking, investment banking and other financial advisory services for us and our subsidiaries for which they have received, and will receive, customary fees and expenses.

Item 2.03 **Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information described above under “Item 1.01 Entry into a Material Definitive Agreement” is incorporated herein by reference.

(d) Exhibits.

The following exhibits are filed as part of this report:

Exhibit No.	Description
10.1	Trust Indenture, dated as of August 26, 2010, among WTH Car Rental ULC and BNY Trust Company of Canada, as Indenture Trustee.
10.2	Series 2010-1 Indenture Supplement, 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.
10.3	Series 2010-2 Indenture Supplement, 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.
10.4	Series 2010-3 Indenture Supplement, 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.
10.5	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.
10.6	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.
10.7	Fifth Amended and Restated Limited Partnership Agreement, dated as of August 26, 2010, among Aviscar Inc., as general partner, Budgetcar Inc., as general partner, and 2233516 Ontario Inc., as limited partner.

AVIS BUDGET GROUP, INC.
CURRENT REPORT ON FORM 8-K
Report Dated August 27, 2010 (August 26, 2010)

EXHIBIT INDEX

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TRUST INDENTURE

dated as of August 26, 2010

WTH CAR RENTAL ULC

as RENTAL ULC

- and -

BNY TRUST COMPANY OF CANADA

as Indenture Trustee

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION	
1.1 Definitions	1
1.2 Compliance Certificates and Opinions	1
1.3 Form of Documents Delivered to Indenture Trustee	22
1.4 Acts of Noteholders	23
1.5 Notices, etc., to Indenture Trustee and Rental ULC	24
1.6 Notices to Noteholders; Waiver	25
1.7 Effect of Headings and Table of Contents	25
1.8 Successors and Assigns	26
1.9 Separability	26
1.10 Benefits of Indenture	26
1.11 Governing Law	26
1.12 Counterparts	26
ARTICLE 2 NOTE FORMS	26
2.1 Forms Generally	27
2.2 Forms of Notes	27
2.3 Form of Indenture Trustee's Certificate of Authentication	27
2.4 Notes Issuable in the Form of a Global Note	27
2.5 Temporary Global Notes and Permanent Global Notes	28
2.6 Beneficial Ownership of Global Notes	30
2.7 Notices to Depository	30
ARTICLE 3 THE NOTES	31
3.1 General Title; General Limitations; Issuable in Series; Terms of a Series or Class	31
3.2 Denominations	31
3.3 Execution, Authentication, Delivery and Dating	34
3.4 Temporary Notes	34
3.5 Registration, Transfer and Exchange	35
3.6 Mutilated, Destroyed, Lost and Stolen Notes	35
3.7 Payment of Interest; Interest Rights Preserved	36
3.8 Persons Deemed Owners	37
3.9 Cancellation	37
3.10 New Issuances of Notes	37
3.11 Money for Note Payments to be Held in Trust	38
3.12 Interest Act (Canada)	39
ARTICLE 4 SECURITY AND COLLATERAL	41
4.1 Rental ULC Security	41
4.2 Additional Security Provisions	41
ARTICLE 5 Rental ULC Accounts AND INVESTMENTS	43
5.1 Accounts	48
5.2 Deposits to Account	48
5.3 Investment of Funds in the Master Accounts and the VAT Account	49
ARTICLE 6 ALLOCATIONS, DEPOSITS AND PAYMENTS	50
6.1 Withdrawals from Master Rental Account	50
6.2 Withdrawals from Master Vehicle Account	50
6.3 Allocation of Rental Revenues	50

TABLE OF CONTENTS
(Continued)

Page

6.4 Allocation of Proceeds of Disposition and Enforcement Proceeds	51
6.5 Final Payment	52
6.6 Payments within a Series or Class	52
ARTICLE 7 SATISFACTION AND DISCHARGE	52
7.1 Satisfaction and Discharge of Indenture	52
ARTICLE 8 REPRESENTATIONS, WARRANTIES	53
8.1 Representations and Warranties of Rental ULC	53
ARTICLE 9 COVENANTS	55
9.1 Affirmative Covenants of Rental ULC	55
9.2 Negative Covenants of Rental ULC	57
9.3 Separateness Covenants	57
ARTICLE 10 EVENTS OF DEFAULT AND REMEDIES	58
10.1 Events of Default	58
10.2 Acceleration of Maturity; Rescission and Annulment; Exclusive Control Notice	59
10.3 Enforcement by the Indenture Trustee	60
10.4 Possession by the Indenture Trustee	61
10.5 Appointment of Receiver	61
10.6 Sale by Indenture Trustee	62
10.7 Purchase by Secured Parties	63
10.8 Rental ULC to Execute Confirmatory Deed	63
10.9 Other Judicial Remedies	63
10.10 Indenture Trustee directed by Enforcement Instructions	64
10.11 No Independent Enforcement by Secured Parties	64
10.12 Application of Proceeds of Realization	64
10.13 Persons Dealing with the Indenture Trustee	65
10.14 Surrender by Rental ULC	65
10.15 Remedies Cumulative	65
10.16 Delay or Omission Not Waiver	66
10.17 Disclaimer of Marshalling	66
10.18 Indenture Trustee Not Required to Possess Evidence of Rental ULC Obligations	66
10.19 Indenture Trustee May Institute All Proceedings	66
10.20 Costs of Realization	66
10.21 Indenture Trustee Appointed Attorney	67
10.22 Waiver of Specified Defaults	67
ARTICLE 11 THE INDENTURE TRUSTEE	68
11.1 Certain Duties and Responsibilities	68
11.2 Notice of Defaults	69
11.3 Certain Rights of Indenture Trustee	69
11.4 Not Responsible for Recitals or Issuance of Notes	70
11.5 May Hold Notes	71
11.6 Money Held in Trust	71
11.7 Compensation and Reimbursement, Limit on Compensation, Reimbursement and Indemnity	71
11.8 Disqualification; Conflicting Interests	72
11.9 Corporate Indenture Trustee Required; Eligibility	72
11.10 Resignation and Removal; Appointment of Successor	72

TABLE OF CONTENTS
(Continued)

	Page
11.11 Acceptance of Appointment by Successor	73
11.12 Merger, Conversion, Consolidation or Succession to Business	74
11.13 Tax Returns	74
11.14 Representations and Covenants of the Indenture Trustee	74
11.15 Indenture Trustee's Application for Instructions from Rental ULC	75
ARTICLE 12 NOTEHOLDERS' MEETINGS, LISTS, REPORTS BY INDENTURE TRUSTEE, AND Rental ULC	75
12.1 Rental ULC To Furnish Indenture Trustee Names and Addresses of Noteholders	75
12.2 Preservation of Information; Communications to Noteholders	76
12.3 Meetings of Noteholders	76
12.4 Reports by Rental ULC to the Securities Regulatory Authorities	77
12.5 Reports by Indenture Trustee	77
12.6 Administrator	77
ARTICLE 13 INDENTURE SUPPLEMENTS	78
13.1 Supplemental Indentures Without Consent of Noteholders	78
13.2 Supplemental Indentures with Consent of Noteholders	79
13.3 Execution of Indenture Supplements	80
13.4 Effect of Indenture Supplements	80
13.5 Reference in Notes to Indenture Supplements	80
ARTICLE 14 MISCELLANEOUS	81
14.1 No Petition	81
14.2 Limited Recourse Obligations	81

THIS TRUST INDENTURE between **WTH CAR RENTAL ULC**, an unlimited liability company formed under the laws of the Province of Alberta (“**Rental ULC**”) and **BNY TRUST COMPANY OF CANADA**, a trust company incorporated under the laws of Canada, in its capacity as Indenture Trustee (in such capacity, together with its successors and permitted assigns in such capacity, the “**Indenture Trustee**”), is made and entered into as of August 26, 2010.

WHEREAS:

(A) Rental ULC has duly authorized the execution and delivery of this Indenture to provide for the issuance of notes to be issued in one or more fully registered Series or Classes, each with the benefit of the Funding LP Security Interest.

(B) All things necessary to make this Indenture a valid agreement of Rental ULC in accordance with its terms, have been done.

NOW THEREFORE, to set forth or to provide for the establishment of the terms and conditions upon which the Notes are and are to be authenticated, issued and delivered, and in consideration of the premises and the purchase of Notes by the Holders thereof, it is mutually agreed as follows, for the equal and proportionate benefit of all Holders of the Notes or of a Series or Class thereof, as the case may be:

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.1 Definitions

For all purposes of this Indenture and of any Indenture Supplement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article 1 have the meanings assigned to them in this Article 1, and include the plural as well as the singular;
- (b) all other terms used herein which are defined in any Indenture Supplement, either directly or by reference therein, have the meanings assigned to them therein;
- (c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with Canadian GAAP;
- (d) all references in this Indenture to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;
- (e) “including” and words of similar import shall be deemed to be followed by “without limitation”;

(f) each defined term used in this Indenture or any Indenture Supplement has a comparable meaning when used in its plural or singular form and each gender-specific term used in this Indenture or any Indenture Supplement has a comparable meaning whether used in a masculine, feminine or gender-neutral form; and

“Account Control Agreement” means the bank account control agreement between Rental ULC, the Indenture Trustee and Bank of Montreal entered into on or about the date hereof in respect of the Rental ULC Accounts, as the same may be amended, supplemented or restated from time to time.

“Act,” when used with respect to any Noteholder, is defined in Section 1.4(a).

“Action,” when used with respect to any Noteholder, is defined in Section 1.4(a).

“Administration Agreement” means the administration agreement dated as of the date hereof between the Administrator, Rental ULC and the Indenture Trustee pursuant to which the Administrator agrees to provide certain services to Rental ULC in connection with the administration of the Rental ULC Vehicles and certain obligations and duties of Rental ULC under the Transaction Documents, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

“Administration Fees” means the fees payable to the Administrator pursuant to the Administration Agreement.

“Administrator” means Funding LP, and its successors and assigns in such capacity.

“Affected Series” is defined in Section 10.22.

“Affiliate” means, when used with reference to a specified Person, any Person who directly or indirectly controls or is controlled by or is under common control with the specified Person and for these purposes “control” means the right to elect a majority of the board of directors of a Person that is a corporation or the governing authority of a Person that is not a corporation, whether through the ownership of voting securities or by contract or otherwise, and for greater certainty, the parties hereto hereby acknowledge that Rental ULC, Funding LP, Avis, Budget, the Parent and 2233516 Ontario Inc., are Affiliates.

“Aggregate Cost of Funds Amount” means in respect of a Remittance Period and the related Remittance Date, the aggregate of the Series Cost of Funds Amounts for each Outstanding Series at such time.

“Aggregate Outstanding Principal Amount” means, at any time, the aggregate of the Outstanding Principal Amounts for all Series of Notes outstanding at such time.

Aggregate Required Vehicle Collateral Amount” means, at any time, the aggregate of the Series Required Vehicle Collateral Amounts for each Outstanding Series at such time.

“Aggregate Vehicle Collateral Amount” means, at any time, the sum of (a) the Current Book Value of all Rental ULC Vehicles at such time (other than Rental ULC Vehicles in respect of which a Casualty has occurred); plus (b) the amount on deposit in the Master Vehicle Account at such time; plus (c) the aggregate of all Vehicle Receivables other than Vehicle Receivables which are either (x) unpaid more than 90 days past the applicable disposition date, or (y) due from a Manufacturer, an Approved Dealer, auction house or other Person with respect to which a Manufacturer Event of Bankruptcy has occurred.

“**Applicable Law**” means all statutes, laws, by-laws, regulations, ordinances, orders and rules and requirements of government or other public authorities having jurisdiction, and all amendments thereto, at any time and from time to time in force;

“**Approved Dealers**” means Vehicle dealers to whom Manufacturers sell new Vehicles for resale.

“**Authorized Officer**” means, with respect to Rental ULC, any officer of Rental ULC who is identified on the list of Authorized Officers delivered by Rental ULC to the Indenture Trustee on the date hereof (as such lists may be modified or supplemented from time to time thereafter).

“**Avis**” means Aviscar Inc., a corporation incorporated under the laws of Canada, and its successors and assigns.

“**Back-up Administration Agreement**” means (a) initially the back-up administration agreement between Rental ULC, the Administrator, the Indenture Trustee, and the Back-up Administrator entered into on the date hereof, as the same may be amended, supplemented or restated from time to time; or (b) any replacement back-up administration agreement that may be entered into, as the same may be amended, supplemented or restated from time to time.

“**Back-up Administrator**” means (a) initially Lord Securities Corporation, a Delaware corporation, and its successors; or (b) any such replacement back-up administrator party to any replacement back-up administration agreement, and their respective successors.

“**Back-up Administrator Fees and Expenses**” means, for any Settlement Period and the related Remittance Date, the aggregate amounts of the fees and expenses of the Back-up Administrator, and all VAT or other sales taxes thereon, due and payable to the Back-up Administrator (net of applicable withholding taxes) pursuant to the Back-up Administration Agreement, during or in respect of such Settlement Period (whether or not accrued during such Settlement Period).

“**Budget**” means Budgetcar Inc., a corporation incorporated under the laws of Canada, and its successors and assigns.

“**Business Day**,” means any day other than a Saturday, a Sunday and a day when chartered banks are not open for business in Toronto, Ontario.

“**Canadian Depository**” means, unless otherwise specified by Rental ULC pursuant to any of Sections 2.4, 2.6, or 3.1, with respect to Notes of any Class issuable or issued as a Global Note within Canada, CDS, Toronto, Canada, or any successor thereto or registered as a clearing agency under the *Securities Act* (Ontario), or other applicable securities laws.

“**Canadian GAAP**” means, with respect to any Person, either (a) Canadian generally accepted accounting principles; (b) Canadian generally accepted accounting principles for Private Enterprises; or (c) International Financial Reporting Standards as issued by the International Accounting Standards Board, as recognized by the Canadian Institute of Chartered Accountants, as applicable.

“**Casualty**” means, in respect of a Vehicle, a theft, a fire, an accident, or an act of God or otherwise.

“**CDIC**” means the Canada Deposit Insurance Corporation or any successor thereto.

“**CDS**” means CDS Clearing and Depository Services Inc., and its successors and assigns.

“**Chrysler**” means Chrysler Canada Ltd. and its Affiliates, and their respective successors.

“**Class**” means, with respect to any Note, the Class designated for such Note in the applicable Indenture Supplement.

“**Closing Date**” means the date upon which a Series of Notes are issued under this Indenture, including, the Initial Closing Date.

“**Collateral**” is defined in Section 4.1.

“**Contract**” means any agreement, indenture, contract, lease, deed of trust, licence, option, instrument or other commitment whether written or oral.

“**Contribution**” means, in respect of a payment or transfer of funds from Funding LP to Rental ULC, either:

- (a) a capital contribution by Funding LP to Rental ULC or a payment by Funding LP to Rental ULC to purchase additional shares in the capital of Rental ULC, or otherwise;
- (b) an advance of an Inter-Company Loan to Rental ULC;
- (c) a repayment of principal on an existing Inter-Company Loan made by Rental ULC to Funding LP or the payment of interest thereon or other amounts in respect thereof.

“**Corporate Trust Office**” means, with respect to the Indenture Trustee, the principal office of the Indenture Trustee located at BNY Trust Company of Canada, 4 King Street West, Suite 1101, Toronto, ON, M5H 1B6; or at such other address in Canada as the Indenture Trustee may designate from time to time by notice to the Noteholders and Rental ULC, or the principal corporate trust office of any successor Indenture Trustee (the address of which the successor Indenture Trustee will notify the Noteholders and Rental ULC).

“**Current Book Value**” means, in respect of a Rental ULC Vehicle at any time, its Original Book Value less accumulated Depreciation at such time.

“**DBRS**” means DBRS Limited, and its successors.

“**Depository**” means a Canadian Depository or a Foreign Depository, as the case may be.

“**Depreciation**” means, when used in reference to (a) a Program Vehicle, the daily depreciation charge set forth by an Eligible Manufacturer in the applicable Repurchase Agreement; and (b) a Non-Program Vehicle, other than a Used Vehicle, depreciation at a rate to be determined from time to time by Rental ULC in accordance with Canadian GAAP but in no event less than 2% per month on automobiles, minivans and sport utility vehicles and 1.8% on trucks and vans and, for Used Vehicles, 2.5% per month, in each case applied on a straight line basis to the Original Book Value of such Non-Program Vehicle.

“**Discount Notes**” means a Note that provides for an amount less than the Stated Principal Amount (but not less than the Initial Principal Amount) thereof to be due and payable upon the occurrence of an Early Amortization Event or other optional or mandatory redemption or the occurrence of an Event of Default and the acceleration of such Note, in each case before the Scheduled Final Payment Date of the applicable Note.

“**Distribution**” means, in respect of a payment or transfer of funds from Rental ULC to Funding LP or the Administrator, either:

- (a) a dividend paid by Rental ULC to Funding LP;
- (b) a return of capital by Rental ULC to Funding LP or purchase price paid on the redemption of or purchase for cancellation of shares of Rental ULC or otherwise;
- (c) an advance of an Inter-Company Loan to Funding LP;
- (d) a repayment of principal on an existing Inter-Company Loan made by Funding LP to Rental ULC or the payment of interest thereon; or
- (e) a payment in respect of Administration Fees owing by Rental ULC to the Administrator.

“**Dollar**” means (a) Canadian dollars; or (b) denominated in Canadian dollars.

“**Early Amortization Event**” has the meaning given to it, with respect to any Series or Class of Notes, in the related Indenture Supplement.

“**Eligible Investments**” means book-based securities, negotiable instruments or securities, in each case, maturing not later than the Business Day preceding the next succeeding Remittance Date after such date represented by instruments in bearer or registered form which evidence any of:

- (a) direct obligations of, or obligations fully guaranteed as to the timely payment of principal and interest by, the Government of Canada;
- (b) direct obligations of, or obligations fully guaranteed as to the timely payment of principal and interest by, the government of a province of Canada which province has a short-term debt rating of at least R-1 (middle) or an equivalent rating from DBRS, and a rating of P-1 or an equivalent rating from Moody's;
- (c) direct obligations of, or obligations fully guaranteed as to the timely payment of principal and interest by banks or trust companies chartered or licensed under the laws of Canada or any province thereof which bank or trust company has a short-term debt rating of at least R-1 (middle) or an equivalent rating from DBRS, and a rating of P-1 or an equivalent rating from Moody's;
- (d) commercial paper and any other securities having, at the time of the investment or contractual commitment to invest therein, a rating of at least R-1 (high) or an equivalent rating from DBRS, a rating of P-1 or an equivalent rating from Moody's, and, in the case of asset-backed commercial paper, be backed by global style liquidity;
- (e) notes issued and bankers' acceptances accepted by, overnight repurchase agreements with and call loans to, any bank or trust company referred to in (c) above;
- (f) term deposits with an entity, the short-term debt or deposits of which have a rating of at least R-1 (middle) or an equivalent rating from DBRS, and a rating of P-1 or an equivalent rating from Moody's; and
- (g) any other class of investments which satisfies the Rating Agency Condition for each Outstanding Series and Class of Notes (other than those set out in (a) to (f) above),

provided, however, that (i) the aggregate amount at any time of Eligible Investments of the same type and the same issuer described in the definition of "Eligible Investments" under clauses (a) and (b) above shall be unlimited; (ii) the aggregate amount at any time of Eligible Investments of the same type and the same issuer described in the definition of "Eligible Investments" under any of clauses (c) through (g) above may not exceed the greater of (x) 20% of the aggregate amount of Eligible Investments at such time and (y) \$10,000,000; (iii) if the aggregate amount at any time of Eligible Investments is less than \$10,000,000, all such Eligible Investments may be invested in investments in the same issuer provided such issuer's short-term debt rating from DBRS is R-1(high); and (iv) if the aggregate amount at any time of Eligible Investments is greater than \$10,000,000 but less than \$25,000,000, up to 50% of all such Eligible Investments may be invested in investments in the same issuer provided such issuer's long-term debt rating from DBRS is at least AA(low) or its short-term debt rating from DBRS is at least R-1(middle).

"Eligible Manufacturer" means any of Chrysler, Ford or General Motors or any additional Manufacturer in respect of which the Rating Agency Condition for each Outstanding Series and Class of Notes has been satisfied.

“Enforcement Instruction” means, with respect to the exercise or non-exercise of any remedy available to the Indenture Trustee following the occurrence of an Event of Default, (a) an Act of the Majority Holders of all Outstanding Senior Notes directing the exercise or non-exercise of such remedy; (b) a resolution of the Majority Holders of all Outstanding Senior Notes adopted at a duly called meeting of all Noteholders of Senior Notes directing the exercise or non-exercise of such remedy; or (c) in respect of any Series of Notes, such action, if any, as may be specified in the related Indenture Supplement directing the exercise or non-exercise of such remedy.

“Enforcement Period” means, in respect of each Series, the “Enforcement Period” for such Series as determined under the Indenture Supplement for such Series; provided that the commencement of the Enforcement Period for any Series shall also be the commencement of the Enforcement Period for all other Series Outstanding at such time.

“Enforcement Proceeds” means any amounts, in addition to the Proceeds of Disposition, obtained after the Indenture Trustee commences any enforcement actions under Section 10.3 or Section 5.3 of the Funding LP Security Agreement to enforce any security, guarantees, indemnities, or other rights, including the Security Interest and the Funding LP Security Interest.

“Estimation Report” has the meaning given to it in the Master Lease Agreement.

“Exclusive Control Date” has the meaning given to it in the Account Control Agreement.

“Exclusive Control Notice” has the meaning given to it in the Account Control Agreement.

“ETA” means the *Excise Tax Act* (Canada).

“Event of Default” is defined in Section 10.1.

“Fleet Report” in respect of any Series or Class of Notes has the meaning given to it in the related Indenture Supplement.

“Ford” means Ford Motor Company of Canada, Limited and its Affiliates, and their respective successors.

“Foreign Currency” means:

- (a) a currency other than Dollars; or
- (b) denominated in a currency other than Dollars.

“Foreign Depository” means the Person specified in the applicable Indenture Supplement, in its capacity as depository for the accounts of any clearing agencies located outside Canada.

“Funding LP” means WTH Funding Limited Partnership, a limited partnership formed under the laws of the Province of Ontario, and its successors.

“**Funding LP Partnership Agreement**” means the fifth amended and restated limited partnership agreement dated as of the date hereof between Avis, Budget, and 2233516 Ontario Inc., a corporation incorporated under the laws of Ontario, as the same may be amended, supplemented or restated from time to time.

“**Funding LP Security Agreement**” means the security agreement between Funding LP, and the Indenture Trustee entered into on the date hereof relating to the granting of security by Funding LP in favour of the Indenture Trustee, for the benefit of the Secured Parties, as security for, *inter alia*, the payment and performance of Rental ULC’s obligations under this Indenture and the Indenture Supplements, as the same may be amended, supplemented or restated from time to time.

“**Funding LP Security Interest**” means the security granted by Funding LP pursuant to the Funding LP Security Agreement.

“**Funding/Rental Purchase Agreement**” means the purchase agreement between Funding LP and Rental ULC entered into on the date hereof and relating to the sale of Vehicles and other property by Funding LP to Rental ULC and other matters, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

“**Gain on Dispositions**” means, for any period, the amount, if any, by which Proceeds of Disposition received by Rental ULC in such period exceed the Current Book Value of the subject Vehicles at the time of disposition.

“**General Motors**” means General Motors of Canada Limited and its Affiliates, and their respective successors.

“**Global Note**” means any Note issued pursuant to Section 2.4.

“**Governmental Authority**” means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to the government of Canada, any province or other political subdivision thereof.

“**GST**” means all amounts payable pursuant to Sections 165(1), 212, and 218 of the ETA.

“**Hedge Counterparty**” means each party to a Hedging Transaction other than Rental ULC.

“**Hedging Transaction**” means any rate swap transaction, basis swap, forward rate transaction, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, letter of credit or any other hedging transaction (including any option with respect to any of these transactions) or any combination of such transactions.

“**Holder**” when used with respect to any Note, means a Noteholder.

“**HST**” means all amounts payable pursuant to Sections 165(2), 212.1, and 218.1 of the ETA.

“**Hyundai**” means Hyundai Auto Canada and its Affiliates and their respective successors.

“**Income Tax Act**” means the *Income Tax Act* (Canada), as amended.

“**Indebtedness**” means any obligation (whether incurred as principal or surety) for the payment or repayment of borrowed money, under any lease or in respect of the deferred purchase price for property or services, or whether present or future, including any contingent obligation in respect thereof by reason of any guarantee or other assumption of liability for obligations of third parties and any actual or contingent obligation in respect of any interest rate swap or cross currency swap or forward sale or purchase contract or other form of interest or currency hedging transaction.

“**Indenture**,” “**Trust Indenture**,” “**this Indenture**” or “**this Trust Indenture**” means this Trust Indenture as originally executed and as amended, supplemented, restated or otherwise modified from time to time by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, and shall include the terms of particular Series or Classes of Notes created as contemplated by Section 3.1.

“**Indenture Supplement**” means, with respect to any Series of Notes, a supplement to this Indenture, executed and delivered in conjunction with the issuance of such Notes pursuant to Section 13.1, together with any applicable terms document related to such Indenture Supplement and any amendment to the Indenture Supplement executed pursuant to Section 13.1 or 13.2, and, in either case, including all amendments thereof and supplements thereto.

“**Indenture Trustee**” means the Person named as the Indenture Trustee in the first paragraph of this Indenture until a successor Indenture Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “**Indenture Trustee**” means and includes each Person who is then an Indenture Trustee hereunder.

“**Indenture Trustee Authorized Officer**,” when used with respect to the Indenture Trustee, means any vice president, any assistant vice president, the treasurer, any assistant treasurer, any senior trust officer or trust officer, or any other officer of the Indenture Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“**Indenture Trustee Fees and Expenses**” means, for any Settlement Period and the related Remittance Date, the aggregate amounts of the fees and expenses of the Indenture Trustee, and all VAT or other sales taxes thereon, due and payable to the Indenture Trustee pursuant to this Indenture or the Funding LP Security Agreement, during or in respect of such Settlement Period (whether or not accrued during such Settlement Period).

“**Initial Closing Date**” means the date upon which the first Series of Notes are issued under this Indenture.

“Initial Principal Amount” means:

- (a) unless otherwise specified in the applicable Indenture Supplement, with respect to Classes of Dollar Interest-bearing Notes, the aggregate initial principal amount of the Outstanding Notes of such Class; and
- (b) with respect to Classes of Discount Notes and Foreign Currency Notes, the amount specified in the applicable Indenture Supplement as the Initial Principal Amount thereof.

“Insolvency Event,” in relation to any Person means:

- (a) the failure by such Person to generally pay its debts as they become due, the admission in writing by such Person of its inability to pay its debts generally or the making by such Person of an assignment for the benefit of its creditors;
- (b) the filing by such Person of a notice of intention to make a proposal under Insolvency Legislation to some or all of its creditors; or
- (c) the commencement or filing of a petition, notice or application by or against such Person of any proceedings to adjudicate it a bankrupt or insolvent or seeking liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law of any jurisdiction relating to the dissolution, liquidation or winding-up, bankruptcy, insolvency, reorganization of insolvent debtors, arrangement of insolvent debtors, readjustment of debt or moratorium of debts, or to obtain an order for relief by the appointment of a receiver, receiver manager, administrator, inspector, liquidator or trustee or other similar official for it or for any substantial part of its property and, if any such proceeding has been instituted against such Person, either (i) such proceeding has not been stayed or dismissed within 45 days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official) are granted in whole or in part; or (ii) such Person has authorized, consented to, approved of or acquiesced in, or such Person has performed any act, or omitted to perform any act, that authorizes or indicates its consent to, approval of or acquiescence in, any such proceeding.

“Insolvency Legislation” means the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), Chapter 7 and 11 of the *US Bankruptcy Code* and any other Applicable Law relating to the dissolution, liquidation or winding up, bankruptcy, insolvency, or reorganization of insolvent debtors, arrangement of insolvent debtors, readjustment of debt or moratorium of debts.

“Instruments” means (a) a bill, note or cheque within the meaning of the *Bills of Exchange Act* (Canada) or any other writing that evidences a right to the payment of money and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment; or (b) a letter of credit and an advice of credit if the letter or advice states that it must be surrendered upon claiming payment thereunder; or (c) chattel paper or any other writing that evidences both a monetary obligation and a security interest in or a lease of specific goods; or (d) documents of title or any other writing that purport s to be issued by or addressed to a bailee and purports to cover such goods in the bailee’s possession as are identified or fungible portions of an identified mass, and that in the ordinary course of business is treated as establishing that the Person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers; or (e) any document or writing commonly known as an instrument.

“Intellectual Property Rights” means all trade marks, trade names, brands, business names, uniform resource locators, domain names, tag lines, designs, graphics, logos and other commercial symbols and indicia of origin, goodwill, patents and inventions, copyrights, industrial designs, and other intellectual property rights, whether registered or not or the subject of a pending application for registration, owned by or licensed to Rental ULC.

“Inter-Company Loan” means unsecured loans and advances made by Funding LP and/or Rental ULC to the other, which may or may not be interest bearing or represented by a note, and evidenced on the books and records of Funding LP and Rental ULC.

“Interest-bearing Note” means a Note that bears interest at a stated or computed rate on the principal amount thereof. A Note may be both an Interest-bearing Note and a Discount Note.

“Interest Payment Date” means, with respect to any Series or Class of Notes, the scheduled due date of any payment of interest on such Notes, as specified in the applicable Indenture Supplement.

“Interim Principal Payment” means a repayment of all or a portion of the principal amount of a Note outstanding hereunder on a day other than a Remittance Date.

“Investment Property” means, with respect to any Person, all or any part of any present or future interest in present and after acquired investment property of such Person, including all securities, securities accounts and futures accounts, all of the present and future security entitlements of such Person as an entitlement holder of such security entitlements, all of the present and futures contracts of such Person as a futures customer in respect of such futures contracts, and all proceeds of any such property.

“Kia” means Kia Canada Inc., and its Affiliates, and their respective successors.

“Lien” means a mortgage, assignment by way of security, hypothec, privilege, garnishment, deemed or actual trust, lien, charge or encumbrance, whether fixed or floating, on or any security interest in any property, whether real, personal or mixed, tangible or intangible, or a pledge or hypothecation thereof or any conditional sale agreement or other title retention agreement or equipment trust or capital lease relating thereto.

“Liquidation Agent” means (a) initially Fiserv Automotive Solutions, Inc., a Delaware corporation, and its successors; or (b) any such replacement liquidation agent party to any replacement liquidation agent agreement, and their respective successors.

“Liquidation Agent Agreement” means (a) initially the liquidation agent agreement between the Administrator, Rental ULC, the Indenture Trustee, and the Liquidation Agent entered into on the date hereof, as the same may be amended, supplemented or restated from time to time; or (b) any replacement liquidation agent agreement that may be entered into, as the same may be amended, supplemented or restated from time to time.

“Liquidation Agent Fees and Expenses” means, for any Remittance Period and the related Remittance Date, the aggregate amounts of the fees and expenses of the Liquidation Agent, and all VAT or other sales taxes thereon, due and payable to the Liquidation Agent pursuant to the Liquidation Agent Agreement, during or in respect of such Remittance Period (whether or not accrued during such Remittance Period).

“Loss on Dispositions” means, for any period, the amount, if any, by which Proceeds of Disposition received by Rental ULC in such period are less than the Current Book Value of the subject Vehicles at the time of disposition and, when a Vehicle is written off as a result of a Casualty, the amount of the write-off.

“Majority Holders” means, with respect to any Series or Class of Notes or all Outstanding Notes, the Holders of a majority in Outstanding Principal Amount of the Outstanding Notes of that Series or Class or of all Outstanding Notes, as the case may be, or as otherwise defined for such Series in the Indenture Supplement for such Series.

“Manufacturer” means any of Chrysler, Ford, General Motors, Nissan, Toyota, Hyundai, Kia, Mazda and any additional manufacturer of Vehicles.

“Manufacturer Event of Bankruptcy,” in relation to a Manufacturer, an Approved Dealer, auction house or other Person, means an Insolvency Event with respect to such Person or any of its Affiliates.

“Master Vehicle Lease Agreement” means the master motor vehicle lease agreement between Funding LP, Rental ULC and the Indenture Trustee entered into on the date hereof and relating to the lease of the Rental ULC Vehicles by Funding LP from Rental ULC and other matters, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

“Master Rental Account” is defined in Section 5.1(a).

“Master Vehicle Account” is defined in Section 5.1(b).

“Material Adverse Effect” means, in respect of a Person, an effect on the business, properties or operations of such Person which will (a) result in such Person being unable to perform in all material respects its obligations under the Transaction Documents to which it is party; or (b) materially and adversely affect the interests of the Noteholders or the other Secured Parties.

“Mazda” means Mazda Canada Inc. and its Affiliates, and their respective successors.

“**Model Year**” means the calendar year assigned by a manufacturer to a particular make and model of Vehicle as that Vehicle's "model year";

“**Moody’s**” means Moody’s Investors Service, Inc. and its successors.

“**Nissan**” means Nissan Canada, Inc.

“**Non-Performing Manufacturer**” means a Manufacturer that has, or has an Affiliate that has, commenced or filed (or had commenced or filed against it by another Person) a petition, notice or application for proceedings (a) to adjudicate it a bankrupt or seeking its liquidation, dissolution or winding-up under the *Bankruptcy and Insolvency Act* (Canada), *Winding-Up and Restructuring Act* (Canada), or Chapter 7 of the *US Bankruptcy Code*, or any other Applicable law of any jurisdiction relating to the bankruptcy, liquidation, dissolution, or winding-up of insolvent debtors; or (b) seeking reorganization, arrangement, adjustment, protection, relief or composition of its debts under the *Bankruptcy and Insolvency Act* (Canada), *Companies’ Creditors Arrangement Act* (Canada), or Chapter 11 of the *US Bankruptcy Code*, or any other Applicable law of any jurisdiction relating to the reorganization of insolvent debtors, the arrangement of insolvent debtors, the readjustment of debts, or the moratorium of debts; *provided that* 60; clause (b) shall not apply in respect of any Manufacturer that is performing its obligations in full under its respective Repurchase Agreement despite the occurrence of such proceedings.

“**Non-Program Vehicle**” means a Rental ULC Vehicle that is not a Program Vehicle.

“**Note**” or “**Notes**” means any note or notes of any Series or Class issued in registered form, authenticated and delivered from time to time under this Indenture.

“**Note Owner**” means the beneficial owner of an interest in a Global Note.

“**Note Purchase Agreement**” means any note purchase, subscription or similar agreements between Rental ULC, one or more Note Owners and any other party thereto, as the same may be amended, supplemented or restated from time to time.

“**Note Register**” is defined in Section 3.5.

“**Note Registrar**” means the Person who keeps the Note Register specified in Section 3.5.

“**Noteholder**” means a Person in whose name a Note is registered in the Note Register.

“**Opinion of Counsel**” means a written opinion of counsel reasonably acceptable to the Indenture Trustee, who may, without limitation, and except as otherwise expressly provided in this Indenture, be an employee of or of counsel to Rental ULC or any of its Affiliates, the Indenture Trustee or any of its Affiliates, as applicable.

“**Organizational Documents**” means, with respect to Rental ULC, its articles of incorporation and by-laws, and any and all amendments thereto.

“**Organizational Expenses**” means all fees, costs and expenses incurred in respect of the formation and organization of Rental ULC and its registration and qualification under Applicable Law.

“**Original Book Value**” means, in respect of a Rental ULC Vehicle, the full cash purchase price to Rental ULC of such Vehicle, without any allowance for trade-in of a Vehicle and without deduction for cash allowances or rebates from the relevant Manufacturer unless such cash allowances or rebates reduce the purchase price of Vehicles under the relevant Repurchase Agreement, in which case “**Original Book Value**” shall be reduced by the amount of such allowance or rebate. For greater certainty, “**full cash purchase price**” does not include VAT or any amounts paid by Rental ULC in respect of transfer fees, license fees, registration fees or other similar government fees or charges and transfer Taxes but does include, if applicable, up to but not in excess of \$300 per Vehicle, in the case of a Program Vehicle, and \$500, in the case of a Non-Program Vehicle, in aggregate for dealer mark-up, pre-delivery inspection, air conditioning tax, weight tax, battery tax, “gas guzzler” tax and other similar costs and taxes. Where a Rental ULC Vehicle has been purchased by Rental ULC from Funding LP pursuant to the Funding/Rental Purchase Agreement, “**Original Book Value**” shall be equal to Funding LP’s original acquisition cost of such Rental ULC Vehicle as disclosed on Funding LP’s records on the date of acquisition by Rental ULC.

“**Outstanding**,” when used with respect to a Note or with respect to Notes of any Series or Class means, as of the date of determination, all such Notes theretofore authenticated and delivered under this Indenture, except:

- (a) any Notes theretofore cancelled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;
- (b) any non-revolving Notes for whose full payment (including principal and interest) or redemption money in the necessary amount has been theretofore deposited with the Indenture Trustee or any Paying Agent in trust for the Holders of such Notes; provided that, if such Notes are to be redeemed, notice of such redemption has been duly given if required pursuant to this Indenture, the related Indenture Supplement, or provision therefor satisfactory to the Indenture Trustee has been made;
- (c) any Notes which are deemed to have been paid in full pursuant to Section 6.5; and
- (d) any such Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, or which shall have been paid pursuant to the terms of Section 3.6 (except with respect to any such Note as to which proof satisfactory to the Indenture Trustee is presented that such Note is held by a Person in whose hands such Note is a legal, valid and binding obligation of Rental ULC).

For purposes of determining the amounts of deposits, allocations, reallocations or payments to be made, unless the context clearly requires otherwise, references to “Notes” shall be deemed to be references to “**Outstanding Notes**.” In determining whether the Holders of the requisite principal amount of such Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes beneficially owned by Rental ULC or any Affiliate of Rental ULC shall be disregarded and deemed not to be Outstanding, unless and until all remaining Notes are beneficially owned by Rental ULC or any Affiliate of Rental ULC. In determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which an Indenture Trustee Authorized Officer knows to be owned by Rental ULC or any Affiliate of Rental ULC shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee demonstrates to the reasonable satisfaction of the Indenture Trustee (a) the pledgee’s right to act as owner with respect to such Notes; and (b) that the pledgee is not Rental ULC or any other obligor upon the Notes or any Affiliate of Rental ULC or such other obligor.

“Outstanding Principal Amount” means at any time,

- (a) with respect to any Series or Class of non-Discount Notes, the aggregate Initial Principal Amount of the Outstanding Notes of such Series or Class, plus the amount of any increases to the principal amount of such Series or Class pursuant to the related Indenture Supplement, less the amount of any payments of principal to the Holders of such Series or Class pursuant to the related Indenture Supplement; and
- (b) with respect to any Series or Class of Discount Notes, an amount of the Outstanding Notes of such Series or Class calculated by reference to the applicable formula set forth in the applicable Indenture Supplement, taking into account the amount and timing of payments of principal made to the Holders of such Series or Class and accretions and increases of principal, each pursuant to the related Indenture Supplement.

“Parent” means Avis Budget Car Rental, LLC together with its successors and permitted assigns.

“Paying Agent” means any Person authorized by Rental ULC to pay the principal of or interest on any Notes on behalf of Rental ULC, which shall initially be the Indenture Trustee.

“Payment Date” means, with respect to any Series or Class of Notes, each Principal Payment Date or Interest Payment Date in respect of such Series of Class of Notes as specified in the applicable Supplemental Indenture.

“Permanent Global Note” is defined in Section 2.5.

“Permitted Encumbrances” means Qualified PMSIs and those statutory and other non-consensual Liens (including repairer’s liens), deemed trusts and encumbrances accruing due in the ordinary course of business which are not in arrears.

“Person” includes an individual, company, corporation, partnership, joint venture, association, syndicate, trust, unincorporated organization or other entity or any trustee, executor, administrator or other legal representative.

“Place of Payment” means, with respect to any Class of Notes issued hereunder, the city or political subdivision so designated with respect to such Class of Notes in accordance with the provisions of Section 3.1.

“PPSA” means the *Personal Property Security Act* (Ontario) and the regulations thereunder, as from time to time in effect, provided, however, if attachment, perfection or priority of the Indenture Trustee’s Security Interest in the Collateral is governed by the personal property security laws of any Canadian jurisdiction other than Ontario, “PPSA” shall mean those personal property security laws in such other jurisdiction for the purposes of the provisions hereof relating to such attachment, perfection or priority and for the definitions related to such provisions.

“Predecessor Notes” of any particular Note means every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 3.6 in lieu of a mutilated, lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note.

“Principal Payment Date” means, with respect to any Series or Class of Notes, the due date of any payment of principal on such Notes, as specified in the applicable Indenture Supplement.

“Principal Terms” is defined in Section 3.1(e).

“Proceeds of Disposition” means the cash or other monetary consideration received by Rental ULC from the sale of Rental ULC Vehicles or from insurance in respect of Rental ULC Vehicles written off by Rental ULC or the related insurance provider as a result of a Casualty.

“Proceeds of Disposition Aggregate Transfer Amount” means, in respect of any Settlement Period, an amount equal to the amount on deposit in the Master Vehicle Account on the last Business Day of the Settlement Period.

“Proceeds of Disposition Series Available Amount” means, in respect of each Remittance Date and each Series, an amount equal to the product of (i) the Series Allocation Percentage for such Series determined on the prior Remittance Date, and (ii) the Proceeds of Disposition Aggregate Transfer Amount for the related Settlement Period.

“Proceeds of Disposition Series Required Amount” means, in respect of each Remittance Date and each Series, the amount determined under the Indenture Supplement for such Series.

“Proceeds of Disposition Series Transfer Amount” means, in respect of each Remittance Date and each Series, an amount determined by Rental ULC on the related Settlement Date which amount shall be:

(a) not less than the lesser of the Proceeds of Disposition Series Required Amount and the Proceeds of Disposition Series Available Amount, in each case in respect of such Remittance Date and such Series; and

(b) not more than the Proceeds of Disposition Series Available Amount in respect of such Remittance Date and such Series.

“Program Vehicle” means a Rental ULC Vehicle, other than a Used Vehicle, eligible for repurchase under a Repurchase Agreement and for which the related Manufacturer is not a Non-Performing Manufacturer.

“Purchasing Year” means, with respect to any calendar year, the period beginning on June 1 of the prior calendar year and ending on September 30 of that calendar year, which, by way of example, means the 2011 "Purchasing Year" is the period beginning on June 1, 2010 and ending on September 30, 2011.

“QST” means all amounts payable pursuant to the QST Act.

“QST Act” means *An Act respecting the Quebec sales tax*.

“Qualified Account” means a segregated account with a Qualified Institution.

“Qualified Institution” means:

(a) the corporate trust department of the Indenture Trustee;

(b) a depository institution organized under the laws of Canada or any one of the provinces thereof (or any domestic branch of an authorized foreign bank under the *Bank Act* (Canada)), which at all times:

(i) has a long-term unsecured debt rating of AA(low) and a certificate of deposit rating of or R-1(middle) from DBRS; and

(ii) if rated by Moody’s or S&P, has either:

(A) a long-term unsecured debt rating of A2 or better by Moody’s and of AA- or better by S&P; or

(B) a certificate of deposit rating of P-1 by Moody’s or A-1+ by S&P; and

(iii) whose deposits are insured by the CDIC; or

(c) a bank, trust company or other depository institution in respect of which the inclusion of such bank, trust company, or other depository institution as a Qualified Institution has satisfied the Rating Agency Condition for each Outstanding Series and Class of Notes.

If so qualified, the Indenture Trustee may be considered a Qualified Institution for the purposes of clause (b) this definition.

“Qualified PMSI” means a purchase money security interest (“**PMSI**”) in (and limited to) a Rental ULC Vehicle granted by Rental ULC or Funding LP to, or reserved by, a dealer or manufacturer (a “**holder**”) under terms that the PMSI will expire automatically upon payment by Rental ULC or Funding LP, as applicable, to the holder of the full cash purchase price of the Vehicle, which payment must be made according to the agreement under which the PMSI arises within 30 days of the date when the PMSI arose and, failing any such payment, such PMSI shall no longer constitute a Qualified PMSI.

“Rating Agency” means, with respect to any Outstanding Series or Class of Notes and at any time, each “approved rating organization” for purposes of Securities Legislation (a) selected by Rental ULC to rate, and which at such time continues to rate, such Notes; and (b) any other “approved rating organization” specified in the related Indenture Supplement.

“Rating Agency Condition” in respect of any Series or Class of Notes has the meaning given to it in the related Indenture Supplement.

“Receiver” includes a receiver, a receiver and manager, a receiver-manager, a liquidator, a sequestrator and a custodian.

“Receiver’s Certificates” is defined in Section 10.5.

“Record Date” for the interest or principal payable on any Note on any applicable Payment Date means the last day of the month before the related Interest Payment Date or Principal Payment Date, as applicable, unless otherwise specified in the applicable Indenture Supplement.

“Remittance Date” means the 20th day of each calendar month, provided if such day is not a Business Day, the Remittance Date shall occur on the next Business Day.

“Remittance Period” means the period beginning on a Remittance Date, or in respect of the first Remittance Period in respect of a new Series, the Closing Date for such Series, and ending on the day prior to the next occurring Remittance Date; for any Remittance Date, the “related Remittance Period” is the Remittance Period ending on the day immediately prior to such Remittance Date.

“Rental Revenues” means all rent, additional rent, and other payments (other than sales tax or VAT collected on behalf of a Governmental Authority) received by Rental ULC from Funding LP pursuant to the Master Vehicle Lease Agreement.

“Rental ULC” is defined in the first paragraph of this Indenture, and its successors and assigns.

“Rental ULC Accounts” means collectively, the Master Rental Account, the Master Vehicle Account, the VAT Account and each Series Account which is an account of Rental ULC.

“Rental ULC Certificate” means a certificate signed by an Authorized Officer of Rental ULC and delivered to the Indenture Trustee. Wherever this Indenture requires that a Rental ULC Certificate be signed also by an accountant or other expert, such accountant or other expert (except as otherwise expressly provided in this Indenture) may be in the employ of Rental ULC or its Affiliates.

“Rental ULC Expenses” means the aggregate of the following costs and expenses of Rental ULC:

- (a) Indenture Trustee Fees and Expenses;
- (b) Liquidation Agent Fees and Expenses;
- (c) Back-up Administrator Fees and Expenses;
- (d) all Organizational Expenses in respect of Rental ULC and expenses incurred to maintain the registrations or qualifications of Rental ULC under Applicable Law or to obtain or maintain exemptions under such laws;
- (e) all applicable Taxes;
- (f) all reasonable costs and expenses of, or incidental to, the preparation and dispatch of all cheques, reports, circulars, financial statements, forms and notices, and any other documents which in the opinion of Rental ULC, acting reasonably, are necessary or desirable in connection with the business and administration of Rental ULC;
- (g) all reasonable costs and expenses incidental to the preparation of any amendments to this Indenture as permitted hereunder;
- (h) any costs and expenses of litigation involving Rental ULC (other than any such costs and expenses arising from actions taken by Rental ULC outside of the scope of its Organizational Documents) and the amount of any judgment or settlement paid in connection therewith;
- (i) reasonable audit fees, tax advisory and compliance and legal fees of Rental ULC; and
- (j) any other reasonable costs and expenses in connection with the administration of Rental ULC that may be authorized by this Indenture;

provided, however, that Rental ULC Expenses shall not include Administration Fees or other Distributions.

“Rental ULC Obligations” means the obligations of Rental ULC secured pursuant to Section 4.1(b).

“Rental ULC Vehicle” means a Vehicle, including a Used Vehicle, owned by Rental ULC.

“Repurchase Agreements” means any agreements entered into between Rental ULC and Eligible Manufacturers or assigned to Rental ULC pursuant to which such Eligible Manufacturers will be obligated to purchase Rental ULC Vehicles from Rental ULC, and in respect of which the Rating Agency Condition for each Outstanding Series and Class of Notes has been satisfied.

“**Revolving Period**” means, in respect of each Series, the “Revolving Period” for such Series as determined under the Indenture Supplement for such Series.

“**S&P**” means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. and its successors.

“**Scheduled Final Payment Date**” means, with respect to any Series or Class of Notes, the scheduled due date of the final payment of principal on such Notes, as specified in the related Indenture Supplement, or if such day is not a Business Day, the next following Business Day, unless such day is in the next calendar month, in which case such Scheduled Final Payment Date, unless otherwise specified in the related Indenture Supplement, shall be the last Business Day of the current calendar month.

“**Secured Party**” and “**Secured Parties**” are defined in Section 4.1.

“**Securities Legislation**” means, collectively, unless specifically stated otherwise, the applicable securities laws, regulations, rules, rulings and orders in each of the provinces and territories of Canada and the applicable policy statements, multilateral or national instruments and instruments issued or adopted by the securities regulators in each of the provinces and territories of Canada.

“**Securities Regulatory Authorities**” means the applicable securities commissions and similar regulatory authorities of each of the provinces or territories of Canada;

“**Security Interest**” means the security interest granted by Rental ULC pursuant to Section 4.1.

“**Senior Notes**” means, with respect to a Series, Notes of such Series which are not subordinated in right of payment to any other Notes of such Series.

“**Series**” means, with respect to any Note, the Series specified in the applicable Indenture Supplement.

“**Series Accounts**” means each of the Series Rental Accounts, Series Vehicle Accounts, Series Interest Funding Accounts, Series Principal Funding Accounts and any other accounts established pursuant to an Indenture Supplement in respect of a Series.

“**Series Allocation Percentage**” means, as of any date of determination in respect of each Series of Notes, a fraction (expressed as a percentage) (x) the numerator of which shall be the Series Required Vehicle Collateral Amount for such Series, and (y) the denominator of which shall be the Aggregate Required Vehicle Collateral Amount, *provided that* after the Revolving Period for such Series but prior to the Enforcement Period for such Series, the Series Required Vehicle Collateral Amount shall be as determined on the last day of such Revolving Period and during the Enforcement Period for such Series, the Series Required Vehicle Collateral Amount shall be as determined on the first day of such Enforcement Period.

“**Series Cost of Funds Amount**” in respect of each Series, has the meaning given to it in the related Indenture Supplement.

“**Series Final Maturity Date**” means, with respect to a Series or Class of Notes, the date specified in the Indenture Supplement for such Note as the fixed date on which the principal of such Series or Class of Notes is due and payable in full.

“**Series Interest Funding Accounts**” means each of the “Interest Funding Accounts” established pursuant to the Indenture Supplements.

“**Series Principal Funding Accounts**” means each of the “Principal Funding Accounts” established pursuant to the Indenture Supplements.

“**Series Rental Account**” means each of the “Series Rental Accounts” established pursuant to the Indenture Supplements.

“**Series Required Vehicle Collateral Amount**” has, in respect of each Series, the meaning given to it in the related Indenture Supplement.

“**Series Shortfall**” is defined in Section 6.4(b)(i).

“**Series Vehicle Account**” means each of the “Series Vehicle Accounts” established pursuant to the Indenture Supplements.

“**Service Vehicle**” means a Rental ULC Vehicle that is not rented, leased, or available for rent or lease, by Funding LP to its customers.

“**Settlement Date**” means the second Business Day prior to the Remittance Date.

“**Settlement Period**” means, in respect of any Settlement Date or Remittance Date, the most recently completed calendar month prior to such Settlement Date or Remittance Date, as applicable.

“**Settlement Report**” has the meaning given to it, with respect to any Series or Class of Notes, in the related Indenture Supplement.

“**Specified Default**” is defined in Section 10.22.

“**Stated Principal Amount**”, with respect to any Note, has the meaning specified in the related Indenture Supplement.

“**Tax**” or “**Taxes**” includes all present and future taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings and other charges of any nature (including income, corporate, capital (including large corporations), net worth, sales, consumption, use, transfer, goods and services, value-added, stamp, registration, franchise, withholding, payroll, employment, health, education, excise, business, school, property, occupation, customs, anti-dumping and countervailing taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings and other charges) imposed by any national, federal, provincial, territorial, state, colonial, municipal, local, foreign or other governmental authority, together with any penalties, fines, interest or other additions on, to, in lieu of, for non-collection of or in respect of such taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings and other charges.

“**Temporary Global Note**” is defined in Section 2.5.

“**Toyota**” means Toyota Canada Inc. and its successors.

“**Transaction Documents**” means (a) the Indenture, the Master Vehicle Lease Agreement, the Administration Agreement, the Funding LP Partnership Agreement, the Funding LP Security Agreement, the Liquidation Agent Agreement, the Back-up Administration Agreement, the Funding/Rental Purchase Agreement, and the Account Control Agreement and (b) for any Series, any other agreement specified in the related Indenture Supplement.

“**Unrestricted Funds**” means funds released to Rental ULC pursuant to Sections 6.3 or 6.4 or released to Rental ULC pursuant to any provision of an Indenture Supplement and identified therein as “Unrestricted Funds”.

“**Used Vehicle**” means a Rental ULC Vehicle which was a used Vehicle on the date it was purchased by Rental ULC and which has been designated a Model Year by the manufacturer which is no more than two Model Years prior to the Purchasing Year in which such Vehicle was purchased.

“**VAT**” means, collectively, GST, HST and QST and any amounts payable under any similar value-added Tax legislation in any jurisdiction in Canada.

“**VAT Account**” is defined in Section 5.1(c).

“**Vehicle**” means an automobile, minivan, sport utility vehicle, truck, van or Service Vehicle.

“**Vehicle Receivable**” means, at any time in respect of any Rental ULC Vehicle (a) that has been returned to the relevant Manufacturer for purchase whether pursuant to the terms of the related Repurchase Agreement or otherwise; or (b) that has been sold by Rental ULC to an Approved Dealer, an auction house or any other Person, but for which such Manufacturer, Approved Dealer, auction house or other Person has not yet paid the required purchase price to Rental ULC in full, the amount of such outstanding receivable that is owed by such Manufacturer, Approved Dealer, auction house or other Person to Rental ULC.

1.2 Compliance Certificates and Opinions

- (a) Upon any application or request by Rental ULC to the Indenture Trustee to take any action under any provision of this Indenture, Rental ULC shall furnish to the Indenture Trustee (a) a Rental ULC Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and (b) an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

- (b) The Indenture Trustee may rely, as to authorization by Rental ULC of any Class of Notes, the form and terms thereof and the legality, validity, binding effect and enforceability thereof, upon the Opinion of Counsel and the other documents delivered pursuant to Section 3.10 and this Section 1.2, as applicable, in connection with the first authentication of Notes of such Class.
- (c) Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:
- (i) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
 - (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
 - (iii) a statement that such individual has made such examination or investigation as is necessary to express an informed opinion as to whether or not such covenant or condition has been complied with; and
 - (iv) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

1.3 Form of Documents Delivered to Indenture Trustee

In any case where several matters are required to be certified by, or covered by an opinion of, one or more specified Persons, one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to the other matters, and any such Person may certify or give an opinion as to such matters in one or several documents. Any certificate or opinion of Rental ULC may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless Rental ULC, or any Affiliate of Rental ULC, knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations are erroneous. Any such certificate or opinion of, or representation by, counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, Rental ULC stating that the information with respect to such factual matters is in the possession of Rental ULC unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations are erroneous. Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

1.4 Acts of Noteholders

- (a) Any request, demand, authorization, direction, notice, consent, waiver or other action (collectively, “**Action**”) provided by this Indenture to be given or taken by Noteholders of any Series or Class may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in Person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee, and, where it is hereby expressly required, to Rental ULC. Such instrument or instruments (and the Action embodied therein and evidenced thereby) are herein sometimes referred to as the “**Act**” of the Noteholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 11.1) conclusive in favour of the Indenture Trustee and Rental ULC if made in the manner provided in this Section 1.4.
- (b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness to such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Indenture Trustee deems reasonably sufficient.
- (c) (i) The ownership of Notes shall be proved by the Note Register.
- (ii) If Rental ULC shall solicit from the Holders any Action, Rental ULC may, at its option, by a Rental ULC Certificate, fix in advance a record date for the determination of Holders entitled to give such Action, but Rental ULC shall have no obligation to do so. If Rental ULC does not so fix a record date, such record date shall be the later of thirty (30) days before the first solicitation of such Action or the date of the most recent list of Noteholders furnished to the Indenture Trustee pursuant to Section 12.1 before such solicitation. Such Action may be given before or after the record date, but only the Holders of record at the close of business on the record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Notes Outstanding have authorized or agreed or consented to such Action, and for that purpose the Notes Outstanding shall be computed as of the record date; provided that no such authorization, agreement or consent by the Holders on the record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

- (d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Note shall bind the Holder of every Note issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Indenture Trustee or Rental ULC in reliance thereon whether or not notation of such Action is made upon such Note.

1.5 Notices, etc., to Indenture Trustee and Rental ULC

Any action of Noteholders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

- (a) the Indenture Trustee by any Noteholder or by Rental ULC shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Indenture Trustee at its Corporate Trust Office, or
- (b) Rental ULC by the Indenture Trustee or by any Noteholder shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to Rental ULC addressed to WTH Car Rental ULC at 1 Convair Drive East, Etobicoke, ON, M9W 6Z9 Attention: Controller.

1.6 Notices to Noteholders; Waiver

- (a) Where this Indenture, any Indenture Supplement or any Note provides for notice to Noteholders of any event, such notice shall be sufficiently given (unless otherwise herein, in such Indenture Supplement or in such Note expressly provided) if in writing and mailed, first-class postage prepaid, sent by facsimile, sent by electronic transmission or personally delivered to each Noteholder affected by such event, at such Noteholder's address as it appears in the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Noteholders is given by mail, facsimile, electronic transmission or delivery neither the failure to mail, send by facsimile, electronic transmission or deliver such notice, nor any defect in any notice so mailed, sent by facsimile, electronic transmission or delivery to any particular Noteholders shall affect the sufficiency of such notice with respect to other Noteholders and any notice that is mailed, sent by facsimile, electronic transmission or delivered in the manner herein provided shall conclusively have been presumed to have been duly given.

Where this Indenture, any Indenture Supplement or any Note provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Indenture Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

- (b) In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or otherwise, it shall be impractical to mail notice of any event to a Noteholder when such notice is required to be given pursuant to any provision of this Indenture, then any method of notification as shall be reasonably satisfactory to the Indenture Trustee and Rental ULC shall be deemed to be a sufficient giving of such notice.

(c) With respect to any Class of Notes, the applicable Indenture Supplement or any Note Purchase Agreement may specify different or additional means of giving notice to the Holders of the Notes of such Class.

(d) Where this Indenture provides for notice to any Rating Agency, failure to give such notice shall not affect any other rights or obligations created hereunder.

1.7 Effect of Headings and Table of Contents

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

1.8 Successors and Assigns

All covenants and agreements in this Indenture by Rental ULC shall bind Rental ULC and its successors and assigns, whether so expressed or not. All covenants and agreements of the Indenture Trustee in this Indenture shall bind the successors, co-trustees and agents of the Indenture Trustee.

1.9 Separability

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

1.10 Benefits of Indenture

Nothing in this Indenture or in any Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any Paying Agent, the Note Registrar, the Hedge Counterparties and the Holders of Notes (or such of them as may be affected thereby), any benefit or any legal or equitable right, remedy or claim under this Indenture.

1.11 Governing Law

This Indenture shall be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to its conflict of law provisions and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

1.12 Counterparts

This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

**ARTICLE 2
NOTE FORMS**

2.1 Forms Generally

The Notes shall have such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture or the applicable Indenture Supplement or Note Purchase Agreement and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may be required to comply with Applicable Laws or with the rules of any securities exchange, or as may, consistently herewith, be determined by Rental ULC, as evidenced by Rental ULC's execution of such Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The definitive Notes shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders) or may be produced in any other manner, all as determined by Rental ULC, as evidenced by Rental ULC's execution of such Notes, subject, with respect to the Notes of any Series or Class, to the rules of any securities exchange on which such Notes are listed.

2.2 Forms of Notes

Each Note shall be in one of the forms approved from time to time by or pursuant to an Indenture Supplement. Before the delivery of a Note to the Indenture Trustee for authentication in any form approved by or pursuant to a Rental ULC Certificate, Rental ULC shall deliver to the Indenture Trustee the Rental ULC Certificate by or pursuant to which such form of Note has been approved, which Rental ULC Certificate shall have attached thereto a true and correct copy of the form of Note which has been approved thereby. Any form of Note approved by or pursuant to a Rental ULC Certificate must be acceptable as to form to the Indenture Trustee, such acceptance to be evidenced by the Indenture Trustee's authentication of Notes in that form or a certificate signed by an Indenture Trustee Authorized Officer and delivered to Rental ULC.

2.3 Form of Indenture Trustee's Certificate of Authentication

The form of Indenture Trustee's Certificate of Authentication for any Note issued pursuant to this Indenture shall be substantially as follows:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the Series or Class designated therein referred to in the within-mentioned Indenture.

By: **BNY TRUST COMPANY
OF CANADA, as Indenture
Trustee**

Name:
Title:

Dated: _____

2.4 Notes Issuable in the Form of a Global Note

- (a) If Rental ULC establishes pursuant to Sections 2.2 and 3.1 that the Notes of a particular Series or Class are to be issued in whole or in part in the form of one or more Global Notes, then Rental ULC shall execute and the Indenture Trustee or its agent shall, in accordance with Section 3.3 and the Rental ULC Certificate delivered to the Indenture Trustee or its agent thereunder, authenticate and deliver, such Global Note or Notes, which, unless otherwise provided in the applicable Indenture Supplement (i) shall represent, and shall be denominated in an amount equal to the aggregate Stated Principal Amount (or in the case of Discount Notes, the aggregate Stated Principal Amount at the Scheduled Final Payment Date of such Notes) of the Outstanding Notes of such Series or Class to be represented by such Global Note or Notes, or such portion thereof as Rental ULC shall specify in a Rental ULC Certificate; (ii) shall be registered in the Note Register in the name of the Depository for such Global Note or Notes or its nominee; (iii) shall be delivered by the Indenture Trustee or its agent to the Depository or pursuant to the Depository's instruction; (iv) if applicable, shall bear a legend substantially to the following effect: "UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS, OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CDS, HAS AN INTEREST HEREIN."; and (v) may bear such other legend as Rental ULC, upon advice of counsel, deems to be applicable.
- (b) Notwithstanding any other provisions of this Section 2.4 or of Section 3.5, and subject to the provisions of paragraph (c) below, unless the terms of a Global Note or the applicable Indenture Supplement expressly permit such Global Note to be exchanged in whole or in part for individual Notes, a Global Note may be transferred, in whole but not in part and in the manner provided in Section 3.5, only to a nominee of the Depository for such Global Note, or to the Depository, or a successor Depository for such Global Note selected or approved by Rental ULC, or to a nominee of such successor Depository.

- (c) With respect to Notes issued within Canada, unless otherwise specified in the applicable Indenture Supplement, or with respect to Notes issued outside Canada, if specified in the applicable Indenture Supplement:
- (i) If at any time the Depository for a Global Note notifies Rental ULC that it is unwilling or unable to continue as Depository for such Global Note or if at any time the Depository for the Notes for such Series or Class ceases to be a clearing agency registered under the *Securities Act* (Ontario), or other applicable statute or regulation, Rental ULC shall appoint a successor Depository with respect to such Global Note. If a successor Depository for such Global Note is not appointed by Rental ULC within ninety (90) days after Rental ULC receives such notice or becomes aware of such ineligibility, Rental ULC shall execute, and the Indenture Trustee or its agent, upon receipt of a Rental ULC Certificate requesting the authentication and delivery of individual Notes of such Series or Class in exchange for such Global Note, shall authenticate and deliver, individual Notes of such Series or Class of like tenor and terms in an aggregate Stated Principal Amount equal to the Stated Principal Amount of the Global Note in exchange for such Global Note.
 - (ii) Rental ULC may at any time and in its sole discretion determine that the Notes of any Series or Class or portion thereof issued or issuable in the form of one or more Global Notes shall no longer be represented by such Global Note or Notes. In such event Rental ULC shall execute, and the Indenture Trustee, upon receipt of a Rental ULC Certificate for the authentication and delivery of individual Notes of such Series or Class in exchange in whole or in part for such Global Note, shall authenticate and deliver individual Notes of such Series or Class of like tenor and terms in definitive form in an aggregate Stated Principal Amount equal to the Stated Principal Amount of such Global Note or Notes representing such Series or Class or portion thereof in exchange for such Global Note or Notes.
 - (iii) If specified by Rental ULC pursuant to Sections 2.2 and 3.1 with respect to Notes issued or issuable in the form of a Global Note, the Depository for such Global Note may surrender such Global Note in exchange in whole or in part for individual Notes of such Series or Class of like tenor and terms in definitive form on such terms as are acceptable to Rental ULC and such Depository. Thereupon Rental ULC shall execute, and the Indenture Trustee or its agent shall authenticate and deliver, without service charge (A) to each Person specified by such Depository a new Note or Notes of the same Series or Class of like tenor and terms and of any authorized denomination as requested by such Person in aggregate Stated Principal Amount equal to and in exchange for such Person's beneficial interest in the Global Note; and (B) to such Depository a new Global Note of like tenor and terms and in an authorized denomination equal to the difference, if any, between the Stated Principal Amount of the surrendered Global Note and the aggregate Stated Principal Amount of Notes delivered to the Holders thereof.

- (iv) If any Event of Default has occurred with respect to such Global Notes, and Holders of Notes evidencing not less than 50% of the unpaid Outstanding Principal Amount of the Global Notes of that Class advise the Indenture Trustee and the Depository that a Global Note is no longer in the best interest of the Noteholders, the Holders of Global Notes of that Class may exchange such Notes for individual Notes.
- (v) In any exchange provided for in any of the preceding paragraphs, Rental ULC shall execute and the Indenture Trustee or its agent shall authenticate and deliver individual Notes in definitive registered form in authorized denominations. Upon the exchange of the entire Stated Principal Amount of a Global Note for individual Notes, such Global Note shall be cancelled by the Indenture Trustee or its agent. Except as provided in the preceding paragraphs, Notes issued in exchange for a Global Note pursuant to this Section 2.4 shall be registered in such names and in such authorized denominations as the Depository for such Global Note, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Indenture Trustee or the Note Registrar in writing. The Indenture Trustee or the Note Registrar shall deliver such Notes to the Persons in whose names such Notes are so registered.

2.5 Temporary Global Notes and Permanent Global Notes

If specified in the applicable Indenture Supplement for any Series or Class, all or any portion of a Global Note may initially be issued in the form of a single temporary Global Note (the “**Temporary Global Note**”), without interest coupons, in the denomination of the entire aggregate principal amount of such Series or Class and substantially in the form set forth in the exhibit with respect thereto attached to the applicable Indenture Supplement. The Temporary Global Note shall be authenticated by the Indenture Trustee upon the same conditions, in substantially the same manner and with the same effect as the Notes in definitive form. The Temporary Global Note may be exchanged as described in the applicable Indenture Supplement for permanent Global Notes (the “**Permanent Global Notes**”).

2.6 Beneficial Ownership of Global Notes

Until definitive Notes have been issued to the applicable Noteholders pursuant to Section 2.4 or as otherwise specified in any applicable Indenture Supplement,

- (a) Rental ULC and the Indenture Trustee may deal with the applicable Depository and the Depository’s participants for all purposes (including the making of distributions) as the authorized representatives of the respective Note Owners; and
- (b) the rights of the respective Note Owners shall be exercised only through the applicable Depository and the Depository’s participants and shall be limited to those established by law and agreements between such Note Owners and the Depository and/or the Depository’s participants. Pursuant to the operating rules of the applicable Depository, unless and until Notes in definitive form are issued pursuant to Section 2.4, the Depository shall make book-entry transfers among the Depository’s participants and receive and transmit distributions of principal and interest on the related Notes to such Depository’s participants.

For purposes of any provision of this Indenture requiring or permitting actions with the consent of, or at the direction of, Noteholders evidencing a specified percentage of the aggregate unpaid principal amount of Outstanding Notes, such direction or consent may be given by Note Owners (acting through the Depository and the Depository's participants) owning interests in Notes evidencing the requisite percentage of principal amount of Notes.

2.7 Notices to Depository

Whenever any notice or other communication is required to be given to Noteholders with respect to which book-entry Notes have been issued, unless and until Notes in definitive form shall have been issued to the related Note Owners, the Indenture Trustee shall give all such notices and communications to the applicable Depository.

ARTICLE 3 THE NOTES

3.1 General Title; General Limitations; Issuable in Series; Terms of a Series or Class

- (a) The aggregate Stated Principal Amount of Notes which may be authenticated and delivered and Outstanding under this Indenture is not limited.
- (b) The Notes may be issued in one or more Series or Classes up to an aggregate Stated Principal Amount of Notes of such Series or Class as from time to time may be authorized by Rental ULC hereunder and under the related Indenture Supplements. All Notes of each Series or Class under this Indenture shall in all respects be equally and rateably entitled to the benefits hereof with respect to such Series or Class without preference, priority or distinction, except as specified herein and in the applicable Indenture Supplement for such Series or Class.
- (c) Each Note issued must be part of a Series or Class of Notes for purposes of allocations pursuant to Article 6. A Series of Notes is created pursuant to an Indenture Supplement. A Class of Notes of that Series is created pursuant to such Indenture Supplement.
- (d) Each Series of Notes may, but need not be, subdivided into multiple Classes. Unless the context otherwise requires, references herein to a Class of Notes include a Series of Notes that has not been subdivided into multiple Classes. Notes belonging to a Class in any Series may be entitled to specified payment priorities over other Classes of Notes in that Series.
- (e) There shall also be established in or pursuant to an Indenture Supplement or terms document related to the applicable Indenture Supplement before the initial issuance of Notes of each such Series or Class, the principal terms ("**Principal Terms**") of each Series and Class of Notes to be created. The Principal Terms of a Series or Class may include:

- (i) the Series designation;
- (ii) the Stated Principal Amount of the Notes;
- (iii) whether such Notes are of a particular Class of Notes;
- (iv) the currency or currencies in which such Notes shall be denominated and in which payments of principal of, and interest on, such Notes shall or may be payable;
- (v) if the principal of or interest, if any, on such Notes are to be payable, at the election of Rental ULC or a Holder thereof, in a currency or currencies other than that in which the Notes are stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made;
- (vi) if the amount of payments of principal or interest, if any, on such Notes may be determined with reference to an index based on (A) a currency or currencies other than that in which the Notes are stated to be payable; (B) changes in the prices of one or more other securities or groups or indexes of securities; or (C) changes in the prices of one or more commodities or groups or indexes of commodities, or any combination of the foregoing, the manner in which such amounts shall be determined;
- (vii) the price or prices at which the Notes shall be issued;
- (viii) the times at which such Notes may, pursuant to any optional or mandatory redemption provisions, be redeemed, and the other terms and provisions of any such redemption provisions;
- (ix) the rate per annum at which such Notes shall bear interest, if any, or the formula or index on which such rate shall be determined, including all relevant definitions, and the date from which interest shall accrue;
- (x) each Interest Payment Date, Principal Payment Date, Scheduled Final Payment Date and Series Final Maturity Date and Place of Payment for such Notes;
- (xi) the Initial Principal Amount of such Notes, and the means for calculating the Outstanding Principal Amount of such Notes;
- (xii) whether or not application shall be made to list such Notes on any securities exchange;
- (xiii) any Events of Default or Early Amortization Events with respect to such Notes, if not set forth herein, and any additions, deletions or other changes to the Events of Default set forth herein that shall be applicable to such Notes (including a provision making any Event of Default set forth herein inapplicable to the Notes of that Series or Class);

(xiv) if such Notes shall be issued in whole or in part in the form of a Global Note or Global Notes, the terms and conditions (other than or in addition to those specified in Section 2.4), if any, upon which such Global Note or Global Notes may be exchanged in whole or in part for other individual Notes; and the Depository for such Global Note or Global Notes (if other than the Depository specified in Section 1.1);

(xv) whether such Notes are to be issued with or without coupons or both;

(xvi) the subordination of such Notes to any other indebtedness of Rental ULC, including without limitation, the Notes of any other Series or Class;

(xvii) the Record Date for any Payment Date of such Notes, if different from the last day of the month before the related Payment Date; and

(xviii) any other terms of such Notes which shall not be inconsistent with the provisions of this Indenture;

all upon such terms as may be determined in or pursuant to an Indenture Supplement with respect to such Series or Class.

(f) The form of the Notes of each Series or Class shall be established pursuant to the provisions of this Indenture and the related Indenture Supplement creating such Series or Class. The Notes of each Series or Class shall be distinguished from the Notes of each other Series or Class in such manner, reasonably satisfactory to the Indenture Trustee, as Rental ULC may determine.

(g) Unless otherwise provided with respect to Notes of a particular Series or Class, the Notes of any particular Series or Class shall be issued in registered form, without coupons.

(h) Any terms or provisions in respect of the Notes of any Series or Class issued under this Indenture may be determined pursuant to this Section by providing in the applicable Indenture Supplement for the method by which such terms or provisions shall be determined.

(i) The Notes of each Series or Class may have such Scheduled Final Payment Date or Dates or Series Final Maturity Date or Dates, be issuable at such premium over or discount from their face value, bear interest at such rate or rates (which may be fixed or floating), from such date or dates, payable in such instalments and on such dates and at such place or places to the Holders of Notes registered as such on such Record Dates, or may bear no interest, and have such terms, all as shall be provided for in or pursuant to the applicable Indenture Supplement.

3.2 Denominations

The Notes of each Class shall be issuable in such denominations and currency as shall be provided in the provisions of this Indenture or in or pursuant to the applicable Indenture Supplement. In the absence of any such provisions with respect to the Notes of any Class, the Notes of that Class may be issued in any denominations.

3.3 Execution, Authentication, Delivery and Dating

- (a) The Notes shall be executed on behalf of Rental ULC by an Authorized Officer of Rental ULC. The signature of any Authorized Officer of Rental ULC on the Notes may be manual or facsimile.
- (b) Notes bearing the manual or facsimile signatures of individuals who were at any time Authorized Officers of Rental ULC shall bind Rental ULC, notwithstanding that such individuals or any of them have ceased to hold such offices before the authentication and delivery of such Notes or did not hold such offices at the date of issuance of such Notes.
- (c) At any time and from time to time after the execution and delivery of this Indenture, Rental ULC may deliver Notes executed by Rental ULC to the Indenture Trustee for authentication; and the Indenture Trustee shall, upon request by a Rental ULC Certificate, authenticate and, deliver or retain as custodian for the Depository, such Notes as in this Indenture provided and not otherwise.
- (d) Before any such authentication and delivery, the Indenture Trustee shall be entitled to receive, in addition to any Rental ULC Certificate and Opinion of Counsel required to be furnished to the Indenture Trustee pursuant to Section 1.2, the Rental ULC Certificate and any other opinion or certificate relating to the issuance of the Series or Class of Notes required to be furnished pursuant to Section 2.2 or Section 3.10.
- (e) The Indenture Trustee shall not be required to authenticate such Notes if the issue thereof shall adversely affect the Indenture Trustee's own rights, duties or immunities under the Notes and this Indenture.
- (f) Unless otherwise provided in the form of Note for any Series or Class, all Notes shall be dated the date of their authentication.
- (g) No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Note a certificate of authentication substantially in the form provided for herein executed by the Indenture Trustee by manual signature of an authorized signatory, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

3.4 Temporary Notes

- (a) Pending the preparation of definitive Notes of any Class, Rental ULC may execute, and, upon receipt of the documents required by Section 3.3, together with a Rental ULC Certificate, the Indenture Trustee shall authenticate and deliver, temporary Notes which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Notes in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as Rental ULC may determine, as evidenced by Rental ULC's execution of such Notes.
- (b) If temporary Notes of any Class are issued, Rental ULC shall cause definitive Notes of such Class to be prepared without unreasonable delay. After the preparation of definitive Notes, the temporary Notes of such Class shall be exchangeable for definitive Notes of such Class upon surrender of the temporary Notes of such Class at the office or agency of Rental ULC in a Place of Payment, without charge to the Holder; and upon surrender for cancellation of any one or more temporary Notes Rental ULC shall execute and the Indenture Trustee shall authenticate and deliver in exchange therefor a like Stated Principal Amount of definitive Notes of such Class of authorized denominations and of like tenor and terms. Until so exchanged the temporary Notes of such Class shall in all respects be entitled to the same benefits under this Indenture as definitive Notes of such Class.

3.5 Registration, Transfer and Exchange

- (a) Rental ULC shall keep or cause to be kept a register (herein sometimes referred to as the "**Note Register**") in which, subject to such reasonable regulations as it may prescribe, Rental ULC shall provide for the registration of Notes, or of Notes of a particular Class, and for transfers of Notes or of Notes of such Class. Any such register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times the information contained in such register or registers shall be available for inspection by the Indenture Trustee or any Noteholder at the office or agency in each Place of Payment as designated by Rental ULC.
- (b) Subject to Section 2.4, upon surrender for transfer of any Note of any Class at the office or agency of Rental ULC in a Place of Payment, Rental ULC shall execute, and, upon receipt of such surrendered note, the Indenture Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of such Class of any authorized denominations, of a like aggregate Stated Principal Amount, Scheduled Final Payment Date and Series Final Maturity Date and of like terms.
- (c) Subject to Section 2.4, at the option of the Holder, Notes of any Class may be exchanged for other Notes of such Class of any authorized denominations, of a like aggregate Stated Principal Amount, Scheduled Final Payment Date and Series Final Maturity Date and of like terms, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, Rental ULC shall execute, and the Indenture Trustee shall authenticate and deliver the Notes which the Noteholders making the exchange are entitled to receive.

- (d) All Notes issued upon any transfer or exchange of Notes shall be the valid and legally binding obligations of Rental ULC, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.
- (e) Every Note presented or surrendered for transfer or exchange shall (if so required by Rental ULC or the Indenture Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to Rental ULC and the Note Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.
- (f) Unless otherwise provided in the Note to be transferred or exchanged, no service charge shall be made on any Noteholder for any transfer or exchange of Notes, but Rental ULC may (unless otherwise provided in such Note) require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Notes, other than exchanges pursuant to Section 3.4 or Section 13.5 not involving any transfer.
- (g) None of Rental ULC, the Indenture Trustee, any agent of the Indenture Trustee, any Paying Agent or the Note Registrar shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.
- (h) Rental ULC initially appoints the Indenture Trustee to act as Note Registrar for the Notes on its behalf. Rental ULC may at any time and from time to time authorize any Person to act as Note Registrar in place of the Indenture Trustee with respect to any Class of Notes issued under this Indenture.

3.6 Mutilated, Destroyed, Lost and Stolen Notes

- (a) If (i) any mutilated Note is surrendered to the Indenture Trustee, or Rental ULC and the Indenture Trustee receive evidence to its satisfaction of the destruction, loss or theft of any Note; and (ii) there is delivered to Rental ULC and the Indenture Trustee such security or indemnity as may be required by them to save each of them harmless, then Rental ULC shall execute and upon its request the Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of like tenor, Series or Class, Scheduled Final Payment Date, Series Final Maturity Date and Stated Principal Amount, bearing a number not contemporaneously Outstanding.
- (b) In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, Rental ULC in its discretion may, instead of issuing a new Note, pay such Note.

- (c) Upon the issuance of any new Note under this Section 3.6, Rental ULC may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Indenture Trustee) connected therewith.
- (d) Every new Note issued pursuant to this Section 3.6 in lieu of any destroyed, lost or stolen Note shall constitute an original additional contractual obligation of Rental ULC, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes of the same Series or Class duly issued hereunder.
- (e) The provisions of this Section 3.6 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

3.7 Payment of Interest; Interest Rights Preserved

- (a) Unless otherwise provided with respect to such Note pursuant to Section 3.1, interest payable on any Note shall be paid to the Person in whose name that Note (or one or more Predecessor Notes) is registered at the close of business on the most recent Record Date.
- (b) Subject to clause (a), each Note delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued or principal accreted and unpaid, and to accrue or accrete, which were carried by such other Note.

3.8 Persons Deemed Owners

Rental ULC, the Indenture Trustee and any agent of Rental ULC or the Indenture Trustee may treat the Person who is proved to be the owner of such Note pursuant to Section 1.4(c) as the owner of such Note for the purpose of receiving payment of principal of and (subject to Section 3.7) interest on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither Rental ULC, the Indenture Trustee nor any agent of Rental ULC or the Indenture Trustee shall be affected by notice to the contrary.

3.9 Cancellation

All Notes surrendered for payment, redemption, transfer, conversion or exchange shall, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and, if not already cancelled, shall be promptly cancelled by it. Rental ULC may at any time deliver to the Indenture Trustee for cancellation any Notes previously authenticated and delivered hereunder which Rental ULC may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Indenture Trustee. No Note shall be authenticated in lieu of or in exchange for any Notes cancelled as provided in this Section, except as expressly permitted by this Indenture. The Indenture Trustee shall dispose of all cancelled Notes in accordance with its customary procedures and shall deliver a certificate of such disposition to Rental ULC.

3.10 New Issuances of Notes

- (a) Rental ULC may issue new Notes of any Series or Class, so long as the following conditions precedent are satisfied:
- (i) on or before the tenth Business Day before the date that the new issuance is to occur (other than with respect to any Series of Notes to be issued on the date of execution of this Indenture), Rental ULC gives the Indenture Trustee and the Rating Agencies written notice of the issuance;
 - (ii) on or prior to the date that the new issuance is to occur, Rental ULC delivers to the Indenture Trustee and each Rating Agency a Rental ULC Certificate to the effect that:
 - (A) all instruments furnished to the Indenture Trustee conform to the requirements of this Indenture and constitute sufficient authority hereunder for the Indenture Trustee to authenticate and deliver such Notes;
 - (B) the form and terms of such Notes have been established in conformity with the provisions of this Indenture;
 - (C) no Early Amortization Event will occur with respect to any Outstanding Series as a consequence of such new issuance; and
 - (D) all Applicable Laws and requirements with respect to the execution and delivery by Rental ULC of such Notes have been complied with, Rental ULC has the power and authority to issue such Notes and such Notes have been duly authorized and delivered by Rental ULC and, assuming due authentication and delivery by the Indenture Trustee, constitute legal, valid and binding obligations of Rental ULC enforceable in accordance with their terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws and legal principles affecting creditors' rights generally from time to time in effect and to general equitable principles, whether applied in an action at law or in equity) and entitled to the benefits of this Indenture, equally and rateably with all other Notes, if any, of such Series or Class Outstanding, subject to the terms of this Indenture and each Indenture Supplement.
 - (iii) on or before the date that the new issuance is to occur, Rental ULC shall have delivered to the Indenture Trustee an Indenture Supplement and, if applicable, the Rental ULC Certificate or terms document relating to the applicable Series, Class or Classes of Notes;
 - (iv) in the case of Notes denominated in a Foreign Currency, Rental ULC shall have appointed one or more Paying Agents in the appropriate countries;

- (v) the Rating Agency Condition for each Outstanding Series and Class of Notes shall be satisfied with respect to such issuance;
 - (vi) the conditions specified herein are satisfied; and
 - (vii) any other conditions specified in the applicable Indenture Supplement and in the Indenture Supplement for any Outstanding Series are satisfied;
- (b) Rental ULC and the Indenture Trustee shall not be required to obtain the consent of any Noteholder of any Outstanding Series or Class to issue any additional Notes of any Series or Class.
- (c) There are no restrictions on the timing or amount of any additional issuance of Notes of an Outstanding Class of a multiple issuance Series, so long as the conditions described in paragraph (a) are met. As of the date of any additional issuance of Notes of an Outstanding Class of Notes, the Stated Principal Amount and Outstanding Principal Amount of that Class shall be increased to reflect the principal amount of the additional Notes.

When issued, the additional Notes of a Class shall be identical in all respects to the other Outstanding Notes of that Class and shall be equally and rateably entitled to the benefits of the Indenture and the related Indenture Supplement as the other Outstanding Notes of that Class without preference, priority or distinction.

3.11 Money for Note Payments to be Held in Trust

- (a) The Paying Agent, on behalf of the Indenture Trustee, shall make distributions to Noteholders from the applicable accounts pursuant to the provisions of the Indenture Supplements and shall report the amounts of such distributions to the Indenture Trustee. Any Paying Agent shall have the revocable power to withdraw funds from the applicable accounts for the purpose of making the distributions referred to above. The Indenture Trustee may revoke such power and remove the Paying Agent if the Indenture Trustee determines in its sole discretion that the Paying Agent has failed to perform its obligations under this Indenture or any Indenture Supplement in any material respect. The Paying Agent upon removal shall return all funds in its possession to the Indenture Trustee.
- (b) Rental ULC shall cause each Paying Agent (other than the Indenture Trustee) for any Series or Class of Notes to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent shall agree with the Indenture Trustee (and if the Indenture Trustee acts as Paying Agent, it so agrees), subject to the provisions of this Section 3.11, that such Paying Agent shall:
- (i) hold all sums held by it for the payment of principal of or interest on Notes of such Series or Class in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

- (ii) if such Paying Agent is not the Indenture Trustee, give the Indenture Trustee notice of any default by Rental ULC in the making of any such payment of principal or interest on the Notes of such Series or Class;
 - (iii) if such Paying Agent is not the Indenture Trustee, at any time during the continuance of any such default, upon the written request of the Indenture Trustee, forthwith pay to the Indenture Trustee all sums so held in trust by such Paying Agent;
 - (iv) immediately resign as a Paying Agent and, if such Paying Agent is not the Indenture Trustee, forthwith pay to the Indenture Trustee all sums held by it in trust for the payment of Notes if at any time it ceases to meet the standards described in this Section 3.11 required to be met by a Paying Agent at the time of its appointment; and
 - (v) comply with all requirements of the Income Tax Act with respect to the withholding from any payments made by it on any Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.
- (c) Rental ULC may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture with respect to any Series or Class of Notes or for any other purpose, pay, or by a Rental ULC Certificate direct any Paying Agent to pay, to the Indenture Trustee all sums held in trust by Rental ULC or such Paying Agent in respect of each and every Series or Class of Notes as to which it seeks to discharge this Indenture or, if for any other purpose, all sums so held in trust by Rental ULC in respect of all Notes, such sums to be held by the Indenture Trustee upon the same trusts as those upon which such sums were held by Rental ULC or such Paying Agent; and, upon such payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liability with respect to such money.
- (d) Any money deposited with the Indenture Trustee or any Paying Agent, or then held by Rental ULC, in trust for the payment of the principal of or interest on any Note of any Series or Class and remaining unclaimed for two years after such principal or interest has become due and payable shall be paid to Rental ULC upon request in a Rental ULC Certificate, or (if then held by Rental ULC) shall be discharged from such trust; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to Rental ULC for payment thereof, and all liability of the Indenture Trustee or such Paying Agent with respect to such trust money, and all liability of Rental ULC as trustee thereof, shall thereupon cease. The Indenture Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of Rental ULC give notice to the Holders of the Notes as to which the money to be repaid was held in trust, as provided in Section 1.6, a notice that such funds remain unclaimed and that, after a date specified in the notice, which shall not be less than thirty (30) days from the date on which the notice was delivered to the Holders of the Notes as to which the money to be repaid was held in trust, any unclaimed balance of such funds then remaining shall be paid to Rental ULC free of the trust formerly impressed upon it.

- (e) Rental ULC initially authorizes the Indenture Trustee to act as Paying Agent for the Notes on its behalf. Rental ULC may at any time and from time to time authorize one or more Persons (including the Indenture Trustee) to act as Paying Agent in addition to or in place of the Indenture Trustee with respect to any Series or Class of Notes issued under this Indenture.
- (f) Each Paying Agent shall at all times have, or be a wholly owned subsidiary of a corporation which has, a combined capital and surplus of at least \$50,000,000 and be subject to supervision or examination by the Office of the Superintendent of Financial Institutions (Canada) or be regulated by or subject to the supervision or examination of a governmental authority of a nation that is member of the Organization for Economic Co-operation and Development. If such Paying Agent publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 3.11, the combined capital and surplus of such Paying Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition as so published.

3.12 *Interest Act (Canada)*

For the purposes of the *Interest Act (Canada)*, each yearly rate of interest in respect of which interest is calculated on any basis other than a full calendar year is equivalent to such rate of interest multiplied by a fraction the numerator of which is the actual number of days in the calendar year in which such yearly rate of interest is applicable or to be ascertained and the denominator of which is the number of days comprising such other basis.

ARTICLE 4 SECURITY AND COLLATERAL

4.1 Rental ULC Security

- (a) Rental ULC grants to the Indenture Trustee for the benefit and security of the Noteholders, each Hedge Counterparty and the Indenture Trustee, in its individual capacity (each, a “**Secured Party**” and, collectively, the “**Secured Parties**”) a security interest in all of its right, title and interest, whether now owned or hereafter acquired in and to all of its property and undertaking (the “**Collateral**”), including all of Rental ULC’s:
 - (i) present and after-acquired personal property;
 - (ii) inventory including goods held for sale, lease or resale (including all Rental ULC Vehicles), goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of Rental ULC;

- (iii) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (iv) accounts due or accruing (other than any amounts due or accruing to Rental ULC under any Inter-Company Loans made in compliance with the Transaction Documents), including the Rental ULC Accounts, Vehicle Receivables, Proceeds of Disposition, and any amounts owing to Rental ULC under any Repurchase Agreement, or the Master Vehicle Lease Agreement, and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (v) money, including any Proceeds of Disposition, documents of title and chattel paper;
- (vi) Instruments and Investment Property;
- (vii) rights under the Master Vehicle Lease Agreement, the Administration Agreement, the Liquidation Agent Agreement, the Funding/Rental Purchase Agreement, and the Back-up Administration Agreement;
- (viii) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (ix) Intellectual Property Rights;
- (x) bank accounts including all Rental ULC Accounts;

together with: (xi) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 4.1(a)(i) through Section 4.1(a)(x), inclusive; and (xii) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 4.1(a)(i) through Section 4.1(a)(xi), inclusive, including the proceeds of such proceeds; provided *that* any amounts owing to Rental ULC under any Inter-Company Loans made in compliance with the Transaction Documents are excluded from, and shall not constitute any part of, the Collateral.

- (b) The Security Interest in the Collateral is granted to secure the obligations of Rental ULC to the Secured Parties under the Notes, any Hedging Transaction and under this Indenture and all Indenture Supplements and to secure:
 - (i) the due payment by Rental ULC of the principal, interest and other monies now or hereafter due or owing or due on, under or in respect of the Notes;
 - (ii) the payment of all other sums payable by Rental ULC to any Secured Party under this Indenture, any Indenture Supplement, or any other Transaction Document to which it is a party;

- (iii) the payment of all sums payable by Rental ULC to the Indenture Trustee in its personal capacity; and
 - (iv) compliance by Rental ULC with the provisions of this Indenture, any Indenture Supplement, or any other Transaction Document.
- (c) Rental ULC postpones and subordinates all debts and claims now or subsequently held against Funding LP to any and all claims the Indenture Trustee and the other Secured Parties may have against Funding LP pursuant to the Funding LP Security Agreement in respect of the Collateral (as defined therein); *provided that* prior to an Event of Default, payments may be received by Rental ULC pursuant to the Master Vehicle Lease Agreement and in respect of Contributions.

4.2 Additional Security Provisions

- (a) This Indenture is a security agreement within the meaning of the PPSA as in effect in the Province of Ontario.
- (b) The Indenture Trustee acknowledges the grant of the Security Interest and accepts the Collateral in trust hereunder in accordance with the provisions hereof and agrees to perform the duties herein to the end that the interests of the Secured Parties may be adequately and effectively protected.
- (c) Particular Notes shall benefit from the Security Interest to the extent (and only to the extent) collections on and proceeds of the Collateral and other collateral are allocated for their benefit pursuant to this Indenture and the applicable Indenture Supplement.
- (d) Rental ULC acknowledges that, in order to give full force and effect to Section 4.1, it will be necessary or advisable from time to time to execute additional or other forms of security documents in or for other jurisdictions (including one or more demand debentures, debenture pledge agreements or deeds of moveable hypothec under the laws of Quebec) to secure the Rental ULC Obligations created or to be created under this Indenture, the Indenture Supplements, and any Hedging Agreements and Rental ULC agrees to forthwith execute any such other or additional security documents to similar or no greater effect as Section 4.1 for any such other jurisdictions, upon the reasonable request of the Indenture Trustee from time to time. All rights acquired by the Indenture Trustee under any such other or additional security documents shall be held by the Indenture Trustee for the benefit of the Secured Parties as aforesaid and subject to the terms hereof and for the same purposes as it holds the Security Interest.
- (e) To have and to hold the Collateral and all rights hereby conferred unto the Indenture Trustee, its successors and assigns, forever, but in trust nevertheless, for the equal and rateable benefit and security of the Secured Parties as aforesaid (except as otherwise provided herein and in any Indenture Supplement) and for the uses and purposes and with the powers and authorities and subject to the terms and conditions set forth herein and in any Indenture Supplement, the Indenture Trustee hereby accepts and confirms such trust.

- (f) The Security Interest created by or pursuant to this Indenture is hereby deemed to be effective, and value therefor given, as of and from the date of this Indenture, whether or not any of the money secured by this Indenture shall be advanced or received before or after or at the time of the issue of any of the Notes or before or after or upon the date of this Indenture.
- (g) These presents are upon the express condition that if Rental ULC shall well and truly indefeasibly pay, perform and satisfy all of the Rental ULC Obligations, then the Security Interest and the estate and rights hereby granted by Rental ULC to the Indenture Trustee shall cease and become null and void and the Collateral shall revert to and re-vest in Rental ULC without any release, re-conveyance, re-entry or other act or formality whatsoever, except where such release, re-conveyance, re-entry or other act or formality is required in order to fully release the Collateral or re-convey same to Rental ULC, as the case may be, free and clear of any and all Liens in favour of the Indenture Trustee, in which cases the Indenture Trustee hereby at the expense of Rental ULC undertakes forthwith to execute, file and deliver any and all such releases, re-conveyances, re-entries, acts or formalities.
- (h) Rental ULC and the Indenture Trustee agree that the Security Interest shall attach immediately to the Collateral in which Rental ULC has any interest on the date hereof, and, with respect to after-acquired property, forthwith at the time that Rental ULC shall acquire an interest therein, and that there is no agreement to postpone attachment.
- (i) For the purposes of the grant of security under the laws of the Province of Quebec which may now or in the future be required to be provided by Rental ULC and Funding LP, the Indenture Trustee is hereby irrevocably authorized and appointed to act as the holder of an irrevocable power of attorney (*fondé de pouvoir*) (within the meaning of Article 2692 of the *Civil Code of Quebec*) in order to hold any hypothec granted under the laws of the Province of Quebec as security for the Notes, the Global Notes and any debenture, bond or other title of indebtedness that may be issued by Rental ULC and Funding LP pursuant to a deed of hypothec and to exercise such rights and duties as are conferred upon a *fondé de pouvoir* under the relevant deed of hypothec and applicable laws (with the power to delegate any such rights or duties). Moreover, in respect of any pledge by Rental ULC or Funding LP of any such debenture, bond or other title of indebtedness issued under any such deed of hypothec as security for Rental ULC Obligations (other than the Notes and the Global Notes) or the obligations of Funding LP (as described in the Funding LP Security Agreement), as applicable, the Indenture Trustee shall also be authorized to hold such debenture, bond or other title of indebtedness as agent and pledgee for its own account and for the benefit of all Secured parties, the whole notwithstanding the provisions of Section 32 of *An Act respecting the Special Powers of Legal Persons* (Quebec). The execution prior to the date hereof by the Indenture Trustee of any deed of hypothec or other security documents made pursuant to the laws of the Province of Quebec, is hereby ratified and confirmed. Any person who becomes a Secured Party or successor Indenture Trustee shall be deemed to have consented to and ratified the foregoing appointment of the Indenture Trustee as *fondé de pouvoir*, agent and mandatary on behalf of all Secured Parties, including such person and any affiliate of such person designated above as a Secured Party. For greater certainty, the Indenture Trustee, acting as the holder of an irrevocable power of attorney (*fondé de pouvoir*), shall have the same rights, powers, immunities, indemnities and exclusions from liability as are prescribed in favour of the Indenture Trustee in this Indenture, which shall apply *mutatis mutandis*. In the event of the resignation and appointment of a successor Indenture Trustee, such successor Indenture Trustee shall also act as such holder of an irrevocable power of attorney (*fondé de pouvoir*).

- (j) The Indenture Trustee, for itself and on behalf of the Noteholders and the other Secured Parties, hereby grants a power of attorney and a mandate to Rental ULC for the purpose of executing with respect to the Collateral and the security interests created thereby, on behalf of the Indenture Trustee, the Noteholders and other Secured Parties, any and all acquittances, mainlevées, radiations, cancellations, reductions, retrocessions and all other documents for the purpose of discharging, releasing, reassigning, retroceding, waiving or subordinating any reservation of title, hypothec, lease, right of ownership under a leasing contract (crédit-bail), security interest, charge in respect of accounts receivable and any other personal or real right contained in or created by the Collateral and which may from time to time be registered in the Province of Quebec under or with respect to the Collateral, and more particularly, at the Register of Personal and Moveable Real Rights, including endorsing the Indenture Trustee's, the Noteholders' or the other Secured Parties' name on any consent, filings, registrations or other documents in furtherance thereof. By acceptance of a Note or other obligation of Rental ULC secured by this Indenture, the Indenture Trustee, for itself and on behalf of the Noteholders and the other Secured Parties, is deemed to have granted the appointment contained in this Section 4.2(j). The Indenture Trustee for itself and on behalf of the Noteholders and the other Secured Parties, hereby agrees to execute and deliver or cause to be executed and delivered such instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of Rental ULC to carry out more effectively the provisions and purposes of this Section 4.2(j).
- (k) Rental ULC intends the Security Interest granted pursuant to this Indenture in favour of the Indenture Trustee to be prior to all other Liens in respect of the Collateral, except for Permitted Encumbrances. Rental ULC shall take all actions necessary to obtain and maintain a perfected Lien on and security interest in the Collateral in favour of the Indenture Trustee that is prior to all other Liens in respect of the Collateral, except for Permitted Encumbrances. Rental ULC shall from time to time execute or authorize and deliver all such supplements and amendments hereto and all such financing statements and other instruments, all as prepared by Rental ULC and shall take such other action necessary or advisable to:
- (i) grant a security interest more effectively in all or any portion of the Collateral;

- (ii) maintain or preserve the Security Interest (and the priority thereof) or carry out more effectively the purposes hereof;
 - (iii) perfect, publish notice of or protect the validity of any grant of the Security Interest made or to be made by this Indenture;
 - (iv) enforce each instrument or agreement included in the Collateral;
 - (v) preserve and defend title to the Collateral and the rights of the Indenture Trustee in such Collateral and the rights of the Indenture Trustee in such Collateral against the claims of all other persons and parties; or
 - (vi) pay all Taxes or assessments levied or assessed upon the Collateral in each case when due.
- (l) Rental ULC shall from time to time promptly pay all financing statement recording and/or filing fees, charges and stamp or other documentary taxes relating to this Indenture, any amendments thereto and any other instruments of further assurance. Rental ULC hereby designates the Indenture Trustee its agent and attorney-in-fact to execute, upon Rental ULC's failure to do so, any financing statement or other instrument required by the Indenture Trustee pursuant to this Section 4.2(l).
- (m) Without limiting the generality of Sections 4.2(k)(ii) or (iii):
- (i) Rental ULC shall cause this Indenture, all amendments and supplements hereto and/or all financing statements and any other necessary documents covering the Indenture Trustee's right, title and interest in and to the Collateral to be promptly recorded, registered and filed, and at all times to be kept, recorded, registered and filed, all in such manner and in such places as may be required by Applicable Law to fully preserve, protect and render opposable the right, title and interest of the Indenture Trustee in and to all property comprising the Collateral. Rental ULC shall deliver to the Indenture Trustee file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing.
 - (ii) Within 10 days after Rental ULC makes any change in its name, identity or organization structure which would make any financing statement filed in accordance with paragraph 4.2(m)(i) ineffective, Rental ULC shall give the Indenture Trustee notice of any such change and shall file such financing statements or amendments as may be necessary to continue the perfection of the Security Interest in the Collateral.
 - (iii) Rental ULC shall give the Indenture Trustee prompt notice of any relocation of its chief executive office, place of business or province of location, and any change in the jurisdiction of its organization, and if, as a result of such relocation or change, the applicable provision of the PPSA (or equivalent) would require the filing of any amendment of any previously filed financing statement or of any new financing statement Rental ULC shall (x) provide the notice referred to above not less than five (5) Business Days prior to making such relocation or change, and (y) shall file such financing statements or amendments as may be necessary to continue the perfection and priority of the Security Interest in the Collateral. Rental ULC shall at all times maintain its chief executive office within Canada.

- (n) The Indenture Trustee shall have power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of all or any part of the Collateral by any acts which may be unlawful or in violation of this Indenture, and such suits and proceedings as the Indenture Trustee may deem expedient to preserve or protect the interests of the Secured Parties in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the Security Interest or be prejudicial to the interests of the Secured Parties).
- (o) In no event shall any purchaser in good faith of any property purported to be released hereunder be bound to ascertain the authority of the Indenture Trustee to execute the release or to inquire as to the satisfaction of any conditions required by the provisions hereof for the exercise of such authority or to see to the application of any consideration given by such purchaser or other transferee; nor shall any purchaser or other transferee of any property or rights permitted by this Article 4 to be sold be under any obligation to ascertain or inquire into the authority of Rental ULC or any other obligor, as applicable, to make any such sale or other transfer.
- (p) In case the Collateral shall be in the possession of a Receiver or trustee, lawfully appointed, the powers conferred in this Article 4 upon Rental ULC or any other obligor, as applicable, with respect to the release, sale or other disposition of such property may be exercised by such Receiver or trustee, and an instrument signed by such Receiver or trustee shall be deemed the equivalent of any similar instrument of Rental ULC or any other obligor, as applicable, or of any officer or officers thereof required by the provisions of this Article 4.
- (q) In the event (i) the Indenture Trustee shall receive any written request from Rental ULC or any other obligor for consent or approval with respect to any matter or thing relating to any Collateral or Rental ULC's or any other obligor's obligations with respect thereto; or (ii) there shall be due to or from the Indenture Trustee under the provisions hereof any performance or the delivery of any instrument; or (iii) the Indenture Trustee shall become aware of any non-performance by Rental ULC or any other obligor of any covenant or any breach of any representation or warranty of Rental ULC or any other obligor set forth in this Indenture or any Indenture Supplement, then, in each such event, the Indenture Trustee shall be entitled to hire experts, consultants, agents and attorneys to advise the Indenture Trustee on the manner in which the Indenture Trustee should respond to such request or render any requested performance or response to such non-performance or breach (the expenses of which shall be reimbursed to the Indenture Trustee pursuant to Section 11.7). The Indenture Trustee shall be fully protected in the taking of any action recommended or approved by any such expert, consultant, agent or attorney or agreed to by the Majority Holders of the Outstanding Senior Notes.

- (r) Any action taken by the Indenture Trustee pursuant to this Article 4 in respect of the release of Collateral shall be taken by the Indenture Trustee as its interest in such Collateral may appear, and no provision of this Article 4 is intended to, or shall, excuse compliance with any provision hereof.
- (s) Rental ULC may contract with or appoint other Persons to assist it in performing its duties under this Indenture or any Indenture Supplement, and any performance of such duties by a Person identified to the Indenture Trustee in a Rental ULC Certificate shall be deemed to be action taken by Rental ULC. No such subcontracting or delegation by Rental ULC shall relieve it of its obligations under this Indenture, any Indenture Supplement or any other Transaction Document.

ARTICLE 5
RENTAL ULC ACCOUNTS AND INVESTMENTS

5.1 Accounts

- (a) **Master Rental Account.** On or before the Initial Closing Date, Rental ULC shall cause to be established and maintained a Qualified Account (the “**Master Rental Account**”) in the name of Rental ULC. The Master Rental Account shall initially be held at Bank of Montreal, having account number 0002-1624-402. The Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the Master Rental Account. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under any Indenture Supplement and the Security Interest granted by Rental ULC hereunder, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the Master Rental Account and in all proceeds thereof (including all income thereon).
- (b) **Master Vehicle Account.** On or before the Initial Closing Date, Rental ULC shall cause to be established and maintained a Qualified Account (the “**Master Vehicle Account**”) in the name of Rental ULC. The Master Vehicle Account shall initially be held at Bank of Montreal, having account number 0002-1624-381. The Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the Master Vehicle Account. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under any Indenture Supplement and the Security Interest granted by Rental ULC hereunder, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the Master Vehicle Account and in all proceeds thereof (including all income thereon).

- (c) **VAT Account.** On or before the Initial Closing Date, Rental ULC shall cause to be established and maintained a Qualified Account (the “**VAT Account**”) in the name of Rental ULC. The VAT Account shall initially be held at Bank of Montreal, having account number 0002-1624-410. The Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the VAT Account. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under any Indenture Supplement and the Security Interest granted by Rental ULC hereunder, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the VAT Account and in all proceeds thereof (including all income thereon).
- (d) **Transfer of Accounts.** If, at any time, the institution holding any Rental ULC Account ceases to be a Qualified Institution, Rental ULC shall within thirty (30) calendar days establish a new Rental ULC Account that is a Qualified Account and shall transfer any cash and/or investments to such new Qualified Account.

5.2 Deposits to Account

- (a) Rental ULC shall cause all Rental Revenues to be deposited directly into the Master Rental Account. All deposits of Rental Revenues into the Master Rental Account or the Series Rental Accounts shall be in immediately available funds.
- (b) Rental ULC shall use commercially reasonable efforts to cause all Proceeds of Disposition (including any collections of Vehicle Receivables) to be deposited directly to the Master Vehicle Account and shall cause any Proceeds of Disposition not so directly deposited, to be deposited to the Master Vehicle Account no later than the second Business Day following receipt by it or by any of its Affiliates. All deposits of Proceeds of Disposition into the Master Vehicle Account shall be in immediately available funds. Rental ULC may from time to time, in its sole discretion but subject to the provisions of any Indenture Supplements, deposit to the Master Vehicle Account any Unrestricted Funds available to it.
- (c) The Indenture Trustee shall deposit all Enforcement Proceeds promptly upon receipt to the Master Vehicle Account.
- (d) Rental ULC shall deposit all Contributions received by it to the Master Vehicle Account or the Master Rental Account.
- (e) Rental ULC shall deposit into the VAT Account all amounts collected by Rental ULC on its behalf, on behalf of a Governmental Authority in respect of VAT as a result of the lease, rental or sale of Rental ULC Vehicles by Rental ULC or the provision of any other goods or services by Rental ULC and any amount received by Rental ULC from a Governmental Authority as a refund of VAT. Rental ULC shall be entitled to disburse from the VAT Account any amount owed to a Governmental Authority in respect of VAT collected by Rental ULC and any amount owed to a Person as VAT in respect of the purchase of Rental ULC Vehicles or any other goods or services acquired by Rental ULC. Provided that an Early Amortization Event has not occurred and is continuing, the funds to be deposited into the VAT Account may be commingled with Rental Revenue.

- (f) Without in any way limiting the obligation of Rental ULC to pay VAT in accordance with Applicable Law, Rental ULC shall pay VAT payable upon the purchase of Rental ULC Vehicles directly from the VAT Account when VAT is not commingled with Rental Revenue or from Rental Revenue when VAT is commingled, or may first transfer the necessary amounts from Rental Revenue or the VAT Account, as the case may be, to the Master Vehicle Account to be remitted with the purchase of new Rental ULC Vehicles. VAT collected upon the sale of Rental ULC Vehicles may be deposited directly to the VAT Account when VAT is not commingled with Rental Revenue or commingled with Rental Revenue when VAT is commingled, or may first be deposited to the Master Vehicle Account together with the related purchase price of the Rental ULC Vehicle and then transferred from the Master Vehicle Account or to the VAT account.

5.3 Investment of Funds in the Master Accounts and the VAT Account

Pending the distribution required or allowed herein, Rental ULC may use funds in the Master Rental Account, the Master Vehicle Account, the VAT Account and any Series Account to purchase Eligible Investments for Rental ULC; provided that amounts on deposit in such accounts shall be available in same day funds on the Business Day immediately preceding each Remittance Date.

ARTICLE 6 ALLOCATIONS, DEPOSITS AND PAYMENTS

6.1 Withdrawals from Master Rental Account

Rental ULC shall be entitled from time to time to transfer funds on deposit in the Master Rental Account to the Master Vehicle Account for application in accordance with this Indenture and the related Indenture Supplements.

6.2 Withdrawals from Master Vehicle Account

Rental ULC shall be entitled from time to time to withdraw or apply funds on deposit in the Master Vehicle Account to the payment of the purchase price of the Vehicles being acquired by Rental ULC and to the payment of Interim Principal Payments provided that each of the conditions to such withdrawal specified in any Indenture Supplement is satisfied.

6.3 Allocation of Rental Revenues

On each Remittance Date, Rental ULC shall allocate to each Series of Notes a portion of the Rental Revenues received for the related Remittance Period as follows:

- (a) firstly, an amount equal to the Series Cost of Funds Amount in respect of each Series shall be allocated to each Series by deposit to the Series Rental Account for such Series; provided that, if there are insufficient Rental Revenues in respect of such Remittance Period to satisfy all Series Cost of Funds Amounts, the amount available shall be allocated to each Series *pro rata* based on the proportion which the Outstanding Principal Amount of each Series or Class of Notes of such Series then Outstanding is of the Aggregate Outstanding Principal Amount of all Series or Classes of Notes then Outstanding;

- (b) second, an amount equal to the Series Allocation Percentage for such Series determined on the prior Remittance Date of Depreciation for the related Settlement Period shall be allocated to each Series by deposit to the Series Vehicle Account for such Series;
- (c) third, an amount equal to the Series Allocation Percentage for such Series determined on the prior Remittance Date of the amount, if any, by which Losses on Disposition calculated in respect of Program Vehicles for the related Settlement Period exceed Gains on Disposition in respect of Program Vehicles for the related Settlement Period, shall be allocated to each Series by deposit to the Series Vehicle Account for such Series; and
- (d) fourth, the Series Allocation Percentage for such Series determined on the prior Remittance Date of any remaining balance shall be allocated to each Series by deposit to the Series Rental Account for such Series.

6.4 Allocation of Proceeds of Disposition and Enforcement Proceeds

- (a) On each Remittance Date, Rental ULC shall allocate to each Series of Notes a portion of the Proceeds of Disposition and Enforcement Proceeds, if any, for the previous Settlement Period in an amount equal to the Proceeds of Disposition Series Transfer Amount for such Remittance Date for such Series. The amount so allocated to each Series shall be transferred from the Master Vehicle Account to the applicable Series Vehicle Account on each Remittance Date. Any amount by which the Proceeds of Disposition Aggregate Transfer Amount for a Settlement Period exceeds the aggregate of the Proceeds of Disposition Series Transfer Amounts deposited to the Series Vehicle Accounts on the related Remittance Date may be withdrawn by Rental ULC on such Remittance Date as Unrestricted Funds, provided that any conditions to such release specified in any Indenture Supplement are satisfied.
- (b) If pursuant to the provisions of any Indenture Supplement any moneys are transferred back to the Master Vehicle Account on or in respect of any Remittance Date, such amounts shall be allocated and transferred in the following priority:
 - (i) first, in respect of each Series where the Proceeds of Disposition Series Required Amount exceeded the Proceeds of Disposition Series Available Amount on such Remittance Date or any prior Remittance Date (such excess, to the extent not previously subject to an allocation and transfer pursuant to this Section 6.4(b)(i), being a “**Series Shortfall**” in respect of such Series), to the Series Vehicle Account in respect of each such Series an amount equal to the Series Shortfall for such Series; provided that if the amount available is insufficient to pay all Series Shortfalls in full, the amount available shall be allocated *pro rata* between Series based on the Series Shortfalls of such Series; and

- (ii) second, any amount remaining may be withdrawn by Rental ULC on such Remittance Date as Unrestricted Funds; provided that any conditions to such release specified in any Indenture Supplement are satisfied.

6.5 Final Payment

Each Class of Notes shall be considered to be paid in full, the Holders of such Class of Notes shall have no further right or claim, and Rental ULC shall have no further obligation or liability with respect to such Class of Notes, on the date of the payment in full of (a) the Outstanding Principal Amount of and all accrued interest on that Class of Notes (which date shall follow the termination of any revolving period for such Series of Notes); and (b) all other amounts payable in respect of such Class of Notes under any related Indenture Supplement and any related Note Purchase Agreement.

6.6 Payments within a Series or Class

All payments of principal, interest or other amounts to Holders of the Notes of a Series or Class shall be made in accordance with the related Indenture Supplement.

ARTICLE 7

SATISFACTION AND DISCHARGE

7.1 Satisfaction and Discharge of Indenture

This Indenture shall cease to be of further effect with respect to any Series or Class of Notes (except as to any surviving rights of transfer or exchange of Notes of that Series or Class expressly provided for herein or in the form of Note for that Series or Class), and the Indenture Trustee, on demand of and at the expense of Rental ULC, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture as to that Series or Class, when:

- (a) all Notes of that Series or Class theretofore authenticated and delivered (other than (i) Notes of that Series or Class which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.6; and (ii) Notes of that Series or Class for whose payment money has theretofore been deposited in trust or segregated and held in trust by Rental ULC and thereafter repaid to Rental ULC or discharged from that trust, as provided in Section 3.11) have been delivered to the Indenture Trustee and cancelled;
- (b) Rental ULC has paid or caused to be paid all other sums payable hereunder (including payments to the Indenture Trustee pursuant to Section 11.7) by Rental ULC with respect to the Notes of that Series or Class; and
- (c) Rental ULC has delivered to the Indenture Trustee a Rental ULC Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Notes of that Series or Class have been complied with. Notwithstanding the satisfaction and discharge of this Indenture with respect to any Series or Class of Notes, the obligations of Rental ULC to the Indenture Trustee with respect to that Series or Class under Section 11.7 and the obligations of the Indenture Trustee under Section 3.11 shall survive such satisfaction and discharge.

ARTICLE 8
REPRESENTATIONS, WARRANTIES

8.1 Representations and Warranties of Rental ULC

Rental ULC hereby represents and warrants to the Indenture Trustee and the other Secured Parties that, as of the date hereof and as of each Closing Date:

- (a) Rental ULC is not a “non-resident” of Canada for the purposes of the Income Tax Act;
- (b) Rental ULC is a company validly existing under the laws of the Province of Alberta and has the corporate power and authority to own or lease its property, to carry on its business as now being or in the future to be conducted by it and to enter into this Indenture and the other Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder. Rental ULC is duly qualified, licensed or registered in each jurisdiction in which the failure to be so qualified, licensed or registered is reasonably likely to have a Material Adverse Effect in respect of Rental ULC;
- (c) This Indenture and the other Transaction Documents have been duly authorized, executed and delivered by Rental ULC and are legal, valid and binding obligations of Rental ULC, enforceable against Rental ULC by the Indenture Trustee and any other Secured Party that is a party thereto in accordance with their terms, except that enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (d) There are no actions, suits, proceedings or investigations commenced or, to the knowledge of Rental ULC after due inquiry, contemplated or threatened against or affecting Rental ULC at law or in equity before any arbitrator or before or by any governmental department, commission, board, bureau, court, agency, arbitrator or instrumentality, domestic or foreign, of any kind, which in any case would prevent or hinder the consummation of the transactions contemplated by this Indenture or any other Transaction Documents or which is reasonably likely to have a Material Adverse Effect in respect of Rental ULC;
- (e) Rental ULC has conducted and is conducting its business in compliance with all Applicable Laws of each jurisdiction in which any material portion of its business is carried on and has all required licences, permits, registrations and qualifications under the laws of each such jurisdiction to carry on its business, except to the extent that failure to so conduct its business or to have such licences, permits, registrations or qualifications is not reasonably likely to have a Material Adverse Effect in respect of Rental ULC;

- (f) The execution and delivery of this Indenture and the other Transaction Documents by Rental ULC and the consummation of the transactions herein and therein provided for will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of Rental ULC under (i) any Contract to which Rental ULC is a party or by which it is or its properties are bound; (ii) any provision of the Organizational Documents of Rental ULC or any resolutions of the board of directors (or any committee thereof) or shareholders of Rental ULC; (iii) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over Rental ULC; (iv) any licence, permit, approval, consent or authorization held by Rental ULC necessary to the operation of Rental ULC's business; or (v) any Applicable Law, which breach, violation, default, conflict or acceleration (except in the case of clause (ii) above) is reasonably likely to have a Material Adverse Effect in respect of Rental ULC;
- (g) The execution and delivery of this Indenture and the other Transaction Documents by Rental ULC and the consummation of the transactions herein and therein provided for will not result in or require the creation of any Lien upon or with respect to any of Rental ULC's assets other than as specified in this Indenture;
- (h) There is no requirement to make any filing with, give any notice to or to obtain a licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Indenture or any other Transaction Documents, except for notifications, consents and approvals which have been given or obtained, as the case may be. There is no requirement under any Contract to which Rental ULC is a party or by which it is bound to give any notice to, or to obtain the consent or approval of, any party to such Contract, relating to the consummation or transactions contemplated by this Indenture or any other Transaction Documents, except for notifications, consents and approvals which have been given or obtained, as the case maybe;
- (i) The chief executive office of Rental ULC and the chief place of business of Rental ULC is located at 1 Convair Drive East, Etobicoke, ON M9W 6Z9;
- (j) Rental ULC is duly licensed to collect provincial sales taxes in all applicable provinces and territories of Canada;
- (k) Rental ULC is duly registered under Subdivision (d) of Division V of Part IX of the ETA with respect to GST and HST and its registration number is 80815 4652 RT0001. Rental ULC will be duly registered under Division I of Chapter VIII of Title I of the QST Act effective as of the Closing Date and will provide its related registration number to the Indenture Trustee promptly thereafter.

- (l) All information, records and materials pertaining to the Rental ULC Vehicles and each Fleet Report, in each case, delivered or made available by or on behalf of Rental ULC to the Indenture Trustee and the Noteholders from time to time will be true and correct in all material respects;
- (m) No Event of Default has occurred and is continuing;
- (n) All filings, recordings, notifications, registrations and other actions under all applicable requirements of law have been made or taken (except under the *Civil Code* (Quebec) which will be completed within 10 days after the date hereof or the applicable Closing Date, as the case may be) in each jurisdiction where necessary or appropriate to preserve, perfect, protect or render opposable the Security Interest in the Collateral created hereunder;
- (o) The Funding/Rental Purchase Agreement was effective to convey to Rental ULC all of Funding LP's right, title and interest in and to the Purchased Assets (as defined therein), subject to holding registered ownership as nominee pursuant to Sections 2.5(a) and (b) thereof; and
- (p) The Collateral is free and clear of all Liens except for the Security Interest and Permitted Encumbrances.

The representations and warranties set forth in this Section 8.1 will survive the date hereof and each Closing Date provided for herein and remain in full force and effect for the benefit of the Indenture Trustee, on behalf of itself and the other Secured Parties.

ARTICLE 9 COVENANTS

9.1 Affirmative Covenants of Rental ULC

Rental ULC covenants with the Indenture Trustee, on behalf of itself and the other Secured Parties:

- (a) with respect to each Series or Class of Notes, to duly and punctually pay the principal of and interest on such Notes in accordance with their terms and this Indenture and the related Indenture Supplement, and to comply with all the other terms, agreements and conditions contained in, or made in this Indenture, the related Indenture Supplement or any other Transaction Document for the benefit of the Secured Parties;
- (b) to preserve and maintain its existence, rights, franchises and privileges in good standing and to promptly notify the Indenture Trustee of any change in its name;
- (c) subject to Section 2.5 of the Funding/Rental Purchase Agreement, to take all necessary or appropriate steps to perfect, protect or render opposable Rental ULC's interest as owner of the Rental ULC Vehicles;

- (d) to comply with the terms, agreements and conditions contained in or made in any Transaction Document for the benefit of the Noteholders or any other Secured Party;
- (e) to act only in compliance with its Organizational Documents;
- (f) to process all VAT input tax credits, to pay VAT whether or not funds have been advanced by the Noteholders for such purpose, and complete and file all relevant Canada Revenue Agency forms in respect thereof;
- (g) to, in the conduct of its business, comply with all Applicable Laws and obtain and maintain in good standing all licences, permits, qualifications and approvals from any and all governments and governmental agencies in any jurisdiction in which it carries on business except to the extent that a failure to so comply, obtain or maintain is not reasonably likely to have a Material Adverse Effect in respect of Rental ULC;
- (h) to take all necessary steps to obtain all discharges and releases necessary to discharge or release all Liens and other rights or interests of any Person in the Rental ULC Vehicles other than those in favour of the Indenture Trustee;
- (i) to promptly notify the Indenture Trustee and each Rating Agency of each Series of any amendment, limitation or restriction of any licence issued to Rental ULC by any Governmental Authority relating to the carrying on by Rental ULC of its business if such amendment, limitation or restriction is reasonably likely to have a Material Adverse Effect in respect of Rental ULC;
- (j) at all times during the term hereof to be a direct or indirect wholly-owned subsidiary of the Parent;
- (k) to be registered as a “vehicle dealer” under any applicable motor vehicle dealer, highway traffic or other legislation where such registration is necessary to comply in all material respects with Applicable Law or is reasonably determined by Rental ULC to be necessary or desirable. Such registrations are to be made promptly and, in any event, within 60 days of the date hereof in respect of jurisdictions in which Rental ULC carries on business as of the date hereof, and within 60 days from the date on which Rental ULC commences to carry on business in respect of any other jurisdiction;
- (l) upon request of the Indenture Trustee, to execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture or any other Transaction Document; and
- (m) to use commercially reasonable efforts to dispose of each Rental ULC Vehicle on or before the Maximum Term (as defined in the Master Vehicle Lease Agreement) for such Rental ULC Vehicle.

9.2 Negative Covenants of Rental ULC

Rental ULC covenants with the Indenture Trustee, on behalf of itself and the other Secured Parties, that it will not, unless the Indenture Trustee shall otherwise consent in writing:

- (a) create, incur, assume or suffer to exist any Lien on any of its assets, other than Permitted Encumbrances and the Security Interest;
- (b) create, incur, assume or suffer to exist any Indebtedness, other than Indebtedness related to the issuance of Notes, Indebtedness related to Taxes payable, Indebtedness related to Rental ULC Expenses, Indebtedness related to the acquisition and servicing of Rental ULC Vehicles, Indebtedness under Inter-Company Loans, and Indebtedness with respect to payment of Administration Fees;
- (c) enter into any transaction (whether by way of reorganization, reconstruction, consolidation, arrangement, amalgamation, winding-up, merger, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking or assets would become the property of any other Person except as permitted by this Indenture;
- (d) have any employees or own or lease any real property;
- (e) amend, or permit the amendment of, its Organizational Documents;
- (f) change its name without providing the Indenture Trustee at least 15 Business Days' prior written notice;
- (g) change the jurisdiction in which its chief place of business or chief executive office is located from the Province of Ontario;
- (h) take any steps to dissolve Rental ULC or give notice of its dissolution;
- (i) engage in any business, other than the business of Rental ULC described in the Organizational Documents of Rental ULC; and
- (j) terminate the Administration Agreement pursuant to Section 5.1 thereof.

9.3 Separateness Covenants

Rental ULC covenants with the Indenture Trustee, on behalf of itself and the other Secured Parties, that it will, unless the Indenture Trustee shall otherwise consent in writing:

- (a) maintain books and records separate from any other Person;
- (b) maintain its accounts separate from those of any other Person;
- (c) not guarantee or become obligated for the debts of any other Person or hold out its credit as being available to satisfy the obligations of any other Person;

- (d) not commingle its assets with those of any other Person;
- (e) conduct its own business in its own name, except as contemplated by Section 2.5 of the Funding/Rental Purchase Agreement;
- (f) maintain separate financial statements;
- (g) pay its own liabilities out of its own funds;
- (h) allocate fairly and reasonably any overhead for expenses shared with any other Person;
- (i) maintain its own separate mailing address;
- (j) use separate stationery, invoices and cheques;
- (k) hold itself out as a separate Person;
- (l) correct any known misunderstanding regarding its separate identity;
- (m) observe all corporate formalities and other formalities required by its articles of incorporation;
- (n) maintain an arm's length relationship with its Affiliates;
- (o) not acquire obligations or securities of its Affiliates except as provided in the Transaction Documents;
- (p) not pledge its assets for the benefit of any other entity or make any loans or advances to any entity, except as provided in the Transaction Documents; and
- (q) maintain adequate capital in light of its contemplated business operations.

ARTICLE 10
EVENTS OF DEFAULT AND REMEDIES

10.1 Events of Default

“**Event of Default**,” wherever used herein, means with respect to any Series or Class of Notes any one of the following events, unless such event is either expressly stated to be inapplicable to a particular Series or Class or specifically deleted or modified in the applicable Indenture Supplement creating such Series or Class of Notes or in the form of Note for such Series or Class:

- (a) the failure of Rental ULC to make any payment to the Noteholders pursuant to the Transaction Documents (other than as described in clause (b) below) when due which failure remains uncured for two Business Days after Rental ULC or an Affiliate of Rental ULC becomes aware of it;

- (b) the failure of Rental ULC to pay in full the principal of any Note on its Series Final Maturity Date;
- (c) Rental ULC or any Affiliate of Rental ULC making any unauthorized payment from the Master Rental Account, Master Vehicle Account, the VAT Account or any Series Account and failing to restore such payment within two Business Days of Rental ULC or an Affiliate becoming aware of such unauthorized payment;
- (d) the failure by Rental ULC, Funding LP, Avis, Budget or the Parent to observe any covenant herein or in any other Transaction Document (other than as provided for in Sections 10.1(a), (b) or (c)), which failure is reasonably likely to have a Material Adverse Effect in respect of Rental ULC, Funding LP, Avis, Budget, or the Parent, provided that if such breach of covenant is capable of being remedied, it shall not constitute an Event of Default unless it remains unremedied for five Business Days after Rental ULC is provided with written notice of such breach;
- (e) an Insolvency Event occurs with respect to Rental ULC, Funding LP, Avis, Budget, or the Parent;
- (f) the occurrence of any additional “Event of Default” specified in an Indenture Supplement that has not been waived;
- (g) the occurrence of any “Event of Default” specified in the Funding LP Security Agreement that has not been waived;
- (h) the occurrence of any “Administrator Termination Event” specified in the Administration Agreement that has not been waived; or
- (i) the occurrence of any “Lease Default” specified in the Master Vehicle Lease Agreement that has not been waived.

10.2 Acceleration of Maturity; Rescission and Annulment; Exclusive Control Notice

- (a) If an Event of Default occurs and is continuing, then and in each and every such case, unless the principal of all the Notes shall have already become due and payable, either the Indenture Trustee or the Majority Holders of all the Senior Notes then Outstanding hereunder (treated as one Class) (or, in respect of a Series, such other number or percentage of Holders as may be specified in the related Indenture Supplement), by notice in writing to Rental ULC (and to the Indenture Trustee if given by Holders), may (i) declare the Outstanding Principal Amount of all the Notes then Outstanding and all interest accrued or principal accreted and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, notwithstanding anything in this Indenture, the related Indenture Supplements or the Notes to the contrary; and (ii) declare that the Security Interest has become enforceable with respect to the Collateral and proceed to exercise the rights and remedies of the Indenture Trustee hereunder with respect to the Collateral provided that the declarations under clauses (i) and (ii) above shall be deemed to have occurred automatically, without the need of any action by the Indenture Trustee or any Noteholder, in the case of an Event of Default described in Section 10.1(e).

(b) At any time after such a declaration of acceleration has been made with respect to the Notes, the Majority Holders of all Senior Notes, by written notice to Rental ULC and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

- (i) a judgement or decree for payment of the amount due has not been obtained by the Indenture Trustee under this Article 10;
- (ii) Rental ULC has paid or deposited with the Indenture Trustee a sum sufficient to pay (A) all overdue instalments of interest on the Notes; (B) the principal of any Notes which have become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefor by the terms of the Notes, to the extent that payment of such interest is lawful; (C) interest upon overdue instalments of interest at the rate or rates prescribed therefore by the terms of the Notes to the extent that payment of such interest is lawful; and (D) all sums paid by the Indenture Trustee hereunder and the reasonable compensation, expenses and disbursements of the Indenture Trustee, its agents and counsel and all other amounts due to the Indenture Trustee under Section 11.7; and
- (iii) all Events of Default, other than the non-payment of the principal of the Notes of such Series or Class which has become due solely by such acceleration, have been cured or remedied as provided in Section 10.1 or waived as provided in Section 10.16.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(c) If an Event of Default occurs and is continuing, then and in each and every such case, the Indenture Trustee may, and when so instructed under Enforcement Instructions shall, deliver an Exclusive Control Notice to Bank of Montreal specifying the Exclusive Control Date, and on such Exclusive Control Date, shall take control and operate the Rental ULC Accounts in accordance with, and pursuant to, the Account Control Agreement.

10.3 Enforcement by the Indenture Trustee

Whenever the Security Interest in respect of the Collateral shall have become enforceable and so long as the Security Interest shall remain enforceable with respect to the Collateral, the Indenture Trustee may, and when so instructed under Enforcement Instructions shall, proceed to realize upon the Security Interest in respect of the Collateral and shall in connection with such realization enforce its rights hereunder as so instructed therein by taking possession of such Collateral under Section 10.4; or by the appointment of a Receiver under Section 10.5; or by sale under Section 10.6; or by proceedings in any court of competent jurisdiction for the appointment of a Receiver or for sale of such Collateral or any part thereof or for foreclosure; or generally by any other action, suit, remedy or proceeding authorized or permitted by this Indenture or by law or by equity; and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Secured Parties lodged in any bankruptcy, winding-up or other judicial proceedings relative to Rental ULC; and no such remedy for the realization of the Security Interest in respect of the Collateral or for the enforcement of the rights of the Indenture Trustee shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. Further, no taking of any judgment or order in respect of any of the covenants contained in this Indenture shall operate as a merger of any of such covenants or operate to prevent any further judgment or order in respect thereof or any further remedy for the enforcement of the Security Interest in respect of the Collateral.

10.4 Possession by the Indenture Trustee

Whenever the Indenture Trustee shall have been instructed under Section 10.3 to realize upon the Security Interest in respect of the Collateral by possession, the Indenture Trustee shall have the right to, and shall, subject to such instructions, by its officers, agents or attorneys take possession of all or any part of the Collateral with the power to exclude Rental ULC and its servants and agents therefrom and thenceforth to possess and use and exercise all the rights and benefits of Rental ULC under or in respect of the Collateral, to collect all moneys due and becoming due thereunder (including under the Master Vehicle Lease Agreement) and to take possession of all or any documents and/or records evidencing or relating to any part of the Collateral with full power to carry on and manage the business and operations of Rental ULC related to the Collateral and to collect and receive the payments, incomes and profits of the Collateral and to pay therefrom all Liens against the Collateral ranking in priority to the Security Interest and make all payments which may be necessary to preserve and protect the Collateral. The balance of the amounts received and not required for any of the foregoing purposes will be applied by the Indenture Trustee as set forth in Section 10.12.

10.5 Appointment of Receiver

Whenever the Indenture Trustee shall have been instructed under Section 10.3 to realize upon the Security Interest in respect of the Collateral by the appointment of a Receiver, the Indenture Trustee shall have the right to, and shall, subject to such direction, appoint a Receiver of the Collateral, and the following provisions shall apply:

- (a) Such appointment shall be made in writing by the Indenture Trustee. The Indenture Trustee may from time to time in the same manner remove or replace any Receiver so appointed and appoint another in its stead. In making any such appointment the Indenture Trustee shall be deemed to be acting as the agent and attorney of Rental ULC.
- (b) Any such appointment may be limited to any part or parts of the Collateral or may extend to the whole thereof as the Indenture Trustee deems fit and may be made before or after the Indenture Trustee has taken possession of the Collateral.
- (c) Every Receiver may, in the discretion of the Indenture Trustee, be vested with all or any powers and discretions of the Indenture Trustee and the Receiver shall be vested with such powers and discretions of the Indenture Trustee as are granted to it in the instrument of appointment and any supplement thereto.

- (d) The Indenture Trustee may from time to time fix the reasonable remuneration of every such Receiver and direct the payment of such remuneration out of the Collateral, the income therefrom or the proceeds thereof.
- (e) The Indenture Trustee may from time to time require any such Receiver to give security for the performance of its duties and may fix the nature and amount thereof, but shall not be bound to require such security.
- (f) Every such Receiver may, with the consent in writing of the Indenture Trustee, borrow or raise money for the purposes of carrying on the business or operations of Rental ULC or for the maintenance, protection or preservation of the Collateral or any part thereof and the Receiver may issue certificates (herein called “**Receiver’s Certificates**”) for such sums as will, in the opinion of the Indenture Trustee, be sufficient for obtaining upon the security of the Collateral or any part thereof the amounts from time to time required, and such Receiver’s Certificates may be payable either to order or to bearer and may be payable at such time or times as the Indenture Trustee may deem expedient, and shall bear interest as shall therein be declared, and the Receiver may sell, pledge or otherwise dispose of the same in such manner as the Indenture Trustee may deem advisable, and may pay such commission on the sale thereof as the Indenture Trustee may deem reasonable, and the amounts from time to time payable by virtue of such Receiver’s Certificates shall form a Lien upon the Collateral in priority to the Security Interest in respect of the Collateral.
- (g) Every such Receiver shall for all purposes be deemed the agent of Rental ULC in respect of the Collateral, and in no event the agent of the Indenture Trustee or the Secured Parties and Rental ULC shall be solely responsible for its acts or defaults, and neither the Indenture Trustee nor the Secured Parties shall, in making or consenting to such appointment, incur any liability to the Receiver for his remuneration or otherwise howsoever incurred, provided that Rental ULC hereby irrevocably authorizes the Indenture Trustee to give instructions to the Receiver relating to the performance of its duties as set out herein.
- (h) Except as may be otherwise directed by the Indenture Trustee or as otherwise expressly provided in this Indenture, all moneys from time to time received by such Receiver shall be paid over to the Indenture Trustee to be held by it on the trusts of this Indenture and the Indenture Supplements.
- (i) The Indenture Trustee may pay over to such Receiver any moneys constituting part of the Collateral with the intention that the same may be applied for the purposes of this Indenture and the Indenture Supplements by such Receiver, and the Indenture Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of its duty as such Receiver.

10.6 Sale by Indenture Trustee

Whenever the Indenture Trustee shall have been instructed under Section 10.3 to realize upon the Security Interest in respect of the Collateral by sale, the Indenture Trustee shall have the right to, and shall, subject to such instruction, with or without entry or possession, sell and dispose of all or any part of the Collateral en bloc or in parcels, at public auction or by tender or by private contract and at such time or times and on such terms and conditions as the Indenture Trustee shall determine having first given such notice of the time and place of such sale as may be required by Applicable Law and as the Indenture Trustee may think proper. It shall be lawful for the Indenture Trustee to make any sale under this Section 10.6, whether by auction, tender or private contract, either for cash or upon credit or partly for one and partly for the other, upon such reasonable conditions as to terms of payment as it may deem proper; also to rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred herein; also to stop, suspend or adjourn any sale from time to time and hold the sale as adjourned without further notice; also to deliver to the purchaser of the Collateral or any part thereof a good and sufficient deed or other document evidencing title to the same.

10.7 Purchase by Secured Parties

Any one or more of the Secured Parties or any agent or representative thereof may become purchasers at any sale of the Collateral whether made under the power of sale herein contained or pursuant to judicial proceedings.

10.8 Rental ULC to Execute Confirmatory Deed

In case of a sale of any Collateral under this Indenture, whether by the Indenture Trustee or under judicial proceedings, Rental ULC will execute and deliver to the purchaser on demand any instrument reasonably necessary to confirm to the purchaser its title to the property so sold, and in case of any such sale, the Indenture Trustee is hereby irrevocably authorized by Rental ULC to carry the sale into effect and to execute on its behalf and in its name any such confirmatory instrument.

10.9 Other Judicial Remedies

Without prejudice to the generality of Section 10.3, whenever the Indenture Trustee shall have been instructed under Section 10.3 to realize upon the Security Interest in respect of the Collateral, the Indenture Trustee shall have the right to and shall, upon receipt of and subject to such instructions, take proceedings to the extent available in any court of competent jurisdiction for an order:

- (a) directing that Rental ULC's right of redemption of the Collateral or any part thereof which is the subject of such proceedings be foreclosed;
- (b) directing the sale or other disposition of any of the Collateral which is the subject matter of such proceedings free from Rental ULC's right of redemption; or
- (c) appointing a Receiver to take possession of the Collateral or such part thereof as may be the subject matter of such proceedings with the powers and rights set forth in Section 10.5 and such additional powers and rights as the court may direct.

10.10 Indenture Trustee directed by Enforcement Instructions

Except as otherwise expressly provided in this Indenture, the Noteholders of Senior Notes by Enforcement Instructions may from time to time direct and control the action of the Indenture Trustee in any proceedings under any of the remedies provided for in this Article 10 with respect to the Collateral; provided that if any such Enforcement Instructions direct the Indenture Trustee to take proceedings out of court the Indenture Trustee may in its discretion take judicial proceedings in lieu thereof. For greater certainty, the Enforcement Instructions shall be effective for the purposes of this Section 10.10 and the other provisions of this Indenture notwithstanding that no meeting of the Noteholders of Senior Notes shall have occurred and that one or more Noteholders of Senior Notes shall not have received notice of the preparation, contents or execution by the Noteholders of Senior Notes of the Enforcement Instructions.

10.11 No Independent Enforcement by Secured Parties

No Secured Party (other than the Indenture Trustee) shall have any right to institute any action or proceeding, judicial or otherwise, for the purpose of enforcing or realizing upon the Security Interest or enforcing any Rental ULC Obligations, in respect of the Collateral, or by reason of jeopardy of such Security Interest, or for the execution of any trust or power under this Indenture and no Noteholder shall have any right to institute any action or proceeding, judicial or otherwise, to exercise any other remedy authorized by law or by equity for the purpose of enforcing payment of any amount in respect of the Rental ULC Obligations owed to such Noteholders; provided, however, if Enforcement Instructions have been delivered to the Indenture Trustee with sufficient funds and the indemnity referred to in Section 11.7 and the Indenture Trustee shall have failed to act in accordance with such Enforcement Instructions within a reasonable time thereafter which in any event shall not exceed 60 days after their delivery, then, in such case but not otherwise, any Noteholder of Senior Notes shall be entitled to take proceedings in any court of competent jurisdiction such as the Indenture Trustee might have taken under this Article 10, but in no event shall such Noteholder have any right to exercise the power of sale conferred on the Indenture Trustee under this Indenture or to appoint a Receiver or to exercise or take any other remedy or proceedings out of court; it being understood and intended that no Secured Party (other than the Indenture Trustee) shall have any right in any manner whatsoever to affect, disturb or prejudice the Security Interest in respect of the Collateral by its action, or to enforce any right under this Indenture except subject to the conditions and in the manner provided in this Indenture, and that all powers and trusts under this Indenture shall be exercised and all proceedings at law shall be instituted, had and maintained by the Indenture Trustee, except only as expressly provided in this Indenture.

10.12 Application of Proceeds of Realization

All monies actually received by Rental ULC, the Indenture Trustee or by any Receiver as a result of the enforcement of the Security Interest in respect of the Collateral under this Article 10 shall be deposited to the Master Vehicle Account and applied in accordance with Section 6.4 of this Indenture and the provisions of the Indenture Supplements relating to the application of funds transferred from the Master Vehicle Account.

10.13 Persons Dealing with the Indenture Trustee

No Person dealing with the Indenture Trustee or any Receiver appointed under this Indenture or any agents thereof shall be obliged to enquire whether the Security Interest has become or remains enforceable or whether the powers which the Indenture Trustee or any Receiver is purporting to exercise have become and continue to be exercisable, or whether any moneys secured by the Security Interest remain due, or as to the necessity or expediency of the terms and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Indenture Trustee or any Receiver with all or any part of the Collateral, or to see to the application of any moneys paid to the Indenture Trustee or any Receiver.

10.14 Surrender by Rental ULC

- (a) Rental ULC covenants and agrees that it will yield up possession of the Collateral, or any part thereof, to the Indenture Trustee or any Receiver appointed by the Indenture Trustee or a court upon demand by the Indenture Trustee or such Receiver whenever the Indenture Trustee shall have a right of possession under this Indenture and agrees to put no obstacle in the way of the actions of the Indenture Trustee or the Receiver under this Indenture and not to interfere with the carrying out of the powers granted to the Indenture Trustee or any Receiver under this Indenture.
- (b) Rental ULC hereby binds itself in the said event to consent to any petition or application presented to the court by the Indenture Trustee in order to give effect to the intent of this Indenture. Rental ULC shall not, after receiving due notice from the Indenture Trustee or Receiver appointed by the Indenture Trustee that it has taken possession of the Collateral, or any part thereof, by virtue of this Indenture, continue in possession of such Collateral, unless with the express written consent and authority of the Indenture Trustee. Rental ULC shall forthwith upon request of the Indenture Trustee or any such Receiver, by and through its officers and trustees, execute such documents and transfers as may be necessary to place the Indenture Trustee or Receiver in legal possession of the Collateral or any part thereof.

10.15 Remedies Cumulative

For greater certainty, no right or remedy conferred under this Indenture upon or reserved to the Indenture Trustee or to any of the Secured Parties is intended to be exclusive of any other right or remedy, and every right and remedy shall to the extent permitted by law, be cumulative and in addition to and not in substitution for any other right or remedy given under this Indenture or now or hereafter provided at law or in equity. The assertion or use of any right or remedy under this Indenture, or otherwise, shall not prevent the concurrent assertion or use of any other available right or remedy. Every right and remedy given by this Indenture or at law or in equity to the Indenture Trustee or to any of the Secured Parties may be exercised from time to time and as often as may be deemed appropriate by the Indenture Trustee or such Secured Parties, as the case may be.

10.16 Delay or Omission Not Waiver

No failure to exercise and no delay in exercising any right, power or privilege of the Indenture Trustee or any of the Secured Parties under this Indenture shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No waiver by the Indenture Trustee or by any of the Secured Parties shall be effective unless it is in writing and signed by the party or parties granting such waiver and is made otherwise in accordance with the provisions of this Indenture and any such waiver shall be deemed not to be a waiver of any subsequent default.

10.17 Disclaimer of Marshalling

Whenever the Security Interest shall have become enforceable in respect of any Collateral and the Indenture Trustee shall have determined or become bound to enforce the same, Rental ULC agrees not to invoke the doctrine of marshalling or any other equitable principle for the purpose of requiring the Indenture Trustee to realize or to have realized on any particular asset forming part of such Collateral.

10.18 Indenture Trustee Not Required to Possess Evidence of Rental ULC Obligations

All rights of action under this Indenture may be enforced by the Indenture Trustee without the possession of any of the Notes or other instruments representing Rental ULC Obligations or the production thereof at any trial or other proceedings relative thereto. Any such proceeding instituted by the Indenture Trustee may be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel as permitted under this Indenture, be for the benefit of the Secured Parties in respect of which such judgment has been recovered in the manner provided in this Indenture.

10.19 Indenture Trustee May Institute All Proceedings

The Indenture Trustee will have the power to institute and maintain any and all suits and proceedings as it may consider necessary or expedient to enforce the Security Interest or to prevent any impairment of the Security Interest by any acts of Rental ULC or of others in contravention of the Transaction Documents or any other agreement or in violation of Applicable Law, or as the Indenture Trustee may be advised are necessary or expedient to preserve and to protect its interest and the Security Interest and the interests of the Secured Parties in respect of the Collateral or in respect of the income, earnings, rents, issues and profits therefrom. Any suit or proceedings may be instituted by the Indenture Trustee against others in the name of Rental ULC and the Indenture Trustee is hereby irrevocably constituted and appointed the agent of Rental ULC for this purpose.

10.20 Costs of Realization

Rental ULC agrees to pay or cause to be paid all costs, charges and expenses reasonably incurred by the Indenture Trustee or any Receiver appointed by it, whether directly or for services rendered (including solicitors' and auditors' costs, other legal expenses and receiver remuneration), in enforcing the Security Interest, in taking custody of, preserving, repairing, processing, preparing for disposition and disposing of all or any part of the Collateral and in collecting any moneys owing on the security hereof.

10.21 Indenture Trustee Appointed Attorney

Rental ULC irrevocably constitutes and appoints the Indenture Trustee and any Indenture Trustee Authorized Officer, with full power of substitution, as its true and lawful attorney with full power and authority in the name of Rental ULC or in its own name, in its discretion, upon the occurrence and during the continuance of any Event of Default, for the purpose of carrying out the terms of this Indenture and the Indenture Supplements to take all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes hereof, and without limiting the generality of the foregoing, hereby gives the Indenture Trustee the power and right on behalf of Rental ULC, without notice to or assent by Rental ULC, to the extent permitted by Applicable Law, to do the following:

- (a) to ask for, demand, sue for, collect and receive all and any moneys due or becoming due with respect to any Collateral;
- (b) to receive, take, endorse, assign and deliver any and all cheques, notes, drafts, acceptances, documents and other negotiable and non-negotiable instruments, documents and chattel paper taken or received by the Indenture Trustee in connection therewith and herewith; and
- (c) to commence, file, prosecute, defend, settle, compromise or adjust any claim, suit, action or proceeding with respect to any Collateral.

The foregoing power of attorney shall be coupled with an interest and survive any dissolution, liquidation or winding-up of Rental ULC.

10.22 Waiver of Specified Defaults

Notwithstanding Section 10.2(a) and 10.3 herein and Sections 5.2 or 5.3 of the Funding LP Security Agreement, in the event that an Event of Default has occurred and is continuing and such Event of Default is as a direct or indirect result of a default (a “**Specified Default**”) in respect of one or more Outstanding Series or Classes of Notes (each, an “**Affected Series**”), including as a result of a Specified Default under or in respect of a document included as a Transaction Document for such Affected Series pursuant to clause (b) of the definition of “Transaction Document”, but not in respect of all Outstanding Series or Classes of Notes, then the Holders of the Affected Series may waive any such Specified Default in their sole and absolute discretion and if so waived by the Holders for all Affected Series, such Specified Default shall be deemed not to have occurred for the purposes of this Indenture and for the purposes of any other Transaction Document unless the terms of an Indenture Supplement for a Series specifically provide for consequences as a result of a Specified Default occurring in respect of another Series.

ARTICLE 11
THE INDENTURE TRUSTEE

11.1 Certain Duties and Responsibilities

- (a) The Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture with respect to the Notes of any Series or Classes, and no implied covenants or obligations shall be read into this Indenture against the Indenture Trustee.
- (b) In the absence of bad faith on its part, the Indenture Trustee may, with respect to Notes of any Series or Class, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Indenture Trustee, the Indenture Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein.
- (c) If an Event of Default has occurred and is continuing, the Indenture Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonably prudent trustee would exercise or use under comparable circumstances.
- (d) No provision of this Indenture shall be construed to relieve the Indenture Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own wilful misconduct, except that:
 - (i) this clause (d) shall not be construed to limit the effect of subsection (a) of this Section 11.1;
 - (ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by an Indenture Trustee Authorized Officer, unless it is conclusively determined by a court of competent jurisdiction that the Indenture Trustee was grossly negligent in ascertaining the pertinent facts;
 - (iii) the Indenture Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with an Enforcement Instruction or the direction of the Majority Holders of any Series or Class or of all Outstanding Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee, under this Indenture;
 - (iv) no provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers;

- (v) the Indenture Trustee shall not be liable for any consequential, punitive or special damages; and
 - (vi) the Indenture Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Indenture Trustee (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war).
- (e) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Section 11.1.

11.2 Notice of Defaults

Within five (5) days after the occurrence of any Event of Default hereunder of which an Indenture Trustee Authorized Officer has actual knowledge or has received written notice thereof,

- (a) the Indenture Trustee shall transmit by mail to all Noteholders of Outstanding Notes, as their names and addresses appear in the Note Register, notice of such Event of Default hereunder known to the Indenture Trustee, *provided that*, in the case of Specified Defaults, such notice shall only be given to Noteholders of Outstanding Notes of each Affected Series; and
- (b) the Indenture Trustee shall give prompt written notification thereof to the Rating Agencies.

11.3 Certain Rights of Indenture Trustee

Except as otherwise provided in Section 11.1:

- (a) the Indenture Trustee may conclusively rely upon and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper party or parties;
- (b) any request or direction of Rental ULC mentioned herein shall be sufficiently evidenced by a Rental ULC Certificate;
- (c) whenever in the administration of this Indenture the Indenture Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Indenture Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Rental ULC Certificate;

- (d) the Indenture Trustee may consult with counsel of its own selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;
- (e) the Indenture Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture or to incur any financial liability in the performance of any of its duties or the exercise of such rights pursuant to this Indenture, unless the Noteholders shall have offered to the Indenture Trustee sufficient funds, security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;
- (f) the Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Indenture Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Indenture Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of Rental ULC, personally or by agent or attorney, with reasonable prior written notice to Rental ULC and during Rental ULC's regular business hours;
- (g) the Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees and the Indenture Trustee shall not be responsible for any misconduct or gross negligence on the part of any agent, attorney, custodian or nominee appointed with due care by it hereunder;
- (h) the Indenture Trustee shall not be responsible for filing any financing statements in connection with the Notes, but shall cooperate with Rental ULC in connection with the filing of such financing statements; and
- (i) Rental ULC shall provide to the Indenture Trustee incumbency certificates setting out the names and sample signatures of persons authorized to give instructions to the Indenture Trustee hereunder. The Indenture Trustee shall be entitled to rely on such certificates until revised certificates are provided to it hereunder. The Indenture Trustee shall be entitled to refuse to act upon any instructions given by a party which are signed by any Person other than a Person described in the incumbency certificates provided to it pursuant to this Section 11.3(i).

11.4 Not Responsible for Recitals or Issuance of Notes

The recitals contained herein and in the Notes, except the certificates of authentication, shall be taken as the statements of Rental ULC, and the Indenture Trustee assumes no responsibility for their correctness. The Indenture Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes. The Indenture Trustee shall not be accountable for the use or application by Rental ULC of Notes or the proceeds thereof.

11.5 May Hold Notes

The Indenture Trustee, any Paying Agent, the Note Registrar or any other agent of Rental ULC, in its individual or any other capacity, may become the owner or pledgee of Notes and, subject to Section 11.8, may otherwise enter into contracts with and deal with Rental ULC with the same rights it would have if it were not Indenture Trustee, Paying Agent, Note Registrar or such other agent and shall not be liable to account for any profits made thereby.

11.6 Money Held in Trust

Money held by the Indenture Trustee in trust hereunder need not be segregated from other funds except to the extent required by Applicable Law. The Indenture Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed to in writing with Rental ULC.

11.7 Compensation and Reimbursement, Limit on Compensation, Reimbursement and Indemnity

(a) Rental ULC agrees:

- (i) to pay or cause to be paid to the Indenture Trustee from time to time reasonable compensation (plus any applicable VAT) for all services rendered by it hereunder as agreed to in writing between Rental ULC and the Indenture Trustee (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (ii) except as otherwise expressly provided herein, to reimburse the Indenture Trustee upon its request for all reasonable expenses, disbursements and advances (plus any applicable Taxes for which the Indenture Trustee is not entitled to a credit or refund, but not including any Taxes on income or capital) incurred or made by the Indenture Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its gross negligence or bad faith; and
- (iii) to indemnify the Indenture Trustee and its officers, directors, employees and agents for, and to hold them harmless against, any and all loss, liability, claim, obligation, damage, injury, judgment or expense (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel) incurred without gross negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability (whether asserted by Rental ULC, any Holder or any other Person) in connection with the exercise or performance of any of its powers or duties hereunder.

The Indenture Trustee shall have no recourse to any asset of Rental ULC other than funds available pursuant to the provisions of the Indenture Supplements. This Section 11.7 shall survive the termination of this Indenture and the resignation or replacement of the Indenture Trustee under Section 11.10.

11.8 Disqualification; Conflicting Interests

If the Indenture Trustee has or shall acquire a conflicting interest, the Indenture Trustee shall, within 90 days of the date on which the Indenture Trustee becomes aware of such conflicting interest, either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, this Indenture.

11.9 Corporate Indenture Trustee Required; Eligibility

There shall at all times be an Indenture Trustee hereunder, which Indenture Trustee shall at all times (a) be a corporation organized under the laws of Canada or any province thereof; (b) be licensed, qualified or authorized to carry on business in each province of Canada (or exempt from such requirement); (c) be authorized under such laws to exercise corporate trust powers; (d) be subject to supervision or examination by the Office of the Superintendent of Financial Institutions (Canada) or similar provincial authority; (e) (i) have a combined capital and surplus set forth in its most recent financial statements of at least \$50,000,000; (ii) be a wholly-owned direct or indirect subsidiary of a Canadian chartered bank listed in Schedule I of the *Bank Act* (Canada) or a banking or trust bank institution organized or formed under the federal or any state laws of the United States of America; (iii) have long-term unsecured debt obligations that are rated by each Rating Agency of each Outstanding Series or Class of Notes, in a generic rating category which denotes investment grade; or (iv) have its obligations under this Indenture guaranteed by a Canadian or United States entity which has long-term unsecured debt obligations that are rated by each of the Rating Agencies in a generic rating category which denotes investment grade; and (f) be a resident of Canada for purposes of the Income Tax Act. If such corporation publishes financial statements or reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 11.9, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent financial statements or report of condition so published.

11.10 Resignation and Removal; Appointment of Successor

- (a) No resignation or removal of the Indenture Trustee and no appointment of a successor Indenture Trustee pursuant to this Article 11 shall become effective until the acceptance of appointment by the successor Indenture Trustee under Section 11.11.
- (b) The Indenture Trustee may resign at any time by giving written notice thereof to Rental ULC. If an instrument of acceptance by a successor Indenture Trustee shall not have been delivered to the Indenture Trustee within thirty (30) days after the giving of such notice of resignation, the resigning Indenture Trustee may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(c) The Indenture Trustee may be removed at any time by an Act of the Majority Holders of all Outstanding Senior Notes, delivered to the Indenture Trustee and to Rental ULC.

(d) If at any time:

(i) the Indenture Trustee ceases to be eligible under Section 11.9 or acquires but does not eliminate a conflict of interest as required by Section 11.8, and in either case fails to resign after written request therefor by Rental ULC or by any such Noteholder, or

(ii) the Indenture Trustee becomes incapable of acting hereunder, or

(iii) an Insolvency Event has occurred with respect to the Indenture Trustee,

then, in any such case, (A) Rental ULC may remove the Indenture Trustee, or (B) any Noteholder who has been a bona fide Holder of a Note for at least six (6) months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee.

(e) If the Indenture Trustee resigns, is removed or becomes incapable of acting, or if a vacancy shall occur in the office of the Indenture Trustee for any cause, Rental ULC shall promptly appoint a successor Indenture Trustee. If, within one year after such resignation, removal or incapacity, or the occurrence of such vacancy, a successor Indenture Trustee is appointed by Act of the Majority Holders of all outstanding Senior Notes delivered to Rental ULC and the retiring Indenture Trustee, the successor Indenture Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Indenture Trustee and supersede the successor Indenture Trustee appointed by Rental ULC. If no successor Indenture Trustee shall have been so appointed by Rental ULC or the Noteholders and accepted appointment in the manner hereinafter provided, any Noteholder who has been a bona fide Holder of a Note for at least six (6) months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(f) Rental ULC shall give written notice of each resignation and each removal of the Indenture Trustee and each appointment of a successor Indenture Trustee to each Noteholder as provided in Section 1.6 and to each Rating Agency. Each notice shall include the name of the successor Indenture Trustee and the address of its principal Corporate Trust Office.

11.11 Acceptance of Appointment by Successor

Every successor Indenture Trustee appointed hereunder shall execute, acknowledge and deliver to Rental ULC and to the predecessor Indenture Trustee an instrument accepting such appointment, with a copy to the Rating Agencies for each Series, and thereupon the resignation or removal of the predecessor Indenture Trustee shall become effective as to which it is resigning or being removed as Indenture Trustee, and such successor Indenture Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the predecessor Indenture Trustee; but, on request of Rental ULC or the successor Indenture Trustee, such predecessor Indenture Trustee shall, upon payment of its reasonable charges, if any, execute and deliver an instrument transferring to such successor Indenture Trustee all the rights, powers and trusts of the predecessor Indenture Trustee, and shall duly assign, transfer and deliver to such successor Indenture Trustee all property and money held by such predecessor Indenture Trustee hereunder. Upon request of any such successor Indenture Trustee, Rental ULC shall execute any and all reasonably requested instruments, with terms mutually agreed upon by Rental ULC and the successor Indenture Trustee for more fully and certainly vesting in and confirming to such successor Indenture Trustee all such rights, powers and trusts. No successor Indenture Trustee shall accept its appointment unless at the time of such acceptance such successor Indenture Trustee shall be qualified and eligible under this Article 11.

11.12 Merger, Conversion, Consolidation or Succession to Business

Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Indenture Trustee, shall be the successor of the Indenture Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article 11, without the execution or filing of any paper or any further act on the part of any of the parties hereto. Rental ULC shall give prompt written notice of such merger, conversion, consolidation or succession to the Rating Agencies for each Series. In case any Notes shall have been authenticated, but not delivered, by the Indenture Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Indenture Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Indenture Trustee had itself authenticated such Notes.

11.13 Tax Returns

Rental ULC shall prepare or shall cause to be prepared any tax returns or forms that are required under Applicable Law to be filed by Rental ULC. Rental ULC shall also prepare or shall cause to be prepared all tax information required by Applicable Law to be distributed by Rental ULC to Noteholders and shall deliver such information to the Indenture Trustee at least five Business Days prior to the date it is required by Applicable Law to be distributed to Noteholders. The Indenture Trustee, upon written request, shall furnish Rental ULC with all such information known to the Indenture Trustee as may be reasonably requested and required in connection with the preparation of all tax returns of Rental ULC, and Rental ULC shall, upon request, execute such returns. In no event shall the Indenture Trustee be personally liable for any liabilities, costs or expenses of Rental ULC or any Noteholder arising under any tax law, including without limitation, federal, provincial or local income or excise taxes or any other tax imposed on or measured by income or capital (or any interest or penalty with respect thereto arising from a failure to comply therewith).

11.14 Representations and Covenants of the Indenture Trustee

The Indenture Trustee represents warrants and covenants that:

- (a) the Indenture Trustee is a corporation duly organized and validly existing under the laws of Canada and is a resident of Canada for purposes of the Income Tax Act;
- (b) the Indenture Trustee has full power and authority to deliver and perform this Indenture and has taken all necessary action to authorize the execution, delivery and performance by it of this Indenture and other documents to which it is a party;
- (c) each of this Indenture and other documents to which it is a party has been duly executed and delivered by the Indenture Trustee and constitutes its legal, valid and binding obligation in accordance with its terms; and
- (d) the Indenture Trustee is duly registered under Subdivision (d) of Division V of Part IX of the ETA with respect to GST and HST and under Division I of Chapter VIII of Title I of the QST Act with respect to QST, and its registration numbers are 895240414RT0001 and 1212777745TQ0001, respectively.

11.15 Indenture Trustee's Application for Instructions from Rental ULC

Any application by the Indenture Trustee for written instructions from Rental ULC may, at the option of the Indenture Trustee, set forth in writing any action proposed to be taken or omitted by the Indenture Trustee under and in accordance with this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective, provided that such application shall make specific reference to this Section 11.15. The Indenture Trustee shall not be liable for any action taken by, or omission of, the Indenture Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than five Business Days after the date any officer of Rental ULC actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Indenture Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

ARTICLE 12 NOTEHOLDERS' MEETINGS, LISTS, REPORTS BY INDENTURE TRUSTEE, AND RENTAL ULC

12.1 Rental ULC To Furnish Indenture Trustee Names and Addresses of Noteholders

Rental ULC shall furnish or cause to be furnished to the Indenture Trustee:

- (a) not more than fifteen (15) days after each Record Date in respect of a Series or Class, in such form as the Indenture Trustee may reasonably require, a list of the names and addresses of the Noteholders of such Series or Classes as of such date, and
- (b) at such other times as the Indenture Trustee may request in writing, within thirty (30) days after the receipt by Rental ULC of any such request, a list of similar form and content as of a date not more than fifteen (15) days before the time such list is furnished;

provided, however, that so long as the Indenture Trustee is the Note Registrar, no such list shall be required to be furnished.

12.2 Preservation of Information; Communications to Noteholders

The Indenture Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Noteholders contained in the most recent list furnished to the Indenture Trustee as provided in Section 12.1 and the names and addresses of Noteholders received by the Indenture Trustee in its capacity as Note Registrar. The Indenture Trustee may destroy any list furnished to it as provided in Section 12.1 upon receipt of a new list so furnished.

12.3 Meetings of Noteholders

- (a) The Indenture Trustee may call a meeting of the Noteholders of a Series or Class or of all Notes at any time. The Indenture Trustee shall call a meeting upon written request of Rental ULC or the Holders of at least 10% in Aggregate Outstanding Principal Amount of the Outstanding Notes of such Series or Class or of all Outstanding Notes, as applicable. In any case, a meeting shall be called after notice is given to the Noteholders pursuant to Section 1.6.
- (b) Except for any consent that must be given by the Holders of each Outstanding Note affected, any resolution presented at any meeting at which a quorum is present may be adopted by the affirmative vote of the Majority Holders of Senior Notes of that Series or Class or of all Outstanding Senior Notes, as the case may be. However, any resolution with respect to any consent, waiver, request, demand, notice, authorization, direction or other action which may be given by the Holders of not less than a specified percentage in Aggregate Outstanding Principal Amount of Outstanding Senior Notes of a Series or Class or all Outstanding Senior Notes may be adopted at any meeting at which a quorum is present only by the affirmative vote of the Holders of not less than the specified percentage in Aggregate Outstanding Principal Amount of the Outstanding Senior Notes of that Series or Class or all Outstanding Senior Notes, as the case may be. Any resolution passed or decision taken at any meeting of Noteholders duly held in accordance with this Indenture shall be binding on all Noteholders of the affected Series or Class or of all Outstanding Notes, as applicable.
- (c) The quorum at any meeting shall be persons holding or representing the Majority Holders of Senior Notes of a Series or Class or all Outstanding Senior Notes, as the case may be; provided, however, that if any action is to be taken at that meeting concerning an Action that may be given by the Holders of not less than a specified percentage in Aggregate Outstanding Principal Amount of the Outstanding Senior Notes of a Series or Class or all Senior Notes, as applicable, the persons holding or representing such specified percentage in Aggregate Outstanding Principal Amount of the Outstanding Senior Notes of such Series or Class or all Outstanding Senior Notes shall constitute a quorum.
- (d) The ownership of Notes shall be proved by the Note Register.

- (e) Rental ULC may make reasonable rules for other matters relating to action by or a meeting of Noteholders not otherwise covered by this Section 12.3.
- (f) Notes held by Rental ULC or any of its Affiliates may not be deemed Outstanding for purposes of voting or calculating quorum at any meeting of Noteholders.

12.4 Reports by Rental ULC to the Securities Regulatory Authorities

Rental ULC shall:

- (a) file with the Indenture Trustee, within fifteen (15) days after Rental ULC is required to file the same with the Securities Regulatory Authorities, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Securities Regulatory Authorities may from time to time by rules and regulations prescribe) which Rental ULC may be required to file with the Securities Regulatory Authorities pursuant to the Securities Legislation;
- (b) file with the Indenture Trustee and the Securities Regulatory Authorities, in accordance with rules and regulations prescribed from time to time by the Securities Regulatory Authorities, such additional information, documents and reports with respect to compliance by Rental ULC with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and
- (c) transmit by mail to all Noteholders, as their names and addresses appear in the Note Register, within thirty (30) days after the filing thereof with the Indenture Trustee, such summaries of any information, documents and reports required to be filed by Rental ULC pursuant to paragraphs (a) and (b) of this Section 12.4 as may be required by rules and regulations prescribed from time to time by the Securities Regulatory Authorities.

12.5 Reports by Indenture Trustee

The Indenture Trustee shall report to Rental ULC with respect to the amount on deposit in the Rental ULC Accounts, and the identity of the investments included therein, as Rental ULC may from time to time reasonably request in writing which, absent the occurrence of an Event of Default hereunder, shall not occur more often than monthly.

12.6 Administrator

Pursuant to the Administration Agreement, the Administrator has agreed to provide certain reports, instructions and other services under or in connection with this Indenture on behalf of Rental ULC. The Noteholders by their acceptance of the Notes consent to the provision of such reports and the performance of such specified services by the Administrator in lieu of Rental ULC; provided that, without detracting from the Administrator's obligations under the Administration Agreement, Rental ULC shall remain liable for the provision of such reports, instructions and other services.

ARTICLE 13
INDENTURE SUPPLEMENTS

13.1 Supplemental Indentures Without Consent of Noteholders

- (a) Without the consent of the Holders of any Notes, Rental ULC and the Indenture Trustee, at any time and from time to time, upon delivery by Rental ULC to the Indenture Trustee of a Rental ULC Certificate to the effect that Rental ULC reasonably believes that such amendment will not, and is not reasonably expected to, result in the occurrence of an Early Amortization Event or Event of Default and is not reasonably likely to have a Material Adverse Effect in respect of Rental ULC, may, amend this Indenture or any Indenture Supplement or enter into one or more supplemental indentures hereto or thereto, in form satisfactory to the Indenture Trustee, for any of the following purposes:
- (i) to add to the covenants of Rental ULC, or to surrender any right or power herein conferred upon Rental ULC for the benefit of the Holders of the Notes of any or all Series or Classes (and if such covenants or the surrender of such right or power are to be for the benefit of less than all Series or Classes of Notes, stating that such covenants are expressly being included or such surrenders are expressly being made solely for the benefit of one or more specified Series or Classes); or
 - (ii) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture; or
 - (iii) to establish any form of Note, as provided in Article 2, and to provide for the issuance of any Series or Class of Notes as provided in Article 3 and to set forth the terms thereof, and/or to add to the rights of the Holders of the Notes of any Series or Class; or
 - (iv) to evidence and provide for the acceptance of appointment of a successor Indenture Trustee hereunder; or
 - (v) to provide for the addition of Collateral;

provided that the Rating Agencies for each Outstanding Series or Class of Notes shall be provided with prompt written notice of any such amendments to this Indenture or any Indenture Supplement or the entering into by Rental ULC and the Indenture Trustee of one or more Indenture Supplements hereto or thereto.

- (b) This Indenture or any Indenture Supplement may be amended at the request of Rental ULC without the consent of the Indenture Trustee or any of the Noteholders, for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or any Indenture Supplement (which provisions do not affect the rights, duties, privileges or immunities of the Indenture Trustee) or of modifying in any manner the rights of the Holders of the Notes under this Indenture or any Indenture Supplement or in any other manner; provided, however, that no such amendment or supplemental indenture shall effect any of the changes referred to in clause (a) through (h) of Section 13.2, and (i) Rental ULC shall deliver to the Indenture Trustee a Rental ULC Certificate to the effect that Rental ULC reasonably believes that such amendment shall not result in the occurrence of an Early Amortization Event and is not reasonably likely to have a Material Adverse Effect in respect of Rental ULC; and (ii) the Rating Agency Condition for each Outstanding Series and Class of Notes has been satisfied with respect to such amendment. Indenture Supplements providing for the issuance of a new Series or Class of Notes or amending an Indenture Supplement with respect to a Series or Class of Notes can only amend this Indenture as it relates to such Series or Class and may not adversely affect the rights and benefits of other Series or Classes (including as it relates to the Collateral) unless such other Series or Classes approve such Indenture Supplement .

13.2 Supplemental Indentures with Consent of Noteholders

With prior notice to each applicable Rating Agency and the consent of not less than 66 $\frac{2}{3}$ % in Outstanding Principal Amount of the Senior Notes of each Class or Classes affected by such amendment of this Indenture or any Indenture Supplement or any supplemental indenture hereto or thereto by Act of said Holders delivered to Rental ULC and the Indenture Trustee, Rental ULC and the Indenture Trustee, may enter into an amendment of this Indenture or such Indenture Supplement for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or any Indenture Supplement or of modifying in any manner the rights of the Holders of the Notes of each such Series or Class under this Indenture or any Indenture Supplement or in any other manner; provided, however, that no such amendment or supplemental indenture shall, without the consent of the Holder of each Outstanding Note affected thereby:

- (a) change the Interest Payment Date on any Note, or change a Scheduled Final Payment Date or Series Final Maturity Date of any Note;
- (b) reduce the Outstanding Principal Amount of, or the interest rate on any Note, or change the method of computing the Outstanding Principal Amount in a manner that is adverse to the Holder of any Note;
- (c) impair the right to institute suit for the enforcement of any payment on any Note;
- (d) reduce the percentage in Outstanding Principal Amount of the Outstanding Notes of any Series or Class, the consent of whose Holders is required for any such Indenture Supplement, or the consent of whose Holders is required for any waiver of compliance with the provisions of this Indenture or any Indenture Supplement or of defaults hereunder and their consequences, provided for in this Indenture;
- (e) modify any of the provisions of this Section 13.2, except to increase any percentage of Holders required to consent to any such amendment or to provide that other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby;

- (f) permit the creation of any Lien or other encumbrance on the Collateral that is senior to the Security Interest in favour of the Indenture Trustee;
- (g) change any Place of Payment where any principal of, or interest on, any Note is payable, unless otherwise provided in the applicable Indenture Supplement; or
- (h) change the method of computing the amount of principal of, or interest on, any Note on any date.

An amendment of this Indenture or any Indenture Supplement which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular Series or Class of Notes, or which modifies the rights of the Holders of Notes of such Series or Class with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Notes of any other Series or Class. It will not be necessary for any Act of Noteholders under this Section 13.2 to approve the particular form of any proposed amendment or supplemental indenture, but it will be sufficient if such Act shall approve the substance thereof.

13.3 Execution of Indenture Supplements

In executing or accepting the additional trusts created by any amendment of this Indenture or Indenture Supplement or any supplemental indenture hereto or thereto permitted by this Article 13 or the modifications thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and (subject to Section 11.1) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such amendment or supplemental indenture is authorized or permitted by this Indenture and that all conditions precedent thereto have been satisfied. The Indenture Trustee may, but shall not (except to the extent required in the case of an amendment or supplemental indenture entered into under Section 13.1(a)(iv)) be obligated to, enter into any such amendment or supplemental indenture which affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise.

13.4 Effect of Indenture Supplements

Upon the execution of any amendment of this Indenture or Indenture Supplement or any supplemental indenture under this Article 13, this Indenture shall be modified in accordance therewith with respect to each Series or Class of Notes affected thereby, or all Notes, as the case may be, and such amendment or supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Notes theretofore or thereafter authenticated and delivered hereunder shall be bound thereby to the extent provided therein.

13.5 Reference in Notes to Indenture Supplements

Notes authenticated and delivered after the execution of any amendment of this Indenture or Indenture Supplement or any supplemental indenture pursuant to this Article 13 may, and shall, if required by the Indenture Trustee, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such amendment or supplemental indenture. If Rental ULC shall so determine, new Notes so modified as to conform, in the opinion of the Indenture Trustee and Rental ULC, to any such amendment or supplemental indenture may be prepared and executed by Rental ULC and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Notes.

ARTICLE 14
MISCELLANEOUS

14.1 No Petition

The Indenture Trustee in its individual capacity, each Hedge Counterparty and each Noteholder, agrees (in the case of Hedge Counterparties and Noteholders by accepting the benefit of the security hereunder) that it shall not at any time institute against Rental ULC, or join in any institution against Rental ULC of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any Canadian federal or provincial bankruptcy, insolvency or similar law in connection with any obligations relating to the Notes, this Indenture or any Indenture Supplement.

14.2 Limited Recourse Obligations

No recourse may be taken, directly or indirectly, with respect to the obligations of Rental ULC for payments of principal of or interest on the Notes against (i) any shareholder (or against any partner of any shareholder) of Rental ULC, except as any such Person may have expressly agreed or (ii) Avis or Budget, either directly or indirectly, as a result of Rental ULC granting the Security Interest in Collateral pursuant to Section 4.1. No recourse may be taken, directly or indirectly, against Funding LP to collect any Inter-Company Loan made by Rental ULC in compliance with the Transaction Documents.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

WTH CAR RENTAL ULC

By: /s/ David Calabria
Name: David Calabria
Title: Assistant Treasurer

By: _____
Name:
Title:

WTH CAR RENTAL ULC

By: /s/ Patricia Benjamin
Name: Patricia Benjamin
Title: Authorized Officer

By: _____
Name:
Title:

SERIES 2010-1

INDENTURE SUPPLEMENT

Dated as of August 26, 2010

to

INDENTURE

Dated as of August 26, 2010

WTH FUNDING LIMITED PARTNERSHIP

as Administrator

- and -

WTH CAR RENTAL ULC

as Rental ULC

- and -

BNY TRUST COMPANY OF CANADA

as Indenture Trustee

TABLE OF CONTENTS

	Page
ARTICLE1 Definitions and Other Provisions of General Application	1
1.1 Definitions	12
1.2 Governing Law	12
1.3 Counterparts	13
1.4 Ratification of Indenture	13
ARTICLE 2 The SERIES 2010-1 Notes	13
2.1 Creation and Designation	13
2.2 Form of Delivery	13
2.3 Delivery and Payment	13
2.4 Application of Proceeds	13
ARTICLE 3 Series 2010-1 Rental ULC Accounts AND INVESTMENTS	14
3.1 Accounts	14
ARTICLE 4 Allocations, Deposits and Payments	15
4.1 Ordinary Course Withdrawals and Hedge Receipts	15
4.2 Application of Amounts Deposited to Series 2010-1 Rental Account	15
4.3 Application of Amounts Deposited to Series 2010-1 Vehicle Account	19
4.4 Payments to Noteholders	21
4.5 Computation of Interest	22
4.6 Increase in Series 2010-1 Principal Balance	22
4.7 Optional Redemption of Series 2010-1 Notes	23
4.8 Interim Principal Payments	24
4.9 Unrestricted Funds	24
ARTICLE 5 COVENANTS	24
5.1 Program Negotiation Vehicles	24
5.2 Letter of Credit	25
5.3 Hedging Transactions	27
5.4 Reporting	27
5.5 Fleet Composition	29
5.6 Other Obligations	30
5.7 Distributions	31
ARTICLE 6 AMORTIZATION of Notes	31
6.1 Early Amortization Events	31
6.2 Series 2010-1 Amortization Period	33
6.3 Additional Event of Default	33
ARTICLE 7 GENERAL	34
7.1 Obligations of Rental ULC	34
7.2 Acceptance	34
7.3 Formal Date	34
7.4 Delivery of Executed Copies	34

SCHEDULE "A" FORM OF FLEET REPORT

SCHEDULE "B" FORM OF SETTLEMENT REPORT

SCHEDULE "C" CONDITIONS PRECEDENT FOR PURCHASE OF LICENSEE VEHICLES

EXHIBIT "A-1" FORM OF SERIES 2010-1 WTH CAR RENTAL ULC ASSET BACKED NOTE

This **SERIES 2010-1 INDENTURE SUPPLEMENT** (this “**Indenture Supplement**”), by and between **WTH FUNDING LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario (“**Administrator**”), **WTH CAR RENTAL ULC**, an unlimited liability company formed under the laws of Alberta (“**Rental ULC**”), and **BNY TRUST COMPANY OF CANADA**, a trust company incorporated under the laws of Canada, in its capacity as indenture trustee under the Indenture (in such capacity, together with its successors and permitted assigns in such capacity, the “**Indenture Trustee**”), is made and entered into as of August 26, 2010.

Pursuant to this Indenture Supplement, Rental ULC shall create a new Series of Notes and shall specify the Principal Terms thereof.

ARTICLE 1 DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.1 Definitions

Terms used herein which are defined in the Indenture, either directly or by reference therein, have the meanings assigned to them in the Indenture unless otherwise defined herein. In this Indenture Supplement:

“**Amortization Incremental Interest Amount**” means, on any date of determination, the portion of the Series 2010-1 Interest Amount attributable to an increase in the Program Fee Rate above the Specified Limit upon the occurrence of a Series 2010-1 Early Amortization Event that has not been waived.

“**Avis**” means Aviscar Inc., a corporation incorporated under the laws of Canada, and its successors and permitted assigns.

“**Avis or Budget System Member**” means a licensee of Avis or Budget or one of the Affiliates of Avis or Budget authorized to operate its own rental vehicle business in Canada under the “**Avis**” or “**Budget**” name.

“**Budget**” means Budgetcar Inc., a corporation incorporated under the laws of Canada, and its successors and permitted assigns.

“**Cash Collateral Accounts**” has the meaning ascribed thereto in Section 3.1(c).

“**Cash Collateral (CAD) Account**” has the meaning ascribed thereto in Section 3.1(c).

“**Cash Collateral (USD) Account**” has the meaning ascribed thereto in Section 3.1(c).

“**DBRS Adjusted Total Required Vehicle Collateral Amount**” means, at any time,

(a) the DBRS Total Required Vehicle Collateral Amount,

plus

(b) the Series 2010-1 Incremental Enhancement Amount,

minus

(c) the DBRS Total Receivables Value multiplied by the Series 2010-1 Principal Balance and divided by the Aggregate Outstanding Principal Amount,

minus

(d) the LC and Cash Collateral Amount.

“DBRS Group Receivables Value” means at any time in respect of a group of Vehicle Receivables having a common DBRS Vehicle Receivable Enhancement Percentage (and excluding, for greater certainty, any Vehicle Receivables for which there is no applicable DBRS Vehicle Receivable Enhancement Percentage), the quotient of (x) the aggregate Current Book Value of such Vehicle Receivables at such time divided by (y) the sum of one (1) plus the DBRS Vehicle Receivable Enhancement Percentage applicable to such Vehicle Receivables.

“DBRS Group Required Vehicle Collateral Amount” means at any time:

(a) in respect of each group of Program Vehicles having a common DBRS Program Vehicle Enhancement Percentage, the product of (x) the Series 2010-1 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Program Vehicles at such time (other than any Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) the sum of one (1) plus the DBRS Program Vehicle Enhancement Percentage applicable to such Program Vehicles; and

(b) in respect of each group of Non-Program Vehicles having a common DBRS Non-Program Vehicle Enhancement Percentage, the product of (x) the Series 2010-1 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Non-Program Vehicles at such time (other than any Non-Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Non-Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) the sum of one (1) plus the DBRS Non-Program Vehicle Enhancement Percentage applicable to such Non-Program Vehicles.

“DBRS Non-Program Vehicle Enhancement Percentage” means in respect of Non-Program Vehicles manufactured by a particular Manufacturer at any time:

- (a) 45.97%, where (i) at such time, the highest of the Non-Program Vehicle Loss Percentages as determined on the six most recently completed Settlement Dates is less than or equal to 1.0%; and (ii) no Manufacturer Event of Bankruptcy has occurred and is continuing in respect of such Manufacturer;
- (b) 59.39%, where (i) at such time, the highest of the Non-Program Vehicle Loss Percentages as determined on the six most recently completed Settlement Dates is greater than 1.0%; or (ii) a Manufacturer Event of Bankruptcy has occurred and is continuing in respect of such Manufacturer and such Manufacturer is not a Non-Performing Manufacturer; and
- (c) 67.39%, where a Manufacturer Event of Bankruptcy has occurred and is continuing in respect of such Manufacturer and such Manufacturer is a Non-Performing Manufacturer.

“DBRS Program Vehicle Enhancement Percentage” means, in respect of an Eligible Manufacturer of Program Vehicles at any time, (a) if such Eligible Manufacturer's unsecured long-term debt rating by DBRS at such time is (i) BBB or higher, 27%; (ii) BBB (low), 31.16%; (iii) BB (high), 35.61%; (iv) BB, 40.37%; and (v) BB (low) or lower or is unrated by DBRS, (1) with respect to the portion of the aggregate Current Book Value of the Program Vehicles manufactured by such Eligible Manufacturer that represents up to and including 33% of the aggregate Current Book Value of all Program Vehicles, 45.48%; and (2) with respect to the portion of the aggregate Current Book Value of the Program Vehicles of such Eligible Manufacturer representing greater than 33% of the aggregate Current Book Value of all Program Vehicles, 52.11%; or (b) if a Manufacturer Event of Bankruptcy has occurred in respect of such Eligible Manufacturer and is continuing, and (i) such Eligible Manufacturer is not a Non-Performing Manufacturer, 59.39%, or (ii) such Eligible Manufacturer is a Non-Performing Manufacturer, 67.39%.

“DBRS Total Receivables Value” means at any time the sum of the DBRS Group Receivables Values for all Vehicle Receivables at such time.

“DBRS Total Required Vehicle Collateral Amount” means at any time the sum of the DBRS Group Required Vehicle Collateral Amounts for all Rental ULC Vehicles at such time.

“DBRS Vehicle Receivable Enhancement Percentage” means, if the related Manufacturer, Approved Dealer, auction house or other Person who is the debtor of the related Vehicle Receivable has a long-term unsecured debt rating by DBRS at such time of (a) BBB or higher, 27%; (b) BBB (low), 31.16%; (c) BB (high), 566.67%; (d) BB, 630.59%; (e) BB (low) or lower or is unrated by DBRS, 708.08%.

“Default Incremental Interest Amount” means, on any date of determination, the portion of the Series 2010-1 Interest Amount attributable to an increase in the Program Fee Rate above the Specified Limit upon the occurrence of an Event of Default that has not been waived.

“Eligible Hedge Counterparty” means a Hedge Counterparty (x) having a long-term unsecured debt rating of at least A (high) or a short-term unsecured debt rating of at least R-1(middle) from DBRS or otherwise satisfying the Rating Agency Condition in respect of DBRS, (y) if rated by Moody’s, having a long-term unsecured debt rating of at least A1, and (z) if rated by S&P, having a long-term unsecured debt rating of at least A+, or such lower rating as the Rating Agency Condition may be satisfied in respect of.

“Equivalent Amount” on any given date in one currency (the **“first currency”**) of any amount denominated in another currency (the **“second currency”**) means the amount of the first currency which could be purchased with such amount of the second currency at the equivalent selling rate for commercial banks trading in Canadian dollars as published in the Wall Street Journal on the Business Day prior to such date.

“Estimation Rent Payment Date” has the meaning given to it in the Master Vehicle Lease Agreement.

“Estimation Report” has the meaning given to it in the Master Vehicle Lease Agreement.

“Estimation Reserve” has the meaning given to it in the Master Vehicle Lease Agreement.

“Excess Automobile, Minivan and Sport Utility Vehicle OBV Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are automobiles, minivans and sport utility vehicles, each with an Original Book Value greater than \$90,000, is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Box Truck Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are box trucks is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y)10% as of such date.

“Excess Hyundai Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by Hyundai is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 25% as of such date.

“Excess Kia Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by Kia is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 10% as of such date.

“Excess Mazda Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by Mazda is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 10% as of such date.

“Excess Mileage Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Used Vehicles with mileage of more than 90,000 kilometres is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Non-Program (36 month) Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Non-Program Vehicles (other than trucks) greater than 36 months old is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Non-Program Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Non-Program Vehicles is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 75% as of such date.

“Excess Other Manufacturer Aggregate Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of all Rental ULC Vehicles manufactured by Manufacturers other than Chrysler, Ford, General Motors, any other Eligible Manufacturer, Hyundai, Kia, Mazda, Nissan or Toyota is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 12.5% as of such date.

“Excess Other Manufacturer Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by any one Manufacturer other than Chrysler, Ford, General Motors, any other Eligible Manufacturer, Hyundai, Kia, Mazda, Nissan or Toyota is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 5% as of such date.

“Excess Service Vehicle Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Service Vehicles is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 1% as of such date.

“Excess Trucks, Vans, and Service Vehicles OBV Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are trucks, vans, and Service Vehicles, each with an Original Book Value greater than \$115,000, is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Used Vehicle Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Used Vehicles is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 5% as of such date.

“**Fee Letter**” has, in respect of each Series 2010-1 Noteholder and a Remittance Date and the related Remittance Period, the meaning given to it in the related Note Purchase Agreement.

“**Fleet Report**” means a monthly report provided by the Administrator concerning Rental ULC Vehicles substantially in the form of Schedule “A.”

“**Increase Date**” has the meaning giving to it in Section 4.6(a).

“**Indenture**” means the Trust Indenture, dated as of the date hereof, between Rental ULC and the Indenture Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**Initial Commitment Termination Date**” means October 31, 2011.

“**LC and Cash Collateral Amount**” means, on any date, the aggregate amount available to be drawn on such date under the Letter of Credit, as specified therein, plus the aggregate of the amount on deposit in the Cash Collateral (CAD) Account and 92.5% of the Canadian dollar Equivalent Amount of the amount on deposit in the Cash Collateral (USD) Account on such date.

“**L/C Provider**” means JPMorgan Chase Bank, N.A., Bank of Montreal, The Bank of Nova Scotia or such other provider(s) as may be approved by the Series 2010-1 Noteholders and in respect of which the Rating Agency Condition has been satisfied.

“**Lease Default**” has the meaning given to it in the Master Vehicle Lease Agreement.

“**Letter of Credit**” means an irrevocable letter of credit issued by an L/C Provider for the benefit of the Series 2010-1 Noteholders and delivered to the Indenture Trustee on behalf of the Series 2010-1 Noteholders from time to time pursuant to the terms hereof and, for greater certainty, excludes any Letter of Credit that has expired pursuant to Section 5.2(a)(i), been terminated pursuant to Section 5.2(a)(ii) or in respect of which the related L/C Provider has been downgraded as provided for under Section 5.2(a)(iii) or the second last paragraph of Section 5.2(a), in each case, such exclusion only applies immediately after actions have been taken, in all cases, pursuant to Section s 5.2(a)(iv), 5.2(a)(v) or the second last paragraph of Section 5.2(a).

“**Licensee Vehicle Assignment Agreement**” means, where the vendor is Avis or Budget, an agreement to be entered into between Rental ULC and Avis or Budget, as applicable, in a form satisfactory to the Series 2010-1 Noteholders acting reasonably with such modifications in respect of which the Rating Agency Condition has been satisfied, and where the vendor is an Avis or Budget System Member, an agreement to be entered into between Rental ULC and such Avis or Budget System Member in a form satisfactory to the Series 2010-1 Noteholders acting reasonably, with such modifications in respect of which the Rating Agency Condition has been satisfied.

“**Licensee Vehicles**” means any Vehicles owned by (a) Avis or Budget System Members; or (b) Avis or Budget where such Vehicles have been acquired, directly or indirectly, by Avis or Budget from Avis or Budget System Members.

“**Maximum Note Purchaser Available Amount**” has the meaning given to it in the Note Purchase Agreement.

“**Moody’s Adjusted Total Required Vehicle Collateral Amount**” means, at any time,

(a) the Moody’s Total Required Vehicle Collateral Amount,

plus

(b) the Series 2010-1 Incremental Enhancement Amount,

minus

(c) the LC and Cash Collateral Amount.

“**Moody’s Total Required Vehicle Collateral Amount**” means at any time, the sum of:

(a) in respect of all Program Vehicles the product of (x) the Series 2010-1 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Program Vehicles at such time (other than any Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) 1.65 ,

plus

(b) in respect of all Non-Program Vehicles the product of (x) the Series 2010-1 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Non-Program Vehicles at such time (other than any Non-Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Non-Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) the sum of one (1) plus the Moody’s Non-Program Vehicle Enhancement Percentage applicable to Non-Program Vehicles.

“**Moody’s Non-Program Vehicle Enhancement Percentage**” means, on any date, 52% plus the amount (expressed as a percentage), if any, by which (i) the highest Non-Program Vehicle Loss Percentage calculated in respect of the last six (6) Settlement Dates, exceeds (ii) 1%.

“Non-Program Vehicle Loss Percentage” means a fraction, expressed as a percentage, calculated on each Settlement Date, equal to:

- (a) the amount, if any, by which (i) the aggregate Current Book Value (as determined at the time of disposition) of all Non-Program Vehicles disposed of during the three most recently completed Settlement Periods prior to such Settlement Date (or such greater number of Settlement Periods as may be necessary such that the aggregate Proceeds of Disposition of Non-Program Vehicles disposed of during such time period is not less than \$6,000,000); exceeds (ii) the aggregate Proceeds of Disposition of such Non-Program Vehicles;

divided by

- (b) the amount determined in clause (a)(i) above.

“Note Purchase Agreement” means the note purchase agreement dated as of the date hereof, between Funding LP, Avis, Budget, Rental ULC and the Series 2010-1 Noteholder, as the same may be amended, restated, supplemented or modified from time to time.

“Parent Guarantee” means the guarantee dated as of the date hereof, made by the Parent in favour of the Indenture Trustee, on behalf of itself and the Series 2010-1 Noteholders, pursuant to which the Parent has guaranteed, among other things, certain of the non-monetary obligations of Avis, Budget, and Funding LP under the Series 2010-1 Transaction Documents, as the same may be amended or restated from time to time with the consent of the Series 2010-1 Noteholders.

“Proceeds of Disposition Series Required Amount” means, in respect of the Series 2010 -1 Notes:

- (a) on each Remittance Date during the Series 2010-1 Revolving Period, an amount equal to the aggregate of the amounts referred to in Section 4.3(a)(i) through (iii) for such Remittance Date,
- (b) on each Remittance Date during the Series 2010-1 Amortization Period, an amount equal to the aggregate of the amounts referred to in Section 4.3(b)(i) through (iv) for such Remittance Date, and
- (c) on each Remittance Date during the Series 2010-1 Enforcement Period, an amount equal to the aggregate of the amounts referred to in Section 4.3(c)(i) through (viii) for such Remittance Date.

“Program Fee Rate” has, in respect of each Series 2010-1 Noteholder and a Remittance Date and the related Remittance Period, the meaning given to it in the related Fee Letter;

“Program Negotiation Vehicles” has the meaning given to it in Section 5.1(a).

“Rating Agencies” means, with respect to the Series 2010-1 Notes, DBRS, Moody’s, and any other rating agency designated by a Series 2010-1 Noteholder to rate its commercial paper.

“Rating Agency Condition” means a condition which is satisfied in respect of any proposed action and the Series 2010-1 Notes when:

- (a) DBRS notifies each of the Series 2010-1 Noteholders in writing that such proposed action will not result in the downgrade or withdrawal of its rating of the Series 2010-1 Notes;
- (b) Rental ULC, or the Administrator on its behalf, has given 10 Business Days’ prior written notice to Moody’s of such proposed action and Moody’s has not notified the Series 2010-1 Noteholders in writing that such action will result in the downgrade or withdrawal of its rating of the Series 2010-1 Notes or, if rated by Moody’s, the commercial paper issued by such Noteholders to fund its investment in the Series 2010-1 Notes held by it; and
- (c) each Rating Agency (other than Moody’s), if applicable, notifies each of the Series 2010-1 Noteholders in writing that such proposed action will not result in the downgrade or withdrawal of its rating of the commercial paper issued by such Noteholders to fund its investment in the Series 2010-1 Notes held by it.

“Required LC and Cash Collateral Amount” means, at any time, an amount equal to 5.875% of the Series 2010-1 Principal Balance at such time.

“Series 2010-1 Aggregate Vehicle Collateral Amount” means, at any time, the excess, if any, of (a) the Aggregate Vehicle Collateral Amount at such time over (b) the aggregate of all amounts included in Aggregate Vehicle Collateral Amount pursuant to clause (c) of the definition thereof.

“Series 2010-1 Allocation Percentage” means the Series Allocation Percentage in respect of the Series 2010-1 Notes.

“Series 2010-1 Amortization Period” means the period beginning at the earlier of (a) the Commitment Termination Date (as defined in the Note Purchase Agreement); (b) the date of an Event of Default under Section 10.1(e) of the Indenture, (c) the Remittance Date referred to in Section 6.2(b), or (d) the date specified in a written notice delivered to Rental ULC pursuant to Section 6.2(a)(i) following the occurrence of any other Series 2010-1 Early Amortization Event, and ending on the earlier of (x) the Series 2010-1 Final Payment Date, and (y) the commencement of a Series 2010-1 Enforcement Period.

“Series 2010-1 Closing Date” means August 26, 2010.

“Series 2010-1 Early Amortization Event” means the occurrence of any of the events specified in Section 6.1 of this Indenture Supplement.

“Series 2010-1 Enforcement Period” means the period beginning on the date the Indenture Trustee commences any enforcement actions under Section 10.3 of the Indenture or Section 5.3 of the Funding LP Security Agreement, and ending on the Series 2010-1 Final Payment Date, which period shall be the “Enforcement Period” for the Series 2010-1 Notes under the Indenture.

“Series 2010-1 Final Maturity Date” means the earlier of (a) the 7th Remittance Date after the commencement of the Series 2010-1 Amortization Period; and (b) the commencement of the Series 2010-1 Enforcement Period.

“Series 2010-1 Final Payment Date” means the first Payment Date, not occurring during the Series 2010-1 Revolving Period, on which all principal, interest, fees and other amounts owing to the Series 2010-1 Noteholders has been paid in full.

“Series 2010-1 Hedge Counterparty” means a counterparty under a Series 2010-1 Hedging Transaction.

“Series 2010-1 Hedge Receipts” means all net amounts paid to Rental ULC under Series 2010-1 Hedging Transactions, including amounts as a result of the termination of all or a portion of a Series 2010-1 Hedging Transaction.

“Series 2010-1 Hedging Transaction” means a Hedging Transaction entered into by Rental ULC and a Hedge Counterparty relating to the Series 2010-1 Notes in accordance with Section 5.3.

“Series 2010-1 Increase Amount” has the meaning ascribed thereto in Section 4.6(a).

“Series 2010-1 Incremental Enhancement Amount” means, as of any date of determination, the sum, without duplication, of:

- (a) the Excess Automobile, Minivan and Sport Utility Vehicle OBV Percentage of the Series 2010-1 Principal Balance;
- (b) the Excess Box Truck Percentage of the Series 2010-1 Principal Balance;
- (c) the Excess Hyundai Percentage of the Series 2010-1 Principal Balance;
- (d) the Excess Kia Percentage of the Series 2010-1 Principal Balance;
- (e) the Excess Mazda Percentage of the Series 2010-1 Principal Balance;
- (f) the Excess Mileage Percentage of the Series 2010-1 Principal Balance;
- (g) the Excess Non-Program (36 month) Percentage of the Series 2010-1 Principal Balance;
- (h) the Excess Non-Program Percentage of the Series 2010-1 Principal Balance;

- (i) the Excess Other Manufacturer Aggregate Percentage of the Series 2010-1 Principal Balance;
- (j) the Excess Other Manufacturer Percentage of the Series 2010-1 Principal Balance;
- (k) the Excess Service Vehicle Percentage of the Series 2010-1 Principal Balance;
- (l) the Excess Trucks, Vans, and Service Vehicles OBV Percentage of the Series 2010-1 Principal Balance; and
- (m) the Excess Used Vehicle Percentage of the 2010-1 Principal Balance;

“Series 2010-1 Initial Principal Balance” means \$157,500,000.

“Series 2010-1 Interest Amount” means, in respect of each Series 2010-1 Noteholder and a Remittance Date and the related Remittance Period, the amount of interest payable to such Series 2010-1 Noteholder determined in accordance with the Note Purchase Agreement.

“Series 2010-1 Noteholder” means each Person in whose name a Series 2010-1 Note is registered in the Note Register.

“Series 2010-1 Notes” means the WTH Car Rental ULC Asset Backed Notes, Series 2010-1, substantially in the form of Exhibit A-1.

“Series 2010-1 Principal Balance” means, on any date of determination, an amount equal to (a) the Series 2010-1 Initial Principal Balance; minus (b) the aggregate amount of principal payments made to the Series 2010-1 Noteholders on or prior to such date; plus (c) the aggregate amount of increases to the Series 2010-1 Principal Balance as set forth in Section 4.6.

“Series 2010-1 Rental Account” has the meaning ascribed thereto in Section 3.1(a).

“Series 2010-1 Rental ULC Expenses” means, for any Remittance Date and the related Settlement Period, an amount equal to the product of (a) the Series 2010-1 Allocation Percentage determined on the prior Remittance Date and (b) the sum of (x) Rental ULC Expenses for the related Settlement Period plus (y) the amount of any Rental ULC Expenses previously due but not paid in respect of prior Settlement Periods.

“Series 2010-1 Required Vehicle Collateral Amount” means, as of any date of determination in respect of the Series 2010-1 Notes, the greater of the DBRS Adjusted Total Required Vehicle Collateral Amount, and the Moody’s Adjusted Total Required Vehicle Collateral Amount, which amount shall be the “Series Required Vehicle Collateral Amount” for the Series 2010-1 Notes under the Indenture.

“Series 2010-1 Revolving Period” means the period beginning at the close of business on the Series 2010-1 Closing Date, and terminating at the earlier of (a) the commencement of a Series 2010-1 Amortization Period; or (b) the commencement of a Series 2010-1 Enforcement Period; which period shall be the “Revolving Period” for the Series 2010-1 Notes under the Indenture.

“Series 2010-1 Transaction Documents” means (a) the Indenture, the Master Vehicle Lease Agreement, the Administration Agreement, the Funding LP Partnership Agreement, the Funding LP Security Agreement, the Liquidation Agent Agreement, the Back-up Administration Agreement, the Funding/Rental Purchase Agreement, and the Account Control Agreement, and (b) this Indenture Supplement, the Note Purchase Agreement, the Fee Letter, and the Parent Guarantee, and each document listed in clause (b) of this definition shall also constitute a **“Transaction Document”** for purposes of the Indenture.

“Series 2010-1 Vehicle Account” has the meaning ascribed thereto in Section 3.1(b).

“Series Cost of Funds Amount” means, in respect of the Series 2010-1 Notes, a Remittance Period and the related Remittance Date, if such Remittance Date is during the Series 2010-1 Revolving Period, the aggregate of the amounts referred to in Sections 4.2(a)(iii) through 4.2(a)(v), if such Remittance Date is during the Series 2010-1 Amortization Period, the aggregate of the amounts referred to in Sections 4.2(b)(iii) through 4.2(b)(v), and if such Remittance Date is during the Series 2010-1 Enforcement Period, the aggregate of the amounts referred to in Section 4.2(c)(iv) through 4.2(c)(vi).

“Settlement Report” means a monthly report substantially in the form of Schedule “B” provided by the Administrator to the Indenture Trustee and the Series 2010-1 Noteholders pursuant to Section 5.4(b).

“Specified Limit” has the meaning given to it in the Fee Letter.

“Supplemental Schedule” has the meaning ascribed thereto in Section 5.4(f).

“US Avis Corporate Credit Facility” means the US credit agreement dated as of April 19, 2006, as amended December 23, 2008 and March 10, 2010, between, among others, the Parent, as borrower, the several lenders from time to time parties thereto, Bank of America, N.A., Credit Agricole Corporate & Investment Bank New York Branch, and Citicorp USA, Inc., collectively as documentation agents, Wachovia Bank, National Association, as co-documentation agent, Deutsche Bank Securities Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent.

“Utilization Fee” means, in respect of each Series 2010-1 Noteholder, the utilization fee payable to such noteholder pursuant to the Note Purchase Agreement and the related Fee Letter.

1.2 Governing Law

This Indenture Supplement shall be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to its conflict of law provisions and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

1.3 Counterparts

This Indenture Supplement may be executed in any number of counterparts and by facsimile, each of which so executed will be deemed to be an original, but all such counterparts will together constitute but one and the same instrument.

1.4 Ratification of Indenture

As supplemented by this Indenture Supplement, the Indenture is in all respects ratified and confirmed and the Indenture as so supplemented by this Indenture Supplement shall be read, taken and construed as one and the same instrument.

ARTICLE 2 THE SERIES 2010-1 NOTES

2.1 Creation and Designation

- (a) There is hereby created and designated a Series of Notes to be issued pursuant to the Indenture and this Indenture Supplement to be known as “WTH Car Rental ULC Asset Backed Notes, Series 2010-1” or the “Series 2010-1 Notes.” The Series 2010-1 Notes will be issued in only one class.
- (b) The Series 2010-1 Notes will not be subordinated to any other Series of Notes and shall constitute Senior Notes.
- (c) The “Stated Principal Amount” of the Series 2010-1 Notes shall be the Series 2010-1 Principal Balance.
- (d) The Series 2010-1 Notes shall be denominated in Dollars.

2.2 Form of Delivery

The Series 2010-1 Notes, upon original issuance, shall be delivered in registered form as provided in Section 3.1(g) of the Indenture and shall be definitive Notes.

2.3 Delivery and Payment

Rental ULC shall execute and deliver the Series 2010-1 Notes to the Indenture Trustee for authentication, and the Indenture Trustee shall deliver the Series 2010-1 Notes when authenticated, each in accordance with Section 3.3 of the Indenture.

2.4 Application of Proceeds

The proceeds received by Rental ULC upon the issuance of the Series 2010-1 Notes on the Series 2010-1 Closing Date shall be applied by Rental ULC to fund a Distribution to Funding LP.

3.1 Accounts

- (a) **Series 2010-1 Rental Account.** On or before the Series 2010-1 Closing Date, Rental ULC shall cause to be established and maintained a Qualified Account (the “**Series 2010-1 Rental Account**”) in the name of Rental ULC. The Series 2010-1 Rental Account shall initially be held at Bank of Montreal, having account number 0002-1624-461. The Series 2010-1 Rental Account shall be the Series Rental Account in respect of the Series 2010-1 Notes. The Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the Series 2010-1 Rental Account. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under the Indenture and the Security Interest granted by Rental ULC under the Indenture, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the Series 2010-1 Rental Account and in all proceeds thereof (including all income thereon).
- (b) **Series 2010-1 Vehicle Account.** On or before the Series 2010-1 Closing Date, Rental ULC shall cause to be established and maintained a Qualified Account (the “**Series 2010-1 Vehicle Account**”) in the name of Rental ULC. The Series 2010-1 Vehicle Account shall initially be held at Bank of Montreal, having account number 0002-1624-453. The Series 2010-1 Vehicle Account shall be the Series Vehicle Account in respect of the Series 2010-1 Notes. The Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the Series 2010-1 Vehicle Account. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under the Indenture and the Security Interest granted by Rental ULC under the Indenture, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the Series 2010-1 Vehicle Account and in all proceeds thereof (including all income thereon).
- (c) **Cash Collateral Accounts.** On or before the Series 2010-1 Closing Date, Rental ULC shall cause to be established and maintained a Canadian Dollar Qualified Account (the “**Cash Collateral (CAD) Account**”) in the name of Rental ULC and a United States dollar Qualified Account in the name of Rental ULC (the “**Cash Collateral (USD) Account**” and, together with the Cash Collateral (CAD) Account, the “**Cash Collateral Accounts.**”) The Cash Collateral (CAD) Account shall initially be held at Bank of Montreal, having account number 0002-1624-488, and the Cash Collateral (USD) Account shall initially be held at Bank of Montreal, having account number 0002-4697-470. The Cash Collateral Accounts shall be Series Accounts in respect of the Series 2010-1 Notes. Each Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the Cash Collateral (CAD) Account or the Cash Collateral (USD) Account, as applicable. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under the Indenture and the Security Interest granted by Rental ULC under the Indenture, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the Cash Collateral Accounts and in all proceeds thereof (including all income thereon).

4.1 Ordinary Course Withdrawals and Hedge Receipts

- (a) Rental ULC, or the Administrator on its behalf, shall be entitled from time to time to withdraw or apply funds on deposit in the Master Vehicle Account to the payment of the purchase price of the Vehicles being acquired by Rental ULC or to the payment of Interim Principal Payments or to the making of any Distribution or payment to any other Person if (i) no Series 2010-1 Early Amortization Event shall have occurred and be continuing; and (ii) no such withdrawal or application will, with the giving of notice or lapse of time or both, cause a Series 2010-1 Early Amortization Event to occur.
- (b) Rental ULC shall deposit, or cause to be deposited, all Series 2010-1 Hedge Receipts to the Series 2010-1 Rental Account.

4.2 Application of Amounts Deposited to Series 2010-1 Rental Account

- (a) On each Remittance Date during the Series 2010-1 Revolving Period, Rental ULC, or the Administrator on its behalf, shall distribute cash from the Series 2010-1 Rental Account (including all cash transferred from the Series 2010-1 Vehicle Account to the Series 2010-1 Rental Account on such Remittance Date pursuant to Section 4.3(a)(i) and all Series 2010-1 Hedge Receipts deposited pursuant to Section 4.1(b)) as follows and in the following priority:
- (i) first, the Series 2010-1 Allocation Percentage determined on the prior Remittance Date of any unpaid Indenture Trustee Fees and Expenses shall be paid to the Indenture Trustee provided that such fees and expenses shall not exceed \$20,000 in respect of any Remittance Date;
 - (ii) second, the Series 2010-1 Allocation Percentage determined on the prior Remittance Date of any unpaid Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses shall be paid to the Liquidation Agent and Back-up Administrator, respectively, provided that the aggregate of such fees and expenses shall not exceed \$10,000 in respect of any Remittance Date and if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the amounts owing;
 - (iii) third, to pay to each Series 2010-1 Noteholder, the aggregate of (x) the Series 2010-1 Interest Amount for such Series 2010-1 Noteholder for the related Remittance Period, plus (y) the amount (if any) representing the aggregate of the Series 2010-1 Interest Amount for such Series 2010-1 Noteholder for prior Remittance Periods not yet paid to such Series 2010-1 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-1 Notes held by the Series 2010-1 Noteholders;

- (iv) fourth, to pay to each Series 2010-1 Noteholder its Utilization Fee for such Remittance Period, together with the amount (if any) representing the Utilization Fees in respect of prior Remittance Periods not yet paid to such Series 2010-1 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-1 Notes held by the Series 2010-1 Noteholders;
 - (v) fifth, to pay to the Series 2010-1 Noteholders an amount equal to all other amounts, other than Series 2010-1 Interest Amounts, Utilization Fees and principal repayments, payable to the Series 2010-1 Noteholders under the Note Purchase Agreement or any other Series 2010-1 Transaction Document, together with the amount (if any) of such amounts in respect of prior Remittance Dates not yet paid to the Series 2010-1 Noteholders;
 - (vi) sixth, to release to Rental ULC an amount equal to the Series 2010-1 Rental ULC Expenses (excluding any Indenture Trustee Fees and Expenses paid under Section 4.2(a)(i)) and any Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses paid under Section 4.2(a)(ii)) for the related Settlement Period which amount shall be applied by Rental ULC in the payment of Rental ULC Expenses or to reimburse Rental ULC with respect to such share of amounts paid on account of such Rental ULC Expenses, and any such amounts in respect of prior Remittance Dates which remain outstanding; and
 - (vii) last, any remaining balance will be released out of the Series 2010-1 Rental Account as Unrestricted Funds.
- (b) On each Remittance Date during a Series 2010-1 Amortization Period, Rental ULC or, subject to Section 2.2 of the Administration Agreement, the Administrator on its behalf, shall distribute cash from the Series 2010-1 Rental Account (including all cash transferred from the Series 2010-1 Vehicle Account to the Series 2010-1 Rental Account on such Remittance Date pursuant to Section 4.3(b)(i)) and all Series 2010-1 Hedge Receipts deposited pursuant to Section 4.1(b)) as follows and in the following priority:
- (i) first, the Series 2010-1 Allocation Percentage determined on the prior Remittance Date of any unpaid Indenture Trustee Fees and Expenses shall be paid to the Indenture Trustee provided that such fees and expenses shall not exceed \$20,000 in respect of any Remittance Date;

- (ii) second, the Series 2010-1 Allocation Percentage determined on the prior Remittance Date of any unpaid Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses shall be paid to the Liquidation Agent and Back-up Administrator, respectively, provided that the aggregate of such fees and expenses shall not exceed \$10,000 in respect of any Remittance Date and if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the amounts owing;
 - (iii) third, to pay to each Series 2010-1 Noteholder the amounts referenced in Section 4.2(a)(iii) (other than any Amortization Incremental Interest Amount);
 - (iv) fourth, to pay to each Series 2010-1 Noteholder its Utilization Fee for such Remittance Period, together with the amount (if any) representing the Utilization Fees accrued during the Series 2010-1 Revolving Period not yet paid to such Series 2010-1 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-1 Notes held by the Series 2010-1 Noteholders;
 - (v) fifth, to pay to the Series 2010-1 Noteholders an amount equal to all other amounts, other than Series 2010-1 Interest Amounts, Utilization Fees and principal repayments, payable to the Series 2010-1 Noteholders under the Note Purchase Agreement or any other Series 2010-1 Transaction Document, together with the amount (if any) of such amounts in respect of prior Remittance Dates not yet paid to the Series 2010-1 Noteholders;
 - (vi) sixth, to release to Rental ULC an amount equal to the Series 2010-1 Rental ULC Expenses (excluding any Indenture Trustee Fees and Expenses paid under Section 4.2(b)(i) and any Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses paid under Section 4.2(b)(ii)) for the related Settlement Period which amount shall be applied by Rental ULC in the payment of Rental ULC Expenses or to reimburse Rental ULC with respect to such share of amounts paid on account of such Rental ULC Expenses, and any such amounts in respect of prior Remittance Dates which remain outstanding; and
 - (vii) last, if an Event of Default has occurred or would occur following the distributions on such Remittance Date pursuant to this Section 4.2 or Section 4.3, to transfer the balance of the Series 2010-1 Rental Account to the Series 2010-1 Vehicle Account and otherwise to transfer the balance out of the Series 2010-1 Rental Account as Unrestricted Funds.
- (c) On each Remittance Date during a Series 2010-1 Enforcement Period, the Indenture Trustee or other Paying Agent shall distribute cash from the Series 2010-1 Rental Account (including all Series 2010-1 Hedge Receipts deposited pursuant to Section 4.1(b)) as follows and in the following priority:

- (i) first, to pay the Series 2010-1 Allocation Percentage determined on the prior Remittance Date of the fees and expenses related to any enforcement proceedings under (x) Article 10 of the Indenture including the Liquidation Agent Fees and Expenses, and (y) Article 5 of the Funding LP Security Agreement to the extent not paid by Funding LP;
- (ii) second, without duplication of the amounts paid under Section 4.2(c)(i), to pay (x) the Series 2010-1 Allocation Percentage determined on the prior Remittance Date of the Indenture Trustee Fees and Expenses for the related Settlement Period, and (y) the Series 2010-1 Allocation Percentage determined on the prior Remittance Date of the amount of any fees and expenses of the Indenture Trustee due and payable pursuant to the Funding LP Security Agreement not paid by Funding LP;
- (iii) third, to pay the Series 2010-1 Allocation Percentage determined on the prior Remittance Date of the amount of any unpaid fees and expenses owing to any replacement Administrator (that is not an Affiliate of Rental ULC) appointed under the Administration Agreement;
- (iv) fourth, to pay to each Series 2010-1 Noteholder the amounts referenced in Section 4.2(a)(iii) (other than any Default Incremental Interest Amount);
- (v) fifth, to pay to each Series 2010-1 Noteholder its Utilization Fee for such Remittance Period, together with the amount (if any) representing the Utilization Fees accrued during the Series 2010-1 Revolving Period not yet paid to such Series 2010-1 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-1 Notes held by the Series 2010-1 Noteholders;
- (vi) sixth, to pay to the Series 2010-1 Noteholders an amount equal to all other amounts, other than Series 2010-1 Interest Amounts, Utilization Fees and principal repayments, payable to the Series 2010-1 Noteholders under the Note Purchase Agreement or any other Series 2010-1 Transaction Document, together with the amount (if any) of such amounts in respect of prior Remittance Dates not yet paid to the Series 2010-1 Noteholders; and
- (vii) last, to transfer the balance of the Series 2010-1 Rental Account to the Series 2010-1 Vehicle Account.

4.3 Application of Amounts Deposited to Series 2010-1 Vehicle Account

- (a) On each Remittance Date during the Series 2010-1 Revolving Period, Rental ULC, or the Administrator on its behalf, shall distribute cash from the Series 2010-1 Vehicle Account as follows and in the following priority:
- (i) first, if there are insufficient funds in the Series 2010-1 Rental Account to satisfy the payments to be made to the Series 2010-1 Noteholders, the Liquidation Agent, the Back-up Administrator, and the Indenture Trustee pursuant to Sections 4.2(a)(i) to (v), then any cash in the Series 2010-1 Vehicle Account up to the amount of the deficiency will be transferred to the Series 2010-1 Rental Account and used to make such payments;
 - (ii) second, after the payments and applications under Section 4.3(a)(i), Rental ULC shall pay out of any remaining amounts, such amount to the Series 2010-1 Noteholders on account of principal repayment of the Series 2010-1 Notes, as will cause the Series 2010-1 Allocation Percentage of the Series 2010-1 Aggregate Vehicle Collateral Amount to equal the Series 2010-1 Required Vehicle Collateral Amount;
 - (iii) third, after the payments and applications under Sections 4.3(a)(i) and (ii), Rental ULC may pay out of any remaining amounts, such amount as it determines in its sole discretion to the Series 2010-1 Noteholders as an additional principal repayment of the Series 2010-1 Notes; and
 - (iv) last, if (A) no Series 2010-1 Early Amortization Event shall have occurred and not been waived and (B) such transfer will not, with the giving of notice or lapse of time or both, cause a Series 2010-1 Early Amortization Event to occur, to transfer the balance out of the Series 2010-1 Vehicle Account back to the Master Vehicle Account.
- (b) On each Remittance Date during the Series 2010-1 Amortization Period, Rental ULC or, subject to Section 2.2 of the Administration Agreement, the Administrator on its behalf, shall distribute cash from the Series 2010-1 Vehicle Account (including all cash transferred from the Series 2010-1 Rental Account to the Series 2010-1 Vehicle Account on such Remittance Date pursuant to Section 4.2(b)(vii)) as follows and in the following priority:
- (i) first, if there are insufficient funds in the Series 2010-1 Rental Account to satisfy the payments to be made to the Series 2010-1 Noteholders, the Liquidation Agent, the Back-up Administrator, and the Indenture Trustee pursuant to Sections 4.2(b)(i), (ii) and (iii), then any cash in the Series 2010-1 Vehicle Account up to the amount of the deficiency will be transferred to the Series 2010-1 Rental Account and used to make such payments;

- (ii) second, to pay to the Series 2010-1 Noteholders, on a *pro rata* basis based on the respective principal amounts of the Series 2010-1 Notes held by the Series 2010-1 Noteholders, an amount equal to the lesser of:
 - (A) the remaining balance in the Series 2010-1 Vehicle Account; and
 - (B) the Series 2010-1 Principal Balance;
 - (iii) third, to pay to the Series 2010-1 Noteholders any amounts required to be paid to the Series 2010-1 Noteholders pursuant to Sections 4.2(b)(iv) or 4.2(b)(v) which have not been paid pursuant to such Sections 4.2(b)(iv) or 4.2(b)(v) to be allocated and paid as provided in such Sections;
 - (iv) fourth, to pay to the Series 2010-1 Noteholders, the Amortization Incremental Interest Amount, provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-1 Notes held by the Series 2010-1 Noteholders;
 - (v) last, to transfer the balance out of the Series 2010-1 Vehicle Account back to the Master Vehicle Account.
- (c) On each Remittance Date during a Series 2010-1 Enforcement Period, the Indenture Trustee or other Paying Agent shall distribute cash from the Series 2010-1 Vehicle Account (including all cash transferred from the Series 2010-1 Rental Account to the Series 2010-1 Vehicle Account on such Remittance Date pursuant to Section 4.2(c)(vii)) as follows and in the following priority:
- (i) first, to pay the Series 2010-1 Allocation Percentage determined on the prior Remittance Date of the fees and expenses related to any enforcement proceedings under (x) Article 10 of the Indenture including the Liquidation Agent Fees and Expenses, and (y) Article 5 of the Funding LP Security Agreement to the extent not paid by Funding LP, in each case to the extent any such fees and expenses have not been paid under Sections 4.2(c)(i) and (ii);
 - (ii) second, without duplication of the amounts paid under Section 4.3(c)(i), to pay the Series 2010-1 Allocation Percentage determined on the prior Remittance Date of the Indenture Trustee Fees and Expenses for the related Settlement Period to the extent such fees and expenses have not been paid under Sections 4.2(c)(i) and (ii);
 - (iii) third, to pay the Series 2010-1 Allocation Percentage determined on the prior Remittance Date of the amount of any unpaid fees and expenses owing to any replacement Administrator (that is not an Affiliate of Rental ULC) appointed under the Administration Agreement to the extent such fees and expenses have not been paid under Section 4.2(c)(ii);

- (iv) fourth, to pay to the Series 2010-1 Noteholders any amounts required to be paid to them pursuant to Section 4.2(c)(iv), which have not been paid pursuant to Section 4.2(c)(iv), to be allocated and paid as provided in such Section;
 - (v) fifth, to pay to the Series 2010-1 Noteholders, on a *pro rata* basis based on the respective principal amounts of the Series 2010-1 Notes held by the Series 2010-1 Noteholders, an amount equal to the lesser of:
 - (A) the remaining balance in the Series 2010-1 Vehicle Account; and
 - (B) the Series 2010-1 Principal Balance;
 - (vi) sixth, to pay the amounts referred to in Sections 4.2(c)(v) and 4.2(c)(vi), which have not been paid pursuant to such Sections to be allocated and paid in the priority provided for in such Sections;
 - (vii) seventh, to pay to the Series 2010-1 Noteholders, the Default Incremental Interest Amount, provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-1 Notes held by the Series 2010-1 Noteholders;
 - (viii) eighth, to pay to the Indenture Trustee any amounts owing by Rental ULC or Funding LP which remain outstanding under any Series 2010-1 Transaction Document after the allocation and payments referred to in Sections 4.3(c)(i) to (vii) above, provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the amounts owing; and
 - (ix) last, to transfer the balance out of the Series 2010-1 Vehicle Account back to the Master Vehicle Account.
- (d) Any additional amounts transferred from the Master Vehicle Account to the Series 2010-1 Vehicle Account in respect of a Series Shortfall in respect of the Series 2010-1 Notes shall be applied in accordance with the provisions of Sections 4.3(a), (b) or (c), as applicable.

4.4 Payments to Noteholders

- (a) Unless otherwise specified, payments of principal or other amounts (including interest and Utilization Fees) to Series 2010-1 Noteholders will be made on a *pro rata* basis based on the respective principal amounts of the Series 2010-1 Notes held by the Series 2010-1 Noteholders.

- (b) Any instalment of interest or principal, if any, payable on any Series 2010-1 Note, less any amounts required by law to be withheld or deducted pursuant to Section 4.4(d), shall be paid by the Paying Agent to the Person in whose name such Series 2010-1 Note is registered on the Record Date, by wire transfer of immediately available funds to such Person's account as specified in the Note Purchase Agreement.
- (c) The right of the Series 2010-1 Noteholders to receive payments from Rental ULC will terminate on the first Business Day following the Series 2010-1 Final Payment Date.
- (d) If required by law, Rental ULC will withhold or deduct any and all amounts required to be withheld or deducted, and will remit such amount to the appropriate taxation authorities.
- (e) Each Remittance Date shall be an "Interest Payment Date" in respect of the Series 2010-1 Notes. Interest on the Series 2010-1 Notes shall be payable on each Remittance Date in the amount allocated and paid for such purposes pursuant to Sections 4.2 and 4.3 hereof.
- (f) Each Remittance Date upon which an amount is allocated and paid pursuant to Sections 4.2 and 4.3 hereof in respect of the payment of principal on the Series 2010-1 Notes and each day on which an Interim Principal Payment is made shall be a "Principal Payment Date" in respect of the Series 2010-1 Notes. The full Series 2010-1 Principal Balance shall be due and payable in full on the Series 2010-1 Final Maturity Date which shall be the "Series Final Maturity Date" in respect of the Series 2010-1 Notes.

4.5 Computation of Interest

- (a) Interest on the Series 2010-1 Notes shall be computed on the basis of a 365-day year and the actual number of days elapsed in the related Remittance Period.
- (b) Unless otherwise specified in this Indenture Supplement, interest for any period will be calculated from and including the first day of such period (which in the case of the initial issuance of a Series 2010-1 Note, shall be the date of issuance of such Note) to but excluding the last day of such period.

4.6 Increase in Series 2010-1 Principal Balance

- (a) The Series 2010-1 Principal Balance may be increased from time to time upon the conditions specified in this Section 4.6 and the Note Purchase Agreement. Rental ULC may deliver to each Series 2010-1 Noteholder and the Indenture Trustee on any Business Day a written notice specifying (i) the proposed amount of the increase in the Series 2010-1 Principal Balance (the "**Series 2010-1 Increase Amount**"); and (ii) the proposed date of increase of the Series 2010-1 Principal Balance (an "**Increase Date**"), which shall be a Business Day not earlier than two (2) Business Days after such notice. Each increase in the Series 2010-1 Principal Balance shall be in an amount of not less than \$1,000,000 and shall be in equal increments of \$100,000.

(b) The obligation of the Series 2010-1 Noteholders to fund any Series 2010-1 Increase Amount shall be subject to satisfaction or waiver of the following conditions:

- (i) no Series 2010-1 Early Amortization Event shall have occurred and not been waived or will, with the giving of notice or lapse of or both, occur as a result of funding such Series 2010-1 Increase Amount;
 - (ii) the Series 2010-1 Revolving Period shall not have ended;
 - (iii) after giving effect to the increase, the LC and Cash Collateral Amount will be equal to or greater than the Required LC and Cash Collateral Amount;
 - (iv) after giving effect to the increase, the Series 2010-1 Required Vehicle Collateral Amount will not exceed the Series 2010-1 Allocation Percentage of the Series 2010-1 Aggregate Vehicle Collateral Amount;
 - (v) the Series 2010-1 Hedging Transaction remains in full force and effect and the Series 2010-1 Hedge Counterparty remains an Eligible Hedge Counterparty; and
 - (vi) any conditions precedent set forth in the Note Purchase Agreement.
- (c) If the conditions precedent in Section 4.6(b) are satisfied or waived, each Series 2010-1 Noteholder shall pay to Rental ULC on or before the Increase Date an amount equal to its respective portion of the Series 2010-1 Increase Amount in accordance with the terms of the Note Purchase Agreement and, upon such payments being made, the Series 2010-1 Principal Balance shall be increased by the amount so paid.

4.7 Optional Redemption of Series 2010-1 Notes

Rental ULC shall have the right at any time to redeem all of the issued and outstanding Series 2010-1 Notes. Any such redemption shall be effected on the date set forth in a written notice delivered by Rental ULC to each of the Series 2010-1 Noteholders and the Rating Agencies, which date shall be a Remittance Date and be at least ten (10) Business Days following the date of receipt of such notice by the Series 2010-1 Noteholders. The redemption price for the Series 2010-1 Notes to be redeemed shall be the Series 2010-1 Principal Balance as of such date plus all accrued and unpaid interest on Series 2010-1 Notes to and including such date, together with all other outstanding fees and expenses of the Series 2010-1 Noteholders relating to the funding provided by the Series 2010-1 Noteholders or otherwise owing under the Transaction Documents and, if (x) the redemption is completed before the Initial Commitment Termination Date, and (y) such redemption is voluntary on the part of Rental ULC and not in response to adverse consequences of an event under the Series 2010-1 Transaction Documents or any adverse action by the Series 2010-1 Noteholders (including a refusal to deliver any waiver requested in good faith by Rental ULC, but excluding any determination by a Series 2010-1 Noteholder to fund all or any part of its interest in its Series 2010-1 Note other than through the issuance of Commercial Paper (as defined in the Note Purchase Agreement)), a make whole payment (payable because of the repayment of the Series 2010-1 Notes prior to their maturity) equal to the aggregate Utilization Fees which would have been payable if calculated and payable on an amount equal to the Maximum Note Purchaser Available Amount (as defined in the Note Purchase Agreement) until the first anniversary of the date hereof. The Series 2010-1 Noteholders shall not be obligated to surrender Series 2010-1 Notes for redemption until receipt of such redemption price.

4.8 Interim Principal Payments

Rental ULC may make Interim Principal Payments in respect of the Series 2010-1 Notes in accordance with the terms of the Note Purchase Agreement.

4.9 Unrestricted Funds

Amounts released to Rental ULC hereunder as Unrestricted Funds may be used by Rental ULC for any purpose not inconsistent with its Organizational Documents, including for the making of Distributions to Funding LP and deposits to the Master Vehicle Account.

ARTICLE 5 COVENANTS

5.1 Program Negotiation Vehicles

- (a) It is recognized that Rental ULC may purchase between June 1 in any year and March 31 of the following year Vehicles of the upcoming Model Year manufactured by a Eligible Manufacturer whose current Model Year Vehicles are subject to a Repurchase Agreement, provided such Eligible Manufacturer is not a Non-Performing Manufacturer, and from whom Rental ULC has received (i) a letter of undertaking stating that the Eligible Manufacturer will repurchase Vehicles of the upcoming Model Year sold by such Eligible Manufacturer to Rental ULC which qualify for repurchase pursuant to a Repurchase Agreement with such Eligible Manufacturers the terms of which are in the process of being finalized and (ii) a draft of the repurchase agreement for the upcoming Model Year which the Eligible Manufacturer has indicated it is willing to enter into. ;Such Vehicles are referred to herein as “**Program Negotiation Vehicles.**” Rental ULC shall deliver a signed copy of any such letter of undertaking to each Series 2010-1 Noteholder and the Rating Agencies as soon as reasonably practicable and, in any event, prior to Rental ULC purchasing Program Negotiation Vehicles from the relevant Eligible Manufacturer.

- (b) Subject to the following sentence, Program Negotiation Vehicles shall be deemed to be Program Vehicles. If a Repurchase Agreement between Rental ULC and a Eligible Manufacturer in respect of Vehicle models for a particular Model Year is not entered into by February 28 of such Model Year or, if such Repurchase Agreement has been entered into by February 28 of such Model Year but a Rating Agency has notified Rental ULC in writing within 30 days of receipt of a signed copy of such Repurchase Agreement that it is not satisfied with the terms and conditions of such Repurchase Agreement, then thereafter for all purposes hereof all Rental ULC Vehicles covered by such Repurchase Agreement shall be deemed to be Non-Program Vehicles.
- (c) If a Repurchase Agreement between Rental ULC and a Eligible Manufacturer in respect of Vehicle models for a particular Model Year is entered into prior to February 28 of such Model Year and each Rating Agency and each Series 2010-1 Noteholder has not notified Rental ULC in writing within 30 days of receipt of a signed copy of such Repurchase Agreement that it is not satisfied with the terms and conditions of such Repurchase Agreement, then thereafter for all purposes hereof Rental ULC Vehicles covered by such Repurchase Agreement shall be deemed to be Program Vehicles.

5.2 Letter of Credit

- (a) If,
- (i) prior to the date which is 30 days prior to the scheduled expiration date of a Letter of Credit, such Letter of Credit shall not have been extended; or
 - (ii) either Rental ULC, the Indenture Trustee or a Series 2010-1 Noteholder receives notice from an L/C Provider of an unscheduled termination of a Letter of Credit and there shall have not been appointed a replacement L/C Provider who has issued or will issue, prior to the termination of such Letter of Credit, a Letter of Credit having a term that extends beyond such date of termination; or
 - (iii) at any time, the rating of the long-term unsecured debt obligations of an L/C Provider is reduced below AA (low) by DBRS or A1 by Moody's, or if an L/C Provider is not then rated by DBRS and Moody's, the rating of the short-term unsecured debt obligations of such L/C Provider is reduced below A-1 by S&P,

Rental ULC shall, within 15 Business Days following any such occurrence (but, in the case of receipt of notice of an unscheduled termination under clause (ii) above, in no event later than 5 Business Days prior to the pending termination date of the affected Letter(s) of Credit),

- (iv) cause such Letter of Credit (or, in the case of clause (iii) above, all of the Letters of Credit issued by such L/C Provider) to be replaced with one or more irrevocable letters of credit issued by one or more L/C Providers with an aggregate stated amount not less than the aggregate undrawn stated amount of the affected Letter(s) of Credit, or make any other arrangement satisfactory to the Series 2010-1 Noteholders and which satisfies the Rating Agency Condition; or

- (v) cause draws to be made under the affected Letter(s) of Credit and deposit the proceeds of such draws to the Cash Collateral (CAD) Account;

provided, however, in the event that at any time the long-term unsecured debt obligations of an L/C Provider are no longer rated or are rated below A by DBRS or A1 by Moody's, or, if an L/C Provider is not then rated by DBRS and Moody's, the short-term unsecured debt obligations of such L/C Provider are no longer rated A-1 by S&P, Rental ULC shall promptly notify the Indenture Trustee and the Series 2010-1 Noteholders or any Series 2010-1 Noteholder may notify Rental ULC, of same and Rental ULC shall cause a draw to be made under the affected Letter(s) of Credit and deposit the proceeds of such draws to the Cash Collateral (CAD) Account. Rental ULC shall provide each Rating Agency and each Series 2010-1 Noteholder with written notice of the occurrence of any event set out in Sections 5.2(a)(i), (ii) or (iii).

Other than during a Series 2010-1 Enforcement Period, Rental ULC shall have the right to, from time to time, withdraw funds from the Cash Collateral Accounts, reduce the aggregate stated amount of a Letter of Credit or cancel and return a Letter of Credit to the applicable L/C Provider provided that, in each case, Rental ULC prior thereto or simultaneously therewith demonstrates to the Series 2010-1 Noteholders, to the reasonable satisfaction of the Series 2010-1 Noteholders, that after giving effect thereto the Series 2010-1 Required Vehicle Collateral Amount will not exceed the Series 2010-1 Allocation Percentage of the Series 2010-1 Aggregate Vehicle Collateral Amount.

- (b) Rental ULC may from time to time deposit Unrestricted Funds and proceeds of Contributions received by Rental ULC to the Cash Collateral Accounts. Funds on deposit in the Cash Collateral Accounts shall be invested by Rental ULC in Eligible Investments from time to time, but always in a manner that will result in such investments maturing so that such funds will be available for withdrawal on or prior to the next following Remittance Date. Rental ULC shall hold possession of the negotiable instruments or securities, if any, evidencing such investments. On each Settlement Date, all interest and earnings (net of losses and investment expenses) accrued since the preceding Settlement Date on funds on deposit in the Cash Collateral Accounts shall be deposited to the Series 2010-1 Rental Account.
- (c) On or after the Series 2010-1 Final Payment Date, Rental ULC may withdraw from the Cash Collateral Accounts all amounts on deposit therein and deposit such amounts into the Master Vehicle Account.

- (d) Unless the context requires otherwise, any reference in this Indenture Supplement to a draw under a Letter of Credit shall be deemed to refer to a withdrawal from the Cash Collateral Accounts when so applicable.

5.3 Hedging Transactions

On or before the Series 2010-1 Closing Date, Rental ULC shall enter into an interest rate Hedging Transaction with an Eligible Hedge Counterparty with a notional amount equal to the full Maximum Note Purchaser Available Amount and otherwise satisfactory to the Series 2010-1 Noteholders (including in relation to its scheduled termination date) which Hedging Transaction shall be a Series 2010-1 Hedging Transaction. Rental ULC shall be responsible for all costs and expenses associated with the Series 2010-1 Hedging Transaction.

5.4 Reporting

(a) Estimation Report

Not later than 12:00 noon (Toronto time) on each Estimation Rent Payment Date, the Administrator will provide to each Series 2010-1 Noteholder an Estimation Report in respect of such Settlement Period commencing on the Estimation Rent Payment Date containing Rental ULC's best estimate of the Series Cost of Funds Amount for such Settlement Period and the related Remittance Date.

(b) Settlement Report

Not later than 12:00 noon (Toronto time) on each Settlement Date, the Administrator will provide to each Series 2010-1 Noteholder a Settlement Report containing:

- (i) the Rental Revenues, Rental ULC Expenses, Depreciation, Proceeds of Dispositions, Loss on Dispositions (if any) and Gain on Dispositions (if any) in respect of the related Settlement Period;
- (ii) the aggregate Series 2010-1 Interest Amount for each Series 2010-1 Noteholder, in each case for the Remittance Period ending in the current Settlement Period;
- (iii) the percentage of Rental ULC Vehicles by Manufacturer and the ratings of each such Manufacturer as of such Settlement Date;
- (iv) calculations which indicate whether the LC and Cash Collateral Amount exceeds (or does not exceed) the Required LC and Cash Collateral Amount as of such Settlement Date;
- (v) calculations which indicate whether the Series 2010-1 Required Vehicle Collateral Amount exceeds (or does not exceed) the Series 2010-1 Allocation Percentage of the Series 2010-1 Aggregate Vehicle Collateral Amount as of such Settlement Date; and

(vi) all such other information necessary to make the distributions on the related Remittance Date pursuant to Sections 4.2 and 4.3.

(c) Fleet Reports

On each Settlement Date, the Administrator will send a Fleet Report to each Series 2010-1 Noteholder.

(d) Purchase Agreements

Rental ULC shall provide to the Series 2010-1 Noteholders and the Rating Agencies copies of all Repurchase Agreements entered into by Rental ULC promptly after they have been entered into by Rental ULC and, in any event within 30 days after they have been entered into by Rental ULC.

(e) Event Notices

Rental ULC shall notify each Series 2010-1 Noteholder and each Rating Agency forthwith upon learning of the occurrence of any material adverse change in the financial condition or operations of Avis, Budget or Rental ULC or of the occurrence of any Series 2010-1 Early Amortization Event (other than the events described in Section 6.1(d)).

(f) Financial Statements

The Administrator will deliver to the Series 2010-1 Noteholders and the Indenture Trustee, within 60 days of the end of each of the first three (3) fiscal quarters of each fiscal period of Rental ULC, a copy of the unaudited income and cash flow statements and the unaudited balance sheet of Rental ULC as at and for the period then ended.

The Administrator will deliver to the Series 2010-1 Noteholders and the Indenture Trustee, within 60 days of the end of each of the first three (3) fiscal quarters of each fiscal period of Avis Budget Car Rental Canada ULC, a copy of the unaudited income and cash flow statements and the unaudited balance sheet of Avis Budget Car Rental Canada ULC (which shall include as a supplemental schedule the unaudited balance sheet and income statement for each of Rental ULC, Funding LP, Avis, and Budget (the “**Supplemental Schedule**”)) as at and for the period then ended and, as soon as available but not later than 120 days after the end of each fiscal period of Avis Budget Car Rental Canada ULC, a copy of the audited income and cash flow statements and the audited balance sheet of Avis Budget Car Rental Canada ULC, including the Supplemental Schedule, as at and for the period then ended.

(g) Agreed Upon Procedures

Rental ULC will appoint independent public accountants acceptable to the Series 2010-1 Noteholders (which may be the regular independent public accountants of Rental ULC or any Affiliate of Rental ULC), or utilize the Series 2010-1 Noteholders’ representatives or auditors, to prepare and deliver to the Series 2010-1 Noteholders written reports in respect of specified Settlement Periods (as determined below) in scope and form reasonably required by the Series 2010-1 Noteholders covering, amongst other things, an examination of the Estimation Reports, Settlement Reports, and Fleet Reports for such Settlement Periods (collectively, the “**Reports**”) to determine whether:

- (i) the data reported and calculations contained in the Reports are the data required to be reported and the calculations required to be made in accordance with the Series 2010-1 Transaction Documents;
- (ii) the data reported in the Reports reflects the data contained in Rental ULC's (or the Administrator's) systems and other applicable source documentation of Rental ULC (or the Administrator); and
- (iii) in respect of each September Settlement Period (see below) report only, the ownership permits of the Rental ULC Vehicles are in accordance with the Series 2010-1 Transaction Documents.

The written reports shall be delivered on the Remittance Date in November of each year and shall be prepared at the expense of Rental ULC in respect of two Settlement Periods in the 12 month period ending on the prior September 30, one of which shall always be the September Settlement Period and the other of which shall be a Settlement Period selected by the Series 2010-1 Noteholders, *provided that* in respect of the period from the Closing Date to September 30, 2010, the written report shall only be delivered in respect of the September, 2010 Settlement Period and such written report shall be delivered by December 31, 2010.

(h) Indenture Trustee Notices

A copy of all notices and reports delivered to the Indenture Trustee under the Series 2010-1 Transaction Documents as they relate to the Series 2010-1 Notes or the Rental ULC Vehicles shall be promptly delivered by Rental ULC to each Series 2010-1 Noteholder.

5.5 Fleet Composition

- (a) Rental ULC shall ensure that at all times the average Original Book Value of the Rental ULC Vehicles is not more than \$40,000.
- (b) In buying Vehicles for Rental ULC, other than pursuant to the Funding/Rental Assignment Agreement, Rental ULC shall (i) buy only Vehicles produced by Manufacturers and only of the Model Year corresponding to the current Purchasing Year or the two Model Years prior to the current Purchasing Year; (ii) buy Vehicles only from (A) Approved Dealers or Manufacturers, or (B) Avis or Budget System Members or Avis or Budget pursuant to a Licensee Vehicle Assignment Agreement where each of the conditions precedent in Schedule "C" hereto is satisfied and, in the case of Used Vehicles only, (C) any nationally recognized automobile auction company ("**Auction Company**") in the United States or Canada that is approved to sell Vehicles for Manufacturers, and (D) General Motors Acceptance Corporation of Canada, Limited or any finance company affiliated with a Manufacturer ("**Approved Finance Company**"); (iii) in the case of Vehicles (other than Used Vehicles), buy from Manufacturers and Approved Dealers only and only against a Manufacturer's invoice; (iv) buy from Avis or Budget System Members or Avis or Budget pursuant to a Licensee Vehicle Assignment Agreement only Vehicles that were new Vehicles when purchased by the relevant licensee or that were Used Vehicles purchased by such licensee from an Auction Company or an Approved Finance Company and that have had no other intermediate owners (except for Avis or Budget or Affiliates of the relevant Avis or Budget System Member) and in respect of which the Manufacturer's invoice of the relevant licensee is delivered; (v) buy Vehicles for a purchase price that is (A) in the case of Program Vehicles, equal to the depreciated value ascribed to each Vehicle as at the date of such purchase pursuant to the applicable Repurchase Agreement, with a reasonable allowance for age, mileage and damage to such Vehicle, and (B) in the case of Non-Program Vehicles, the fair market value of each Vehicle (which in the case of Vehicles purchased from Avis or Budget System Members or Avis or Budget or pursuant to a Licensee Vehicle Assignment Agreement shall approximate the original cash purchase price paid by the relevant Avis or Budget System Member or Avis or Budget, as applicable, for such Vehicle less depreciation at a rate in accordance with Canadian GAAP but in no event less than 2% per month applied on a straight line basis, with a reasonable allowance for age, mileage and damage to such Vehicle); and (vi) ensure that, subject to Section 2.5 of the Funding/Rental Purchase Agreement, the title to all Vehicles bought for Rental ULC is registered in the name of Rental ULC.

5.6 Other Obligations

- (a) Without the consent of the Series 2010-1 Noteholders and satisfaction of the Rating Agency Condition:
- (i) Rental ULC shall not issue any additional Series or Class of Notes, notwithstanding Section 3.10(b) of the Trust Indenture; or
 - (ii) Rental ULC shall not incur any liabilities or enter into any obligations, other than those arising under or contemplated by this Indenture Supplement or the other Transaction Documents and/or any other Contract contemplated hereby or thereby or those arising in the normal course of the business of Rental ULC, respectively.
- (b) In connection with the preparation of its financial statements, Rental ULC shall notify the Indenture Trustee (x) as to which clause of the definition of Canadian GAAP is applicable, and (y) from time to time, of any change as to which clause of the definition of Canadian GAAP is applicable.
- (c) Notwithstanding Sections 10.2(a), 10.3, or 10.11 of the Indenture and Sections 5.2, 5.3, or 5.11 of the Funding LP Security Agreement, if an Event of Default occurs and is continuing, other than a Specified Default occurring under a Series of Notes not issued on the date hereof and which Specified Default has been waived in accordance with Section 10.22 of the Indenture or Section 5.22 of the Funding LP Security Agreement, as applicable, any Series 2010-1 Noteholder may declare the obligations specified in Section 10.2(a) of the Indenture and Section 5.2 of the Funding LP Security Agreement due and enforceable, and give Enforcement Instructions.

- (d) No additional Manufacturer shall be added as an Eligible Manufacturer under the Indenture without the consent of the Series 2010-1 Noteholders.
- (e) Neither Funding LP nor Rental ULC shall agree to any amendment to the Indenture, this Indenture Supplement, the Master Vehicle Lease Agreement, the Administration Agreement, the Liquidation Agent Agreement, the Back-up Administration Agreement, the Funding LP Security Agreement or the Funding LP Partnership Agreement without the consent of the Series 2010-1 Noteholders; *provided that*, in respect of any material amendments agreed to by the Series 2010-1 Noteholders, Funding LP or Rental ULC, as applicable, shall provide prior written notice to the Rating Agencies.
- (f) The Indenture Trustee shall promptly, upon becoming aware thereof, notify the Series 2010-1 Noteholders of any default of any party under any of the Transaction Documents.

5.7 Distributions

Rental ULC shall not make any Distributions to Funding LP other than Distributions funded solely out of Unrestricted Funds.

ARTICLE 6 AMORTIZATION OF NOTES

6.1 Early Amortization Events

Each of the following events will be an Early Amortization Event with respect to the Series 2010-1 Notes:

- (a) if the Series 2010-1 Required Vehicle Collateral Amount exceeds the Series 2010-1 Allocation Percentage of the Series 2010-1 Aggregate Vehicle Collateral Amount after giving effect to the settlements on any Remittance Date;
- (b) the breach of the covenant contained in subsection 5.5(a), which breach continues for five Business Days after a Settlement Date;
- (c) the inaccuracy when made of a representation or warranty of Rental ULC, Avis, Budget, or Funding LP, as applicable, herein or in any other Transaction Document which inaccuracy is reasonably likely to have a Material Adverse Effect in respect of Rental ULC or Funding LP, provided that if such inaccuracy is capable of being remedied, then it shall not constitute a Series 2010-1 Early Amortization Event unless it remains unremedied for five Business Days after receipt of written notice from the Indenture Trustee or a Series 2010-1 Noteholder;

- (d) the occurrence of a material adverse change since the date hereof in the financial condition or operations of Rental ULC, Avis, Budget, or Funding LP which, in the opinion of a Series 2010-1 Noteholder, and which opinion has been communicated in writing to Rental ULC, Avis and Budget and the other Series 2010-1 Noteholders, could reasonably be expected to result in Rental ULC, Funding LP, Avis or Budget (i) being unable to satisfy its obligations hereunder or under the other Transaction Documents to which it is party; or (ii) becoming subject to an Insolvency Event;
- (e) Avis or Budget failing to pay when due any obligation (the “underlying obligation”) for a sum certain in excess of \$2,000,000 and such failure continuing for three Business Days after (i) written notice to Avis or Budget, as applicable, from the party to whom the underlying obligation is owed if there is no grace period applicable to the underlying obligation; or (ii) the expiry of any grace period applicable to the underlying obligation;
- (f) the occurrence of an event resulting in the early amortization of any other Series of Notes issued on the date hereof, or any Outstanding Series or Class of Notes which provide for Notes which may have advances, repayments and readvances so that the principal amount of such Notes may vary from time to time similar to the Series 2010-1 Notes;
- (g) the occurrence of an “Event of Default” as such term is defined in the U.S. Avis Corporate Credit Facility, whether or not waived;
- (h) the occurrence of an Event of Default;
- (i) (x) Avis Budget Group, Inc. shall at any time cease to own or control, directly or indirectly, greater than 50% of the voting shares of Avis Budget Car Rental Canada ULC, Avis or Budget or (y) either Rental ULC or Funding LP is no longer indirectly wholly-owned by the Parent;
- (j) an early termination date occurs under the Series 2010-1 Hedging Transaction; provided that if such early termination date occurs other than as a result of Rental ULC being the sole defaulted party, an Early Amortization Event shall not occur unless the Series 2010-1 Hedging Transaction is not replaced within 30 days of such early termination date;
- (k) at any time the LC and Cash Collateral Amount is less than the Required LC and Cash Collateral Amount; or (ii) Rental ULC shall fail to comply with Section 5.2(a) within the time periods provided for in Section 5.2(a) (or, if no time period is provided in Section 5.2(a) for such event or occurrence, within 15 Business Days after Rental ULC has received written notice from a Series 2010-1 Noteholder of such event or occurrence);

- (l) the downgrade of the rating of the Series 2010-1 Notes by DBRS to a rating less than AAA, or the downgrade of the rating of the Series 2010-1 Notes by Moody's to a rating less than Aa3, or the withdrawal of either such rating; or
- (m) the downgrade or withdrawal by any Rating Agency of the rating of the commercial paper issued by any Series 2010-1 Noteholder to fund its investment in the Series 2010-1 Notes held by it, and such downgrade or withdrawal is as a result of or related to holding of a Series 2010-1 Note by the Series 2010-1 Noteholder.

6.2 Series 2010-1 Amortization Period

- (a) If a Series 2010-1 Early Amortization Event shall occur, any Series 2010-1 Noteholder may, by notice to Rental ULC,
 - (i) declare that the Series 2010-1 Amortization Period shall commence; and
 - (ii) direct the Indenture Trustee to draw down on a Letter of Credit in whole or in part or withdraw all or a portion of the funds from the Cash Collateral Accounts and apply such funds to pay (x) any unpaid Series 2010-1 Interest Amounts owing pursuant to Sections 4.2(b)(iii), 4.2(c)(iv) or 4.3(b)(iv), if any, and (y) transfer the balance of such funds, if any, to the Series 2010-1 Vehicle Account for the repayment of the Series 2010-1 Notes.
- (b) If a Series 2010-1 Early Amortization Event occurs under Section 6.1(a), the Series 2010-1 Amortization Period will commence on such Remittance Date and settlements on such Remittance Date shall be completed on the basis that such Remittance Date occurs during the Series 2010-1 Amortization Period.

6.3 Additional Event of Default

Each of the following events will be an additional Event of Default under the Indenture:

- (a) on any Remittance Date during the Series 2010-1 Amortization Period, Rental ULC shall fail to make a principal payment in respect of the Series 2010-1 Notes pursuant to Section 4.3(b)(ii) in an amount equal to or greater than one sixth of the Series 2010-1 Principal Balance on the first day of the Series 2010-1 Amortization Period;
- (b) the occurrence of an "Event of Default" as such term is defined in the Parent Guarantee;

(c) the occurrence of a Specified Default in respect of any other Series of Notes issued on the date hereof, whether or not waived.

ARTICLE 7

GENERAL

7.1 Obligations of Rental ULC

Nothing contained in this Indenture Supplement shall in any way modify or relieve Rental ULC from its obligations to carry out its covenants contained in the Indenture.

7.2 Acceptance

The Indenture Trustee hereby accepts the trust in this Indenture Supplement declared and provided for and agrees to perform the same on the terms and conditions herein set forth.

7.3 Formal Date

For purpose of convenience, this Indenture Supplement may be referred to as bearing a formal date of August 26, 2010, irrespective of the actual date of its execution.

7.4 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Indenture Supplement.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture Supplement to be duly executed as of the day and year first above written.

WTH CAR RENTAL ULC

By: /s/ David Calabria
Name: David Calabria
Title: Assistant Treasurer

Name:
Title:

**BNY TRUST COMPANY
OF CANADA,**
as Indenture Trustee and not in
its individual capacity

By:
/s/ Patricia Benjamin
Name: Patricia Benjamin
Title: Authorized Officer

Name:
Title:

SERIES 2010-2

INDENTURE SUPPLEMENT

Dated as of August 26, 2010

to

INDENTURE

Dated as of August 26, 2010

WTH FUNDING LIMITED PARTNERSHIP

as Administrator

- and -

WTH CAR RENTAL ULC

as Rental ULC

- and -

BNY TRUST COMPANY OF CANADA

as Indenture Trustee

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 Definitions and Other Provisions of General Application	1
1.1 Definitions	1
1.2 Governing Law	12
1.3 Counterparts	13
1.4 Ratification of Indenture	13
ARTICLE 2 The SERIES 2010-2 Notes	13
2.1 Creation and Designation	13
2.2 Form of Delivery	13
2.3 Delivery and Payment	13
2.4 Application of Proceeds	13
ARTICLE 3 Series 2010-2 Rental ULC Accounts AND INVESTMENTS	14
3.1 Accounts	14
ARTICLE 4 Allocations, Deposits and Payments	15
4.1 Ordinary Course Withdrawals and Hedge Receipts	15
4.2 Application of Amounts Deposited to Series 2010-2 Rental Account	15
4.3 Application of Amounts Deposited to Series 2010-2 Vehicle Account	19
4.4 Payments to Noteholders	21
4.5 Computation of Interest	22
4.6 Increase in Series 2010-2 Principal Balance	22
4.7 Optional Redemption of Series 2010-2 Notes	23
4.8 Interim Principal Payments	24
4.9 Unrestricted Funds	24
ARTICLE 5 COVENANTS	24
5.1 Program Negotiation Vehicles	24
5.2 Letter of Credit	25
5.3 Hedging Transactions	27
5.4 Reporting	27
5.5 Fleet Composition	29
5.6 Other Obligations	30
5.7 Distributions	31
ARTICLE 6 AMORTIZATION of Notes	31
6.1 Early Amortization Events	31
6.2 Series 2010-2 Amortization Period	33
6.3 Additional Event of Default	33
ARTICLE 7 GENERAL	34
7.1 Obligations of Rental ULC	34
7.2 Acceptance	34
7.3 Formal Date	34
7.4 Delivery of Executed Copies	34

SCHEDULE "A" FORM OF FLEET REPORT

SCHEDULE "B" FORM OF SETTLEMENT REPORT

SCHEDULE "C" CONDITIONS PRECEDENT FOR PURCHASE OF LICENSEE VEHICLES

EXHIBIT "A-1" FORM OF SERIES 2010-2 WTH CAR RENTAL ULC ASSET BACKED NOTE

This **SERIES 2010-2 INDENTURE SUPPLEMENT** (this “**Indenture Supplement**”), by and between **WTH FUNDING LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario (“**Administrator**”), **WTH CAR RENTAL ULC**, an **unlimited liability company formed under the laws of Alberta (“Rental ULC”)**, and **BNY TRUST COMPANY OF CANADA**, a trust company incorporated under the laws of Canada, in its capacity as indenture trustee under the Indenture (in such capacity, together with its successors and permitted assigns in such capacity, the “**Indenture Trustee**”), is made and entered into as of August 26, 2010.

Pursuant to this Indenture Supplement, Rental ULC shall create a new Series of Notes and shall specify the Principal Terms thereof.

ARTICLE 1 DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.1 Definitions

Terms used herein which are defined in the Indenture, either directly or by reference therein, have the meanings assigned to them in the Indenture unless otherwise defined herein. In this Indenture Supplement:

“**Amortization Incremental Interest Amount**” means, on any date of determination, the portion of the Series 2010-2 Interest Amount attributable to an increase in the Program Fee Rate above the Specified Limit upon the occurrence of a Series 2010-2 Early Amortization Event that has not been waived.

“**Avis**” means Aviscar Inc., a corporation incorporated under the laws of Canada, and its successors and permitted assigns.

“**Avis or Budget System Member**” means a licensee of Avis or Budget or one of the Affiliates of Avis or Budget authorized to operate its own rental vehicle business in Canada under the “**Avis**” or “**Budget**” name.

“**Budget**” means Budgetcar Inc., a corporation incorporated under the laws of Canada, and its successors and permitted assigns.

“**Cash Collateral Accounts**” has the meaning ascribed thereto in Section 3.1(c).

“**Cash Collateral (CAD) Account**” has the meaning ascribed thereto in Section 3.1(c).

“**Cash Collateral (USD) Account**” has the meaning ascribed thereto in Section 3.1(c).

“**DBRS Adjusted Total Required Vehicle Collateral Amount**” means, at any time,

- (a) the DBRS Total Required Vehicle Collateral Amount,

plus

(b) the Series 2010-2 Incremental Enhancement Amount,

minus

(c) the DBRS Total Receivables Value multiplied by the Series 2010-2 Principal Balance and divided by the Aggregate Outstanding Principal Amount,

minus

(d) the LC and Cash Collateral Amount.

“DBRS Group Receivables Value” means at any time in respect of a group of Vehicle Receivables having a common DBRS Vehicle Receivable Enhancement Percentage (and excluding, for greater certainty, any Vehicle Receivables for which there is no applicable DBRS Vehicle Receivable Enhancement Percentage), the quotient of (x) the aggregate Current Book Value of such Vehicle Receivables at such time divided by (y) the sum of one (1) plus the DBRS Vehicle Receivable Enhancement Percentage applicable to such Vehicle Receivables.

“DBRS Group Required Vehicle Collateral Amount” means at any time:

(a) in respect of each group of Program Vehicles having a common DBRS Program Vehicle Enhancement Percentage, the product of (x) the Series 2010-2 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Program Vehicles at such time (other than any Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) the sum of one (1) plus the DBRS Program Vehicle Enhancement Percentage applicable to such Program Vehicles; and

(b) in respect of each group of Non-Program Vehicles having a common DBRS Non-Program Vehicle Enhancement Percentage, the product of (x) the Series 2010-2 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Non-Program Vehicles at such time (other than any Non-Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Non-Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) the sum of one (1) plus the DBRS Non-Program Vehicle Enhancement Percentage applicable to such Non-Program Vehicles.

“DBRS Non-Program Vehicle Enhancement Percentage” means in respect of Non-Program Vehicles manufactured by a particular Manufacturer at any time:

- (a) 45.97%, where (i) at such time, the highest of the Non-Program Vehicle Loss Percentages as determined on the six most recently completed Settlement Dates is less than or equal to 1.0%; and (ii) no Manufacturer Event of Bankruptcy has occurred and is continuing in respect of such Manufacturer;
- (b) 59.39%, where (i) at such time, the highest of the Non-Program Vehicle Loss Percentages as determined on the six most recently completed Settlement Dates is greater than 1.0%; or (ii) a Manufacturer Event of Bankruptcy has occurred and is continuing in respect of such Manufacturer and such Manufacturer is not a Non-Performing Manufacturer; and
- (c) 67.39%, where a Manufacturer Event of Bankruptcy has occurred and is continuing in respect of such Manufacturer and such Manufacturer is a Non-Performing Manufacturer.

“DBRS Program Vehicle Enhancement Percentage” means, in respect of an Eligible Manufacturer of Program Vehicles at any time, (a) if such Eligible Manufacturer's unsecured long-term debt rating by DBRS at such time is (i) BBB or higher, 27%; (ii) BBB (low), 31.16%; (iii) BB (high), 35.61%; (iv) BB, 40.37%; and (v) BB (low) or lower or is unrated by DBRS, (1) with respect to the portion of the aggregate Current Book Value of the Program Vehicles manufactured by such Eligible Manufacturer that represents up to and including 33% of the aggregate Current Book Value of all Program Vehicles, 45.48%; and (2) with respect to the portion of the aggregate Current Book Value of the Program Vehicles of such Eligible Manufacturer representing greater than 33% of the aggregate Current Book Value of all Program Vehicles, 52.11%; or (b) if a Manufacturer Event of Bankruptcy has occurred in respect of such Eligible Manufacturer and is continuing, and (i) such Eligible Manufacturer is not a Non-Performing Manufacturer, 59.39%, or (ii) such Eligible Manufacturer is a Non-Performing Manufacturer, 67.39%.

“DBRS Total Receivables Value” means at any time the sum of the DBRS Group Receivables Values for all Vehicle Receivables at such time.

“DBRS Total Required Vehicle Collateral Amount” means at any time the sum of the DBRS Group Required Vehicle Collateral Amounts for all Rental ULC Vehicles at such time.

“DBRS Vehicle Receivable Enhancement Percentage” means, if the related Manufacturer, Approved Dealer, auction house or other Person who is the debtor of the related Vehicle Receivable has a long-term unsecured debt rating by DBRS at such time of (a) BBB or higher, 27%; (b) BBB (low), 31.16%; (c) BB (high), 566.67%; (d) BB, 630.59%; (e) BB (low) or lower or is unrated by DBRS, 708.08%.

“Default Incremental Interest Amount” means, on any date of determination, the portion of the Series 2010-2 Interest Amount attributable to an increase in the Program Fee Rate above the Specified Limit upon the occurrence of an Event of Default that has not been waived.

“Eligible Hedge Counterparty” means a Hedge Counterparty (x) having a long-term unsecured debt rating of at least A (high) or a short-term unsecured debt rating of at least R-1(middle) from DBRS or otherwise satisfying the Rating Agency Condition in respect of DBRS, (y) if rated by Moody’s, having a long-term unsecured debt rating of at least A1, and (z) if rated by S&P, having a long-term unsecured debt rating of at least A+, or such lower rating as the Rating Agency Condition may be satisfied in respect of.

“Equivalent Amount” on any given date in one currency (the **“first currency”**) of any amount denominated in another currency (the **“second currency”**) means the amount of the first currency which could be purchased with such amount of the second currency at the equivalent selling rate for commercial banks trading in Canadian dollars as published in the Wall Street Journal on the Business Day prior to such date.

“Estimation Rent Payment Date” has the meaning given to it in the Master Vehicle Lease Agreement.

“Estimation Report” has the meaning given to it in the Master Vehicle Lease Agreement.

“Estimation Reserve” has the meaning given to it in the Master Vehicle Lease Agreement.

“Excess Automobile, Minivan and Sport Utility Vehicle OBV Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are automobiles, minivans and sport utility vehicles, each with an Original Book Value greater than \$90,000, is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Box Truck Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are box trucks is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y)10% as of such date.

“Excess Hyundai Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by Hyundai is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 25% as of such date.

“Excess Kia Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by Kia is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 10% as of such date.

“Excess Mazda Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by Mazda is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 10% as of such date.

“Excess Mileage Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Used Vehicles with mileage of more than 90,000 kilometres is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Non-Program (36 month) Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Non-Program Vehicles (other than trucks) greater than 36 months old is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Non-Program Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Non-Program Vehicles is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 75% as of such date.

“Excess Other Manufacturer Aggregate Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of all Rental ULC Vehicles manufactured by Manufacturers other than Chrysler, Ford, General Motors, any other Eligible Manufacturer, Hyundai, Kia, Mazda, Nissan or Toyota is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 12.5% as of such date.

“Excess Other Manufacturer Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by any one Manufacturer other than Chrysler, Ford, General Motors, any other Eligible Manufacturer, Hyundai, Kia, Mazda, Nissan or Toyota is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 5% as of such date.

“Excess Service Vehicle Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Service Vehicles is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 1% as of such date.

“Excess Trucks, Vans, and Service Vehicles OBV Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are trucks, vans, and Service Vehicles, each with an Original Book Value greater than \$115,000, is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Used Vehicle Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Used Vehicles is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 5% as of such date.

“**Fee Letter**” has, in respect of each Series 2010-2 Noteholder and a Remittance Date and the related Remittance Period, the meaning given to it in the related Note Purchase Agreement.

“**Fleet Report**” means a monthly report provided by the Administrator concerning Rental ULC Vehicles substantially in the form of Schedule “A.”

“**Increase Date**” has the meaning giving to it in Section 4.6(a).

“**Indenture**” means the Trust Indenture, dated as of the date hereof, between Rental ULC and the Indenture Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**Initial Commitment Termination Date**” means October 31, 2011.

“**LC and Cash Collateral Amount**” means, on any date, the aggregate amount available to be drawn on such date under the Letter of Credit, as specified therein, plus the aggregate of the amount on deposit in the Cash Collateral (CAD) Account and 92.5% of the Canadian dollar Equivalent Amount of the amount on deposit in the Cash Collateral (USD) Account on such date.

“**L/C Provider**” means JPMorgan Chase Bank, N.A., Bank of Montreal, The Bank of Nova Scotia or such other provider(s) as may be approved by the Series 2010-2 Noteholders and in respect of which the Rating Agency Condition has been satisfied.

“**Lease Default**” has the meaning given to it in the Master Vehicle Lease Agreement.

“**Letter of Credit**” means an irrevocable letter of credit issued by an L/C Provider for the benefit of the Series 2010-2 Noteholders and delivered to the Indenture Trustee on behalf of the Series 2010-2 Noteholders from time to time pursuant to the terms hereof and, for greater certainty, excludes any Letter of Credit that has expired pursuant to Section 5.2(a)(i), been terminated pursuant to Section 5.2(a)(ii) or in respect of which the related L/C Provider has been downgraded as provided for under Section 5.2(a)(iii) or the second last paragraph of Section 5.2(a), in each case, such exclusion only applies immediately after actions have been taken, in all cases, pursuant to Sections 5.2(a)(iv), 5.2(a)(v) or the second last paragraph of Section 5.2(a).

“**Licensee Vehicle Assignment Agreement**” means, where the vendor is Avis or Budget, an agreement to be entered into between Rental ULC and Avis or Budget, as applicable, in a form satisfactory to the Series 2010-2 Noteholders acting reasonably with such modifications in respect of which the Rating Agency Condition has been satisfied, and where the vendor is an Avis or Budget System Member, an agreement to be entered into between Rental ULC and such Avis or Budget System Member in a form satisfactory to the Series 2010-2 Noteholders acting reasonably, with such modifications in respect of which the Rating Agency Condition has been satisfied.

“**Licensee Vehicles**” means any Vehicles owned by (a) Avis or Budget System Members; or (b) Avis or Budget where such Vehicles have been acquired, directly or indirectly, by Avis or Budget from Avis or Budget System Members.

“**Maximum Note Purchaser Available Amount**” has the meaning given to it in the Note Purchase Agreement.

“**Moody’s Adjusted Total Required Vehicle Collateral Amount**” means, at any time,

(a) the Moody’s Total Required Vehicle Collateral Amount,

plus

(b) the Series 2010-2 Incremental Enhancement Amount,

minus

(c) the LC and Cash Collateral Amount.

“**Moody’s Total Required Vehicle Collateral Amount**” means at any time, the sum of:

(a) in respect of all Program Vehicles the product of (x) the Series 2010-2 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Program Vehicles at such time (other than any Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) 1.65,

plus

(b) in respect of all Non-Program Vehicles the product of (x) the Series 2010-2 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Non-Program Vehicles at such time (other than any Non-Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Non-Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) the sum of one (1) plus the Moody’s Non-Program Vehicle Enhancement Percentage applicable to Non-Program Vehicles.

“**Moody’s Non-Program Vehicle Enhancement Percentage**” means, on any date, 52% plus the amount (expressed as a percentage), if any, by which (i) the highest Non-Program Vehicle Loss Percentage calculated in respect of the last six (6) Settlement Dates, exceeds (ii) 1%.

“Non-Program Vehicle Loss Percentage” means a fraction, expressed as a percentage, calculated on each Settlement Date, equal to:

- (a) the amount, if any, by which (i) the aggregate Current Book Value (as determined at the time of disposition) of all Non-Program Vehicles disposed of during the three most recently completed Settlement Periods prior to such Settlement Date (or such greater number of Settlement Periods as may be necessary such that the aggregate Proceeds of Disposition of Non-Program Vehicles disposed of during such time period is not less than \$6,000,000); exceeds (ii) the aggregate Proceeds of Disposition of such Non-Program Vehicles;

divided by

- (b) the amount determined in clause (a)(i) above.

“Note Purchase Agreement” means the note purchase agreement dated as of the date hereof, between Funding LP, Avis, Budget, Rental ULC and the Series 2010-2 Noteholder, as the same may be amended, restated, supplemented or modified from time to time.

“Parent Guarantee” means the guarantee dated as of the date hereof, made by the Parent in favour of the Indenture Trustee, on behalf of itself and the Series 2010-2 Noteholders, pursuant to which the Parent has guaranteed, among other things, certain of the non-monetary obligations of Avis, Budget, and Funding LP under the Series 2010-2 Transaction Documents, as the same may be amended or restated from time to time with the consent of the Series 2010-2 Noteholders.

“Proceeds of Disposition Series Required Amount” means, in respect of the Series 2010 -1 Notes:

- (a) on each Remittance Date during the Series 2010-2 Revolving Period, an amount equal to the aggregate of the amounts referred to in Section 4.3(a)(i) through (iii) for such Remittance Date,
- (b) on each Remittance Date during the Series 2010-2 Amortization Period, an amount equal to the aggregate of the amounts referred to in Section 4.3(b)(i) through (iv) for such Remittance Date, and
- (c) on each Remittance Date during the Series 2010-2 Enforcement Period, an amount equal to the aggregate of the amounts referred to in Section 4.3(c)(i) through (viii) for such Remittance Date.

“Program Fee Rate” has, in respect of each Series 2010-2 Noteholder and a Remittance Date and the related Remittance Period, the meaning given to it in the related Fee Letter;

“Program Negotiation Vehicles” has the meaning given to it in Section 5.1(a).

“Rating Agencies” means, with respect to the Series 2010-2 Notes, DBRS, Moody’s, and any other rating agency designated by a Series 2010-2 Noteholder to rate its commercial paper.

“Rating Agency Condition” means a condition which is satisfied in respect of any proposed action and the Series 2010-2 Notes when:

- (a) DBRS notifies each of the Series 2010-2 Noteholders in writing that such proposed action will not result in the downgrade or withdrawal of its rating of the Series 2010-2 Notes;
- (b) Rental ULC, or the Administrator on its behalf, has given 10 Business Days’ prior written notice to Moody’s of such proposed action and Moody’s has not notified the Series 2010-2 Noteholders in writing that such action will result in the downgrade or withdrawal of its rating of the Series 2010-2 Notes or, if rated by Moody’s, the commercial paper issued by such Noteholders to fund its investment in the Series 2010-2 Notes held by it; and
- (c) each Rating Agency (other than Moody’s), if applicable, notifies each of the Series 2010-2 Noteholders in writing that such proposed action will not result in the downgrade or withdrawal of its rating of the commercial paper issued by such Noteholders to fund its investment in the Series 2010-2 Notes held by it.

“Required LC and Cash Collateral Amount” means, at any time, an amount equal to 5.875% of the Series 2010-2 Principal Balance at such time.

“Series 2010-2 Aggregate Vehicle Collateral Amount” means, at any time, the excess, if any, of (a) the Aggregate Vehicle Collateral Amount at such time over (b) the aggregate of all amounts included in Aggregate Vehicle Collateral Amount pursuant to clause (c) of the definition thereof.

“Series 2010-2 Allocation Percentage” means the Series Allocation Percentage in respect of the Series 2010-2 Notes.

“Series 2010-2 Amortization Period” means the period beginning at the earlier of (a) the Commitment Termination Date (as defined in the Note Purchase Agreement); (b) the date of an Event of Default under Section 10.1(e) of the Indenture, (c) the Remittance Date referred to in Section 6.2(b), or (d) the date specified in a written notice delivered to Rental ULC pursuant to Section 6.2(a)(i) following the occurrence of any other Series 2010-2 Early Amortization Event, and ending on the earlier of (x) the Series 2010-2 Final Payment Date, and (y) the commencement of a Series 2010-2 Enforcement Period.

“Series 2010-2 Closing Date” means August 26, 2010.

“Series 2010-2 Early Amortization Event” means the occurrence of any of the events specified in Section 6.1 of this Indenture Supplement.

“Series 2010-2 Enforcement Period” means the period beginning on the date the Indenture Trustee commences any enforcement actions under Section 10.3 of the Indenture or Section 5.3 of the Funding LP Security Agreement, and ending on the Series 2010-2 Final Payment Date, which period shall be the “Enforcement Period” for the Series 2010-2 Notes under the Indenture.

“Series 2010-2 Final Maturity Date” means the earlier of (a) the 7th Remittance Date after the commencement of the Series 2010-2 Amortization Period; and (b) the commencement of the Series 2010-2 Enforcement Period.

“Series 2010-2 Final Payment Date” means the first Payment Date, not occurring during the Series 2010-2 Revolving Period, on which all principal, interest, fees and other amounts owing to the Series 2010-2 Noteholders has been paid in full.

“Series 2010-2 Hedge Counterparty” means a counterparty under a Series 2010-2 Hedging Transaction.

“Series 2010-2 Hedge Receipts” means all net amounts paid to Rental ULC under Series 2010-2 Hedging Transactions, including amounts as a result of the termination of all or a portion of a Series 2010-2 Hedging Transaction.

“Series 2010-2 Hedging Transaction” means a Hedging Transaction entered into by Rental ULC and a Hedge Counterparty relating to the Series 2010-2 Notes in accordance with Section 5.3.

“Series 2010-2 Increase Amount” has the meaning ascribed thereto in Section 4.6(a).

“Series 2010-2 Incremental Enhancement Amount” means, as of any date of determination, the sum, without duplication, of:

- (a) the Excess Automobile, Minivan and Sport Utility Vehicle OBV Percentage of the Series 2010-2 Principal Balance;
- (b) the Excess Box Truck Percentage of the Series 2010-2 Principal Balance;
- (c) the Excess Hyundai Percentage of the Series 2010-2 Principal Balance;
- (d) the Excess Kia Percentage of the Series 2010-2 Principal Balance;
- (e) the Excess Mazda Percentage of the Series 2010-2 Principal Balance;
- (f) the Excess Mileage Percentage of the Series 2010-2 Principal Balance;
- (g) the Excess Non-Program (36 month) Percentage of the Series 2010-2 Principal Balance;
- (h) the Excess Non-Program Percentage of the Series 2010-2 Principal Balance;

- (i) the Excess Other Manufacturer Aggregate Percentage of the Series 2010-2 Principal Balance;
- (j) the Excess Other Manufacturer Percentage of the Series 2010-2 Principal Balance;
- (k) the Excess Service Vehicle Percentage of the Series 2010-2 Principal Balance;
- (l) the Excess Trucks, Vans, and Service Vehicles OBV Percentage of the Series 2010-2 Principal Balance; and
- (m) the Excess Used Vehicle Percentage of the 2010-2 Principal Balance;

“Series 2010-2 Initial Principal Balance” means \$157,500,000.

“Series 2010-2 Interest Amount” means, in respect of each Series 2010-2 Noteholder and a Remittance Date and the related Remittance Period, the amount of interest payable to such Series 2010-2 Noteholder determined in accordance with the Note Purchase Agreement.

“Series 2010-2 Noteholder” means each Person in whose name a Series 2010-2 Note is registered in the Note Register.

“Series 2010-2 Notes” means the WTH Car Rental ULC Asset Backed Notes, Series 2010-2, substantially in the form of Exhibit A-1.

“Series 2010-2 Principal Balance” means, on any date of determination, an amount equal to (a) the Series 2010-2 Initial Principal Balance; minus (b) the aggregate amount of principal payments made to the Series 2010-2 Noteholders on or prior to such date; plus (c) the aggregate amount of increases to the Series 2010-2 Principal Balance as set forth in Section 4.6.

“Series 2010-2 Rental Account” has the meaning ascribed thereto in Section 3.1(a).

“Series 2010-2 Rental ULC Expenses” means, for any Remittance Date and the related Settlement Period, an amount equal to the product of (a) the Series 2010-2 Allocation Percentage determined on the prior Remittance Date and (b) the sum of (x) Rental ULC Expenses for the related Settlement Period plus (y) the amount of any Rental ULC Expenses previously due but not paid in respect of prior Settlement Periods.

“Series 2010-2 Required Vehicle Collateral Amount” means, as of any date of determination in respect of the Series 2010-2 Notes, the greater of the DBRS Adjusted Total Required Vehicle Collateral Amount, and the Moody’s Adjusted Total Required Vehicle Collateral Amount, which amount shall be the “Series Required Vehicle Collateral Amount” for the Series 2010-2 Notes under the Indenture.

“Series 2010-2 Revolving Period” means the period beginning at the close of business on the Series 2010-2 Closing Date, and terminating at the earlier of (a) the commencement of a Series 2010-2 Amortization Period; or (b) the commencement of a Series 2010-2 Enforcement Period; which period shall be the “Revolving Period” for the Series 2010-2 Notes under the Indenture.

“**Series 2010-2 Transaction Documents**” means (a) the Indenture, the Master Vehicle Lease Agreement, the Administration Agreement, the Funding LP Partnership Agreement, the Funding LP Security Agreement, the Liquidation Agent Agreement, the Back-up Administration Agreement, the Funding/Rental Purchase Agreement, and the Account Control Agreement, and (b) this Indenture Supplement, the Note Purchase Agreement, the Fee Letter, and the Parent Guarantee, and each document listed in clause (b) of this definition shall also constitute a “**Transaction Document**” for purposes of the Indenture.

“**Series 2010-2 Vehicle Account**” has the meaning ascribed thereto in Section 3.1(b).

“**Series Cost of Funds Amount**” means, in respect of the Series 2010-2 Notes, a Remittance Period and the related Remittance Date, if such Remittance Date is during the Series 2010-2 Revolving Period, the aggregate of the amounts referred to in Sections 4.2(a)(iii) through 4.2(a)(v), if such Remittance Date is during the Series 2010-2 Amortization Period, the aggregate of the amounts referred to in Sections 4.2(b)(iii) through 4.2(b)(v), and if such Remittance Date is during the Series 2010-2 Enforcement Period, the aggregate of the amounts referred to in Section 4.2(c)(iv) through 4.2(c)(vi).

“**Settlement Report**” means a monthly report substantially in the form of Schedule “B” provided by the Administrator to the Indenture Trustee and the Series 2010-2 Noteholders pursuant to Section 5.4(b).

“**Specified Limit**” has the meaning given to it in the Fee Letter.

“**Supplemental Schedule**” has the meaning ascribed thereto in Section 5.4(f).

“**US Avis Corporate Credit Facility**” means the US credit agreement dated as of April 19, 2006, as amended December 23, 2008 and March 10, 2010, between, among others, the Parent, as borrower, the several lenders from time to time parties thereto, Bank of America, N.A., Credit Agricole Corporate & Investment Bank New York Branch, and Citicorp USA, Inc., collectively as documentation agents, Wachovia Bank, National Association, as co-documentation agent, Deutsche Bank Securities Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent.

“**Utilization Fee**” means, in respect of each Series 2010-2 Noteholder, the utilization fee payable to such noteholder pursuant to the Note Purchase Agreement and the related Fee Letter.

1.2 Governing Law

This Indenture Supplement shall be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to its conflict of law provisions and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

1.3 Counterparts

This Indenture Supplement may be executed in any number of counterparts and by facsimile, each of which so executed will be deemed to be an original, but all such counterparts will together constitute but one and the same instrument.

1.4 Ratification of Indenture

As supplemented by this Indenture Supplement, the Indenture is in all respects ratified and confirmed and the Indenture as so supplemented by this Indenture Supplement shall be read, taken and construed as one and the same instrument.

ARTICLE 2 THE SERIES 2010-2 NOTES

2.1 Creation and Designation

- (a) There is hereby created and designated a Series of Notes to be issued pursuant to the Indenture and this Indenture Supplement to be known as "WTH Car Rental ULC Asset Backed Notes, Series 2010-2" or the "Series 2010-2 Notes." The Series 2010-2 Notes will be issued in only one class.
- (b) The Series 2010-2 Notes will not be subordinated to any other Series of Notes and shall constitute Senior Notes.
- (c) The "Stated Principal Amount" of the Series 2010-2 Notes shall be the Series 2010-2 Principal Balance.
- (d) The Series 2010-2 Notes shall be denominated in Dollars.

2.2 Form of Delivery

The Series 2010-2 Notes, upon original issuance, shall be delivered in registered form as provided in Section 3.1(g) of the Indenture and shall be definitive Notes.

2.3 Delivery and Payment

Rental ULC shall execute and deliver the Series 2010-2 Notes to the Indenture Trustee for authentication, and the Indenture Trustee shall deliver the Series 2010-2 Notes when authenticated, each in accordance with Section 3.3 of the Indenture.

2.4 Application of Proceeds

The proceeds received by Rental ULC upon the issuance of the Series 2010-2 Notes on the Series 2010-2 Closing Date shall be applied by Rental ULC to fund a Distribution to Funding LP.

3.1 Accounts

- (a) **Series 2010-2 Rental Account.** On or before the Series 2010-2 Closing Date, Rental ULC shall cause to be established and maintained a Qualified Account (the “**Series 2010-2 Rental Account**”) in the name of Rental ULC. The Series 2010-2 Rental Account shall initially be held at Bank of Montreal, having account number 0002-1624-509. The Series 2010-2 Rental Account shall be the Series Rental Account in respect of the Series 2010-2 Notes. The Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the Series 2010-2 Rental Account. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under the Indenture and the Security Interest granted by Rental ULC under the Indenture, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the Series 2010-2 Rental Account and in all proceeds thereof (including all income thereon).
- (b) **Series 2010-2 Vehicle Account.** On or before the Series 2010-2 Closing Date, Rental ULC shall cause to be established and maintained a Qualified Account (the “**Series 2010-2 Vehicle Account**”) in the name of Rental ULC. The Series 2010-2 Vehicle Account shall initially be held at Bank of Montreal, having account number 0002-1624-496. The Series 2010-2 Vehicle Account shall be the Series Vehicle Account in respect of the Series 2010-2 Notes. The Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the Series 2010-2 Vehicle Account. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under the Indenture and the Security Interest granted by Rental ULC under the Indenture, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the Series 2010-2 Vehicle Account and in all proceeds thereof (including all income thereon).
- (c) **Cash Collateral Accounts.** On or before the Series 2010-2 Closing Date, Rental ULC shall cause to be established and maintained a Canadian Dollar Qualified Account (the “**Cash Collateral (CAD) Account**”) in the name of Rental ULC and a United States dollar Qualified Account in the name of Rental ULC (the “**Cash Collateral (USD) Account**” and, together with the Cash Collateral (CAD) Account, the “**Cash Collateral Accounts.**”) The Cash Collateral (CAD) Account shall initially be held at Bank of Montreal, having account number 0002-1624-517, and the Cash Collateral (USD) Account shall initially be held at Bank of Montreal, having account number 0002-4697-497. The Cash Collateral Accounts shall be Series Accounts in respect of the Series 2010-2 Notes. Each Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the Cash Collateral (CAD) Account or the Cash Collateral (USD) Account, as applicable. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under the Indenture and the Security Interest granted by Rental ULC under the Indenture, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the Cash Collateral Accounts and in all proceeds thereof (including all income thereon).

4.1 Ordinary Course Withdrawals and Hedge Receipts

- (a) Rental ULC, or the Administrator on its behalf, shall be entitled from time to time to withdraw or apply funds on deposit in the Master Vehicle Account to the payment of the purchase price of the Vehicles being acquired by Rental ULC or to the payment of Interim Principal Payments or to the making of any Distribution or payment to any other Person if (i) no Series 2010-2 Early Amortization Event shall have occurred and be continuing; and (ii) no such withdrawal or application will, with the giving of notice or lapse of time or both, cause a Series 2010-2 Early Amortization Event to occur.
- (b) Rental ULC shall deposit, or cause to be deposited, all Series 2010-2 Hedge Receipts to the Series 2010-2 Rental Account.

4.2 Application of Amounts Deposited to Series 2010-2 Rental Account

- (a) On each Remittance Date during the Series 2010-2 Revolving Period, Rental ULC, or the Administrator on its behalf, shall distribute cash from the Series 2010-2 Rental Account (including all cash transferred from the Series 2010-2 Vehicle Account to the Series 2010-2 Rental Account on such Remittance Date pursuant to Section 4.3(a)(i) and all Series 2010-2 Hedge Receipts deposited pursuant to Section 4.1(b)) as follows and in the following priority:
- (i) first, the Series 2010-2 Allocation Percentage determined on the prior Remittance Date of any unpaid Indenture Trustee Fees and Expenses shall be paid to the Indenture Trustee provided that such fees and expenses shall not exceed \$20,000 in respect of any Remittance Date;
 - (ii) second, the Series 2010-2 Allocation Percentage determined on the prior Remittance Date of any unpaid Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses shall be paid to the Liquidation Agent and Back-up Administrator, respectively, provided that the aggregate of such fees and expenses shall not exceed \$10,000 in respect of any Remittance Date and if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the amounts owing;
 - (iii) third, to pay to each Series 2010-2 Noteholder, the aggregate of (x) the Series 2010-2 Interest Amount for such Series 2010-2 Noteholder for the related Remittance Period, plus (y) the amount (if any) representing the aggregate of the Series 2010-2 Interest Amount for such Series 2010-2 Noteholder for prior Remittance Periods not yet paid to such Series 2010-2 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-2 Notes held by the Series 2010-2 Noteholders;

- (iv) fourth, to pay to each Series 2010-2 Noteholder its Utilization Fee for such Remittance Period, together with the amount (if any) representing the Utilization Fees in respect of prior Remittance Periods not yet paid to such Series 2010-2 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-2 Notes held by the Series 2010-2 Noteholders;
 - (v) fifth, to pay to the Series 2010-2 Noteholders an amount equal to all other amounts, other than Series 2010-2 Interest Amounts, Utilization Fees and principal repayments, payable to the Series 2010-2 Noteholders under the Note Purchase Agreement or any other Series 2010-2 Transaction Document, together with the amount (if any) of such amounts in respect of prior Remittance Dates not yet paid to the Series 2010-2 Noteholders;
 - (vi) sixth, to release to Rental ULC an amount equal to the Series 2010-2 Rental ULC Expenses (excluding any Indenture Trustee Fees and Expenses paid under Section 4.2(a)(i) and any Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses paid under Section 4.2(a)(ii)) for the related Settlement Period which amount shall be applied by Rental ULC in the payment of Rental ULC Expenses or to reimburse Rental ULC with respect to such share of amounts paid on account of such Rental ULC Expenses, and any such amounts in respect of prior Remittance Dates which remain outstanding; and
 - (vii) last, any remaining balance will be released out of the Series 2010-2 Rental Account as Unrestricted Funds.
- (b) On each Remittance Date during a Series 2010-2 Amortization Period, Rental ULC or, subject to Section 2.2 of the Administration Agreement, the Administrator on its behalf, shall distribute cash from the Series 2010-2 Rental Account (including all cash transferred from the Series 2010-2 Vehicle Account to the Series 2010-2 Rental Account on such Remittance Date pursuant to Section 4.3(b)(i) and all Series 2010-2 Hedge Receipts deposited pursuant to Section 4.1(b)) as follows and in the following priority:
- (i) first, the Series 2010-2 Allocation Percentage determined on the prior Remittance Date of any unpaid Indenture Trustee Fees and Expenses shall be paid to the Indenture Trustee provided that such fees and expenses shall not exceed \$20,000 in respect of any Remittance Date;

- (ii) second, the Series 2010-2 Allocation Percentage determined on the prior Remittance Date of any unpaid Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses shall be paid to the Liquidation Agent and Back-up Administrator, respectively, provided that the aggregate of such fees and expenses shall not exceed \$10,000 in respect of any Remittance Date and if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the amounts owing;
 - (iii) third, to pay to each Series 2010-2 Noteholder the amounts referenced in Section 4.2(a)(iii) (other than any Amortization Incremental Interest Amount);
 - (iv) fourth, to pay to each Series 2010-2 Noteholder its Utilization Fee for such Remittance Period, together with the amount (if any) representing the Utilization Fees accrued during the Series 2010-2 Revolving Period not yet paid to such Series 2010-2 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-2 Notes held by the Series 2010-2 Noteholders;
 - (v) fifth, to pay to the Series 2010-2 Noteholders an amount equal to all other amounts, other than Series 2010-2 Interest Amounts, Utilization Fees and principal repayments, payable to the Series 2010-2 Noteholders under the Note Purchase Agreement or any other Series 2010-2 Transaction Document, together with the amount (if any) of such amounts in respect of prior Remittance Dates not yet paid to the Series 2010-2 Noteholders;
 - (vi) sixth, to release to Rental ULC an amount equal to the Series 2010-2 Rental ULC Expenses (excluding any Indenture Trustee Fees and Expenses paid under Section 4.2(b)(i) and any Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses paid under Section 4.2(b)(ii)) for the related Settlement Period which amount shall be applied by Rental ULC in the payment of Rental ULC Expenses or to reimburse Rental ULC with respect to such share of amounts paid on account of such Rental ULC Expenses, and any such amounts in respect of prior Remittance Dates which remain outstanding; and
 - (vii) last, if an Event of Default has occurred or would occur following the distributions on such Remittance Date pursuant to this Section 4.2 or Section 4.3, to transfer the balance of the Series 2010-2 Rental Account to the Series 2010-2 Vehicle Account and otherwise to transfer the balance out of the Series 2010-2 Rental Account as Unrestricted Funds.
- (c) On each Remittance Date during a Series 2010-2 Enforcement Period, the Indenture Trustee or other Paying Agent shall distribute cash from the Series 2010-2 Rental Account (including all Series 2010-2 Hedge Receipts deposited pursuant to Section 4.1(b)) as follows and in the following priority:

- (i) first, to pay the Series 2010-2 Allocation Percentage determined on the prior Remittance Date of the fees and expenses related to any enforcement proceedings under (x) Article 10 of the Indenture including the Liquidation Agent Fees and Expenses, and (y) Article 5 of the Funding LP Security Agreement to the extent not paid by Funding LP;
- (ii) second, without duplication of the amounts paid under Section 4.2(c)(i), to pay (x) the Series 2010-2 Allocation Percentage determined on the prior Remittance Date of the Indenture Trustee Fees and Expenses for the related Settlement Period, and (y) the Series 2010-2 Allocation Percentage determined on the prior Remittance Date of the amount of any fees and expenses of the Indenture Trustee due and payable pursuant to the Funding LP Security Agreement not paid by Funding LP;
- (iii) third, to pay the Series 2010-2 Allocation Percentage determined on the prior Remittance Date of the amount of any unpaid fees and expenses owing to any replacement Administrator (that is not an Affiliate of Rental ULC) appointed under the Administration Agreement;
- (iv) fourth, to pay to each Series 2010-2 Noteholder the amounts referenced in Section 4.2(a)(iii) (other than any Default Incremental Interest Amount);
- (v) fifth, to pay to each Series 2010-2 Noteholder its Utilization Fee for such Remittance Period, together with the amount (if any) representing the Utilization Fees accrued during the Series 2010-2 Revolving Period not yet paid to such Series 2010-2 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-2 Notes held by the Series 2010-2 Noteholders;
- (vi) sixth, to pay to the Series 2010-2 Noteholders an amount equal to all other amounts, other than Series 2010-2 Interest Amounts, Utilization Fees and principal repayments, payable to the Series 2010-2 Noteholders under the Note Purchase Agreement or any other Series 2010-2 Transaction Document, together with the amount (if any) of such amounts in respect of prior Remittance Dates not yet paid to the Series 2010-2 Noteholders; and
- (vii) last, to transfer the balance of the Series 2010-2 Rental Account to the Series 2010-2 Vehicle Account.

4.3 Application of Amounts Deposited to Series 2010-2 Vehicle Account

- (a) On each Remittance Date during the Series 2010-2 Revolving Period, Rental ULC, or the Administrator on its behalf, shall distribute cash from the Series 2010-2 Vehicle Account as follows and in the following priority:
- (i) first, if there are insufficient funds in the Series 2010-2 Rental Account to satisfy the payments to be made to the Series 2010-2 Noteholders, the Liquidation Agent, the Back-up Administrator, and the Indenture Trustee pursuant to Sections 4.2(a)(i) to (v), then any cash in the Series 2010-2 Vehicle Account up to the amount of the deficiency will be transferred to the Series 2010-2 Rental Account and used to make such payments;
 - (ii) second, after the payments and applications under Section 4.3(a)(i), Rental ULC shall pay out of any remaining amounts, such amount to the Series 2010-2 Noteholders on account of principal repayment of the Series 2010-2 Notes, as will cause the Series 2010-2 Allocation Percentage of the Series 2010-2 Aggregate Vehicle Collateral Amount to equal the Series 2010-2 Required Vehicle Collateral Amount;
 - (iii) third, after the payments and applications under Sections 4.3(a)(i) and (ii), Rental ULC may pay out of any remaining amounts, such amount as it determines in its sole discretion to the Series 2010-2 Noteholders as an additional principal repayment of the Series 2010-2 Notes; and
 - (iv) last, if (A) no Series 2010-2 Early Amortization Event shall have occurred and not been waived and (B) such transfer will not, with the giving of notice or lapse of time or both, cause a Series 2010-2 Early Amortization Event to occur, to transfer the balance out of the Series 2010-2 Vehicle Account back to the Master Vehicle Account.
- (b) On each Remittance Date during the Series 2010-2 Amortization Period, Rental ULC or, subject to Section 2.2 of the Administration Agreement, the Administrator on its behalf, shall distribute cash from the Series 2010-2 Vehicle Account (including all cash transferred from the Series 2010-2 Rental Account to the Series 2010-2 Vehicle Account on such Remittance Date pursuant to Section 4.2(b)(vii)) as follows and in the following priority:
- (i) first, if there are insufficient funds in the Series 2010-2 Rental Account to satisfy the payments to be made to the Series 2010-2 Noteholders, the Liquidation Agent, the Back-up Administrator, and the Indenture Trustee pursuant to Sections 4.2(b)(i), (ii) and (iii), then any cash in the Series 2010-2 Vehicle Account up to the amount of the deficiency will be transferred to the Series 2010-2 Rental Account and used to make such payments;

- (ii) second, to pay to the Series 2010-2 Noteholders, on a *pro rata* basis based on the respective principal amounts of the Series 2010-2 Notes held by the Series 2010-2 Noteholders, an amount equal to the lesser of:
 - (A) the remaining balance in the Series 2010-2 Vehicle Account; and
 - (B) the Series 2010-2 Principal Balance;
 - (iii) third, to pay to the Series 2010-2 Noteholders any amounts required to be paid to the Series 2010-2 Noteholders pursuant to Sections 4.2(b)(iv) or 4.2(b)(v) which have not been paid pursuant to such Sections 4.2(b)(iv) or 4.2(b)(v) to be allocated and paid as provided in such Sections;
 - (iv) fourth, to pay to the Series 2010-2 Noteholders, the Amortization Incremental Interest Amount, provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-2 Notes held by the Series 2010-2 Noteholders;
 - (v) last, to transfer the balance out of the Series 2010-2 Vehicle Account back to the Master Vehicle Account.
- (c) On each Remittance Date during a Series 2010-2 Enforcement Period, the Indenture Trustee or other Paying Agent shall distribute cash from the Series 2010-2 Vehicle Account (including all cash transferred from the Series 2010-2 Rental Account to the Series 2010-2 Vehicle Account on such Remittance Date pursuant to Section 4.2(c)(vii)) as follows and in the following priority:
- (i) first, to pay the Series 2010-2 Allocation Percentage determined on the prior Remittance Date of the fees and expenses related to any enforcement proceedings under (x) Article 10 of the Indenture including the Liquidation Agent Fees and Expenses, and (y) Article 5 of the Funding LP Security Agreement to the extent not paid by Funding LP, in each case to the extent any such fees and expenses have not been paid under Sections 4.2(c)(i) and (ii);
 - (ii) second, without duplication of the amounts paid under Section 4.3(c)(i), to pay the Series 2010-2 Allocation Percentage determined on the prior Remittance Date of the Indenture Trustee Fees and Expenses for the related Settlement Period to the extent such fees and expenses have not been paid under Sections 4.2(c)(i) and (ii);
 - (iii) third, to pay the Series 2010-2 Allocation Percentage determined on the prior Remittance Date of the amount of any unpaid fees and expenses owing to any replacement Administrator (that is not an Affiliate of Rental ULC) appointed under the Administration Agreement to the extent such fees and expenses have not been paid under Section 4.2(c)(ii);

- (iv) fourth, to pay to the Series 2010-2 Noteholders any amounts required to be paid to them pursuant to Section 4.2(c)(iv), which have not been paid pursuant to Section 4.2(c)(iv), to be allocated and paid as provided in such Section;
 - (v) fifth, to pay to the Series 2010-2 Noteholders, on a *pro rata* basis based on the respective principal amounts of the Series 2010-2 Notes held by the Series 2010-2 Noteholders, an amount equal to the lesser of:
 - (A) the remaining balance in the Series 2010-2 Vehicle Account; and
 - (B) the Series 2010-2 Principal Balance;
 - (vi) sixth, to pay the amounts referred to in Sections 4.2(c)(v) and 4.2(c)(vi), which have not been paid pursuant to such Sections to be allocated and paid in the priority provided for in such Sections;
 - (vii) seventh, to pay to the Series 2010-2 Noteholders, the Default Incremental Interest Amount, provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-2 Notes held by the Series 2010-2 Noteholders;
 - (viii) eighth, to pay to the Indenture Trustee any amounts owing by Rental ULC or Funding LP which remain outstanding under any Series 2010-2 Transaction Document after the allocation and payments referred to in Sections 4.3(c)(i) to (vii) above, provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the amounts owing; and
 - (ix) last, to transfer the balance out of the Series 2010-2 Vehicle Account back to the Master Vehicle Account.
- (d) Any additional amounts transferred from the Master Vehicle Account to the Series 2010-2 Vehicle Account in respect of a Series Shortfall in respect of the Series 2010-2 Notes shall be applied in accordance with the provisions of Sections 4.3(a), (b) or (c), as applicable.

4.4 Payments to Noteholders

- (a) Unless otherwise specified, payments of principal or other amounts (including interest and Utilization Fees) to Series 2010-2 Noteholders will be made on a *pro rata* basis based on the respective principal amounts of the Series 2010-2 Notes held by the Series 2010-2 Noteholders.

- (b) Any instalment of interest or principal, if any, payable on any Series 2010-2 Note, less any amounts required by law to be withheld or deducted pursuant to Section 4.4(d), shall be paid by the Paying Agent to the Person in whose name such Series 2010-2 Note is registered on the Record Date, by wire transfer of immediately available funds to such Person's account as specified in the Note Purchase Agreement.
- (c) The right of the Series 2010-2 Noteholders to receive payments from Rental ULC will terminate on the first Business Day following the Series 2010-2 Final Payment Date.
- (d) If required by law, Rental ULC will withhold or deduct any and all amounts required to be withheld or deducted, and will remit such amount to the appropriate taxation authorities.
- (e) Each Remittance Date shall be an "Interest Payment Date" in respect of the Series 2010-2 Notes. Interest on the Series 2010-2 Notes shall be payable on each Remittance Date in the amount allocated and paid for such purposes pursuant to Sections 4.2 and 4.3 hereof.
- (f) Each Remittance Date upon which an amount is allocated and paid pursuant to Sections 4.2 and 4.3 hereof in respect of the payment of principal on the Series 2010-2 Notes and each day on which an Interim Principal Payment is made shall be a "Principal Payment Date" in respect of the Series 2010-2 Notes. The full Series 2010-2 Principal Balance shall be due and payable in full on the Series 2010-2 Final Maturity Date which shall be the "Series Final Maturity Date" in respect of the Series 2010-2 Notes.

4.5 Computation of Interest

- (a) Interest on the Series 2010-2 Notes shall be computed on the basis of a 365-day year and the actual number of days elapsed in the related Remittance Period.
- (b) Unless otherwise specified in this Indenture Supplement, interest for any period will be calculated from and including the first day of such period (which in the case of the initial issuance of a Series 2010-2 Note, shall be the date of issuance of such Note) to but excluding the last day of such period.

4.6 Increase in Series 2010-2 Principal Balance

- (a) The Series 2010-2 Principal Balance may be increased from time to time upon the conditions specified in this Section 4.6 and the Note Purchase Agreement. Rental ULC may deliver to each Series 2010-2 Noteholder and the Indenture Trustee on any Business Day a written notice specifying (i) the proposed amount of the increase in the Series 2010-2 Principal Balance (the "**Series 2010-2 Increase Amount**"); and (ii) the proposed date of increase of the Series 2010-2 Principal Balance (an "**Increase Date**"), which shall be a Business Day not earlier than two (2) Business Days after such notice. Each increase in the Series 2010-2 Principal Balance shall be in an amount of not less than \$1,000,000 and shall be in equal increments of \$100,000.

(b) The obligation of the Series 2010-2 Noteholders to fund any Series 2010-2 Increase Amount shall be subject to satisfaction or waiver of the following conditions:

- (i) no Series 2010-2 Early Amortization Event shall have occurred and not been waived or will, with the giving of notice or lapse of or both, occur as a result of funding such Series 2010-2 Increase Amount;
 - (ii) the Series 2010-2 Revolving Period shall not have ended;
 - (iii) after giving effect to the increase, the LC and Cash Collateral Amount will be equal to or greater than the Required LC and Cash Collateral Amount;
 - (iv) after giving effect to the increase, the Series 2010-2 Required Vehicle Collateral Amount will not exceed the Series 2010-2 Allocation Percentage of the Series 2010-2 Aggregate Vehicle Collateral Amount;
 - (v) the Series 2010-2 Hedging Transaction remains in full force and effect and the Series 2010-2 Hedge Counterparty remains an Eligible Hedge Counterparty; and
 - (vi) any conditions precedent set forth in the Note Purchase Agreement.
- (c) If the conditions precedent in Section 4.6(b) are satisfied or waived, each Series 2010-2 Noteholder shall pay to Rental ULC on or before the Increase Date an amount equal to its respective portion of the Series 2010-2 Increase Amount in accordance with the terms of the Note Purchase Agreement and, upon such payments being made, the Series 2010-2 Principal Balance shall be increased by the amount so paid.

4.7 Optional Redemption of Series 2010-2 Notes

Rental ULC shall have the right at any time to redeem all of the issued and outstanding Series 2010-2 Notes. Any such redemption shall be effected on the date set forth in a written notice delivered by Rental ULC to each of the Series 2010-2 Noteholders and the Rating Agencies, which date shall be a Remittance Date and be at least ten (10) Business Days following the date of receipt of such notice by the Series 2010-2 Noteholders. The redemption price for the Series 2010-2 Notes to be redeemed shall be the Series 2010-2 Principal Balance as of such date plus all accrued and unpaid interest on Series 2010-2 Notes to and including such date, together with all other outstanding fees and expenses of the Series 2010-2 Noteholders relating to the funding provided by the Series 2010-2 Noteholders or otherwise owing under the Transaction Documents and, if (x) the redemption is completed before the Initial Commitment Termination Date, and (y) such redemption is voluntary on the part of Rental ULC and not in response to adverse consequences of an event under the Series 2010-2 Transaction Documents or any adverse action by the Series 2010-2 Noteholders (including a refusal to deliver any waiver requested in good faith by Rental ULC, but excluding any determination by a Series 2010-2 Noteholder to fund all or any part of its interest in its Series 2010-2 Note other than through the issuance of Commercial Paper (as defined in the Note Purchase Agreement)), a make whole payment (payable because of the repayment of the Series 2010-2 Notes prior to their maturity) equal to the aggregate Utilization Fees which would have been payable if calculated and payable on an amount equal to the Maximum Note Purchaser Available Amount (as defined in the Note Purchase Agreement) until the first anniversary of the date hereof. The Series 2010-2 Noteholders shall not be obligated to surrender Series 2010-2 Notes for redemption until receipt of such redemption price.

4.8 Interim Principal Payments

Rental ULC may make Interim Principal Payments in respect of the Series 2010-2 Notes in accordance with the terms of the Note Purchase Agreement.

4.9 Unrestricted Funds

Amounts released to Rental ULC hereunder as Unrestricted Funds may be used by Rental ULC for any purpose not inconsistent with its Organizational Documents, including for the making of Distributions to Funding LP and deposits to the Master Vehicle Account.

ARTICLE 5 COVENANTS

5.1 Program Negotiation Vehicles

- (a) It is recognized that Rental ULC may purchase between June 1 in any year and March 31 of the following year Vehicles of the upcoming Model Year manufactured by a Eligible Manufacturer whose current Model Year Vehicles are subject to a Repurchase Agreement, provided such Eligible Manufacturer is not a Non-Performing Manufacturer, and from whom Rental ULC has received (i) a letter of undertaking stating that the Eligible Manufacturer will repurchase Vehicles of the upcoming Model Year sold by such Eligible Manufacturer to Rental ULC which qualify for repurchase pursuant to a Repurchase Agreement with such Eligible Manufacturers the terms of which are in the process of being finalized and (ii) a draft of the repurchase agreement for the upcoming Model Year which the Eligible Manufacturer has indicated it is willing to enter into. ;Such Vehicles are referred to herein as “**Program Negotiation Vehicles.**” Rental ULC shall deliver a signed copy of any such letter of undertaking to each Series 2010-2 Noteholder and the Rating Agencies as soon as reasonably practicable and, in any event, prior to Rental ULC purchasing Program Negotiation Vehicles from the relevant Eligible Manufacturer.

- (b) Subject to the following sentence, Program Negotiation Vehicles shall be deemed to be Program Vehicles. If a Repurchase Agreement between Rental ULC and a Eligible Manufacturer in respect of Vehicle models for a particular Model Year is not entered into by February 28 of such Model Year or, if such Repurchase Agreement has been entered into by February 28 of such Model Year but a Rating Agency has notified Rental ULC in writing within 30 days of receipt of a signed copy of such Repurchase Agreement that it is not satisfied with the terms and conditions of such Repurchase Agreement, then thereafter for all purposes hereof all Rental ULC Vehicles covered by such Repurchase Agreement shall be deemed to be Non-Program Vehicles.
- (c) If a Repurchase Agreement between Rental ULC and a Eligible Manufacturer in respect of Vehicle models for a particular Model Year is entered into prior to February 28 of such Model Year and each Rating Agency and each Series 2010-2 Noteholder has not notified Rental ULC in writing within 30 days of receipt of a signed copy of such Repurchase Agreement that it is not satisfied with the terms and conditions of such Repurchase Agreement, then thereafter for all purposes hereof Rental ULC Vehicles covered by such Repurchase Agreement shall be deemed to be Program Vehicles.

5.2 Letter of Credit

- (a) If,
- (i) prior to the date which is 30 days prior to the scheduled expiration date of a Letter of Credit, such Letter of Credit shall not have been extended; or
 - (ii) either Rental ULC, the Indenture Trustee or a Series 2010-2 Noteholder receives notice from an L/C Provider of an unscheduled termination of a Letter of Credit and there shall have not been appointed a replacement L/C Provider who has issued or will issue, prior to the termination of such Letter of Credit, a Letter of Credit having a term that extends beyond such date of termination; or
 - (iii) at any time, the rating of the long-term unsecured debt obligations of an L/C Provider is reduced below AA (low) by DBRS or A1 by Moody's, or if an L/C Provider is not then rated by DBRS and Moody's, the rating of the short-term unsecured debt obligations of such L/C Provider is reduced below A-1 by S&P,

Rental ULC shall, within 15 Business Days following any such occurrence (but, in the case of receipt of notice of an unscheduled termination under clause (ii) above, in no event later than 5 Business Days prior to the pending termination date of the affected Letter(s) of Credit),

- (iv) cause such Letter of Credit (or, in the case of clause (iii) above, all of the Letters of Credit issued by such L/C Provider) to be replaced with one or more irrevocable letters of credit issued by one or more L/C Providers with an aggregate stated amount not less than the aggregate undrawn stated amount of the affected Letter(s) of Credit, or make any other arrangement satisfactory to the Series 2010-2 Noteholders and which satisfies the Rating Agency Condition; or

- (v) cause draws to be made under the affected Letter(s) of Credit and deposit the proceeds of such draws to the Cash Collateral (CAD) Account;

provided, however, in the event that at any time the long-term unsecured debt obligations of an L/C Provider are no longer rated or are rated below A by DBRS or A1 by Moody's, or, if an L/C Provider is not then rated by DBRS and Moody's, the short-term unsecured debt obligations of such L/C Provider are no longer rated A-1 by S&P, Rental ULC shall promptly notify the Indenture Trustee and the Series 2010-2 Noteholders or any Series 2010-2 Noteholder may notify Rental ULC, of same and Rental ULC shall cause a draw to be made under the affected Letter(s) of Credit and deposit the proceeds of such draws to the Cash Collateral (CAD) Account. Rental ULC shall provide each Rating Agency and each Series 2010-2 Noteholder with written notice of the occurrence of any event set out in Sections 5.2(a)(i), (ii) or (iii).

Other than during a Series 2010-2 Enforcement Period, Rental ULC shall have the right to, from time to time, withdraw funds from the Cash Collateral Accounts, reduce the aggregate stated amount of a Letter of Credit or cancel and return a Letter of Credit to the applicable L/C Provider provided that, in each case, Rental ULC prior thereto or simultaneously therewith demonstrates to the Series 2010-2 Noteholders, to the reasonable satisfaction of the Series 2010-2 Noteholders, that after giving effect thereto the Series 2010-2 Required Vehicle Collateral Amount will not exceed the Series 2010-2 Allocation Percentage of the Series 2010-2 Aggregate Vehicle Collateral Amount.

- (b) Rental ULC may from time to time deposit Unrestricted Funds and proceeds of Contributions received by Rental ULC to the Cash Collateral Accounts. Funds on deposit in the Cash Collateral Accounts shall be invested by Rental ULC in Eligible Investments from time to time, but always in a manner that will result in such investments maturing so that such funds will be available for withdrawal on or prior to the next following Remittance Date. Rental ULC shall hold possession of the negotiable instruments or securities, if any, evidencing such investments. On each Settlement Date, all interest and earnings (net of losses and investment expenses) accrued since the preceding Settlement Date on funds on deposit in the Cash Collateral Accounts shall be deposited to the Series 2010-2 Rental Account.
- (c) On or after the Series 2010-2 Final Payment Date, Rental ULC may withdraw from the Cash Collateral Accounts all amounts on deposit therein and deposit such amounts into the Master Vehicle Account.

- (d) Unless the context requires otherwise, any reference in this Indenture Supplement to a draw under a Letter of Credit shall be deemed to refer to a withdrawal from the Cash Collateral Accounts when so applicable.

5.3 Hedging Transactions

On or before the Series 2010-2 Closing Date, Rental ULC shall enter into an interest rate Hedging Transaction with an Eligible Hedge Counterparty with a notional amount equal to the full Maximum Note Purchaser Available Amount and otherwise satisfactory to the Series 2010-2 Noteholders (including in relation to its scheduled termination date) which Hedging Transaction shall be a Series 2010-2 Hedging Transaction. Rental ULC shall be responsible for all costs and expenses associated with the Series 2010-2 Hedging Transaction.

5.4 Reporting

(a) Estimation Report

Not later than 12:00 noon (Toronto time) on each Estimation Rent Payment Date, the Administrator will provide to each Series 2010-2 Noteholder an Estimation Report in respect of such Settlement Period commencing on the Estimation Rent Payment Date containing Rental ULC's best estimate of the Series Cost of Funds Amount for such Settlement Period and the related Remittance Date.

(b) Settlement Report

Not later than 12:00 noon (Toronto time) on each Settlement Date, the Administrator will provide to each Series 2010-2 Noteholder a Settlement Report containing:

- (i) the Rental Revenues, Rental ULC Expenses, Depreciation, Proceeds of Dispositions, Loss on Dispositions (if any) and Gain on Dispositions (if any) in respect of the related Settlement Period;
- (ii) the aggregate Series 2010-2 Interest Amount for each Series 2010-2 Noteholder, in each case for the Remittance Period ending in the current Settlement Period;
- (iii) the percentage of Rental ULC Vehicles by Manufacturer and the ratings of each such Manufacturer as of such Settlement Date;
- (iv) calculations which indicate whether the LC and Cash Collateral Amount exceeds (or does not exceed) the Required LC and Cash Collateral Amount as of such Settlement Date;
- (v) calculations which indicate whether the Series 2010-2 Required Vehicle Collateral Amount exceeds (or does not exceed) the Series 2010-2 Allocation Percentage of the Series 2010-2 Aggregate Vehicle Collateral Amount as of such Settlement Date; and

(vi) all such other information necessary to make the distributions on the related Remittance Date pursuant to Sections 4.2 and 4.3.

(c) Fleet Reports

On each Settlement Date, the Administrator will send a Fleet Report to each Series 2010-2 Noteholder.

(d) Purchase Agreements

Rental ULC shall provide to the Series 2010-2 Noteholders and the Rating Agencies copies of all Repurchase Agreements entered into by Rental ULC promptly after they have been entered into by Rental ULC and, in any event within 30 days after they have been entered into by Rental ULC.

(e) Event Notices

Rental ULC shall notify each Series 2010-2 Noteholder and each Rating Agency forthwith upon learning of the occurrence of any material adverse change in the financial condition or operations of Avis, Budget or Rental ULC or of the occurrence of any Series 2010-2 Early Amortization Event (other than the events described in Section 6.1(d)).

(f) Financial Statements

The Administrator will deliver to the Series 2010-2 Noteholders and the Indenture Trustee, within 60 days of the end of each of the first three (3) fiscal quarters of each fiscal period of Rental ULC, a copy of the unaudited income and cash flow statements and the unaudited balance sheet of Rental ULC as at and for the period then ended.

The Administrator will deliver to the Series 2010-2 Noteholders and the Indenture Trustee, within 60 days of the end of each of the first three (3) fiscal quarters of each fiscal period of Avis Budget Car Rental Canada ULC, a copy of the unaudited income and cash flow statements and the unaudited balance sheet of Avis Budget Car Rental Canada ULC (which shall include as a supplemental schedule the unaudited balance sheet and income statement for each of Rental ULC, Funding LP, Avis, and Budget (the “**Supplemental Schedule**”)) as at and for the period then ended and, as soon as available but not later than 120 days after the end of each fiscal period of Avis Budget Car Rental Canada ULC, a copy of the audited income and cash flow statements and the audited balance sheet of Avis Budget Car Rental Canada ULC, including the Supplemental Schedule, as at and for the period then ended.

(g) Agreed Upon Procedures

Rental ULC will appoint independent public accountants acceptable to the Series 2010-2 Noteholders (which may be the regular independent public accountants of Rental ULC or any Affiliate of Rental ULC), or utilize the Series 2010-2 Noteholders’ representatives or auditors, to prepare and deliver to the Series 2010-2 Noteholders written reports in respect of specified Settlement Periods (as determined below) in scope and form reasonably required by the Series 2010-2 Noteholders covering, amongst other things, an examination of the Estimation Reports, Settlement Reports, and Fleet Reports for such Settlement Periods (collectively, the “**Reports**”) to determine whether:

- (i) the data reported and calculations contained in the Reports are the data required to be reported and the calculations required to be made in accordance with the Series 2010-2 Transaction Documents;
- (ii) the data reported in the Reports reflects the data contained in Rental ULC's (or the Administrator's) systems and other applicable source documentation of Rental ULC (or the Administrator); and
- (iii) in respect of each September Settlement Period (see below) report only, the ownership permits of the Rental ULC Vehicles are in accordance with the Series 2010-2 Transaction Documents.

The written reports shall be delivered on the Remittance Date in November of each year and shall be prepared at the expense of Rental ULC in respect of two Settlement Periods in the 12 month period ending on the prior September 30, one of which shall always be the September Settlement Period and the other of which shall be a Settlement Period selected by the Series 2010-2 Noteholders, *provided that* in respect of the period from the Closing Date to September 30, 2010, the written report shall only be delivered in respect of the September, 2010 Settlement Period and such written report shall be delivered by December 31, 2010.

(h) Indenture Trustee Notices

A copy of all notices and reports delivered to the Indenture Trustee under the Series 2010-2 Transaction Documents as they relate to the Series 2010-2 Notes or the Rental ULC Vehicles shall be promptly delivered by Rental ULC to each Series 2010-2 Noteholder.

5.5 Fleet Composition

- (a) Rental ULC shall ensure that at all times the average Original Book Value of the Rental ULC Vehicles is not more than \$40,000.
- (b) In buying Vehicles for Rental ULC, other than pursuant to the Funding/Rental Assignment Agreement, Rental ULC shall (i) buy only Vehicles produced by Manufacturers and only of the Model Year corresponding to the current Purchasing Year or the two Model Years prior to the current Purchasing Year; (ii) buy Vehicles only from (A) Approved Dealers or Manufacturers, or (B) Avis or Budget System Members or Avis or Budget pursuant to a Licensee Vehicle Assignment Agreement where each of the conditions precedent in Schedule "C" hereto is satisfied and, in the case of Used Vehicles only, (C) any nationally recognized automobile auction company ("**Auction Company**") in the United States or Canada that is approved to sell Vehicles for Manufacturers, and (D) General Motors Acceptance Corporation of Canada, Limited or any finance company affiliated with a Manufacturer ("**Approved Finance Company**"); (iii) in the case of Vehicles (other than Used Vehicles), buy from Manufacturers and Approved Dealers only and only against a Manufacturer's invoice; (iv) buy from Avis or Budget System Members or Avis or Budget pursuant to a Licensee Vehicle Assignment Agreement only Vehicles that were new Vehicles when purchased by the relevant licensee or that were Used Vehicles purchased by such licensee from an Auction Company or an Approved Finance Company and that have had no other intermediate owners (except for Avis or Budget or Affiliates of the relevant Avis or Budget System Member) and in respect of which the Manufacturer's invoice of the relevant licensee is delivered; (v) buy Vehicles for a purchase price that is (A) in the case of Program Vehicles, equal to the depreciated value ascribed to each Vehicle as at the date of such purchase pursuant to the applicable Repurchase Agreement, with a reasonable allowance for age, mileage and damage to such Vehicle, and (B) in the case of Non-Program Vehicles, the fair market value of each Vehicle (which in the case of Vehicles purchased from Avis or Budget System Members or Avis or Budget or pursuant to a Licensee Vehicle Assignment Agreement shall approximate the original cash purchase price paid by the relevant Avis or Budget System Member or Avis or Budget, as applicable, for such Vehicle less depreciation at a rate in accordance with Canadian GAAP but in no event less than 2% per month applied on a straight line basis, with a reasonable allowance for age, mileage and damage to such Vehicle); and (vi) ensure that, subject to Section 2.5 of the Funding/Rental Purchase Agreement, the title to all Vehicles bought for Rental ULC is registered in the name of Rental ULC.

5.6 Other Obligations

- (a) Without the consent of the Series 2010-2 Noteholders and satisfaction of the Rating Agency Condition:
- (i) Rental ULC shall not issue any additional Series or Class of Notes, notwithstanding Section 3.10(b) of the Trust Indenture; or
 - (ii) Rental ULC shall not incur any liabilities or enter into any obligations, other than those arising under or contemplated by this Indenture Supplement or the other Transaction Documents and/or any other Contract contemplated hereby or thereby or those arising in the normal course of the business of Rental ULC, respectively.
- (b) In connection with the preparation of its financial statements, Rental ULC shall notify the Indenture Trustee (x) as to which clause of the definition of Canadian GAAP is applicable, and (y) from time to time, of any change as to which clause of the definition of Canadian GAAP is applicable.
- (c) Notwithstanding Sections 10.2(a), 10.3, or 10.11 of the Indenture and Sections 5.2, 5.3, or 5.11 of the Funding LP Security Agreement, if an Event of Default occurs and is continuing, other than a Specified Default occurring under a Series of Notes not issued on the date hereof and which Specified Default has been waived in accordance with Section 10.22 of the Indenture or Section 5.22 of the Funding LP Security Agreement, as applicable, any Series 2010-2 Noteholder may declare the obligations specified in Section 10.2(a) of the Indenture and Section 5.2 of the Funding LP Security Agreement due and enforceable, and give Enforcement Instructions.

- (d) No additional Manufacturer shall be added as an Eligible Manufacturer under the Indenture without the consent of the Series 2010-2 Noteholders.
- (e) Neither Funding LP nor Rental ULC shall agree to any amendment to the Indenture, this Indenture Supplement, the Master Vehicle Lease Agreement, the Administration Agreement, the Liquidation Agent Agreement, the Back-up Administration Agreement, the Funding LP Security Agreement or the Funding LP Partnership Agreement without the consent of the Series 2010-2 Noteholders; *provided that*, in respect of any material amendments agreed to by the Series 2010-2 Noteholders, Funding LP or Rental ULC, as applicable, shall provide prior written notice to the Rating Agencies.
- (f) The Indenture Trustee shall promptly, upon becoming aware thereof, notify the Series 2010-2 Noteholders of any default of any party under any of the Transaction Documents.

5.7 Distributions

Rental ULC shall not make any Distributions to Funding LP other than Distributions funded solely out of Unrestricted Funds.

ARTICLE 6 AMORTIZATION OF NOTES

6.1 Early Amortization Events

Each of the following events will be an Early Amortization Event with respect to the Series 2010-2 Notes:

- (a) if the Series 2010-2 Required Vehicle Collateral Amount exceeds the Series 2010-2 Allocation Percentage of the Series 2010-2 Aggregate Vehicle Collateral Amount after giving effect to the settlements on any Remittance Date;
- (b) the breach of the covenant contained in subsection 5.5(a), which breach continues for five Business Days after a Settlement Date;
- (c) the inaccuracy when made of a representation or warranty of Rental ULC, Avis, Budget, or Funding LP, as applicable, herein or in any other Transaction Document which inaccuracy is reasonably likely to have a Material Adverse Effect in respect of Rental ULC or Funding LP, provided that if such inaccuracy is capable of being remedied, then it shall not constitute a Series 2010-2 Early Amortization Event unless it remains unremedied for five Business Days after receipt of written notice from the Indenture Trustee or a Series 2010-2 Noteholder;

- (d) the occurrence of a material adverse change since the date hereof in the financial condition or operations of Rental ULC, Avis, Budget, or Funding LP which, in the opinion of a Series 2010-2 Noteholder, and which opinion has been communicated in writing to Rental ULC, Avis and Budget and the other Series 2010-2 Noteholders, could reasonably be expected to result in Rental ULC, Funding LP, Avis or Budget (i) being unable to satisfy its obligations hereunder or under the other Transaction Documents to which it is party; or (ii) becoming subject to an Insolvency Event;
- (e) Avis or Budget failing to pay when due any obligation (the “underlying obligation”) for a sum certain in excess of \$2,000,000 and such failure continuing for three Business Days after (i) written notice to Avis or Budget, as applicable, from the party to whom the underlying obligation is owed if there is no grace period applicable to the underlying obligation; or (ii) the expiry of any grace period applicable to the underlying obligation;
- (f) the occurrence of an event resulting in the early amortization of any other Series of Notes issued on the date hereof, or any Outstanding Series or Class of Notes which provide for Notes which may have advances, repayments and readvances so that the principal amount of such Notes may vary from time to time similar to the Series 2010-2 Notes;
- (g) the occurrence of an “Event of Default” as such term is defined in the U.S. Avis Corporate Credit Facility, whether or not waived;
- (h) the occurrence of an Event of Default;
- (i) (x) Avis Budget Group, Inc. shall at any time cease to own or control, directly or indirectly, greater than 50% of the voting shares of Avis Budget Car Rental Canada ULC, Avis or Budget or (y) either Rental ULC or Funding LP is no longer indirectly wholly-owned by the Parent;
- (j) an early termination date occurs under the Series 2010-2 Hedging Transaction; provided that if such early termination date occurs other than as a result of Rental ULC being the sole defaulted party, an Early Amortization Event shall not occur unless the Series 2010-2 Hedging Transaction is not replaced within 30 days of such early termination date;
- (k) at any time the LC and Cash Collateral Amount is less than the Required LC and Cash Collateral Amount; or (ii) Rental ULC shall fail to comply with Section 5.2(a) within the time periods provided for in Section 5.2(a) (or, if no time period is provided in Section 5.2(a)) for such event or occurrence, within 15 Business Days after Rental ULC has received written notice from a Series 2010-2 Noteholder of such event or occurrence);

- (l) the downgrade of the rating of the Series 2010-2 Notes by DBRS to a rating less than AAA, or the downgrade of the rating of the Series 2010-2 Notes by Moody's to a rating less than Aa3, or the withdrawal of either such rating; or
- (m) the downgrade or withdrawal by any Rating Agency of the rating of the commercial paper issued by any Series 2010-2 Noteholder to fund its investment in the Series 2010-2 Notes held by it, and such downgrade or withdrawal is as a result of or related to holding of a Series 2010-2 Note by the Series 2010-2 Noteholder.

6.2 Series 2010-2 Amortization Period

- (a) If a Series 2010-2 Early Amortization Event shall occur, any Series 2010-2 Noteholder may, by notice to Rental ULC,
 - (i) declare that the Series 2010-2 Amortization Period shall commence; and
 - (ii) direct the Indenture Trustee to draw down on a Letter of Credit in whole or in part or withdraw all or a portion of the funds from the Cash Collateral Accounts and apply such funds to pay (x) any unpaid Series 2010-2 Interest Amounts owing pursuant to Sections 4.2(b)(iii), 4.2(c)(iv) or 4.3(b)(iv), if any, and (y) transfer the balance of such funds, if any, to the Series 2010-2 Vehicle Account for the repayment of the Series 2010-2 Notes.
- (b) If a Series 2010-2 Early Amortization Event occurs under Section 6.1(a), the Series 2010-2 Amortization Period will commence on such Remittance Date and settlements on such Remittance Date shall be completed on the basis that such Remittance Date occurs during the Series 2010-2 Amortization Period.

6.3 Additional Event of Default

Each of the following events will be an additional Event of Default under the Indenture:

- (a) on any Remittance Date during the Series 2010-2 Amortization Period, Rental ULC shall fail to make a principal payment in respect of the Series 2010-2 Notes pursuant to Section 4.3(b)(ii) in an amount equal to or greater than one sixth of the Series 2010-2 Principal Balance on the first day of the Series 2010-2 Amortization Period;
- (b) the occurrence of an "Event of Default" as such term is defined in the Parent Guarantee;

(c) the occurrence of a Specified Default in respect of any other Series of Notes issued on the date hereof, whether or not waived.

ARTICLE 7

GENERAL

7.1 Obligations of Rental ULC

Nothing contained in this Indenture Supplement shall in any way modify or relieve Rental ULC from its obligations to carry out its covenants contained in the Indenture.

7.2 Acceptance

The Indenture Trustee hereby accepts the trust in this Indenture Supplement declared and provided for and agrees to perform the same on the terms and conditions herein set forth.

7.3 Formal Date

For purpose of convenience, this Indenture Supplement may be referred to as bearing a formal date of August 26, 2010, irrespective of the actual date of its execution.

7.4 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Indenture Supplement.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture Supplement to be duly executed as of the day and year first above written.

WTH CAR RENTAL ULC

By: /s/ David Calabria

Name: David Calabria

Title: Assistant Treasurer

Name:

Title:

**BNY TRUST COMPANY
OF CANADA,**

as Indenture Trustee and not in
its individual capacity

By:

/s/ Patricia Benjamin

Name: Patricia Benjamin

Title: Authorized Officer

Name:

Title:

SERIES 2010-3

INDENTURE SUPPLEMENT

Dated as of August 26, 2010

to

INDENTURE

Dated as of August 26, 2010

WTH FUNDING LIMITED PARTNERSHIP

as Administrator

- and -

WTH CAR RENTAL ULC

as Rental ULC

- and -

BNY TRUST COMPANY OF CANADA

as Indenture Trustee

TABLE OF CONTENTS

ARTICLE 1 Definitions and Other Provisions of General Application	1
1.1 Definitions	1
1.2 Governing Law	12
1.3 Counterparts	13
1.4 Ratification of Indenture	13
ARTICLE 2 The SERIES 2010-3 Notes	13
2.1 Creation and Designation	13
2.2 Form of Delivery	13
2.3 Delivery and Payment	13
2.4 Application of Proceeds	13
ARTICLE 3 Series 2010-3 Rental ULC Accounts AND INVESTMENTS	14
3.1 Accounts	14
ARTICLE 4 Allocations, Deposits and Payments	15
4.1 Ordinary Course Withdrawals and Hedge Receipts	15
4.2 Application of Amounts Deposited to Series 2010-3 Rental Account	15
4.3 Application of Amounts Deposited to Series 2010-3 Vehicle Account	19
4.4 Payments to Noteholders	21
4.5 Computation of Interest	22
4.6 Increase in Series 2010-3 Principal Balance	22
4.7 Optional Redemption of Series 2010-3 Notes	23
4.8 Interim Principal Payments	24
4.9 Unrestricted Funds	24
ARTICLE 5 COVENANTS	24
5.1 Program Negotiation Vehicles	24
5.2 Letter of Credit	25
5.3 Hedging Transactions	27
5.4 Reporting	27
5.5 Fleet Composition	29
5.6 Other Obligations	30
5.7 Distributions	31
ARTICLE 6 AMORTIZATION of Notes	31
6.1 Early Amortization Events	31
6.2 Series 2010-3 Amortization Period	33
6.3 Additional Event of Default	33
ARTICLE 7 GENERAL	34
7.1 Obligations of Rental ULC	34
7.2 Acceptance	34
7.3 Formal Date	34
7.4 Delivery of Executed Copies	34

SCHEDULE "A" FORM OF FLEET REPORT

SCHEDULE "B" FORM OF SETTLEMENT REPORT

SCHEDULE "C" CONDITIONS PRECEDENT FOR PURCHASE OF LICENSEE VEHICLES

EXHIBIT "A-1" FORM OF SERIES 2010-3 WTH CAR RENTAL ULC ASSET BACKED NOTE

This **SERIES 2010-3 INDENTURE SUPPLEMENT** (this “**Indenture Supplement**”), by and between **WTH FUNDING LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario (“**Administrator**”), **WTH CAR RENTAL ULC**, an unlimited liability company formed under the laws of Alberta (“**Rental ULC**”), and **BNY TRUST COMPANY OF CANADA**, a trust company incorporated under the laws of Canada, in its capacity as indenture trustee under the Indenture (in such capacity, together with its successors and permitted assigns in such capacity, the “**Indenture Trustee**”), is made and entered into as of August 26, 2010.

Pursuant to this Indenture Supplement, Rental ULC shall create a new Series of Notes and shall specify the Principal Terms thereof.

ARTICLE 1 DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.1 Definitions

Terms used herein which are defined in the Indenture, either directly or by reference therein, have the meanings assigned to them in the Indenture unless otherwise defined herein. In this Indenture Supplement:

“**Amortization Incremental Interest Amount**” means, on any date of determination, the portion of the Series 2010-3 Interest Amount attributable to an increase in the Program Fee Rate above the Specified Limit upon the occurrence of a Series 2010-3 Early Amortization Event that has not been waived.

“**Avis**” means Aviscar Inc., a corporation incorporated under the laws of Canada, and its successors and permitted assigns.

“**Avis or Budget System Member**” means a licensee of Avis or Budget or one of the Affiliates of Avis or Budget authorized to operate its own rental vehicle business in Canada under the “**Avis**” or “**Budget**” name.

“**Budget**” means Budgetcar Inc., a corporation incorporated under the laws of Canada, and its successors and permitted assigns.

“**Cash Collateral Accounts**” has the meaning ascribed thereto in Section 3.1(c).

“**Cash Collateral (CAD) Account**” has the meaning ascribed thereto in Section 3.1(c).

“**Cash Collateral (USD) Account**” has the meaning ascribed thereto in Section 3.1(c).

“**DBRS Adjusted Total Required Vehicle Collateral Amount**” means, at any time,

(a) the DBRS Total Required Vehicle Collateral Amount,

plus

(b) the Series 2010-3 Incremental Enhancement Amount,

minus

(c) the DBRS Total Receivables Value multiplied by the Series 2010-3 Principal Balance and divided by the Aggregate Outstanding Principal Amount,

minus

(d) the LC and Cash Collateral Amount.

“DBRS Group Receivables Value” means at any time in respect of a group of Vehicle Receivables having a common DBRS Vehicle Receivable Enhancement Percentage (and excluding, for greater certainty, any Vehicle Receivables for which there is no applicable DBRS Vehicle Receivable Enhancement Percentage), the quotient of (x) the aggregate Current Book Value of such Vehicle Receivables at such time divided by (y) the sum of one (1) plus the DBRS Vehicle Receivable Enhancement Percentage applicable to such Vehicle Receivables.

“DBRS Group Required Vehicle Collateral Amount” means at any time:

(a) in respect of each group of Program Vehicles having a common DBRS Program Vehicle Enhancement Percentage, the product of (x) the Series 2010-3 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Program Vehicles at such time (other than any Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) the sum of one (1) plus the DBRS Program Vehicle Enhancement Percentage applicable to such Program Vehicles; and

(b) in respect of each group of Non-Program Vehicles having a common DBRS Non-Program Vehicle Enhancement Percentage, the product of (x) the Series 2010-3 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Non-Program Vehicles at such time (other than any Non-Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Non-Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) the sum of one (1) plus the DBRS Non-Program Vehicle Enhancement Percentage applicable to such Non-Program Vehicles.

“DBRS Non-Program Vehicle Enhancement Percentage” means in respect of Non-Program Vehicles manufactured by a particular Manufacturer at any time:

- (a) 45.97%, where (i) at such time, the highest of the Non-Program Vehicle Loss Percentages as determined on the six most recently completed Settlement Dates is less than or equal to 1.0%; and (ii) no Manufacturer Event of Bankruptcy has occurred and is continuing in respect of such Manufacturer;
- (b) 59.39%, where (i) at such time, the highest of the Non-Program Vehicle Loss Percentages as determined on the six most recently completed Settlement Dates is greater than 1.0%; or (ii) a Manufacturer Event of Bankruptcy has occurred and is continuing in respect of such Manufacturer and such Manufacturer is not a Non-Performing Manufacturer; and
- (c) 67.39%, where a Manufacturer Event of Bankruptcy has occurred and is continuing in respect of such Manufacturer and such Manufacturer is a Non-Performing Manufacturer.

“DBRS Program Vehicle Enhancement Percentage” means, in respect of an Eligible Manufacturer of Program Vehicles at any time, (a) if such Eligible Manufacturer's unsecured long-term debt rating by DBRS at such time is (i) BBB or higher, 27%; (ii) BBB (low), 31.16%; (iii) BB (high), 35.61%; (iv) BB, 40.37%; and (v) BB (low) or lower or is unrated by DBRS, (1) with respect to the portion of the aggregate Current Book Value of the Program Vehicles manufactured by such Eligible Manufacturer that represents up to and including 33% of the aggregate Current Book Value of all Program Vehicles, 45.48%; and (2) with respect to the portion of the aggregate Current Book Value of the Program Vehicles of such Eligible Manufacturer representing greater than 33% of the aggregate Current Book Value of all Program Vehicles, 52.11%; or (b) if a Manufacturer Event of Bankruptcy has occurred in respect of such Eligible Manufacturer and is continuing, and (i) such Eligible Manufacturer is not a Non-Performing Manufacturer, 59.39%, or (ii) such Eligible Manufacturer is a Non-Performing Manufacturer, 67.39%.

“DBRS Total Receivables Value” means at any time the sum of the DBRS Group Receivables Values for all Vehicle Receivables at such time.

“DBRS Total Required Vehicle Collateral Amount” means at any time the sum of the DBRS Group Required Vehicle Collateral Amounts for all Rental ULC Vehicles at such time.

“DBRS Vehicle Receivable Enhancement Percentage” means, if the related Manufacturer, Approved Dealer, auction house or other Person who is the debtor of the related Vehicle Receivable has a long-term unsecured debt rating by DBRS at such time of (a) BBB or higher, 27%; (b) BBB (low), 31.16%; (c) BB (high), 566.67%; (d) BB, 630.59%; (e) BB (low) or lower or is unrated by DBRS, 708.08%.

“Eligible Hedge Counterparty” means a Hedge Counterparty (x) having a long-term unsecured debt rating of at least A (high) or a short-term unsecured debt rating of at least R-1(middle) from DBRS or otherwise satisfying the Rating Agency Condition in respect of DBRS, (y) if rated by Moody's, having a long-term unsecured debt rating of at least A1, and (z) if rated by S&P, having a long-term unsecured debt rating of at least A+, or such lower rating as the Rating Agency Condition may be satisfied in respect of.

“Equivalent Amount” on any given date in one currency (the **“first currency”**) of any amount denominated in another currency (the **“second currency”**) means the amount of the first currency which could be purchased with such amount of the second currency at the equivalent selling rate for commercial banks trading in Canadian dollars as published in the Wall Street Journal on the Business Day prior to such date.

“Estimation Rent Payment Date” has the meaning given to it in the Master Vehicle Lease Agreement.

“Estimation Report” has the meaning given to it in the Master Vehicle Lease Agreement.

“Estimation Reserve” has the meaning given to it in the Master Vehicle Lease Agreement.

“Excess Automobile, Minivan and Sport Utility Vehicle OBV Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are automobiles, minivans and sport utility vehicles, each with an Original Book Value greater than \$90,000, is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Box Truck Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are box trucks is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 10% as of such date.

“Excess Hyundai Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by Hyundai is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 25% as of such date.

“Excess Kia Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by Kia is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 10% as of such date.

“Excess Mazda Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by Mazda is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 10% as of such date.

“Excess Mileage Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Used Vehicles with mileage of more than 90,000 kilometres is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Non-Program (36 month) Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Non-Program Vehicles (other than trucks) greater than 36 months old is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Non-Program Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Non-Program Vehicles is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 75% as of such date.

“Excess Other Manufacturer Aggregate Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of all Rental ULC Vehicles manufactured by Manufacturers other than Chrysler, Ford, General Motors, any other Eligible Manufacturer, Hyundai, Kia, Mazda, Nissan or Toyota is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 12.5% as of such date.

“Excess Other Manufacturer Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles manufactured by any one Manufacturer other than Chrysler, Ford, General Motors, any other Eligible Manufacturer, Hyundai, Kia, Mazda, Nissan or Toyota is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 5% as of such date.

“Excess Service Vehicle Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Service Vehicles is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 1% as of such date.

“Excess Trucks, Vans, and Service Vehicles OBV Percentage” means, on any date, the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are trucks, vans, and Service Vehicles, each with an Original Book Value greater than \$115,000, is of the aggregate Current Book Value of all Rental ULC Vehicles as of such date.

“Excess Used Vehicle Percentage” means, on any date, a percentage equal to the amount, if any, by which (x) the fraction (expressed as a percentage) which the aggregate Current Book Value of Rental ULC Vehicles that are Used Vehicles is of the aggregate Current Book Value of all Rental ULC Vehicles, exceeds (y) 5% as of such date.

“Fee Letter” has, in respect of each Series 2010-3 Noteholder and a Remittance Date and the related Remittance Period, the meaning given to it in the related Note Purchase Agreement.

“**Fleet Report**” means a monthly report provided by the Administrator concerning Rental ULC Vehicles substantially in the form of Schedule “A.”

“**Increase Date**” has the meaning giving to it in Section 4.6(a).

“**Indenture**” means the Trust Indenture, dated as of the date hereof, between Rental ULC and the Indenture Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**LC and Cash Collateral Amount**” means, on any date, the aggregate amount available to be drawn on such date under the Letter of Credit, as specified therein, plus the aggregate of the amount on deposit in the Cash Collateral (CAD) Account and 92.5% of the Canadian dollar Equivalent Amount of the amount on deposit in the Cash Collateral (USD) Account on such date.

“**L/C Provider**” means JPMorgan Chase Bank, N.A., Bank of Montreal, The Bank of Nova Scotia or such other provider(s) as may be approved by the Series 2010-3 Noteholders and in respect of which the Rating Agency Condition has been satisfied.

“**Lease Default**” has the meaning given to it in the Master Vehicle Lease Agreement.

“**Letter of Credit**” means an irrevocable letter of credit issued by an L/C Provider for the benefit of the Series 2010-3 Noteholders and delivered to the Indenture Trustee on behalf of the Series 2010-3 Noteholders from time to time pursuant to the terms hereof and, for greater certainty, excludes any Letter of Credit that has expired pursuant to Section 5.2(a)(i), been terminated pursuant to Section 5.2(a)(ii) or in respect of which the related L/C Provider has been downgraded as provided for under Section 5.2(a)(iii) or the second last paragraph of Section 5.2(a), in each case, such exclusion only applies immediately after actions have been taken, in all cases, pursuant to Sections 5.2(a)(iv), 5.2(a)(v) or the second last paragraph of Section 5.2(a).

“**Licensee Vehicle Assignment Agreement**” means, where the vendor is Avis or Budget, an agreement to be entered into between Rental ULC and Avis or Budget, as applicable, in a form satisfactory to the Series 2010-3 Noteholders acting reasonably with such modifications in respect of which the Rating Agency Condition has been satisfied, and where the vendor is an Avis or Budget System Member, an agreement to be entered into between Rental ULC and such Avis or Budget System Member in a form satisfactory to the Series 2010-3 Noteholders acting reasonably, with such modifications in respect of which the Rating Agency Condition has been satisfied.

“**Licensee Vehicles**” means any Vehicles owned by (a) Avis or Budget System Members; or (b) Avis or Budget where such Vehicles have been acquired, directly or indirectly, by Avis or Budget from Avis or Budget System Members.

“**Maximum Note Purchaser Available Amount**” has the meaning given to it in the Note Purchase Agreement.

“Moody’s Adjusted Total Required Vehicle Collateral Amount” means, at any time,

(a) the Moody’s Total Required Vehicle Collateral Amount,

plus

(b) the Series 2010-3 Incremental Enhancement Amount,

minus

(c) the LC and Cash Collateral Amount.

“Moody’s Total Required Vehicle Collateral Amount” means at any time, the sum of:

(a) in respect of all Program Vehicles the product of (x) the Series 2010-3 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Program Vehicles at such time (other than any Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) 1.65,

plus

(b) in respect of all Non-Program Vehicles the product of (x) the Series 2010-3 Principal Balance at such time, multiplied by (y) the percentage which the aggregate Current Book Value of such Non-Program Vehicles at such time (other than any Non-Program Vehicle in respect of which a Vehicle Receivable is outstanding and after deducting from such aggregate Current Book Value the aggregate amounts owing to the applicable Manufacturer or dealer by Rental ULC or Funding LP in respect of such Non-Program Vehicles on such date) is of the aggregate Current Book Value of all Rental ULC Vehicles, multiplied by (z) the sum of one (1) plus the Moody’s Non-Program Vehicle Enhancement Percentage applicable to Non-Program Vehicles.

“Moody’s Non-Program Vehicle Enhancement Percentage” means, on any date, 52% plus the amount (expressed as a percentage), if any, by which (i) the highest Non-Program Vehicle Loss Percentage calculated in respect of the last six (6) Settlement Dates, exceeds (ii) 1%.

“Non-Program Vehicle Loss Percentage” means a fraction, expressed as a percentage, calculated on each Settlement Date, equal to:

(a) the amount, if any, by which (i) the aggregate Current Book Value (as determined at the time of disposition) of all Non-Program Vehicles disposed of during the three most recently completed Settlement Periods prior to such Settlement Date (or such greater number of Settlement Periods as may be necessary such that the aggregate Proceeds of Disposition of Non-Program Vehicles disposed of during such time period is not less than \$6,000,000); exceeds (ii) the aggregate Proceeds of Disposition of such Non-Program Vehicles;

divided by

(b) the amount determined in clause (a)(i) above.

“Note Purchase Agreement” means the note purchase agreement dated as of the date hereof between Funding LP, Avis, Budget, Rental ULC and the Series 2010-3 Noteholder, as the same may be amended, restated, supplemented or modified from time to time.

“Parent Guarantee” means the guarantee dated as of the date hereof made by the Parent in favour of the Indenture Trustee, on behalf of itself and the Series 2010-3 Noteholders, pursuant to which the Parent has guaranteed, among other things, certain of the non-monetary obligations of Avis, Budget, and Funding LP under the Series 2010-3 Transaction Documents, as the same may be amended or restated from time to time with the consent of the Series 2010-3 Noteholders.

“Proceeds of Disposition Series Required Amount” means, in respect of the Series 2010-3 Notes:

- (a) on each Remittance Date during the Series 2010-3 Revolving Period, an amount equal to the aggregate of the amounts referred to in Sections 4.3(a)(i) through 4.3(a)(iii) for such Remittance Date,
- (b) on each Remittance Date during the Series 2010-3 Amortization Period, an amount equal to the aggregate of the amounts referred to in Section 4.3(b)(i) through (iv) for such Remittance Date, and
- (c) on each Remittance Date during the Series 2010-3 Enforcement Period, an amount equal to the aggregate of the amounts referred to in Section 4.3(c)(i) through (viii) for such Remittance Date.

“Program Fee Rate” has, in respect of each Series 2010-3 Noteholder and a Remittance Date and the related Remittance Period, the meaning given to it in the related Fee Letter;

“Program Negotiation Vehicles” has the meaning given to it in Section 5.1(a).

“Rating Agencies” means, with respect to the Series 2010-3 Notes, DBRS, Moody’s, and any other rating agency designated by a Series 2010-3 Noteholder to rate its commercial paper.

“Rating Agency Condition” means a condition which is satisfied in respect of any proposed action and the Series 2010-3 Notes when:

- (a) DBRS notifies each of the Series 2010-3 Noteholders in writing that such proposed action will not result in the downgrade or withdrawal of its rating of the Series 2010-3 Notes; and
- (b) Rental ULC, or the Administrator on its behalf, has given 10 Business Days' prior written notice to Moody's of such proposed action and Moody's has not notified the Series 2010-3 Noteholders in writing that such action will result in the downgrade or withdrawal of its rating of the Series 2010-3 Notes or, if rated by Moody's, the commercial paper issued by such Noteholders to fund its investment in the Series 2010-3 Notes held by it.

"Required LC and Cash Collateral Amount" means, at any time, an amount equal to 5.875% of the Series 2010-3 Principal Balance at such time.

"Series 2010-3 Aggregate Vehicle Collateral Amount" means, at any time, the excess, if any, of (a) the Aggregate Vehicle Collateral Amount at such time over (b) the aggregate of all amounts included in Aggregate Vehicle Collateral Amount pursuant to clause (c) of the definition thereof.

"Series 2010-3 Allocation Percentage" means the Series Allocation Percentage in respect of the Series 2010-3 Notes.

"Series 2010-3 Amortization Period" means the period beginning at the earlier of (a) the Commitment Termination Date (as defined in the Note Purchase Agreement); (b) the date of an Event of Default under Section 10.1(e) of the Indenture, (c) the Remittance Date referred to in Section 6.2(b), or (d) the date specified in a written notice delivered to Rental ULC pursuant to Section 6.2(a)(i) following the occurrence of any other Series 2010-3 Early Amortization Event, and ending on the earlier of (x) the Series 2010-3 Final Payment Date, and (y) the commencement of a Series 2010-3 Enforcement Period.

"Series 2010-3 Closing Date" means August 26, 2010.

"Series 2010-3 Early Amortization Event" means the occurrence of any of the events specified in Section 6.1 of this Indenture Supplement.

"Series 2010-3 Enforcement Period" means the period beginning on the date the Indenture Trustee commences any enforcement actions under Section 10.3 of the Indenture or Section 5.3 of the Funding LP Security Agreement, and ending on the Series 2010-3 Final Payment Date, which period shall be the "Enforcement Period" for the Series 2010-3 Notes under the Indenture.

"Series 2010-3 Final Maturity Date" means the earlier of (a) the 7th Remittance Date after the commencement of the Series 2010-3 Amortization Period; and (b) the commencement of the Series 2010-3 Enforcement Period.

“Series 2010-3 Final Payment Date” means the first Payment Date, not occurring during the Series 2010-3 Revolving Period, on which all principal, interest, fees and other amounts owing to the Series 2010-3 Noteholders has been paid in full.

“Series 2010-3 Hedge Counterparty” means a counterparty under a Series 2010-3 Hedging Transaction.

“Series 2010-3 Hedge Receipts” means all net amounts paid to Rental ULC under Series 2010-3 Hedging Transactions, including amounts as a result of the termination of all or a portion of a Series 2010-3 Hedging Transaction.

“Series 2010-3 Hedging Transaction” means a Hedging Transaction entered into by Rental ULC and a Hedge Counterparty relating to the Series 2010-3 Notes in accordance with Section 5.3.

“Series 2010-3 Increase Amount” has the meaning ascribed thereto in Section 4.6(a).

“Series 2010-3 Incremental Enhancement Amount” means, as of any date of determination, the sum, without duplication, of:

- (a) the Excess Automobile, Minivan and Sport Utility Vehicle OBV Percentage of the Series 2010-3 Principal Balance;
- (b) the Excess Box Truck Percentage of the Series 2010-3 Principal Balance;
- (c) the Excess Hyundai Percentage of the Series 2010-3 Principal Balance;
- (d) the Excess Kia Percentage of the Series 2010-3 Principal Balance;
- (e) the Excess Mazda Percentage of the Series 2010-3 Principal Balance;
- (f) the Excess Mileage Percentage of the Series 2010-3 Principal Balance;
- (g) the Excess Non-Program (36 month) Percentage of the Series 2010-3 Principal Balance;
- (h) the Excess Non-Program Percentage of the Series 2010-3 Principal Balance;
- (i) the Excess Other Manufacturer Aggregate Percentage of the Series 2010-3 Principal Balance;
- (j) the Excess Other Manufacturer Percentage of the Series 2010-3 Principal Balance;
- (k) the Excess Service Vehicle Percentage of the Series 2010-3 Principal Balance;
- (l) the Excess Trucks, Vans, and Service Vehicles OBV Percentage of the Series 2010-3 Principal Balance; and

(m) the Excess Used Vehicle Percentage of the 2010-3 Principal Balance;

“**Series 2010-3 Initial Principal Balance**” means \$0.

“**Series 2010-3 Interest Amount**” means, in respect of each Series 2010-3 Noteholder and a Remittance Date and the related Remittance Period, the amount of interest payable to such Series 2010-3 Noteholder determined in accordance with the Note Purchase Agreement.

“**Series 2010-3 Noteholder**” means each Person in whose name a Series 2010-3 Note is registered in the Note Register.

“**Series 2010-3 Notes**” means the WTH Car Rental ULC Asset Backed Notes, Series 2010-3, substantially in the form of Exhibit A-1.

“**Series 2010-3 Principal Balance**” means, on any date of determination, an amount equal to (a) the Series 2010-3 Initial Principal Balance; minus (b) the aggregate amount of principal payments made to the Series 2010-3 Noteholders on or prior to such date; plus (c) the aggregate amount of increases to the Series 2010-3 Principal Balance as set forth in Section 4.6.

“**Series 2010-3 Rental Account**” has the meaning ascribed thereto in Section 3.1(a).

“**Series 2010-3 Rental ULC Expenses**” means, for any Remittance Date and the related Settlement Period, an amount equal to the product of (a) the Series 2010-3 Allocation Percentage determined on the prior Remittance Date and (b) the sum of (x) Rental ULC Expenses for the related Settlement Period plus (y) the amount of any Rental ULC Expenses previously due but not paid in respect of prior Settlement Periods.

“**Series 2010-3 Required Vehicle Collateral Amount**” means, as of any date of determination, in respect of the Series 2010-3 Notes, the greater of the DBRS Adjusted Total Required Vehicle Collateral Amount, and the Moody’s Adjusted Total Required Vehicle Collateral Amount, which amount shall be the “Series Required Vehicle Collateral Amount” for the Series 2010-3 Notes under the Indenture.

“**Series 2010-3 Revolving Period**” means the period beginning at the close of business on the Series 2010-3 Closing Date, and terminating at the earlier of (a) the commencement of a Series 2010-3 Amortization Period; or (b) the commencement of a Series 2010-3 Enforcement Period; which period shall be the “Revolving Period” for the Series 2010-3 Notes under the Indenture.

“**Series 2010-3 Transaction Documents**” means (a) the Indenture, the Master Vehicle Lease Agreement, the Administration Agreement, the Funding LP Partnership Agreement, the Funding LP Security Agreement, the Liquidation Agent Agreement, the Back-up Administration Agreement, the Funding/Rental Purchase Agreement, and the Account Control Agreement, and (b) this Indenture Supplement, the Note Purchase Agreement, the Fee Letter, and the Parent Guarantee, and each document listed in clause (b) of this definition shall also constitute a “**Transaction Document**” for purposes of the Indenture.

“**Series 2010-3 Vehicle Account**” has the meaning ascribed thereto in Section 3.1(b).

“**Series Cost of Funds Amount**” means, in respect of the Series 2010-3 Notes, a Remittance Period and the related Remittance Date, if such Remittance Date is during the Series 2010-3 Revolving Period, the aggregate of the amounts referred to in Sections 4.2(a)(iii) through (v), if such Remittance Date is during the Series 2010-3 Amortization Period, the aggregate of the amounts referred to in Sections 4.2(b)(iii) through (v), and if such Remittance Date is during the Series 2010-3 Enforcement Period, the aggregate of the amounts referred to in Section 4.2(c)(iv) through 4.2(c)(vi).

“**Settlement Report**” means a monthly report substantially in the form of Schedule “B” provided by the Administrator to the Indenture Trustee and the Series 2010-3 Noteholders pursuant to Section 5.4(b).

“**Specified Limit**” has the meaning given to it in the Fee Letter.

“**Supplemental Schedule**” has the meaning ascribed thereto in Section 5.4(f).

“**US Avis Corporate Credit Facility**” means the US credit agreement dated as of April 19, 2006, as amended December 23, 2008 and March 10, 2010, between, among others, the Parent, as borrower, the several lenders from time to time parties thereto, Bank of America, N.A., Credit Agricole Corporate & Investment Bank New York Branch, and Citicorp USA, Inc., collectively as documentation agents, Wachovia Bank, National Association, as co-documentation agent, Deutsche Bank Securities Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent.

“**Utilization Fee**” means, in respect of each Series 2010-3 Noteholder, the utilization fee payable to such noteholder pursuant to the Note Purchase Agreement and the related Fee Letter.

1.2 Governing Law

This Indenture Supplement shall be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to its conflict of law provisions and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

1.3 Counterparts

This Indenture Supplement may be executed in any number of counterparts and by facsimile, each of which so executed will be deemed to be an original, but all such counterparts will together constitute but one and the same instrument.

1.4 Ratification of Indenture

As supplemented by this Indenture Supplement, the Indenture is in all respects ratified and confirmed and the Indenture as so supplemented by this Indenture Supplement shall be read, taken and construed as one and the same instrument.

ARTICLE 2 THE SERIES 2010-3 NOTES

2.1 Creation and Designation

- (a) There is hereby created and designated a Series of Notes to be issued pursuant to the Indenture and this Indenture Supplement to be known as “WTH Car Rental ULC Asset Backed Notes, Series 2010-3” or the “Series 2010-3 Notes.” The Series 2010-3 Notes will be issued in only one class.
- (b) The Series 2010-3 Notes will not be subordinated to any other Series of Notes and shall constitute Senior Notes.
- (c) The “Stated Principal Amount” of the Series 2010-3 Notes shall be the Series 2010-3 Principal Balance.
- (d) The Series 2010-3 Notes shall be denominated in Dollars.

2.2 Form of Delivery

The Series 2010-3 Notes, upon original issuance, shall be delivered in registered form as provided in Section 3.1(g) of the Indenture and shall be definitive Notes.

2.3 Delivery and Payment

Rental ULC shall execute and deliver the Series 2010-3 Notes to the Indenture Trustee for authentication, and the Indenture Trustee shall deliver the Series 2010-3 Notes when authenticated, each in accordance with Section 3.3 of the Indenture.

2.4 Application of Proceeds

The proceeds received by Rental ULC upon the issuance of the Series 2010-3 Notes on the Series 2010-3 Closing Date shall be applied by Rental ULC to fund a Distribution to Funding LP.

ARTICLE 3 SERIES 2010-3 RENTAL ULC ACCOUNTS AND INVESTMENTS

3.1 Accounts

- (a) **Series 2010-3 Rental Account.** On or before the Series 2010-3 Closing Date, Rental ULC shall cause to be established and maintained a Qualified Account (the “**Series 2010-3 Rental Account**”) in the name of Rental ULC. The Series 2010-3 Rental Account shall initially be held at Bank of Montreal, having account number 0002-1624-533. The Series 2010-3 Rental Account shall be the Series Rental Account in respect of the Series 2010-3 Notes. The Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the Series 2010-3 Rental Account. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under the Indenture and the Security Interest granted by Rental ULC under the Indenture, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the Series 2010-3 Rental Account and in all proceeds thereof (including all income thereon).

- (b) **Series 2010-3 Vehicle Account.** On or before the Series 2010-3 Closing Date, Rental ULC shall cause to be established and maintained a Qualified Account (the “**Series 2010-3 Vehicle Account**”) in the name of Rental ULC. The Series 2010-3 Vehicle Account shall initially be held at Bank of Montreal, having account number 0002-1624-525. The Series 2010-3 Vehicle Account shall be the Series Vehicle Account in respect of the Series 2010-3 Notes. The Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the Series 2010-3 Vehicle Account. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under the Indenture and the Security Interest granted by Rental ULC under the Indenture, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the Series 2010-3 Vehicle Account and in all proceeds thereof (including all income thereon).
- (c) **Cash Collateral Accounts.** On or before the Series 2010-3 Closing Date, Rental ULC shall cause to be established and maintained a Canadian Dollar Qualified Account (the “**Cash Collateral (CAD) Account**”) in the name of Rental ULC and a United States dollar Qualified Account in the name of Rental ULC (the “**Cash Collateral (USD) Account**” and, together with the Cash Collateral (CAD) Account, the “**Cash Collateral Accounts.**”) The Cash Collateral (CAD) Account shall initially be held at Bank of Montreal, having account number 0002-1624-541, and the Cash Collateral (USD) Account shall initially be held at Bank of Montreal, having account number 0002-4697-518. The Cash Collateral Accounts shall be Series Accounts in respect of the Series 2010-3 Notes. Each Qualified Institution shall be required specifically to acknowledge that it has no right to set-off in respect of the Cash Collateral (CAD) Account or the Cash Collateral (USD) Account, as applicable. Rental ULC, subject to the rights of the Indenture Trustee hereunder and under the Indenture and the Security Interest granted by Rental ULC under the Indenture, shall possess all beneficial right, title and interest in all funds and investments on deposit from time to time in the Cash Collateral Accounts and in all proceeds thereof (including all income thereon).

ARTICLE 4

ALLOCATIONS, DEPOSITS AND PAYMENTS

4.1 Ordinary Course Withdrawals and Hedge Receipts

- (a) Rental ULC, or the Administrator on its behalf, shall be entitled from time to time to withdraw or apply funds on deposit in the Master Vehicle Account to the payment of the purchase price of the Vehicles being acquired by Rental ULC or to the payment of Interim Principal Payments or to the making of any Distribution or payment to any other Person, if (i) no Series 2010-3 Early Amortization Event shall have occurred and be continuing; and (ii) no such withdrawal or application will, with the giving of notice or lapse of time or both, cause a Series 2010-3 Early Amortization Event to occur.

(b) Rental ULC shall deposit, or cause to be deposited, all Series 2010-3 Hedge Receipts to the Series 2010-3 Rental Account.

4.2 Application of Amounts Deposited to Series 2010-3 Rental Account

- (a) On each Remittance Date during the Series 2010-3 Revolving Period, Rental ULC, or the Administrator on its behalf, shall distribute cash from the Series 2010-3 Rental Account (including all cash transferred from the Series 2010-3 Vehicle Account to the Series 2010-3 Rental Account on such Remittance Date pursuant to Section 4.3(a)(i) and all Series 2010-3 Hedge Receipts deposited pursuant to Section 4.1(b)) as follows and in the following priority:
- (i) first, the Series 2010-3 Allocation Percentage determined on the prior Remittance Date of any unpaid Indenture Trustee Fees and Expenses shall be paid to the Indenture Trustee provided that such fees and expenses shall not exceed \$20,000 in respect of any Remittance Date;
 - (ii) second, the Series 2010-3 Allocation Percentage determined on the prior Remittance Date of any unpaid Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses shall be paid to the Liquidation Agent and Back-up Administrator, respectively, provided that the aggregate of such fees and expenses shall not exceed \$10,000 in respect of any Remittance Date and if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the amounts owing;
 - (iii) third, to pay to each Series 2010-3 Noteholder, the aggregate of (x) the Series 2010-3 Interest Amount for such Series 2010-3 Noteholder for the related Remittance Period, plus (y) the amount (if any) representing the aggregate of the Series 2010-3 Interest Amount for such Series 2010-3 Noteholder for prior Remittance Periods not yet paid to such Series 2010-3 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-3 Notes held by the Series 2010-3 Noteholders;
 - (iv) fourth, to pay to each Series 2010-3 Noteholder its Utilization Fee for such Remittance Period, together with the amount (if any) representing the Utilization Fees in respect of prior Remittance Periods not yet paid to such Series 2010-3 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-3 Notes held by the Series 2010-3 Noteholders;

- (v) fifth, to pay to the Series 2010-3 Noteholders an amount equal to all other amounts, other than Series 2010-3 Interest Amounts, Utilization Fees and principal repayments, payable to the Series 2010-3 Noteholders under the Note Purchase Agreement or any other Series 2010-3 Transaction Document, together with the amount (if any) of such amounts in respect of prior Remittance Dates not yet paid to the Series 2010-3 Noteholders;
 - (vi) sixth, to release to Rental ULC an amount equal to the Series 2010-3 Rental ULC Expenses (excluding any Indenture Trustee Fees and Expenses paid under Section 4.2(a)(i) and any Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses paid under Section 4.2(a)(ii)) for the related Settlement Period which amount shall be applied by Rental ULC in the payment of Rental ULC Expenses or to reimburse Rental ULC with respect to such share of amounts paid on account of such Rental ULC Expenses, and any such amounts in respect of prior Remittance Dates which remain outstanding; and
 - (vii) last, any remaining balance will be released out of the Series 2010-3 Rental Account as Unrestricted Funds.
- (b) On each Remittance Date during a Series 2010-3 Amortization Period, Rental ULC or, subject to Section 2.2 of the Administration Agreement, the Administrator on its behalf, shall distribute cash from the Series 2010-3 Rental Account (including all cash transferred from the Series 2010-3 Vehicle Account to the Series 2010-3 Rental Account on such Remittance Date pursuant to Section 4.3(b)(i) and all Series 2010-3 Hedge Receipts deposited pursuant to Section 4.1(b)) as follows and in the following priority:
- (i) first, the Series 2010-3 Allocation Percentage determined on the prior Remittance Date of any unpaid Indenture Trustee Fees and Expenses shall be paid to the Indenture Trustee provided that such fees and expenses shall not exceed \$20,000 in respect of any Remittance Date;
 - (ii) second, the Series 2010-3 Allocation Percentage determined on the prior Remittance Date of any unpaid Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses shall be paid to the Liquidation Agent and Back-up Administrator, respectively, provided that the aggregate of such fees and expenses shall not exceed \$10,000 in respect of any Remittance Date and if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the amounts owing;

- (iii) third, to pay to each Series 2010-3 Noteholder the amounts referenced in Section 4.2(a)(iii) (other than any Amortization Incremental Interest Amount);
 - (iv) fourth, to pay to each Series 2010-3 Noteholder its Utilization Fee for such Remittance Period, together with the amount (if any) representing the Utilization Fees accrued during the Series 2010-3 Revolving Period not yet paid to such Series 2010-3 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-3 Notes held by the Series 2010-3 Noteholders;
 - (v) fifth, to pay to the Series 2010-3 Noteholders an amount equal to all other amounts, other than Series 2010-3 Interest Amounts, Utilization Fees and principal repayments, payable to the Series 2010-3 Noteholders under the Note Purchase Agreement or any other Series 2010-3 Transaction Document, together with the amount (if any) of such amounts in respect of prior Remittance Dates not yet paid to the Series 2010-3 Noteholders;
 - (vi) sixth, to release to Rental ULC an amount equal to the Series 2010-3 Rental ULC Expenses (excluding any Indenture Trustee Fees and Expenses paid under Section 4.2(b)(i) and any Liquidation Agent Fees and Expenses and Back-up Administrator Fees and Expenses paid under Section 4.2(b)(ii)) for the related Settlement Period which amount shall be applied by Rental ULC in the payment of Rental ULC Expenses or to reimburse Rental ULC with respect to such share of amounts paid on account of such Rental ULC Expenses, and any such amounts in respect of prior Remittance Dates which remain outstanding; and
 - (vii) last, if an Event of Default has occurred or would occur following the distributions on such Remittance Date pursuant to this Section 4.2 or Section 4.3, to transfer the balance of the Series 2010-3 Rental Account to the Series 2010-3 Vehicle Account and otherwise to transfer the balance out of the Series 2010-3 Rental Account as Unrestricted Funds.
- (c) On each Remittance Date during a Series 2010-3 Enforcement Period, the Indenture Trustee or other Paying Agent shall distribute cash from the Series 2010-3 Rental Account (including all Series 2010-3 Hedge Receipts deposited pursuant to Section 4.1(b)) as follows and in the following priority:
- (i) first, to pay the Series 2010-3 Allocation Percentage determined on the prior Remittance Date of the fees and expenses related to any enforcement proceedings under (x) Article 10 of the Indenture including the Liquidation Agent Fees and Expenses, and (y) Article 5 of the Funding LP Security Agreement to the extent not paid by Funding LP;

- (ii) second, without duplication of the amounts paid under Section 4.2(c)(i), to pay (x) the Series 2010-3 Allocation Percentage determined on the prior Remittance Date of the Indenture Trustee Fees and Expenses for the related Settlement Period, and (y) the Series 2010-3 Allocation Percentage determined on the prior Remittance Date of the amount of any fees and expenses of the Indenture Trustee due and payable pursuant to the Funding LP Security Agreement not paid by Funding LP;
- (iii) third, to pay the Series 2010-3 Allocation Percentage determined on the prior Remittance Date of the amount of any unpaid fees and expenses owing to any replacement Administrator (that is not an Affiliate of Rental ULC) appointed under the Administration Agreement;
- (iv) fourth, to pay to each Series 2010-3 Noteholder the amounts referenced in Section 4.2(a)(iii) (other than any Amortization Incremental Interest Amount);
- (v) fifth, to pay to each Series 2010-3 Noteholder its Utilization Fee for such Remittance Period, together with the amount (if any) representing the Utilization Fees accrued during the Series 2010-3 Revolving Period not yet paid to such Series 2010-3 Noteholder; provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-3 Notes held by the Series 2010-3 Noteholders;
- (vi) sixth, to pay to the Series 2010-3 Noteholders an amount equal to all other amounts, other than Series 2010-3 Interest Amounts, Utilization Fees and principal repayments, payable to the Series 2010-3 Noteholders under the Note Purchase Agreement or any other Series 2010-3 Transactions Document, together with the amount (if any) of such amounts in respect of prior Remittance Dates not yet paid to the Series 2010-3 Noteholders; and
- (vii) last, to transfer the balance of the Series 2010-3 Rental Account to the Series 2010-3 Vehicle Account.

4.3 Application of Amounts Deposited to Series 2010-3 Vehicle Account

- (a) On each Remittance Date during the Series 2010-3 Revolving Period, Rental ULC, or the Administrator on its behalf, shall distribute cash from the Series 2010-3 Vehicle Account as follows and in the following priority:
 - (i) first, if there are insufficient funds in the Series 2010-3 Rental Account to satisfy the payments to be made to the Series 2010-3 Noteholders, the Liquidation Agent, the Back-up Administrator, and the Indenture Trustee pursuant to Sections 4.2(a)(i) to (v), then any cash in the Series 2010-3 Vehicle Account up to the amount of the deficiency will be transferred to the Series 2010-3 Rental Account and used to make such payments;

- (ii) second, after the payments and applications under Section 4.3(a)(i), Rental ULC shall pay out of any remaining amounts, such amount to the Series 2010-3 Noteholders on account of principal repayment of the Series 2010-3 Notes, as will cause the Series 2010-3 Allocation Percentage of the Series 2010-3 Aggregate Vehicle Collateral Amount to equal the Series 2010-3 Required Vehicle Collateral Amount;
 - (iii) third, after the payments and applications under Sections 4.3(a)(i) and (ii), Rental ULC may pay out of any remaining amounts, such amount as it determines in its sole discretion to the Series 2010-3 Noteholders as an additional principal repayment of the Series 2010-3 Notes; and
 - (iv) last, if (A) no Series 2010-3 Early Amortization Event shall have occurred and not been waived and (B) such transfer will not, with the giving of notice or lapse of time or both, cause a Series 2010-3 Early Amortization Event to occur, to transfer the balance out of the Series 2010-3 Vehicle Account back to the Master Vehicle Account.
- (b) On each Remittance Date during the Series 2010-3 Amortization Period, Rental ULC or, subject to Section 2.2 of the Administration Agreement, the Administrator on its behalf, shall distribute cash from the Series 2010-3 Vehicle Account (including all cash transferred from the Series 2010-3 Rental Account to the Series 2010-3 Vehicle Account on such Remittance Date pursuant to Section 4.2(b)(vii)) as follows and in the following priority:
- (i) first, if there are insufficient funds in the Series 2010-3 Rental Account to satisfy the payments to be made to the Series 2010-3 Noteholders, the Liquidation Agent, the Back-up Administrator, and the Indenture Trustee pursuant to Sections 4.2(b)(i), (ii) and 4.2(b)(iii), then any cash in the Series 2010-3 Vehicle Account up to the amount of the deficiency will be transferred to the Series 2010-3 Rental Account and used to make such payments;
 - (ii) second, to pay to the Series 2010-3 Noteholders, on a *pro rata* basis based on the respective principal amounts of the Series 2010-3 Notes held by the Series 2010-3 Noteholders, an amount equal to the lesser of:
 - A. the remaining balance in the Series 2010-3 Vehicle Account; and
 - B. the Series 2010-3 Principal Balance;
 - (iii) third, to pay to the Series 2010-3 Noteholders any amounts required to be paid to the Series 2010-3 Noteholders pursuant to Sections 4.2(b)(iv) or 4.2(b)(v) which have not been paid pursuant to such Sections 4.2(b)(iv) or 4.2(b)(v) to be allocated and paid as provided in such Sections;

- (iv) fourth, to pay to the Series 2010-3 Noteholders, the Amortization Incremental Interest Amount, provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-3 Notes held by the Series 2010-3 Noteholders; and
 - (v) last, to transfer the balance out of the Series 2010-3 Vehicle Account back to the Master Vehicle Account.
- (c) On each Remittance Date during a Series 2010-3 Enforcement Period, the Indenture Trustee or other Paying Agent shall distribute cash from the Series 2010-3 Vehicle Account (including all cash transferred from the Series 2010-3 Rental Account to the Series 2010-3 Vehicle Account on such Remittance Date pursuant to Section 4.2(c)(vii)) as follows and in the following priority:
- (i) first, to pay the Series 2010-3 Allocation Percentage determined on the prior Remittance Date of the fees and expenses related to any enforcement proceedings under (x) Article 10 of the Indenture including the Liquidation Agent Fees and Expenses, and (y) Article 5 of the Funding LP Security Agreement to the extent not paid by Funding LP, in each case to the extent any such fees and expenses have not been paid under Section 4.2(c)(i) and 4.2(c)(i);
 - (ii) second, without duplication of the amounts paid under Section 4.3(c)(i), to pay the Series 2010-3 Allocation Percentage determined on the prior Remittance Date of the Indenture Trustee Fees and Expenses for the related Settlement Period to the extent such fees and expenses have not been paid under Section 4.2(c)(i) and 4.2(c)(i);
 - (iii) third, to pay the Series 2010-3 Allocation Percentage determined on the prior Remittance Date of the amount of any unpaid fees and expenses owing to any replacement Administrator (that is not an Affiliate of Rental ULC) appointed under the Administration Agreement to the extent such fees and expenses have not been paid under Section 4.2(c)(ii);
 - (iv) fourth, to pay to the Series 2010-3 Noteholders any amounts required to be paid to them pursuant to Section 4.2(c)(iv), which have not been paid pursuant to Section 4.2(c)(iv) to be allocated and paid as provided in such Section;
 - (v) fifth, to pay to the Series 2010-3 Noteholders, on a *pro rata* basis based on the respective principal amounts of the Series 2010-3 Notes held by the Series 2010-3 Noteholders, an amount equal to the lesser of:

(A) the remaining balance in the Series 2010-3 Vehicle Account; and

(B) the Series 2010-3 Principal Balance;

- (vi) sixth, to pay the amounts referred to in Sections 4.2(c)(v) and 4.2(c)(vi), which have not been paid pursuant to such Sections to be allocated and paid in the priority provided for in such Sections;
 - (vii) seventh, to pay to the Series 2010-3 Noteholders, the Amortization Incremental Interest Amount, provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the respective principal amounts of the Series 2010-3 Notes held by the Series 2010-3 Noteholders;
 - (viii) eighth, to pay to the Indenture Trustee any amounts owing by Rental ULC or Funding LP which remain outstanding under any Series 2010-3 Transaction Document after the allocation and payments referred to in Sections 4.3(c)(i) to (vi) above, provided that if there are insufficient amounts available to pay all such amounts in full, the amount available shall be allocated on a *pro rata* basis based on the amounts owing; and
 - (ix) last, to transfer the balance out of the Series 2010-3 Vehicle Account back to the Master Vehicle Account.
- (d) Any additional amounts transferred from the Master Vehicle Account to the Series 2010-3 Vehicle Account in respect of a Series Shortfall in respect of the Series 2010-3 Notes shall be applied in accordance with the provisions of Sections 4.3(a), (b) or (c), as applicable.

4.4 Payments to Noteholders

- (a) Unless otherwise specified, payments of principal or other amounts (including interest and Utilization Fees) to Series 2010-3 Noteholders will be made on a *pro rata* basis based on the respective principal amounts of the Series 2010-3 Notes held by the Series 2010-3 Noteholders.
- (b) Any instalment of interest or principal, if any, payable on any Series 2010-3 Note, less any amounts required by law to be withheld or deducted pursuant to Section 4.4(d), shall be paid by the Paying Agent to the Person in whose name such Series 2010-3 Note is registered on the Record Date, by wire transfer of immediately available funds to such Person's account as specified in the Note Purchase Agreement.

- (c) The right of the Series 2010-3 Noteholders to receive payments from Rental ULC will terminate on the first Business Day following the Series 2010-3 Final Payment Date.
- (d) If required by law, Rental ULC will withhold or deduct any and all amounts required to be withheld or deducted, and will remit such amount to the appropriate taxation authorities.
- (e) Each Remittance Date shall be an “Interest Payment Date” in respect of the Series 2010-3 Notes. Interest on the Series 2010-3 Notes shall be payable on each Remittance Date in the amount allocated and paid for such purposes pursuant to Sections 4.2 and 4.3 hereof.
- (f) Each Remittance Date upon which an amount is allocated and paid pursuant to Sections 4.2 and 4.3 hereof in respect of the payment of principal on the Series 2010-3 Notes and each day on which an Interim Principal Payment is made shall be a “Principal Payment Date” in respect of the Series 2010-3 Notes. The full Series 2010-3 Principal Balance shall be due and payable in full on the Series 2010-3 Final Maturity Date which shall be the “Series Final Maturity Date” in respect of the Series 2010-3 Notes.

4.5 Computation of Interest

- (a) Interest on the Series 2010-3 Notes shall be computed on the basis of a 365-day year and the actual number of days elapsed in the related Remittance Period.
- (b) Unless otherwise specified in this Indenture Supplement, interest for any period will be calculated from and including the first day of such period (which in the case of the initial issuance of a Series 2010-3 Note, shall be the date of issuance of such Note) to but excluding the last day of such period.

4.6 Increase in Series 2010-3 Principal Balance

- (a) The Series 2010-3 Principal Balance may be increased from time to time upon the conditions specified in this Section 4.6 and the Note Purchase Agreement. Rental ULC may deliver to each Series 2010-3 Noteholder and the Indenture Trustee on any Business Day a written notice specifying (i) the proposed amount of the increase in the Series 2010-3 Principal Balance (the “**Series 2010-3 Increase Amount**”); and (ii) the proposed date of increase of the Series 2010-3 Principal Balance (an “**Increase Date**”), which shall be a Business Day not earlier than two (2) Business Days after such notice. Each increase in the Series 2010-3 Principal Balance shall be in an amount of not less than \$1,000,000 and shall be in equal increments of \$100,000.
- (b) The obligation of the Series 2010-3 Noteholders to fund any Series 2010-3 Increase Amount shall be subject to satisfaction or waiver of the following conditions:

- (i) no Series 2010-3 Early Amortization Event shall have occurred and not been waived or will, with the giving of notice or lapse of or both, occur as a result of funding such Series 2010-3 Increase Amount;
 - (ii) the Series 2010-3 Revolving Period shall not have ended;
 - (iii) after giving effect to the increase, the LC and Cash Collateral Amount will be equal to or greater than the Required LC and Cash Collateral Amount;
 - (iv) after giving effect to the increase, the Series 2010-3 Required Vehicle Collateral Amount will not exceed the Series 2010-3 Allocation Percentage of the Series 2010-3 Aggregate Vehicle Collateral Amount;
 - (v) the Series 2010-3 Hedging Transaction remains in full force and effect and the Series 2010-3 Hedge Counterparty remains an Eligible Hedge Counterparty; and
 - (vi) any conditions precedent set forth in the Note Purchase Agreement.
- (c) If the conditions precedent in Section 4.6(b) are satisfied or waived, each Series 2010-3 Noteholder shall pay to Rental ULC on or before the Increase Date an amount equal to its respective portion of the Series 2010-3 Increase Amount in accordance with the terms of the Note Purchase Agreement and, upon such payments being made, the Series 2010-3 Principal Balance shall be increased by the amount so paid.

4.7 Optional Redemption of Series 2010-3 Notes

Rental ULC shall have the right at any time to redeem all of the issued and outstanding Series 2010-3 Notes. Any such redemption shall be effected on the date set forth in a written notice delivered by Rental ULC to each of the Series 2010-3 Noteholders and the Rating Agencies, which date shall be a Remittance Date and be at least ten (10) Business Days following the date of receipt of such notice by the Series 2010-3 Noteholders. The redemption price for the Series 2010-3 Notes to be redeemed shall be the Series 2010-3 Principal Balance as of such date plus all accrued and unpaid interest on Series 2010-3 Notes to and including such date, together with all other outstanding fees and expenses of the Series 2010-3 Noteholders relating to the funding provided by the Series 2010-3 Noteholders or otherwise owing under the Transaction Documents. The Series 2010-3 Noteholders shall not be obligated to surrender Series 2010-3 Notes for redemption until receipt of such redemption price.

4.8 Interim Principal Payments

Rental ULC may make Interim Principal Payments in respect of the Series 2010-3 Notes in accordance with the terms of the Note Purchase Agreement.

4.9 Unrestricted Funds

Amounts released to Rental ULC hereunder as Unrestricted Funds may be used by Rental ULC for any purpose not inconsistent with its Organizational Documents, including for the making of Distributions to Funding LP and deposits to the Master Vehicle Account.

ARTICLE 5 COVENANTS

5.1 Program Negotiation Vehicles

- (a) It is recognized that Rental ULC may purchase between June 1 in any year and March 31 of the following year Vehicles of the upcoming Model Year manufactured by a Eligible Manufacturer whose current Model Year Vehicles are subject to a Repurchase Agreement, provided such Eligible Manufacturer is not a Non-Performing Manufacturer, and from whom Rental ULC has received (i) a letter of undertaking stating that the Eligible Manufacturer will repurchase Vehicles of the upcoming Model Year sold by such Eligible Manufacturer to Rental ULC which qualify for repurchase pursuant to a Repurchase Agreement with such Eligible Manufacturers the terms of which are in the process of being finalized and (ii) a draft of the repurchase agreement for the upcoming Model Year which the Eligible Manufacturer has indicated it is willing to enter into. ;Such Vehicles are referred to herein as “**Program Negotiation Vehicles.**” Rental ULC shall deliver a signed copy of any such letter of undertaking to each Series 2010-3 Noteholder and the Rating Agencies as soon as reasonably practicable and, in any event, prior to Rental ULC purchasing Program Negotiation Vehicles from the relevant Eligible Manufacturer.
- (b) Subject to the following sentence, Program Negotiation Vehicles shall be deemed to be Program Vehicles. If a Repurchase Agreement between Rental ULC and a Eligible Manufacturer in respect of Vehicle models for a particular Model Year is not entered into by February 28 of such Model Year or, if such Repurchase Agreement has been entered into by February 28 of such Model Year but a Rating Agency has notified Rental ULC in writing within 30 days of receipt of a signed copy of such Repurchase Agreement that it is not satisfied with the terms and conditions of such Repurchase Agreement, then thereafter for all purposes hereof all Rental ULC Vehicles covered by such Repurchase Agreement shall be deemed to be Non-Program Vehicles.
- (c) If a Repurchase Agreement between Rental ULC and a Eligible Manufacturer in respect of Vehicle models for a particular Model Year is entered into prior to February 28 of such Model Year and each Rating Agency and each Series 2010-3 Noteholder has not notified Rental ULC in writing within 30 days of receipt of a signed copy of such Repurchase Agreement that it is not satisfied with the terms and conditions of such Repurchase Agreement, then thereafter for all purposes hereof Rental ULC Vehicles covered by such Repurchase Agreement shall be deemed to be Program Vehicles.

5.2 Letter of Credit

(a) If,

- (i) prior to the date which is 30 days prior to the scheduled expiration date of a Letter of Credit, such Letter of Credit shall not have been extended; or
- (ii) either Rental ULC, the Indenture Trustee or a Series 2010-3 Noteholder receives notice from an L/C Provider of an unscheduled termination of a Letter of Credit and there shall have not been appointed a replacement L/C Provider who has issued or will issue, prior to the termination of such Letter of Credit, a Letter of Credit having a term that extends beyond such date of termination; or
- (iii) at any time, the rating of the long-term unsecured debt obligations of an L/C Provider is reduced below AA (low) by DBRS or A1 by Moody's, or if an L/C Provider is not then rated by DBRS and Moody's, the rating of the short-term unsecured debt obligations of such L/C Provider is reduced below A-1 by S&P,

Rental ULC shall, within 15 Business Days following any such occurrence (but, in the case of receipt of notice of an unscheduled termination under clause (ii) above, in no event later than 5 Business Days prior to the pending termination date of the affected Letter(s) of Credit),

- (iv) cause such Letter of Credit (or, in the case of clause (iii) above, all of the Letters of Credit issued by such L/C Provider) to be replaced with one or more irrevocable letters of credit issued by one or more L/C Providers with an aggregate stated amount not less than the aggregate undrawn stated amount of the affected Letter(s) of Credit, or make any other arrangement satisfactory to the Series 2010-3 Noteholders and which satisfies the Rating Agency Condition; or
- (v) cause draws to be made under the affected Letter(s) of Credit and deposit the proceeds of such draws to the Cash Collateral (CAD) Account;

provided, however, in the event that at any time the long-term unsecured debt obligations of an L/C Provider are no longer rated or are rated below A by DBRS or A1 by Moody's, or, if an L/C Provider is not then rated by DBRS and Moody's, the short-term unsecured debt obligations of such L/C Provider are no longer rated A-1 by S&P, Rental ULC shall promptly notify the Indenture Trustee and the Series 2010-3 Noteholders or any Series 2010-3 Noteholder may notify Rental ULC, of same and Rental ULC shall cause a draw to be made under the affected Letter(s) of Credit and deposit the proceeds of such draws to the Cash Collateral (CAD) Account. Rental ULC shall provide each Rating Agency and each Series 2010-3 Noteholder with written notice of the occurrence of any event set out in Sections 5.2(a)(i), (ii) or (iii).

Other than during a Series 2010-3 Enforcement Period, Rental ULC shall have the right to, from time to time, withdraw funds from the Cash Collateral Accounts, reduce the aggregate stated amount of a Letter of Credit or cancel and return a Letter of Credit to the applicable L/C Provider provided that, in each case, Rental ULC prior thereto or simultaneously therewith demonstrates to the Series 2010-3 Noteholders, to the reasonable satisfaction of the Series 2010-3 Noteholders, that after giving effect thereto the Series 2010-3 Required Vehicle Collateral Amount will not exceed the Series 2010-3 Allocation Percentage of the Series 2010-3 Aggregate Vehicle Collateral Amount.

- (b) Rental ULC may from time to time deposit Unrestricted Funds and proceeds of Contributions received by Rental ULC to the Cash Collateral Accounts. Funds on deposit in the Cash Collateral Accounts shall be invested by Rental ULC in Eligible Investments from time to time, but always in a manner that will result in such investments maturing so that such funds will be available for withdrawal on or prior to the next following Remittance Date. Rental ULC shall hold possession of the negotiable instruments or securities, if any, evidencing such investments. On each Settlement Date, all interest and earnings (net of losses and investment expenses) accrued since the preceding Settlement Date on funds on deposit in the Cash Collateral Accounts shall be deposited to the Series 2010-3 Rental Account.
- (c) On or after the Series 2010-3 Final Payment Date, Rental ULC may withdraw from the Cash Collateral Accounts all amounts on deposit therein and deposit such amounts into the Master Vehicle Account.
- (d) Unless the context requires otherwise, any reference in this Indenture Supplement to a draw under a Letter of Credit shall be deemed to refer to a withdrawal from the Cash Collateral Accounts when so applicable.

5.3 Hedging Transactions

On or before the Series 2010-3 Closing Date, Rental ULC shall enter into an interest rate Hedging Transaction with an Eligible Hedge Counterparty with a notional amount equal to the full Maximum Note Purchaser Available Amount and otherwise satisfactory to the Series 2010-3 Noteholders (including in relation to its scheduled termination date) which Hedging Transaction shall be a Series 2010-3 Hedging Transaction. Rental ULC shall be responsible for all costs and expenses associated with the Series 2010-3 Hedging Transaction.

5.4 Reporting

- (a) Estimation Report

Not later than 12:00 noon (Toronto time) on each Estimation Rent Payment Date, the Administrator will provide to each Series 2010-3 Noteholder an Estimation Report in respect of such Settlement Period commencing on the Estimation Rent Payment Date containing Rental ULC's best estimate of the Series Cost of Funds Amount for such Settlement Period and the related Remittance Date.

(b) Settlement Report

Not later than 12:00 noon (Toronto time) on each Settlement Date, the Administrator will provide to each Series 2010-3 Noteholder a Settlement Report containing:

- (i) the Rental Revenues, Rental ULC Expenses, Depreciation, Proceeds of Dispositions, Loss on Dispositions (if any) and Gain on Dispositions (if any) in respect of the related Settlement Period;
- (ii) the aggregate Series 2010-3 Interest Amount for each Series 2010-3 Noteholder, in each case for the Remittance Period ending in the current Settlement Period;
- (iii) the percentage of Rental ULC Vehicles by Manufacturer and the ratings of each such Manufacturer as of such Settlement Date;
- (iv) calculations which indicate whether the LC and Cash Collateral Amount exceeds (or does not exceed) the Required LC and Cash Collateral Amount as of such Settlement Date;
- (v) calculations which indicate whether the Series 2010-3 Required Vehicle Collateral Amount exceeds (or does not exceed) the Series 2010-3 Allocation Percentage of the Series 2010-3 Aggregate Vehicle Collateral Amount as of such Settlement Date; and
- (vi) all such other information necessary to make the distributions on the related Remittance Date pursuant to Sections 4.2 and 4.3.

(c) Fleet Reports

On each Settlement Date, the Administrator will send a Fleet Report to each Series 2010-3 Noteholder.

(d) Purchase Agreements

Rental ULC shall provide to the Series 2010-3 Noteholders and the Rating Agencies copies of all Repurchase Agreements entered into by Rental ULC promptly after they have been entered into by Rental ULC and, in any event within 30 days after they have been entered into by Rental ULC.

(e) Event Notices

Rental ULC shall notify each Series 2010-3 Noteholder and each Rating Agency forthwith upon learning of the occurrence of any material adverse change in the financial condition or operations of Avis, Budget or Rental ULC or of the occurrence of any Series 2010-3 Early Amortization Event (other than the events described in Section 6.1(d)).

(f) Financial Statements

The Administrator will deliver to the Series 2010-3 Noteholders and the Indenture Trustee, within 60 days of the end of each of the first three (3) fiscal quarters of each fiscal period of Rental ULC, a copy of the unaudited income and cash flow statements and the unaudited balance sheet of Rental ULC as at and for the period then ended.

The Administrator will deliver to the Series 2010-3 Noteholders and the Indenture Trustee, within 60 days of the end of each of the first three (3) fiscal quarters of each fiscal period of Avis Budget Car Rental Canada ULC, a copy of the unaudited income and cash flow statements and the unaudited balance sheet of Avis Budget Car Rental Canada ULC (which shall include as a supplemental schedule the unaudited balance sheet and income statement for each of Rental ULC, Funding LP, Avis, and Budget (the “**Supplemental Schedule**”)) as at and for the period then ended and, as soon as available but not later than 120 days after the end of each fiscal period of Avis Budget Car Rental Canada ULC, a copy of the audited income and cash flow statements and the audited balance sheet of Avis Budget Car Rental Canada ULC, including the Supplemental Schedule, as at and for the period then ended.

(g) Agreed Upon Procedures

Rental ULC will appoint independent public accountants acceptable to the Series 2010-3 Noteholders (which may be the regular independent public accountants of Rental ULC or any Affiliate of Rental ULC), or utilize the Series 2010-3 Noteholders’ representatives or auditors, to prepare and deliver to the Series 2010-3 Noteholders written reports in respect of specified Settlement Periods (as determined below) in scope and form reasonably required by the Series 2010-3 Noteholders covering, amongst other things, an examination of the Estimation Reports, Settlement Reports, and Fleet Reports for such Settlement Periods (collectively, the “**Reports**”) to determine whether:

- (i) the data reported and calculations contained in the Reports are the data required to be reported and the calculations required to be made in accordance with the Series 2010-3 Transaction Documents;
- (ii) the data reported in the Reports reflects the data contained in Rental ULC’s (or the Administrator’s) systems and other applicable source documentation of Rental ULC (or the Administrator); and
- (iii) in respect of each September Settlement Period (see below) report only, the ownership permits of the Rental ULC Vehicles are in accordance with the Series 2010-3 Transaction Documents.

The written reports shall be delivered on the Remittance Date in November of each year and shall be prepared at the expense of Rental ULC in respect of two Settlement Periods in the 12 month period ending on the prior September 30, one of which shall always be the September Settlement Period and the other of which shall be a Settlement Period selected by the Series 2010-3 Noteholders, *provided that* in respect of the period from the Closing Date to September 30, 2010, the written report shall only be delivered in respect of the September, 2010 Settlement Period and such written report shall be delivered by December 31, 2010.

(h) Indenture Trustee Notices

A copy of all notices and reports delivered to the Indenture Trustee under the Series 2010-3 Transaction Documents as they relate to the Series 2010-3 Notes or the Rental ULC Vehicles shall be promptly delivered by Rental ULC to each Series 2010-3 Noteholder.

5.5 Fleet Composition

- (a) Rental ULC shall ensure that at all times the average Original Book Value of the Rental ULC Vehicles is not more than \$40,000.
- (b) In buying Vehicles for Rental ULC, other than pursuant to the Funding/Rental Assignment Agreement, Rental ULC shall (i) buy only Vehicles produced by Manufacturers and only of the Model Year corresponding to the current Purchasing Year or the two Model Years prior to the current Purchasing Year; (ii) buy Vehicles only from (A) Approved Dealers or Manufacturers, or (B) Avis or Budget System Members or Avis or Budget pursuant to a Licensee Vehicle Assignment Agreement where each of the conditions precedent in Schedule "C" hereto is satisfied and, in the case of Used Vehicles only, (C) any nationally recognized automobile auction company ("**Auction Company**") in the United States or Canada that is approved to sell Vehicles for Manufacturers, and (D) General Motors Acceptance Corporation of Canada, Limited or any finance company affiliated with a Manufacturer ("**Approved Finance Company**"); (iii) in the case of Vehicles (other than Used Vehicles), buy from Manufacturers and Approved Dealers only and only against a Manufacturer's invoice; (iv) buy from Avis or Budget System Members or Avis or Budget pursuant to a Licensee Vehicle Assignment Agreement only Vehicles that were new Vehicles when purchased by the relevant licensee or that were Used Vehicles purchased by such licensee from an Auction Company or an Approved Finance Company and that have had no other intermediate owners (except for Avis or Budget or Affiliates of the relevant Avis or Budget System Member) and in respect of which the Manufacturer's invoice of the relevant licensee is delivered; (v) buy Vehicles for a purchase price that is (A) in the case of Program Vehicles, equal to the depreciated value ascribed to each Vehicle as at the date of such purchase pursuant to the applicable Repurchase Agreement, with a reasonable allowance for age, mileage and damage to such Vehicle, and (B) in the case of Non-Program Vehicles, the fair market value of each Vehicle (which in the case of Vehicles purchased from Avis or Budget System Members or Avis or Budget or pursuant to a Licensee Vehicle Assignment Agreement shall approximate the original cash purchase price paid by the relevant Avis or Budget System Member or Avis or Budget, as applicable, for such Vehicle less depreciation at a rate in accordance with Canadian GAAP but in no event less than 2% per month applied on a straight line basis, with a reasonable allowance for age, mileage and damage to such Vehicle); and (vi) ensure that, subject to Section 2.5 of the Funding/Rental Purchase Agreement, the title to all Vehicles bought for Rental ULC is registered in the name of Rental ULC.

5.6 Other Obligations

- (a) Without the consent of the Series 2010-3 Noteholders and satisfaction of the Rating Agency Condition:
- (i) Rental ULC shall not issue any additional Series or Class of Notes, notwithstanding Section 3.10(b) of the Trust Indenture; or
 - (ii) Rental ULC shall not incur any liabilities or enter into any obligations, other than those arising under or contemplated by this Indenture Supplement or the other Transaction Documents and/or any other Contract contemplated hereby or thereby or those arising in the normal course of the business of Rental ULC, respectively.
- (b) In connection with the preparation of its financial statements, Rental ULC shall notify the Indenture Trustee (x) as to which clause of the definition of Canadian GAAP is applicable, and (y) from time to time, of any change as to which clause of the definition of Canadian GAAP is applicable.
- (c) Notwithstanding Sections 10.2(a), 10.3, or 10.11 of the Indenture and Sections 5.2, 5.3, or 5.11 of the Funding LP Security Agreement, if an Event of Default occurs and is continuing, other than a Specified Default, occurring under a Series of Notes not issued on the date hereof and which Specified Default has been waived in accordance with Section 10.22 of the Indenture or Section 5.22 of the Funding LP Security Agreement, as applicable, any Series 2010-3 Noteholder may declare the obligations specified in Section 10.2(a) of the Indenture and Section 5.2 of the Funding LP Security Agreement due and enforceable, and give Enforcement Instructions.
- (d) No additional Manufacturer shall be added as an Eligible Manufacturer under the Indenture without the consent of the Series 2010-3 Noteholders.
- (e) Neither Funding LP nor Rental ULC shall agree to any amendment to the Indenture, this Indenture Supplement, the Master Vehicle Lease Agreement, the Administration Agreement, the Liquidation Agent Agreement, the Back-up Administration Agreement, the Funding LP Security Agreement or the Funding LP Partnership Agreement without the consent of the Series 2010-3 Noteholders; *provided that*, in respect of any material amendments agreed to by the Series 2010-3 Noteholders, Funding LP or Rental ULC, as applicable, shall provide prior written notice to the Rating Agencies.
- (f) The Indenture Trustee shall promptly, upon becoming aware thereof, notify the Series 2010-3 Noteholders of any default of any party under any of the Transaction Documents.

5.7 Distributions

Rental ULC shall not make any Distributions to Funding LP other than Distributions funded solely out of Unrestricted Funds.

ARTICLE 6 AMORTIZATION OF NOTES

6.1 Early Amortization Events

Each of the following events will be an Early Amortization Event with respect to the Series 2010-3 Notes:

- (a) if the Series 2010-3 Required Vehicle Collateral Amount exceeds the Series 2010-3 Allocation Percentage of the Series 2010-3 Aggregate Vehicle Collateral Amount after giving effect to the settlements on any Remittance Date;
- (b) the breach of the covenant contained in subsection 5.5(a), which breach continues for five Business Days after a Settlement Date;
- (c) the inaccuracy when made of a representation or warranty of Rental ULC, Avis, Budget, or Funding LP, as applicable, herein or in any other Transaction Document which inaccuracy is reasonably likely to have a Material Adverse Effect in respect of Rental ULC or Funding LP, provided that if such inaccuracy is capable of being remedied, then it shall not constitute a Series 2010-3 Early Amortization Event unless it remains unremedied for five Business Days after receipt of written notice from the Indenture Trustee or a Series 2010-3 Noteholder;
- (d) the occurrence of a material adverse change since the date hereof in the financial condition or operations of Rental ULC, Avis, Budget, or Funding LP which, in the opinion of a Series 2010-3 Noteholder, and which opinion has been communicated in writing to Rental ULC, Avis and Budget and the other Series 2010-3 Noteholders, could reasonably be expected to result in Rental ULC, Funding LP, Avis or Budget (i) being unable to satisfy its obligations hereunder or under the other Transaction Documents to which it is party; or (ii) becoming subject to an Insolvency Event;
- (e) Avis or Budget failing to pay when due any obligation (the “underlying obligation”) for a sum certain in excess of \$2,000,000 and such failure continuing for three Business Days after (i) written notice to Avis or Budget, as applicable, from the party to whom the underlying obligation is owed if there is no grace period applicable to the underlying obligation; or (ii) the expiry of any grace period applicable to the underlying obligation;

- (f) the occurrence of an event resulting in the early amortization of any other Series of Notes issued on the date hereof, or any Outstanding Series or Class of Notes which provide for Notes which may have advances, repayments and readvances so that the principal amount of such Notes may vary from time to time similar to the Series 2010-3 Notes;
- (g) the occurrence of an “Event of Default” as such term is defined in the U.S. Avis Corporate Credit Facility, whether or not waived;
- (h) the occurrence of an Event of Default;
- (i) (x) Avis Budget Group, Inc. shall at any time cease to own or control, directly or indirectly, greater than 50% of the voting shares of Avis Budget Car Rental Canada ULC, Avis or Budget or (y) either Rental ULC or Funding LP is no longer indirectly wholly-owned by the Parent;
- (j) an early termination date occurs under the Series 2010-3 Hedging Transaction; provided that if such early termination date occurs other than as a result of Rental ULC being the sole defaulted party, an Early Amortization Event shall not occur unless the Series 2010-3 Hedging Transaction is not replaced within 30 days of such early termination date;
- (k) at any time the LC and Cash Collateral Amount is less than the Required LC and Cash Collateral Amount; or (ii) Rental ULC shall fail to comply with Section 5.2(a) within the time periods provided for in Section 5.2(a) (or, if no time period is provided in Section 5.2(a) for such event or occurrence, within 15 Business Days after Rental ULC has received written notice from a Series 2010-3 Noteholder of such event or occurrence);
- (l) the downgrade of the rating of the Series 2010-3 Notes by DBRS to a rating less than AAA, or the downgrade of the rating of the Series 2010-3 Notes by Moody’s to a rating less than Aa3, or the withdrawal of either such rating; or
- (m) the downgrade or withdrawal by any Rating Agency of the rating of the commercial paper issued by any Series 2010-3 Noteholder to fund its investment in the Series 2010-3 Notes held by it, and such downgrade or withdrawal is as a result of or related to holding of a Series 2010-3 Note by the Series 2010-3 Noteholder.

6.2 Series 2010-3 Amortization Period

- (a) If a Series 2010-3 Early Amortization Event shall occur, any Series 2010-3 Noteholder may, by notice to Rental ULC,
 - (i) declare that the Series 2010-3 Amortization Period shall commence; and

(ii) direct the Indenture Trustee to draw down on a Letter of Credit in whole or in part or withdraw all or a portion of the funds from the Cash Collateral Accounts and apply such funds to pay (x) any unpaid Series 2010-3 Interest Amounts owing pursuant to Sections 4.2(b)(iii), 4.2(c)(iv), or 4.3(b)(iv) if any, and (y) transfer the balance of such funds, if any, to the Series 2010-3 Vehicle Account for the repayment of the Series 2010-3 Notes.

(b) If a Series 2010-3 Early Amortization Event occurs under Section 6.1(a), the Series 2010-3 Amortization Period will commence on such Remittance Date and settlements on such Remittance Date shall be completed on the basis that such Remittance Date occurs during the Series 2010-3 Amortization Period.

6.3 Additional Event of Default

Each of the following events will be an additional Event of Default under the Indenture:

(a) on any Remittance Date during the Series 2010-3 Amortization Period, Rental ULC shall fail to make a principal payment in respect of the Series 2010-3 Notes pursuant to Section 4.3(b)(ii) in an amount equal to or greater than one sixth of the Series 2010-3 Principal Balance on the first day of the Series 2010-3 Amortization Period;

(b) the occurrence of an "Event of Default" as such term is defined in the Parent Guarantee;

(c) the occurrence of a Specified Default in respect of any other Series of Notes issued on the date hereof, whether or not waived.

ARTICLE 7

GENERAL

7.1 Obligations of Rental ULC

Nothing contained in this Indenture Supplement shall in any way modify or relieve Rental ULC from its obligations to carry out its covenants contained in the Indenture.

7.2 Acceptance

The Indenture Trustee hereby accepts the trust in this Indenture Supplement declared and provided for and agrees to perform the same on the terms and conditions herein set forth.

7.3 Formal Date

For purpose of convenience, this Indenture Supplement may be referred to as bearing a formal date of August 26, 2010 irrespective of the actual date of its execution.

7.4 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Indenture Supplement.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture Supplement to be duly executed as of the day and year first above written.

WTH CAR RENTAL ULC

By: /s/ David Calabria

Name: David Calabria

Title: Assistant Treasurer

Name:

Title:

**BNY TRUST COMPANY
OF CANADA,**

as Indenture Trustee and not in
its individual capacity

By:

/s/ Patricia Benjamin

Name: Patricia Benjamin

Title: Authorized Officer

Name:

Title:

ADMINISTRATION AGREEMENT

Dated as of August 26, 2010

WTH CAR RENTAL ULC

as Rental ULC

- and -

WTH FUNDING LIMITED PARTNERSHIP

as Administrator

- and -

BNY TRUST COMPANY OF CANADA

as Indenture Trustee

TABLE OF CONTENTS

	PAGE
ARTICLE 1 DEFINITIONS	2
1.1 Definitions	2
ARTICLE 2 ADMINISTRATION	2
2.1 Appointment of Administrator	2
2.2 Administrator Authorization	3
2.3 Appointment of Administrator as Attorney-in-Fact	3
ARTICLE 3 DUTIES AND COVENANTS	3
3.1 Duties and Covenants of the Administrator	3
ARTICLE 4 FEE	9
4.1 Fee	9
4.2 Incentives	9
4.3 Goods and Services Tax and Harmonized Sales Tax Registration	9
4.4 Sales and Transfer Taxes	10
4.5 Goods and Services Tax and Harmonized Sales Tax Election	10
ARTICLE 5 TERMINATION	10
5.1 Termination and Resignation	10
5.2 Administrator Termination Event	10
5.3 Rights and Remedies upon Administrator Termination Event	11
5.4 Designation of a Replacement Administrator	11
5.5 Replacement Administrator Fee	12
ARTICLE 6 GENERAL	12
6.1 Assignability	12
6.2 Amendments	12
6.3 Governing Law	13
6.4 Headings etc.	13
6.5 Severability	13
6.6 Notices, etc.	13
6.7 No Waivers	15
6.8 No Petition	15
6.9 Binding Effect	15
6.10 Counterparts	15

ADMINISTRATION AGREEMENT

MEMORANDUM OF AGREEMENT made as of August 26, 2010.

B E T W E E N:

WTH CAR RENTAL ULC

as “**Rental ULC**”

- and -

WTH FUNDING LIMITED PARTNERSHIP

as “**Funding LP**” or the “**Administrator**”

- and -

BNY TRUST COMPANY OF CANADA

as “**Indenture Trustee**”

RECITALS:

WHEREAS Rental ULC and the Indenture Trustee, as indenture trustee, have entered into an Indenture (as defined below) to provide for, amongst other things, the issuance of Notes;

AND WHEREAS Rental ULC has, and is required to perform, certain obligations and duties pursuant to the Indenture and certain other Transaction Documents;

AND WHEREAS Rental ULC desires the Administrator to perform certain of its duties under the Indenture and certain other Transaction Documents, and the Administrator has agreed to perform certain of Rental ULC’s duties and obligations under the Indenture and certain other Transaction Document;

AND WHEREAS Funding LP has sold and assigned to Rental ULC its fleet of Vehicles used in its car rental business;

AND WHEREAS Rental ULC desires the services of the Administrator to manage its fleet of Vehicles, including the acquisition and disposition of Vehicles owned by Rental ULC, and the Administrator has agreed to manage Rental ULC’s fleet, including the acquisition and disposition of Vehicles owned by Rental ULC;

NOW THEREFORE, this Agreement witnesses that in consideration of the premises and the covenants and agreements of the parties herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties hereby covenant and agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 Definitions

Unless otherwise defined herein, terms used herein have the meanings assigned to them in the Indenture. In this Agreement:

“**Administration Fee**” has the meaning given to it in Section 4.1.

“**Administrator Termination Event**” has the meaning given to it in Section 5.2.

“**General Partner**” means Avis or Budget, each a general partner of Funding LP.

“**Indenture**” means the trust indenture dated the date hereof between Rental ULC and the Indenture Trustee, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

“**Replacement Administrator**” means any Person appointed as a successor Administrator pursuant to Section 5.4 following the occurrence of an Administrator Termination Event.

“**Taxation Year**” means each taxation year of Rental ULC the first of which shall end on August 31, 2010 and thereafter each taxation year shall commence on September 1 and end on August 31 of the following calendar year, subject to the provisions of the Income Tax Act.

“**Taxable Income**” means, in respect of any Taxation Year, the amount of taxable income determined in accordance with the provisions of the Income Tax Act (including the amount of any taxable capital gain or allowable capital loss from the disposition of each capital property of Rental ULC).

“**Termination Notice**” has the meaning given to it in Section 5.3(a).

**ARTICLE 2
ADMINISTRATION**

2.1 Appointment of Administrator

Funding LP is designated as the “Administrator” and hereby agrees to perform the duties and obligations of the Administrator pursuant to the terms hereof in consideration for the Administration Fee. The Administrator may also subcontract with any Person to perform all or any of the duties and obligations of the Administrator hereunder. The Administrator shall remain liable for all such duties and obligations performed by any subcontractor on its behalf. Payment of the Administration Fee shall be subject to any restrictions contained in the Indenture Supplements.

2.2 Administrator Authorization

The Administrator shall be authorized to make deposits to and, prior to the occurrence of an Administrator Termination Event that has not been waived, to make transfers and withdrawals from, each of the Master Rental Account, the Master Vehicle Account, the VAT Account and each Series Account, in each case solely in accordance with the Transaction Documents. After the occurrence of (i) an Administrator Termination Event that has not been waived, or (ii) an Event of Default, only the Indenture Trustee or such other Person as the Indenture Trustee may designate shall be authorized to make any transfers or withdrawals from the Master Rental Account, the Master Vehicle Account, the VAT Account and any Series Account.

2.3 Appointment of Administrator as Attorney-in-Fact

Subject to the Transaction Documents, including this Agreement, Rental ULC hereby appoints the Administrator as Rental ULC's attorney-in-fact, with full authority in the place and stead of and in the name of Rental ULC or otherwise, from time to time in its discretion or as required by this Agreement or any other Transaction Document to take such actions on behalf of Rental ULC as it may deem necessary or advisable to comply with or effect the purposes of this Agreement or any other Transaction Document.

ARTICLE 3 DUTIES AND COVENANTS

3.1 Duties and Covenants of the Administrator

(a) General Standard of Care.

In its capacity as the Administrator hereunder, and in furtherance of its obligations under Section 2.1, the Administrator hereby covenants and agrees to, in conducting its obligations hereunder:

- (i) exercise its powers and discharge its duties under this Agreement and the other Transaction Documents as Administrator, in good faith and in the best interest of Rental ULC and in connection therewith, exercise the degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances;
- (ii) in conducting its administrative obligations hereunder have each of its General Partners utilize its own employees, business premises, owned or leased, and communications and computer systems and these shall not be, and shall not be held out to be, the employees, premises or systems of Rental ULC;
- (iii) comply with any directions given by Rental ULC or the Indenture Trustee in connection with the performance by the Administrator of its duties under this Agreement and the other Transaction Documents;

- (iv) comply with all Applicable Laws and obtain and maintain in good standing all licences, permits, qualifications and approvals from any and all Governmental Authorities in any jurisdiction in which it carries on business except to the extent that a failure to so comply, obtain or maintain is not reasonably likely to have a Material Adverse Effect in respect of itself, its General Partners, or Rental ULC.

(b) Certain Duties with Respect to the Indenture.

In its capacity as the Administrator hereunder, and in furtherance of its obligations under Section 2.1, the Administrator hereby covenants and agrees to perform the following duties on behalf of Rental ULC under the Indenture:

- (i) to determine and calculate the Proceeds of Disposition Series Transfer Amount;
- (ii) to make all authorizations, determinations, deliveries and requests to be made by Rental ULC pursuant to Article 3 and Section 13.5 of the Indenture in connection with the Notes;
- (iii) to take all actions necessary to obtain and maintain a perfected Lien on and Security Interest in the Collateral in favour of the Indenture Trustee in accordance with Section 4.2(k) of the Indenture;
- (iv) to make all filings, registrations and recordings and to deliver all notices required by Section 4.2(l) and 4.2(m) of the Indenture and the provisions of any Indenture Supplement;
- (v) to deposit, or cause the deposit of, all Rental Revenues into the Master Rental Account pursuant to Section 5.2(a) of the Indenture and the provisions of any Indenture Supplement;
- (vi) to use commercially reasonable efforts to cause all Proceeds of Disposition, including in respect of any Rental ULC Vehicles sold pursuant to Section 2.3 of the Master Vehicle Lease Agreement, to be deposited directly into the Master Vehicle Account and to cause any Proceeds of Disposition not directly deposited, to be deposited to the Master Vehicle Account pursuant to Section 5.2(b) of the Indenture and the provisions of any Indenture Supplement;
- (vii) to deposit, or cause the deposit of, any and all Contributions to the Master Vehicle Account or the Master Rental Account pursuant to Section 5.2(d) of the Indenture and the provisions of any Indenture Supplement;
- (viii) when required to do so pursuant to Section 5.2(e) of the Indenture, to deposit all amounts collected on behalf of Rental ULC, on behalf of a Governmental Authority in respect of VAT as a result of the lease, rental or sale of Vehicles by Rental ULC or the provision of any other goods or services by Rental ULC and any amount received by Rental ULC from a Governmental Authority as a refund of VAT to the VAT Account pursuant to Section 5.2(e) of the Indenture and the provisions of any Indenture Supplement;

- (ix) when required to do so pursuant to Section 5.2(e) of the Indenture, to disburse from the VAT Account any amounts owed to a Governmental Authority in respect of VAT collected by Rental ULC and any amount owed to a Person as VAT in respect of the purchase of Vehicles or any other goods or services acquired by Rental ULC pursuant to Section 5.2(e) of the Indenture and the provisions of any Indenture Supplement;
- (x) to pay VAT payable upon the purchase of Rental ULC Vehicles from the prescribed account pursuant to Section 5.2(f) of the Indenture and the provisions of any Indenture Supplement;
- (xi) to deposit VAT collected upon the sale of Rental ULC Vehicles to the prescribed account pursuant to Section 5.2(f) of the Indenture;
- (xii) to use funds in the Master Rental Account, the Master Vehicle Account, the VAT Account and any Series Account to purchase Eligible Investments for Rental ULC pursuant to Section 5.3 of the Indenture and the provisions of any Indenture Supplement;
- (xiii) to transfer funds on deposit in the Master Rental Account to the Master Vehicle Account pursuant to Section 6.1 of the Indenture and the provisions of any Indenture Supplement;
- (xiv) to withdraw or apply funds on deposit in the Master Vehicle Account to the payment of the purchase price of Vehicles being acquired by Rental ULC and to the payment of Interim Principal Payments pursuant to Section 6.2 of the Indenture and the provisions of any Indenture Supplement;
- (xv) to allocate to each Series of Notes a portion of the Rental Revenues received for the related Settlement Period pursuant to Section 6.3 of the Indenture and the provisions of any Indenture Supplement;
- (xvi) to allocate to each Series of Notes a portion of the Proceeds of Disposition and Enforcement Proceeds for the previous Settlement Period pursuant to Section 6.4 of the Indenture and the provisions of any Indenture Supplement;
- (xvii) to use commercially reasonable efforts to dispose of each Rental ULC Vehicle on or before the Maximum Term (as defined in the Master Vehicle Lease Agreement) for such Rental ULC Vehicle pursuant to Section 9.1(m) of the Indenture;

- (xviii) to deposit to the Master Vehicle Account all amounts received by the Administrator as a result of the enforcement of the Security Interest in respect of the Collateral pursuant to Section 10.12 of the Indenture;
- (xix) to make all requests, appointments and acceptances and to deliver all notices required to be delivered by Rental ULC pursuant to Section 11.10, Section 11.11 and Section 11.12 of the Indenture in connection with the resignation and removal and appointment of a successor Indenture Trustee;
- (xx) to prepare and file all tax returns and forms, and to prepare and distribute to Noteholders all tax information, in each case as required of Rental ULC by Applicable Law, pursuant to Section 11.13 of the Indenture;
- (xxi) to prepare and furnish names and addresses of Noteholders pursuant to Section 12.1 of the Indenture;
- (xxii) to make any request or rule required to be made by Rental ULC in connection with meetings of Noteholders pursuant to Section 12.3 of the Indenture;
- (xxiii) to file with the Indenture Trustee copies of the annual report and of information, documents and other reports (or copies of such portions of any of the foregoing) that Rental ULC may be required to file with the Securities Regulatory Authorities pursuant to Section 12.4(a) of the Indenture;
- (xxiv) to file with the Indenture Trustee and the Securities Regulatory Authorities, such additional information, documents and reports in respect of Rental ULC as required pursuant to Section 12.4(b) of the Indenture; and
- (xxv) to transmit by mail to all Noteholders, summaries of any information, documents and reports as required pursuant to Section 12.4(c) of the Indenture.

(c) Certain Duties with Respect to the Master Vehicle Lease Agreement

In its capacity as the Administrator hereunder, and in furtherance of its obligations under Section 2.1, the Administrator hereby covenants and agrees to perform the following duties on behalf of Rental ULC under the Master Vehicle Lease Agreement:

- (i) deliver Leased Vehicles (as defined in the Master Vehicle Lease Agreement) to any third party purchasers thereof and use commercially reasonable efforts to cause all Proceeds of Disposition in respect of such Leased Vehicles to be deposited directly into the Master Vehicle Account and to cause any Proceeds of Disposition not directly deposited, to be deposited to the Master Vehicle Account, pursuant to Section 2.3 of the Master Vehicle Lease Agreement;

- (ii) prepare and deliver to Funding LP and the Indenture Trustee, on the Estimation Rent Payment Date (as defined in the Master Vehicle Lease Agreement) in respect of each Settlement Period, an Estimation Report in respect of such Settlement Period pursuant to Section 4.2 of the Master Vehicle Lease Agreement.

(d) Certain Duties with Respect to Administering the Fleet of Rental ULC Vehicles.

In its capacity as the Administrator hereunder, and in furtherance of its obligations under Section 2.1, the Administrator hereby covenants and agrees to:

- (i) administer, on behalf of Rental ULC, the acquisition of Vehicles by Rental ULC, including the negotiation, amendment, administration, enforcement, and performance of all Repurchase Agreements and other Vehicle acquisition agreements;
- (ii) administer, on behalf of Rental ULC, the disposition of Vehicles by Rental ULC pursuant to Repurchase Agreements or otherwise, including the disposition of Vehicles by Rental ULC to a third party;
- (iii) arrange for, on behalf of Rental ULC, (a) the delivery of Rental ULC Vehicles leased to Funding LP under the Master Vehicle Lease Agreement; (b) the delivery and return of Program Vehicles to the related Manufacturer's official auction or other facility designated by such Manufacturer pursuant to its respective Repurchase Agreement; and (c) the delivery of Non-Program Vehicles disposed of by Rental ULC to a third party;
- (iv) subject to Section 2.5 of the Funding/Rental Purchase Agreement, ensure that title to each Vehicle bought for Rental ULC is registered in the name of Rental ULC;
- (v) on behalf of Rental ULC, enforce the terms of any Repurchase Agreements against each Manufacturer, including the terms relating to payment of all amounts payable by a Manufacturer under its respective Repurchase Agreement;
- (vi) indemnify and hold harmless Rental ULC against (i) any obligation of Rental ULC to reimburse a Manufacturer for any allowance, discount or rebate paid by a Manufacturer to the Administrator in connection with the sale of Vehicles to Rental ULC, and (ii) any failure by the Administrator to perform its obligations under this Agreement; and

- (vii) maintain records relating to Rental ULC Vehicles leased under the Master Vehicle Lease Agreement, including records relating to Rental Revenues and Proceeds of Disposition and at all times, maintain its computer files or other records in respect of Rental ULC Vehicles in a manner such that Rental ULC Vehicles shall be specifically identified, and shall, upon request, make available within a reasonable time, which time in any event shall not exceed three (3) Business Days, to Rental ULC at the office of the Administrator, or of a General Partner, any computer programs and other records necessary to make such identification.

(e) Certain Duties with Respect to the Liquidation Agent Agreement

In its capacity as the Administrator hereunder, and in furtherance of its obligations under Section 2.1, the Administrator hereby covenants and agrees to terminate the specified power of attorney of Rental ULC upon written notice to such effect from the Indenture Trustee pursuant to Section 2.8(b) (ii) of the Liquidation Agent Agreement.

(f) Additional Duties

In its capacity as the Administrator hereunder, and in furtherance of its obligations under Section 2.1, the Administrator hereby covenants and agrees to:

- (i) administer, perform, monitor, or supervise the performance of such other activities by or on behalf of Rental ULC in connection with the Collateral and the Transaction Documents as are not covered by any of the foregoing provisions and as are expressly agreed to under any of the other Transaction Documents to which the Administrator is a party;
- (ii) in accordance with the directions of the Indenture Trustee or Rental ULC, administer, perform, monitor, or supervise the performance of such other activities by or on behalf of Rental ULC in connection with the Collateral and the Transaction Documents as are not covered by any of the foregoing provisions and as are expressly requested by the Indenture Trustee or Rental ULC and are reasonably within the capability of the Administrator;
- (iii) maintain its existence as an Ontario limited partnership in good standing; and
- (iv) promptly upon becoming aware thereof, notify Rental ULC, the Indenture Trustee and the Rating Agencies of any failure to perform or any defaults of which it is aware in respect of any party under any of the Transaction Documents.

ARTICLE 4
FEE

4.1 Fee

In consideration for its services hereunder, Rental ULC shall pay to the Administrator a fee in an amount to be determined as follows (the “**Administration Fee**”):

- (a) for each month, a monthly fleet administration fee equal to 20% of Depreciation for the month for all vehicles owned by Rental ULC during that month, and such monthly amount shall be calculated on the 15th day of the month following the month in respect of which the monthly Depreciation is calculated and thus the monthly administration fee is payable, provided however that the total of all amounts payable to the Administrator under this Section 4.1(a) in respect of a Taxation Year shall in no event exceed the amount by which the Taxable Income of Rental ULC prior to the deduction of any amount payable pursuant to this Section 4.1(a) in respect of the Taxation Year exceeds \$50,000; and
- (b) if in any Taxation Year of Rental ULC the Taxable Income of Rental ULC prior to the deduction of any amount payable to the Administrator as an administration fee exceeds the aggregate of all amounts payable as an administration fee in respect of the Taxation Year pursuant to Section 4.1(a) and \$50,000, then an amount equal to such excess shall be calculated no later than 60 days after the end of such Taxation Year and shall be payable by Rental ULC to the Administrator as an additional administration fee in respect of the Taxation Year.

The Administration Fee payable pursuant to Section 4.1(a) and 4.1(b) and any related taxes payable pursuant to Section 4.4 shall be paid by Rental ULC to the Administrator at any time after such amounts are calculated, on demand by the Administrator, and shall be payable only out of Unrestricted Funds. Other than the Administration Fee, the Administrator shall not be entitled to any other payment or compensation in connection with its services hereunder including, without limitation, any recovery of the costs and expenses incurred by it in connection with the performance of its obligations hereunder.

4.2 Incentives

All volume and other incentives available and paid by Manufacturers in connection with the purchase of Vehicles by Rental ULC shall be paid to Rental ULC.

4.3 Goods and Services Tax and Harmonized Sales Tax Registration

- (a) Funding LP is duly registered under Subdivision (d) of Division V of Part IX of the ETA with respect to GST and HST and under Division I of Chapter VIII of Title I of the QST Act with respect to QST, and its registration numbers are 871686697 and 33473 18225, respectively.

- (b) Rental ULC is duly registered under Subdivision (d) of Division V of Part IX of the ETA with respect to GST and HST and its registration number is 80815 4652 RT0001. Rental ULC will be duly registered under Division I of Chapter VIII of Title I of the QST Act effective as of the Closing Date and will provide its related registration number to the Indenture Trustee promptly thereafter.

4.4 Sales and Transfer Taxes

Rental ULC shall pay to the Administrator all sales and transfer taxes, registration charges and transfer fees, including the GST and HST imposed under Part IX of the ETA and any similar value-added or multi-staged tax imposed under any applicable provincial or territorial legislation, payable by it in respect of the provision of services by the Administrator under this Agreement.

4.5 Goods and Services Tax and Harmonized Sales Tax Election

Rental ULC and the Administrator shall jointly elect, under subsection 156(1) of Part IX of the ETA, section 334 of the QST Act, and any equivalent or corresponding provision under any applicable provincial or territorial legislation imposing a similar value-added or multi-staged tax, that no tax be payable with respect to the provision of services by the Administrator under this Agreement. Rental ULC and the Administrator shall make such election(s) in prescribed form containing prescribed information in compliance with the requirements of the applicable legislation. Rental ULC shall indemnify and save harmless the Administrator from and against any such Tax imposed on Rental ULC as a result of any failure or refusal by any Governmental Authority to accept any such election, and any such indemnity shall be payable by Rental ULC from, and only from, Unrestricted Funds in accordance with the Transaction Documents.

ARTICLE 5 TERMINATION

5.1 Termination and Resignation

This Agreement may be terminated at any time by Rental ULC upon ten (10) days' prior written notice to the Administrator and the Indenture Trustee; a copy of such notice to be sent to the Rating Agencies forthwith. The Administrator shall not resign from the obligations and duties imposed hereunder.

5.2 Administrator Termination Event

The occurrence of any one or more of the following events shall constitute an "**Administrator Termination Event**" under this Agreement:

- (a) the occurrence of an Event of Default;
- (b) the Administrator making any unauthorized payment from the Master Rental Account, the Master Vehicle Account, the VAT Account or any Series Account and failing to restore such payment within two Business Days of becoming aware of it;

- (c) the failure by the Administrator to observe any other covenant made herein or in any other Transaction Document on the part of the Administrator which failure is reasonably likely to have a Material Adverse Effect in respect of the Administrator, provided that if such breach of covenant is capable of being remedied, it shall not constitute an Administrator Termination Event unless it remains unremedied for five Business Days after receipt of written notice from the Indenture Trustee or any Noteholder;
- (d) the inaccuracy when made of a representation or warranty of the Administrator herein or in any other Transaction Document which inaccuracy is reasonably likely to have a Material Adverse Effect in respect of the Administrator, provided that if such inaccuracy is capable of being remedied, then it shall not constitute an Administrator Termination Event unless it remains unremedied for five Business Days after receipt of written notice from the Indenture Trustee or any Noteholder;
- (e) a General Partner failing to pay when due any obligation (the “underlying obligation”) for a sum certain in excess of \$2,000,000 and such failure continuing for three Business Days after (i) written notice to the Administrator from the party to whom the underlying obligation is owed if there is no grace period applicable to the underlying obligation or (ii) the expiry of any grace period applicable to the underlying obligation.

5.3 Rights and Remedies upon Administrator Termination Event

- (a) **Notice of Termination.** If an Administrator Termination Event has occurred and is continuing, either the Indenture Trustee or the Majority Holders of all Senior Notes then Outstanding under the Indenture (treated as one Class), by notice in writing to Rental ULC and the Administrator, may provide a notice (a “**Termination Notice**”) terminating all rights and obligations of the Administrator hereunder, with effect from and after the applicable termination date specified in such Termination Notice.
- (b) **Continued Performance.** On and after the receipt by the Administrator of a Termination Notice pursuant to Section 5.3(a), the Administrator shall continue to perform all of its duties under this Agreement until the date specified in the Termination Notice or such other date as may be mutually agreed upon by the Administrator and the Indenture Trustee, subject to the satisfaction of the Rating Agency Condition for each Outstanding Series and Class of Notes.

5.4 Designation of a Replacement Administrator

- (a) **Conditions to Appointment.** Upon delivery of a Termination Notice by the Indenture Trustee or Majority Holders under Section 5.3(a), the Indenture Trustee will, upon notice to the Administrator designate, as the Replacement Administrator, any Person selected by the Indenture Trustee who meets industry-wide standards to carry on a vehicle leasing business or administer and liquidate Rental ULC’s assets, to succeed the Administrator or any previously appointed Replacement Administrator, provided that in each case any such Person so designated shall agree to assume and perform the duties of the Administrator provided for in this Agreement and the Rating Agency Condition for each Outstanding Series and Class of Notes shall have been satisfied in respect of the designation of such Person; provided further that a Replacement Administrator need not succeed to all of the duties of the Administrator hereunder if so agreed by the Indenture Trustee or the Majority Holders of all Senior Notes then Outstanding and the Rating Agency Condition for each Outstanding Series and Class of Notes has been satisfied.

(b) **Transfer of Administering.** Upon the designation of a Replacement Administrator, if any, each Administrator agrees that it will terminate its activities as Administrator hereunder in a manner in which the Indenture Trustee will determine will facilitate the transition of the performance of such activities to the Replacement Administrator and each Administrator shall co-operate with and assist such Replacement Administrator. Such co-operation shall include (i) access to and transfer of all files and records, and (ii) the transfer or paying over of any Rental ULC money, each as may be in the possession or control of the predecessor , to the Replacement Administrator.

5.5 Replacement Administrator Fee

A Replacement Administrator appointed pursuant to Section 5.4 shall be entitled to a reasonable fee for services rendered, such fee to be settled by Rental ULC with the Replacement Administrator, and to be payable in respect of each Settlement Period in arrears.

ARTICLE 6 GENERAL

6.1 Assignability

No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties and satisfaction of the Rating Agency Condition for each Outstanding Series and Class of Notes provided that, notwithstanding the foregoing, Rental ULC may assign its rights hereunder pursuant to, and in accordance with, the Security Interest.

6.2 Amendments

This Agreement may be amended from time to time by a written amendment duly executed and delivered by all parties hereto and, in respect of material amendments and waivers, satisfaction of the Rating Agency Condition for each Outstanding Series and Class of Notes.

6.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the parties hereto hereby attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

6.4 Headings etc.

The division of this Agreement into sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement," "hereof," "hereunder" and similar expressions refer to this Agreement and not to any particular section or other portion hereof and include the recitals and any agreement supplemental hereto.

6.5 Severability

In the event that one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Agreement is hereby declared to be separate and distinct.

6.6 Notices, etc.

Any notice, report, payment or demand required or permitted to be given or made hereunder shall be in writing and shall be sufficiently given or made for all purposes if delivered personally or transmitted by fax to the party or to an officer of the other party to whom the same is directed, addressed as follows:

(a) if to Rental ULC, addressed to it at:

WTH Car Rental ULC
c/o Aviscar Inc.
1 Convair Drive East
Etobicoke, Ontario
M9W 6Z9
Attention: Controller
Fax No.: (416) 213-8505

with a copy to:

Avis Budget Car Rental LLC
6 Sylvan Way
Parsippany, N.J.
U.S.A. 07054
Attention: Treasury
Fax No.: (973) 496-3560

and

Attention: Legal Department
Fax No.: (973) 496-3444

(b) if to the Administrator, addressed to it at:

WTH Funding Limited Partnership
c/o Aviscar Inc.
1 Convair Drive East
Etobicoke, Ontario
M9W 6Z9
Attention: Controller
Fax No.: (416) 213-8505

with a copy to:

Avis Budget Car Rental LLC
6 Sylvan Way
Parsippany, N.J.
U.S.A. 07054
Attention: Treasury
Fax No.: (973) 496-3560

and

Attention: Legal Department
Fax No.: (973) 496-3444

(c) if to the Indenture Trustee, addressed to it at:

BNY Trust Company of Canada
4 King St. W., Suite 1101
Toronto, Ontario
M5H 1B6
Attn: George Bragg, Vice President
Phone: (416) 360-1711

Any such notice that is given by personal delivery shall be deemed to have been received on the day of actual delivery thereof and any notice given by telecopy or fax shall be deemed to have been received on the first Business Day after the transmittal thereof. Any of the parties hereto may change its address or fax number by giving written notice of such change to each of the other parties hereto.

6.7 No Waivers

No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single exercise or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

6.8 No Petition

Each of the parties hereto covenants and agrees that it shall not institute against, or join any other Person in instituting against, Rental ULC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any Insolvency Legislation, until one year and a day after the last maturing Note issued by Rental ULC is paid.

6.9 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the parties hereto and, to the extent permitted hereunder, their respective successors and assigns.

6.10 Counterparts

This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts and adopting instruments shall be construed together and shall constitute one and the same agreement.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

WTH CAR RENTAL ULC

By: /s/ David Calabria
Name: David Calabria
Title: Assistant Treasurer

By: _____
Name:
Title:

**WTH FUNDING LIMITED
PARTNERSHIP**, by its General
Partner, **AVISCAR INC.**

By: /s/ David Calabria
Name: David Calabria
Title: Assistant Treasurer

By: _____
Name:
Title:

MASTER MOTOR VEHICLE LEASE AGREEMENT

Dated as of August 26, 2010

WTH CAR RENTAL ULC

as Rental ULC

- and -

WTH Funding Limited Partnership

as Funding LP

-and -

BNY TRUST COMPANY OF CANADA

as Indenture Trustee

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS	2
1.1 Definitions	4
ARTICLE 2 LEASE OF VEHICLES	4
2.1 Lease of Vehicles	4
2.2 Non-Liability of Rental ULC	5
2.3 Rental ULC's Right to Cause Leased Vehicles to be Sold	5
2.4 Nature of Lease	5
2.5 Acknowledgement of Security Interest	5
ARTICLE 3 TERM	5
3.1 Vehicle Term	5
ARTICLE 4 RENT AND CHARGE	6
4.1 Obligation to Pay Rent	6
4.2 Estimation Reports	6
4.3 Payment of Rent	6
4.4 Net Lease	6
4.5 Goods and Services Tax and Harmonized Sales Tax Election	7
4.6 Tax and Accounting Treatment of Agreement	7
ARTICLE 5 INSURANCE	8
5.1 Insurance Representation	8
5.2 Insurance Covenant	8
5.3 Self Insurance	8
5.4 Risk of Loss Borne by Funding LP	8
5.5 Casualty Payments	9
ARTICLE 6 LEASED VEHICLE USE	9
6.1 Use of Leased Vehicle	9
6.2 Liens	9
6.3 Non-Disturbance	9
6.4 Maintenance and Repairs	9
ARTICLE 7 REPRESENTATIONS	10
7.1 Representations and Warranties of Funding LP	10
7.2 Representations and Warranties of Rental ULC	12
ARTICLE 8 COVENANTS	12
8.1 Covenants of Funding LP	12
ARTICLE 9 DEFAULT AND REMEDIES	13
9.1 Lease Defaults	13
9.2 Effect of Lease Default	14
ARTICLE 10 GENERAL	14
10.1 Assignability	14
10.2 Governing Law	15

TABLE OF CONTENTS
(continued)

Page

10.3 Headings etc.	15
10.4 Severability	15
10.5 Notices, etc.	15
10.6 No Waivers	17
10.7 No Proceedings	17
10.8 Limitation of Liability	17
10.9 Binding Effect	17
10.10 Counterparts	17

SCHEDULE "A" FORM OF ESTIMATION REPORT
SCHEDULE "B" INSURANCE

MASTER MOTOR VEHICLE LEASE AGREEMENT

MEMORANDUM OF AGREEMENT made as August 26, 2010.

B E T W E E N:

WTH CAR RENTAL ULC

as "**Rental ULC**"

- and -

WTH FUNDING LIMITED PARTNERSHIP

as "**Funding LP**"

- and -

BNY TRUST COMPANY OF CANADA

as "**Indenture Trustee**"

RECITALS:

WHEREAS Rental ULC desires to lease to Funding LP and Funding LP desires to lease from Rental ULC Program Vehicles and Non-Program Vehicles for use in the daily rental car business of Funding LP.

AND WHEREAS the Indenture Trustee on behalf of itself and the other Secured Parties, has a Security Interest in the Vehicles leased hereunder and such Secured Parties provide financing to Rental ULC in connection with the acquisition of the Vehicles leased hereunder;

AND WHEREAS Aviscar Inc., Budgetcar Inc., BNY Trust Company of Canada, in its capacity as trustee of STARS Trust, Montreal Trust Company of Canada, in its capacity as trustee of Bay Street Funding Trust, and 2233516 Ontario Inc. made and entered into a Transition and Amending Agreement as of the date hereof and prior to the execution of this Master Motor Vehicle Lease Agreement;

AND WHEREAS, following completion of the steps and transactions provided for in the Transition and Amending Agreement, Aviscar Inc., Budgetcar Inc., and 2233516 Ontario Inc. made and entered into a Fifth Amended And Restated Limited Partnership Agreement as of the date hereof and prior to the execution of this Master Motor Vehicle Lease Agreement.

NOW THEREFORE, this Agreement witnesses that in consideration of the premises and the covenants and agreements of the parties herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties hereby covenant and agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 Definitions

Terms used herein which are defined in the Indenture, either directly or by reference therein, have the meanings assigned to them in the Indenture unless otherwise defined herein. In this Agreement:

“**Additional Rent**” has the meaning given to it in Section [6.4](#).

“**Avis or Budget System Member**” means a licensee of the general partners of Funding LP or one of the Affiliates of the general partners of Funding LP authorized to operate its own rental vehicle business in Canada under the “**Avis**” or “**Budget**” name.

“**Best**” means A.M. Best Company, Inc.;

“**Estimation Rent Payment**” means, in respect of a Remittance Period, an amount equal to the estimated Aggregate Cost of Funds Amount for the Remittance Date related to such Remittance Period, as set forth in the Estimation Report for such Remittance Period.

“**Estimation Rent Payment Date**” means, in respect of each Remittance Period, the first Business Day of such Remittance Period.

“**Estimation Report**” means a monthly report provided by the Administrator to Funding LP substantially in the form of Schedule “A”.

“**Funding LP Business Revenues**” all monetary receipts (other than sales, value added and other similar Taxes collected on behalf of a Governmental Authority) received by Funding LP pursuant to its Vehicle rental and leasing business from:

- (a) time and kilometre charges of customers of Funding LP in connection with the rental of Leased Vehicles by Funding LP to such customers;
- (b) the sale of fuel to customers of Funding LP and by customers of Funding LP choosing the prepaid gas option in connection with the rental by such customer of a Leased Vehicle from Funding LP;
- (c) charges incurred by customers of Funding LP in respect of additional products and services relating to the renting by such customer of a Leased Vehicle from Funding LP, including such monetary receipts arising from child safety seats, ski racks, additional driver approvals and similar products and services;
- (d) charges incurred by customers of Funding LP returning a Leased Vehicle rented from Funding LP to a rental location other than the rental location from which such Leased Vehicle was originally rented; and

(e) charges incurred by customers of Funding LP as a result of the pass through to such customers of airport concession fees imposed on Funding LP by certain airports in respect of revenues of Funding LP being generated at such airports;

in each case as provided for in the relevant Funding LP Business Vehicle Rental Agreement whether in the form of remittances from credit card or debit card issuers, cash payments, bank drafts, cheques, wire transfers or otherwise.

“Funding LP Business Vehicle Rental Agreement” means the agreement pursuant to which a general partner of Funding LP, as agent for an undisclosed principal (namely Funding LP), rents Leased Vehicles to retail, commercial and leisure customers substantially in the form of the agreements used by such general partner for such purposes prior to the date hereof.

“Indenture” means the trust indenture dated the date hereof between Rental ULC and the Indenture Trustee, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

“Indenture Trustee” means BNY Trust Company of Canada, in its capacity as Indenture Trustee.

“Lease Default” has the meaning given to it in Section 9.1.

“Lease Expiration Date” shall mean the latest of (a) the Leased Vehicle Lease Expiration Date for the last Leased Vehicle leased hereunder; and (b) the date on which all amounts payable hereunder have been paid in full.

“Leased Vehicle” has the meaning given to it in Section 2.1.

“Leased Vehicle Lease Commencement Date” has the meaning given to it in Section 3.1.

“Leased Vehicle Lease Expiration Date” has the meaning given to it in Section 3.1.

“Leased Vehicle Term” has the meaning given to it in Section 3.1.

“Maximum Term” means in respect of a Leased Vehicle, other than a box truck a term of 36 months from the Leased Vehicle Lease Commencement Date in respect of such Leased Vehicle and, in respect of a box truck a term of 84 months from the Leased Vehicle Lease Commencement Date in respect of each Leased Vehicle.

“Remittance Date Rent Payment” means, in respect of a Remittance Period, an amount equal to the amount, if any, by which (x) the Estimation Rent Payment in respect of such Remittance Period, is less than (y) the aggregate of:

- (i) the Aggregate Cost of Funds Amount for the Remittance Date related to such Remittance Period;

- (ii) actual Depreciation for the prior Settlement Period;
- (iii) Rental ULC Expenses for the prior Settlement Period; and
- (iv) the aggregate of any Additional Rent accruing due for the Remittance Date related to the prior Settlement Period.

“Rent” means all amounts payable hereunder as Estimation Rent Payments and Remittance Date Rent Payments.

“Term” means the period commencing on the date hereof and ending on the Lease Expiration Date.

ARTICLE 2 LEASE OF VEHICLES

2.1 Lease of Vehicles

From time to time, subject to the terms and provisions hereof, Rental ULC agrees to lease to Funding LP and Funding LP agrees to lease from Rental ULC, subject to the terms hereof:

- (a) the Vehicles identified in Schedule “A” to the Funding/Rental Purchase Agreement; and
- (b) any other Vehicles that from time to time become Rental ULC Vehicles.

(The Vehicles in Sections 2.1(a) and (b) being collectively referred to as the “Leased Vehicles.”)

2.2 Non-Liability of Rental ULC

Rental ULC shall not be liable to Funding LP for any failure or delay in obtaining Leased Vehicles or making delivery thereof. As between Rental ULC and Funding LP, acceptance of the Leased Vehicles shall constitute Funding LP’s acknowledgement and agreement that Funding LP has fully inspected such Leased Vehicles, that such Leased Vehicles are in good order and condition and are of the manufacture, design, specifications and capacity requested by Funding LP, that Funding LP is satisfied that the same are suitable for use and that Rental ULC is not a manufacturer or engaged in the sale or distribution of Leased Vehicles, and has not made and does not hereby make any representation, warranty or covenant with respect to merchantability, condition, quality, durability or suitability of such Leased Vehicles in any respect or in connection with or for the purposes or uses of Funding LP, or any other representation, warranty or covenant of any kind or character, express or implied, with respect thereto. In no event shall Rental ULC be liable for any inconveniences, loss of profits or any other consequential, incidental or special damages resulting from any defect in or any theft, damage, loss or failure of any Vehicle and there shall be no abatement of Rent or other amounts payable hereunder because of the same.

2.3 Rental ULC's Right to Cause Leased Vehicles to be Sold

Rental ULC shall have the right, subject to the terms of any applicable Repurchase Agreement in the case of Program Vehicles, to sell Leased Vehicles to a third party. If a sale of a Leased Vehicle is arranged, then Rental ULC or the Administrator on its behalf shall deliver such Leased Vehicle to the purchaser thereof.

2.4 Nature of Lease

Rental ULC and Funding LP hereby acknowledge and agree that this Agreement is intended as an agreement to lease only, that title to the Leased Vehicles will at all times remain in the name of Rental ULC or, in respect of the Initial Vehicles, Funding LP as nominee for the benefit of Rental ULC and that Funding LP will have no rights or interest in such Leased Vehicles whatsoever other than the rights of possession and use as provided herein.

2.5 Acknowledgement of Security Interest

Funding LP acknowledges that it takes its lease of each Leased Vehicle under this Agreement subject to the Security Interest granted in favour of the Indenture Trustee under the terms of the Indenture.

ARTICLE 3 TERM

3.1 Vehicle Term

The "Leased Vehicle Lease Commencement Date" for each Leased Vehicle shall mean the earlier of (a) the day Funding LP obtains possession of such Leased Vehicle; and (b) the date that funds are expended or allocated by Rental ULC to acquire such Leased Vehicle. The "Leased Vehicle Term" with respect to each Leased Vehicle shall extend from the Leased Vehicle Lease Commencement Date through the earliest of (i) the date on which funds in respect of a sale of such Leased Vehicle are first deposited in the Master Vehicle Account; (ii) if such Leased Vehicle is written off as a result of a Casualty, the date funds in the amount of the Current Book Value thereof at the time of such Casualty are deposited in the Master Vehicle Account; (iii) the date the Indenture Trustee declares the lease of such Leased Vehicle to be terminated following an Event of Default and receipt by the Indenture Trustee, under Section 10.3 of the Indenture, of Enforcement Instructions to realize upon the Security Interest in the Collateral; (iv) the return by Funding LP of such Leased Vehicle to Rental ULC pursuant to Section 9.2; and (v) the Maximum Term applicable to each Leased Vehicle. The earliest of such five dates described in the foregoing clauses (i) through (v) being referred to as the "Leased Vehicle Lease Expiration Date").

ARTICLE 4
RENT AND CHARGE

4.1 Obligation to Pay Rent

Funding LP will pay Rent at the times and the amounts as set forth in this Article 4 during the Term.

4.2 Estimation Reports

Rental ULC or the Administrator on its behalf shall deliver to Funding LP and the Indenture Trustee, on the Estimation Rent Payment Date in respect of each Settlement Period, an Estimation Report in respect of such Settlement Period.

4.3 Payment of Rent

On the Estimation Rent Payment Date in respect of each Settlement Period, Funding LP shall pay Rent to Rental ULC in an amount equal to the Estimation Rent Payment in respect of such Settlement Period. On the Remittance Date in respect of each Settlement Period, Funding LP shall pay Rent to Rental ULC in an amount equal to the Remittance Date Rent Payment in respect of such Settlement Period. All payments of Rent shall be in immediately available funds and shall be paid by direct transfer to the Master Rental Account.

4.4 Net Lease

This Agreement shall be a net lease, and Funding LP's obligations to pay all Rent hereunder shall be absolute and unconditional, and shall not be subject to any abatement, setoff, counterclaim, deduction or reduction for any reason whatsoever. The obligations and liabilities of Funding LP hereunder shall in no way be released, discharged or otherwise affected (except as may be expressly provided herein) for any reason, including, without limitation:

- (a) any defect in the condition, merchantability, quality or fitness for use of the Leased Vehicles or any part thereof;
- (b) any damage to, removal, abandonment, salvage, loss, scrapping or destruction or curtailment of or interference with any use of the Leased Vehicles or any part thereof;
- (c) any restriction, prevention or curtailment of or interference with any use of the Leased Vehicles or any part thereof;
- (d) any defect in or any Lien on title to the Leased Vehicles or any part thereof;
- (e) any change, waiver, extension, indulgence or other action or omission in respect of any obligation or liability of Funding LP or Rental ULC;
- (f) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Funding LP, Rental ULC or any other Person, or any action taken with respect to this Agreement by any trustee or receiver of any Person mentioned above, or by any court;

- (g) any claim that Funding LP has or might have against any Person, including, without limitation, Rental ULC;
- (h) any failure on the part of Funding LP or Rental ULC to perform or comply with any of the terms hereof or of any other agreement;
- (i) any invalidity or unenforceability or disaffirmance of this Agreement or any provision hereof or any of the other Transaction Documents or any provision of any thereof, in each case whether against or by Funding LP or otherwise;
- (j) any insurance premiums payable by Funding LP with respect to the Leased Vehicles; or
- (k) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Funding LP shall have notice or knowledge of any of the foregoing and whether or not foreseen or foreseeable.

This Agreement shall be noncancelable by Funding LP and, except as expressly provided herein, Funding LP, to the extent permitted by law, waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Agreement, or to any diminution or reduction of Rent payable by Funding LP hereunder. All payments by Funding LP made hereunder shall be final (except to the extent of adjustments provided for herein), absent manifest error and, except as otherwise provided herein, Funding LP shall not seek to recover any such payment or any part thereof for any reason whatsoever, absent manifest error. If for any reason whatsoever this Agreement shall be terminated in whole or in part by operation of law or otherwise except as expressly provided herein, Funding LP shall nonetheless pay all Rent due hereunder at the time and in the manner that such payments would have become due and payable under the terms of this Agreement as if it had not been terminated in whole or in part. All covenants and agreements of Funding LP herein shall be performed at its cost, expense and risk unless expressly otherwise stated.

4.5 Goods and Services Tax and Harmonized Sales Tax Election

Rental ULC and Funding LP shall jointly elect, under subsection 156(1) of Part IX of the ETA, section 334 of the QST Act, and any equivalent or corresponding provision under any applicable provincial or territorial legislation imposing a similar value added or multi-staged tax, that no tax be payable with respect to supplies made under this Agreement. Rental ULC and Funding LP shall make such election(s) in prescribed form containing prescribed information in compliance with the requirements of the applicable legislation.

4.6 Tax and Accounting Treatment of Agreement

Rental ULC and Funding LP hereby acknowledge and agree that this Agreement is a “true lease” and agree to treat this Agreement as a lease for all purposes, including tax, accounting and otherwise. In addition, Rental ULC and Funding LP hereby each agree to take no position on their respective tax returns and filings contrary to the position that Rental ULC is the owner of the Leased Vehicles for Canadian federal income tax purposes.

ARTICLE 5
INSURANCE

5.1 Insurance Representation

Funding LP represents and warrants that the casualty loss and third party liability insurance carried by Funding LP in respect of its business, business premises and the Leased Vehicles, is as described in Schedule "B" and also provides for notice from the applicable insurer to Rental ULC in the event of any coverage lapse or pending lapse. Such insurance is provided by third party underwriters whose claims paying ability or similar measure is rated not lower than A (low) (or such lower rating in respect of which the Rating Agency Condition for each Outstanding Series and Class of Notes may be satisfied) or the equivalent by as many of DBRS, S&P, Moody's and Best's as rate it or, if such ability or other measure is not rated by at least one of DBRS, S&P, Moody's and Best's, whose profitability ranking has the highest rating from T.R.A.C. Insurance Services Ltd. Funding LP, at its own expense and for no additional consideration, has maintained adequate reserves to cover the first \$1,000,000 of claims relating to third party liability and collisions in respect of the Leased Vehicles, which amount is not insured by a third party underwriter.

5.2 Insurance Covenant

Funding LP shall at its own expense provide insurance for its business and Vehicles, including the Leased Vehicles, in respect both of losses and third party liability, as set out in Schedule "B" and shall pay all premiums on such insurance on a timely basis and shall maintain fully funded all escrow or trust accounts required to be funded by the terms of such insurance. Third party underwriters of such insurance shall meet the credit standard set out in Section 5.1. Funding LP shall indemnify and hold Rental ULC harmless against all claims, losses and expenses within the deductible amounts (including, for greater certainty, self insured amounts) under such insurance policies.

5.3 Self Insurance

Funding LP will, at its own expense and for no consideration, continue to maintain adequate reserves to cover the first \$1,000,000 of claims relating to third party liability and collisions in respect of the Leased Vehicles, which amount is not insured by a third party underwriter.

5.4 Risk of Loss Borne by Funding LP

Upon delivery of each Leased Vehicle to Funding LP, as between Funding LP and Rental ULC, Funding LP assumes and bears the risk of loss, damage, theft, taking, destruction, attachment, seizure, confiscation or requisition with respect to such Leased Vehicle, however caused or occasioned, and all other risks and liabilities, including personal injury or death and property damage, arising with respect to such Leased Vehicle or the manufacture, acceptance, rejection, delivery, leasing, subleasing, possession, use, inspection, registration, operation, condition, maintenance, repair, or storage of such Leased Vehicle, howsoever arising.

5.5 Casualty Payments

For each Settlement Period in which a Casualty in respect of one or more Leased Vehicles occurs, Funding LP shall deposit the insurance (including self insurance) payments in respect of such Casualty in an amount, equal to the Current Book Value of each such Leased Vehicle at the time of such Casualty, directly into the Master Vehicle Account as promptly as possible, and in any event, no later than the related Remittance Date.

ARTICLE 6 LEASED VEHICLE USE

6.1 Use of Leased Vehicle

During the Term, Funding LP may use each Leased Vehicle in its regular course of business.

6.2 Liens

Except for Permitted Encumbrances, Funding LP shall keep all Leased Vehicles free of all Liens arising during the Term. Rental ULC may grant Liens in the Leased Vehicles without consent of Funding LP, including, without limitation, the Security Interest.

6.3 Non-Disturbance

So long as Funding LP satisfies its obligations hereunder and no Lease Default has occurred, its quiet enjoyment, possession and use of the Leased Vehicles will not be disturbed during the Term, subject to the rights of the Indenture Trustee under the Indenture.

6.4 Maintenance and Repairs

Funding LP shall pay for all maintenance and repairs to keep the Leased Vehicles in good working order and condition, and Funding LP will maintain such Leased Vehicles as required in order to keep the Manufacturer's warranty in force and, in the case of Program Vehicles to keep such Vehicles eligible for repurchase under the applicable Repurchase Agreement. Funding LP will pay, or cause to be paid, all usual and routine expenses incurred in the use and operation of the Leased Vehicles, including, but not limited to, fuel, lubricants and coolants. Funding LP shall pay to Rental ULC as additional rent ("Additional Rent") on each Remittance Date in respect of each Settlement Period an amount equal to the lesser of:

- (a) the amount, if any, by which (x) the aggregate of the Current Book Values of all Leased Vehicles disposed of during such Settlement Period which were not eligible for repurchase under the applicable Repurchase Agreement as a result of the failure of Funding LP to comply with such Repurchase Agreement, exceeds (y) the aggregate of the Proceeds of Disposition for such Leased Vehicles; and

(b) the amount, if any, by which Losses on Disposition for such Settlement Period exceeded Gains on Disposition for such Settlement Period.

ARTICLE 7
REPRESENTATIONS

7.1 Representations and Warranties of Funding LP

On each Closing Date and on each date on which there is an increase in the Outstanding Principal Amount of any Series, Funding LP represents and warrants to Rental ULC and the Indenture Trustee that:

- (a) **Organization.** Funding LP is a valid and subsisting limited partnership formed under the laws of the Province of Ontario and has full power and authority to own or lease its property, to carry on its business as now being conducted by it and to enter into this Agreement and to perform its obligations hereunder. Funding LP is duly qualified, licensed or registered to do business in each province of Canada in which it owns or leases any material property or conducts any material business.
- (b) **Authorization.** This Agreement has been duly authorized, executed and delivered by Funding LP and is a legal, valid and binding obligation of Funding LP, enforceable against Funding LP in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (c) **No Violation.** The execution and delivery of this Agreement by Funding LP and the consummation of the transactions herein provided for will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of Funding LP under (i) any Contract to which Funding LP is a party or by which it is or its properties are bound; (ii) any provision of the Funding LP Partnership Agreement or any resolutions of the board of directors (or any committee thereof) or shareholders of the partners of Funding LP; (iii) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over Funding LP; (iv) any licence, permit, approval, consent or authorization held by Funding LP necessary to the operation of Funding LP's business; or (v) any Applicable Law, which breach, violation, default, conflict or acceleration (except in the case of (ii) above) could reasonably be expected to have a material adverse effect on the ability of Funding LP to carry out its obligations hereunder.

- (d) No Litigation, Etc. There are no actions, suits, proceedings or investigations commenced or, to the knowledge of Funding LP after due inquiry, contemplated or threatened against or affecting Funding LP at law or in equity before or by any governmental department, commission, board, bureau, court, agency, arbitrator or instrumentality, domestic or foreign, of any kind, which in any case would prevent or hinder the consummation of the transactions contemplated by this Agreement or which could reasonably be expected to have a material adverse effect on the ability of Funding LP to carry out its obligations hereunder.
- (e) Compliance with Applicable Laws. Funding LP has conducted and is conducting its business in compliance with all Applicable Laws of each jurisdiction in which any material portion of its business is carried on and has all required licences, permits, registrations and qualifications under the laws of each such jurisdiction to carry on its business, except to the extent that failure to so conduct its business or to have such licences, permits, registrations or qualifications could not reasonably be expected to have a material adverse effect on the ability of Funding LP to carry out its obligations hereunder.
- (f) Communications and Computer Systems. The communications and computer systems of Funding LP, or the general partners of Funding LP, are adequate for the conduct of Funding LP's business and the use thereof by Funding LP, or the general partners of Funding LP, does not infringe the rights of any other Person.
- (g) No Strikes, Work Stoppages, Etc. The general partners of Funding LP are not experiencing any strike, work stoppage, slow-down or other material interference with or impairment of its business by labour, and, to Funding LP's knowledge, no such strike, work stoppage, slow-down or other material interference or impairment is threatened. The general partners of Funding LP are not a party to or the subject of any unfair labour practice complaint and is not a party to or the subject of any prosecution, order or complaint relating to employment standards or human rights before any governmental agency.
- (h) Consents and Approvals. There is no requirement to make any filing with, give any notice to or to obtain a licence, permit, certificate, registration, authorization, consent or approval of, any governmental or regulatory authority as a condition to the lawful consummation of the transactions contemplated by this Agreement, except for notifications, consents and approvals which have been given or obtained, as the case may be. There is no requirement under any Contract to which Funding LP is a party or by which it is bound to give any notice to, or to obtain the consent or approval of, any party to such Contract, relating to the consummation or transactions contemplated by this Agreement, except for notifications, consents and approvals which have been given or obtained, as the case may be.
- (i) Solvency, Etc. Funding LP is not insolvent and has not: (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due; (ii) proposed a compromise or arrangement to its creditors; (iii) had any petition for a receiving order or bankruptcy filed against it; (iv) consented to have itself declared bankrupt or wound up; (v) consented to have a receiver, liquidator or trustee appointed over any part of its assets; (vi) had any encumbrancer take possession of any of its property; (vii) had any execution or distress become enforceable or become levied upon any of its property which could reasonably be expected to have a material adverse effect on the ability of Funding LP to carry out its obligations hereunder; or (viii) had any unsatisfied judgment outstanding against it for more than 15 days which could reasonably be expected to have a material adverse effect on the ability of Funding LP to carry out its obligations hereunder.

- (j) Residency. Funding LP is a Canadian partnership within the meaning of the Income Tax Act.
- (k) VAT Registrations. Funding LP is duly registered under Subdivision (d) of Division V of Part IX of the ETA with respect to GST and HST and under Division I of Chapter VIII of Title I of the QST Act with respect to QST, and its registration numbers are 871686697 and 33473 18225, respectively.
- (l) Full Disclosure. Neither this Agreement nor any document to be delivered by Funding LP nor any certificate, report, statement or other document furnished by Funding LP to Rental ULC, or the Indenture Trustee or any Noteholder in connection with the negotiation of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which the statements were made.

7.2 Representations and Warranties of Rental ULC

Rental ULC represents and warrants to Funding LP and the Indenture Trustee that (x) Rental ULC is duly registered under Subdivision (d) of Division V of Part IX of the ETA with respect to the GST and HST and its registration number is 80815 4652 RT0001; and (y) Rental ULC will be duly registered under Division I of Chapter VIII of Title I of the QST Act effective as of the Closing Date and will provide its related registration number to Funding LP and the Indenture Trustee promptly thereafter.

ARTICLE 8 COVENANTS

8.1 Covenants of Funding LP

Funding LP covenants and agrees with Rental ULC and the Indenture Trustee that:

- (a) Existence. Funding LP shall preserve and maintain its existence, rights, franchises and privileges in good standing.

- (b) Compliance with Applicable Laws. Funding LP shall in the conduct of its business comply with all Applicable Laws and obtain and maintain in good standing all licences, permits, qualifications and approvals from any and all governments and governmental agencies in any jurisdiction in which it carries on business except to the extent that failure to so comply, obtain or maintain does not materially affect the business or financial condition of Funding LP.
- (c) No Reconstruction, Reorganization, Etc. Funding LP shall not enter into any transaction (whether by way of reconstruction, reorganization, arrangement, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) whereby all or any material part of the undertaking, property and assets of Funding LP would become the property of any Person other than Funding LP.
- (d) No Defaults. Funding LP shall promptly notify Rental ULC and the Indenture Trustee of any defaults of which it is aware under this Agreement or any other Transaction Document.

ARTICLE 9
DEFAULT AND REMEDIES

9.1 Lease Defaults

Any one or more of the following will constitute an event of default (a "Lease Default") as that term is used herein:

- (a) there occurs a default in the payment of Rent and the continuance thereof for a period of two (2) Business Days;
- (b) the failure by Funding LP to observe any other covenant herein which failure could reasonably be expected to have a Material Adverse Effect on Funding LP or Rental ULC, provided that if such breach of covenant is capable of being remedied, it shall not constitute a Lease Default unless it remains unremedied for five (5) Business Days after Funding LP or an Affiliate becomes aware of it;
- (c) the inaccuracy when made of a representation or warranty of Funding LP herein which inaccuracy could reasonably be expected to have a Material Adverse Effect on Funding LP or Rental ULC, provided that if such inaccuracy is capable of being remedied, then it shall not constitute a Lease Default unless it remains unremedied for five (5) Business Days after Funding LP or an Affiliate becomes aware of it;
- (d) the occurrence of a material adverse change since the date hereof in the financial condition or operations of Funding LP which, in the opinion of the Indenture Trustee or the Majority Holders of the Outstanding Senior Notes, and which opinion has been communicated in writing to Funding LP, could reasonably be expected to result in Funding LP (i) being unable to satisfy its obligations hereunder; (ii) becoming a bankrupt; or (iii) seeking the protection of Insolvency Legislation;

- (e) Avis, Budget, or Funding LP failing to pay when due any obligation (the “underlying obligation”) for a sum certain in excess of \$2,000,000 and such failure continuing for three (3) Business Days after (i) written notice to Avis, Budget, or Funding LP, as applicable, from the party to whom the underlying obligation is owed if there is no grace period applicable to the underlying obligation; or (ii) the expiry of any grace period applicable to the underlying obligation;
- (f) an Insolvency Event occurs with respect to Funding LP;
- (g) the occurrence of an Event of Default; and
- (h) if the average of the ratio of:
 - (i) the Funding LP Business Revenues for a Settlement Period to
 - (ii) the sum of (x) Rental Revenues for such Settlement Period and (y) Loss on Dispositions calculated in respect of Non-Program Vehicles for such Settlement Period;

for (x) three (3) consecutive Settlement Periods is less than 1.35:1 or (y) for 12 consecutive Settlement Periods is less than 1.6:1.

9.2 Effect of Lease Default

If any Lease Default shall occur (a) Rental ULC (unless otherwise directed by the Indenture Trustee) or the Indenture Trustee acting pursuant to the Indenture may terminate this Agreement and any accrued and unpaid Rent under this Agreement shall automatically, without further action by Rental ULC or any other Person, become immediately due and payable; and (b) Funding LP shall, at the request of Rental ULC (unless otherwise directed by the Indenture Trustee) or the Indenture Trustee, return or cause to be returned, all Leased Vehicles to Rental ULC or as Rental ULC or the Indenture Trustee acting pursuant to the Indenture may direct.

ARTICLE 10 GENERAL

10.1 Assignability

No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties and satisfaction of the Rating Agency Condition for each Outstanding Series and Class of Notes; provided that, notwithstanding the foregoing, Rental ULC may assign its rights hereunder pursuant to, and in accordance with, the Security Interest and Funding LP may assign its rights hereunder pursuant to, and in accordance with, the Funding LP Security Agreement.

10.2 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the parties hereto hereby attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

10.3 Headings etc.

The division of this Agreement into sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular section or other portion hereof and include the recitals and any agreement supplemental hereto.

10.4 Severability

In the event that one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Agreement is hereby declared to be separate and distinct.

10.5 Notices, etc.

Any notice, report, payment or demand required or permitted to be given or made hereunder shall be in writing and shall be sufficiently given or made for all purposes if delivered personally or transmitted by telecopy or fax to the party or to an officer of the other party to whom the same is directed, addressed as follows:

(a) if to Funding LP, addressed to it at:

WTH Funding Limited Partnership
c/o Aviscar Inc.
1 Convair Drive East
Etobicoke, Ontario
M9W 6Z9

Attention: Controller
Fax No.: (416) 213-8505

with a copy to:

Avis Budget Car Rental LLC
6 Sylvan Way
Parsippany, N.J.
U.S.A. 07054

Attention: Treasury
Fax No.: (973) 496-3560

and

Attention: Legal Department
Fax No.: (973) 496-3444

(b) if to Rental ULC, addressed to it at:

WTH Car Rental ULC
c/o Aviscar Inc.
1 Convair Drive East
Etobicoke, Ontario
M9W 6Z9

Attention: Controller
Fax No.: (416) 213-8505

with a copy to:

Avis Budget Car Rental LLC
6 Sylvan Way
Parsippany, N.J.
U.S.A. 07054

Attention: Treasury
Fax No.: (973) 496-3560

and

Attention: Legal Department
Fax No.: (973) 496-3444

(c) if to the Indenture Trustee, addressed to it at:

BNY Trust Company of Canada
4 King St. W., Suite 1101
Toronto, Ontario
M5H 1B6

Attn: George Bragg, Vice President
Phone: (416) 360-1711

Any such notice that is given by personal delivery shall be deemed to have been received on the day of actual delivery thereof and any notice given by telecopy or fax shall be deemed to have been received on the first Business Day after the transmittal thereof. Any of the parties hereto may change its address or fax number by giving written notice of such change to each of the other parties hereto.

10.6 No Waivers

No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single exercise or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

10.7 No Proceedings

Funding LP hereby agrees that it shall not institute against, or join any other Person in instituting against, Rental ULC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other proceedings under any federal or provincial bankruptcy or similar law, until one year and a day after the last maturing Note issued by Rental ULC is paid.

10.8 Limitation of Liability

No resort shall be had to the property or assets of BNY Trust Company of Canada or any of its shareholders, directors, officers, employees or agents. BNY Trust Company of Canada is entering into this Agreement solely in its capacity as Indenture Trustee under the Indenture, and this Agreement shall enure to the benefit of and be binding upon the successors of BNY Trust Company of Canada in its capacity as Indenture Trustee under the Indenture.

10.9 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the parties hereto and, to the extent permitted hereunder, their respective successors and assigns.

10.10 Counterparts

This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts and adopting instruments shall be construed together and shall constitute one and the same agreement.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

WTH CAR RENTAL ULC

By: /s/ David Calabria
Name: David Calabria
Title: Assistant Treasurer

By: _____
Name:
Title:

**WTH FUNDING LIMITED
PARTNERSHIP**, by its general
partner, **AVISCAR INC.**

By: /s/ David Calabria
Name: David Calabria
Title: Assistant Treasurer

By: _____
Name:
Title:

**BNY TRUST COMPANY
OF CANADA**, as Indenture
Trustee

By: /s/ Patricia Benjamin
Name: Patricia Benjamin
Title: Authorized Officer

By: _____
Name:
Title:

WTH FUNDING LIMITED PARTNERSHIP

FIFTH AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

August 26, 2010

TABLE OF CONTENTS

Page

ARTICLE 1 DEFINITIONS

2

1.1 Definitions

2

1.2 Other Rules of Interpretation

2

1.3 Strict Performance of Covenants

7

1.4 Non-Business Days

7

1.5 Governing Law

8

1.6 Time of Essence

8

1.7 Currency

8

1.8 Schedules

8

1.9 Joint and Several Liability

8

1.10 One Voice Rule

8

ARTICLE 2 FORMATION AND CONTINUANCE OF PARTNERSHIP AND RELATIONSHIP BETWEEN PARTNERS

9

2.1 Formation and Continuance

9

2.2 Name

9

2.3 Unlimited Liability of General Partners

9

2.4 Limited Liability of Limited Partner

9

ARTICLE 3 OPERATION OF THE PARTNERSHIP

9

3.1 Business of Partnership

9

3.2 Restrictions on Business

10

3.3 Principal Place of Business

11

3.4 Fiscal Period

11

3.5 Title to Partnership Assets

11

3.6 Transaction Documents

11

ARTICLE 4 POWERS, DUTIES AND OBLIGATIONS OF THE PARTNERS

11

4.1 Powers and Duties of Partners

11

4.2 General Partners: Rights, Power and Authority

11

4.3 Limitations of Authority of Limited Partner

12

4.4 Specific Duties of the General Partners

12

4.5 Specific Powers of General Partners

13

4.6 Restrictions upon General Partners

14

4.7 Fees of the General Partners

15

TABLE OF CONTENTS
(continued)

	Page
4.8 Transactions With Partners And Affiliates	15
4.9 Compliance with Applicable Laws	15
4.10 Separateness Requirements	15
ARTICLE 5 REPRESENTATIONS AND WARRANTIES	17
5.1 Representations and Warranties of the General Partners	17
5.2 Representations and Warranties of the Limited Partner	19
5.3 Survival of Representations, Warranties and Covenants	20
ARTICLE 6 PARTNERS' ACCOUNTS	21
6.1 Initial Capital Contributions to the Partnership	21
6.2 Additional Capital Contributions	21
6.3 No Assessment on Partners	21
6.4 Withdrawal and Return of Capital	21
6.5 Capital Accounts	21
ARTICLE 7 PARTNERSHIP FINANCE	22
7.1 Periodic Allocation of Net Income	22
7.2 Periodic Allocation of Net Loss	23
7.3 Fiscal Period Allocation of Net Income or Net Loss	23
7.4 Allocation of Taxable Income	24
7.5 Allocation of Tax Loss	24
7.6 Tax Matters	25
7.7 Distributions of Cash Flow from Operations	25
7.8 Expenses	25
7.9 Partnership Records and Filings	26
ARTICLE 8 RESTRICTIONS ON TRANSFER	26
8.1 Restrictions	26
ARTICLE 9 DISSOLUTION AND LIQUIDATION	26
9.1 Dissolution of Partnership	26
9.2 Liquidation of the Assets	27
9.3 Payment of Liabilities and Distributions	27
9.4 Termination of this Agreement	27
9.5 Continuity	27
ARTICLE 10 GENERAL	28

TABLE OF CONTENTS
(continued)

	Page
10.1 Records	28
10.2 Confidentiality and Competition	28
10.3 Tax Classification	28
10.4 Tax Elections	28
10.5 Tax Controversies	28
10.6 Binding Agreement	29
10.7 Additional Partners	29
10.8 Amendments	29
10.9 No Petition	29
10.10 Further Assurances	29
10.11 No Waiver; Remedies Cumulative	29
10.12 Notices	30
10.13 Limited Partner Not a General Partner	31
10.14 Counterparts	32
10.15 Binding Effect	32

SCHEDULES

Schedule A	-	Initial Partnership Percentages
Schedule B	-	Litigation – General Partners
Schedule C	-	Litigation – Limited Partner

WTH FUNDING LIMITED PARTNERSHIP

FIFTH AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT made as of the 26th day of August, 2010.

BETWEEN:

AVISCAR INC.

a corporation incorporated under the laws of Canada,
(hereinafter called the "**Avis General Partner**"),

- and-

BUDGETCAR INC.

a corporation incorporated under the laws of Canada,
(hereinafter called the "**Budget General Partner**", together with the Avis General Partner, the "**General Partners**"),

- and-

2233516 ONTARIO INC.

a corporation incorporated under the laws of Ontario,
(hereinafter called the "**Limited Partner**").

WHEREAS the General Partners, BNY Trust Company of Canada as trustee of STARS Trust ("**STARS Limited Partner**"), and Montreal Trust Company of Canada as trustee of Bay Street Funding Trust ("**Bay Street Limited Partner**") have entered into a limited partnership (the "**Partnership**") under the name "WTH Funding Limited Partnership".

AND WHEREAS the General Partners and STARS Limited Partner (together, the "**Original Partners**") entered into a limited partnership agreement (such partnership agreement as amended by amending agreements dated March 30, 1998, May 31, 1999 and July 7, 2000, being referred to herein as the "**Original Limited Partnership Agreement**") with effect as at and from June 5, 1997 for the purpose of setting out the manner in which the business of the Partnership was to be carried on and their relationship as partners was to be governed;

AND WHEREAS as of November 28, 2001, the Original Partners amended and restated the Original Limited Partnership Agreement (such amended and restated agreement, as further amended by an amending agreement dated November 26, 2002, being referred to herein as the "**Original Amended and Restated Limited Partnership Agreement**") for the purpose of setting out more fully their agreements with respect to the conduct of the business of the Partnership and the governance of their relationship as partners;

AND WHEREAS as of August 5, 2003, the Original Partners amended and restated the Original Amended and Restated Limited Partnership Agreement for the purpose of setting out their then agreement with respect to the conduct of the business of the Partnership and the governance of the relationship as partners (such amended and restated agreement, as further amended by an amending agreement dated May 31, 2004 being referred to herein as the “**Second Amended and Restated Limited Partnership Agreement**”);

AND WHEREAS as of November 30, 2004, the Original Partners amended and restated the Second Amended and Restated Limited Partnership Agreement for the purpose of setting out their then agreement with respect to the conduct of the business of the Partnership and the governance of their relationship as partners (such amended and restated agreement being referred to herein as the “**Third Amended and Restated Limited Partnership Agreement**”);

AND WHEREAS as of April 20, 2005, the Original Partners and Bay Street Limited Partner amended and restated the Third Amended and Restated Limited Partnership Agreement for the purpose of admitting Bay Street Limited Partner as an additional limited partner and setting out their then agreement with respect to the conduct of the business of the Partnership and the governance of their relationship as partners (such amended and restated agreement as further amended by amending agreements dated October 11, 2005, July 7, 2006, December 11, 2006, November 21, 2007, February 12, 2008, March 5, 2008, April 30, 2008, June 16, 2008, December 22, 2008, March 16, 2009 and November 9, 2009 being referred to herein as the “**Fourth Amended and Restated Limited Partnership Agreement**”);

AND WHEREAS immediately prior to the execution of this Agreement, the Limited Partner has made a capital contribution and been admitted as a limited partner and, following the redemption in full of the interests of STARS Limited Partner and Bay Street Limited Partner, will be the Limited Partner hereunder.

AND WHEREAS immediately prior to the execution of this Agreement, 1708437 Ontario Inc. (the “**Standby General Partner**”) has been removed as Standby General Partner under the Fourth Amended and Restated Limited Partnership Agreement;

AND WHEREAS the Partners now wish to enter into this Agreement to further amend and restate the Fourth Amended and Restated Limited Partnership Agreement on the terms and conditions as provided for herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the respective covenants and agreements hereinafter contained, the parties hereto covenant and agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions

Terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them in the Trust Indenture unless otherwise defined herein. In this Agreement:

“**Act**” means the *Limited Partnerships Act* (Ontario);

“**Adverse Claim**” means any security interest, lien, mortgage, charge, pledge, assignment, title retention agreement, hypothec, encumbrance, ownership interest or other right or claim of any Person;

“**Agreement**” means this fifth amended and restated limited partnership agreement as the same may be amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto;

“**Annual Notional Return**” in respect of a General Partner, means an amount equal to the sum of the Notional Returns in the related Fiscal Period for such General Partner;

“**Annual Relative Revenue Contribution**” for any Fiscal Period and for any General Partner means the proportion of Funding LP Business Revenues generated through the operations of such General Partner on behalf of the Partnership for the related Fiscal Period over the total aggregate Funding LP Business Revenues for such Fiscal Period;

“**Assets**” means any and all assets and property of the Partnership, whether present or future, real or personal or mixed, tangible or intangible, moveable or immovable, owned or invested in by the Partnership;

“**Avis General Partner**” means Aviscar Inc.;

“**Budget General Partner**” means Budgetcar Inc.;

“**Canadian GAAP**” means Canadian generally accepted accounting principles applicable to the undertaking of the Partnership applied on a basis consistent with prior periods;

“**Capital Account**” has the meaning given to it in subsection 6.5(a);

“**Capital Accounts**” means, collectively, the General Partner’s Capital Account for each General Partner and the Limited Partner’s Capital Account for the Limited Partner;

“**Capital Contributions**” means the amount in cash and the value of property contributed by the Partners to the Partnership, whether initial Capital Contributions in accordance with Section 6.1 or additional Capital Contributions in accordance with Section 6.2. Any reference in this Agreement to the Capital Contribution of either a Partner or any permitted assignee of a Partner includes any Capital Contribution previously made by any prior Partner to whose Partnership Interest the then existing Partner or assignee succeeded;

“**Car Rental Business**” means a vehicle leasing and rental business;

“**Declaration**” means the declaration of partnership filed and recorded in respect of the Partnership pursuant to the Act;

“**Designated Representative**” has the meaning given to it in Section 1.10;

“**Distributions**” means cash or other property, from any source, distributed to the Partners by the Partnership, but does not include amounts loaned to the General Partners by the Partnership;

“**ETA**” means *Excise Tax Act* (Canada);

“**Expenses**” means the aggregate of all costs and expenses of the Partnership, including:

- (a) all Registration Expenses and expenses incurred to maintain the registrations or qualifications of the Partnership under Applicable Law or to obtain or maintain exemptions under such laws;
- (b) all applicable Taxes;
- (c) all costs and expenses of, or incidental to, the preparation and dispatch to the Partners of all cheques, reports, circulars, financial statements, forms and notices, and any other documents which in the opinion of the General Partners, acting reasonably, are necessary or desirable in connection with the business and administration of the Partnership;
- (d) all costs and expenses incidental to the preparation of amendments to this Agreement as permitted hereunder;
- (e) any costs and expenses of litigation involving the Partnership and the amount of any judgment or settlement paid in connection therewith, excluding, however, the costs and expenses of litigation, judgment or settlement in which the conduct of any General Partner is found to have violated the standard of conduct required hereunder, the costs and expenses of such litigation, judgment or settlement being for the personal account of the General Partners;
- (f) reasonable audit fees of the Partnership; and
- (g) any other costs and expenses in connection with the administration of the Partnership that may be authorized by this Agreement;

“**Filings**” means any registration, declaration, instrument or document required to be filed (a) under the Act, the Business Names Act, R.S.O. 1990, c.B. 17 or any other Applicable Laws of any other jurisdiction in which the Partnership carries on business from time to time or (b) for the purposes of this Agreement or (c) to give effect to or maintain the formation, status or continuance of the Partnership as a limited partnership under any such Applicable Laws;

“**Fiscal Period**” means the fiscal period of the Partnership as determined in accordance with section 3.4;

“**Funding LP Business Revenues**” has the meaning given to it in the Master Vehicle Lease Agreement;

“**General Partner’s Capital Account**” means, for each General Partner, at any time, the amount, if any, by which the aggregate dollar value of:

- (i) the cash and other consideration that has been contributed pursuant hereto by such General Partner to the Partnership as capital at or prior to such time, plus

- (ii) any amount allocated to such General Partner from Net Income in respect of any Fiscal Period at or prior to that time, exceeds the aggregate of
 - (iii) the cash or value of other property that has been distributed to such General Partner at or prior to such time, plus
 - (iv) any amount allocated to such General Partner from Net Loss in respect of any Fiscal Period at or prior to such time;
- and “General Partners’ Capital Accounts” means the General Partner’s Capital Accounts for all General Partners;

“**General Partners**” means the Avis General Partner and the Budget General Partner;

“**GP Financial Statements**” means the balance sheet of each General Partner as at December 31, 2009 and the statements of income, retained earnings and sources and application of funds for each General Partner for the period beginning January 1, 2009 and ending December 31, 2009;

“**GP Losses**” for any Fiscal Period means the aggregate of the losses allocated pursuant to subparagraphs 7.3(a)(i) and (ii) for such Fiscal Period;

“**Limited Partner**” means 2233516 Ontario Inc.;

“**Limited Partner’s Capital Account**” means, at any time, the amount, if any, by which the aggregate of:

- (i) the cash that has been contributed pursuant hereto by the Limited Partner to the Partnership as capital at or prior to such time, plus
- (ii) any amount allocated to the Limited Partner from Net Income in respect of any Fiscal Period at or prior to that time, exceeds the aggregate of
- (iv) the cash or value of other property that has been distributed to the Limited Partner at or prior to such time, plus,
- (v) any amount allocated to the Limited Partner from Net Loss in respect of any Fiscal Period at or prior to such time;

“**Net Income**” or “**Net Loss**” means, in respect of any period, respectively, the net income or net loss of the Partnership in respect of such period, as determined in accordance with the accounting method followed by the Partnership for Canadian federal income tax purposes;

“**Notional Return**” has the meaning ascribed thereto in subparagraph 7.1(d)(i);

“**Partners**” means the General Partners, the Limited Partner and any additional Partner admitted to the Partnership in accordance with the terms of this Agreement and the other Transaction Documents and “**Partner**” means any of such Partners;

“**Partnership**” means WTH Funding Limited Partnership, a partnership organized under the laws of the Province of Ontario as a limited partnership;

“**Partnership Interest**” means, with respect to any Partner, all or any part of the interests of that Partner in the Partnership;

“**Partnership Percentage**” means, in the case of a Partner, the amount of such Partner’s Capital Contribution expressed as a percentage of the aggregate amount of the Capital Contributions of all of the Partners. Schedule “A” attached hereto lists the Partnership Percentage for each Partner as at the date hereof which schedule may be amended from time to time;

“**Permitted Vehicle Transaction**” means an arrangement whereby one of the General Partners leases or purchases Vehicles for its own account from a dealer or Manufacturer for use in its Car Rental Business;

“**QST**” means all amounts payable pursuant to *An Act respecting the Quebec Sales Tax*;

“**Records**” means all contracts, books, records and other documents and information, including, computer programs, tapes, disks, data processing software and related property and rights, maintained with respect to the Partnership and its Assets;

“**Registration Expenses**” means all fees, costs and expenses incurred in respect of the registration and qualification of the Partnership under Applicable Law;

“**Relative Revenue Contribution**” for any Settlement Period and for any General Partner means the proportion of Funding LP Business Revenues generated through the operations of such General Partner on behalf of the Partnership for such Settlement Period over the total aggregate Funding LP Business Revenues for such Settlement Period;

“**Rental ULC**” means WTH Car Rental ULC;

“**Taxable Income**” or “**Tax Loss**” means, in respect of any Fiscal Period, respectively, the amount of net income or loss of the Partnership for such period as determined by the General Partners in accordance with the provisions of the Income Tax Act (including the amount of the taxable capital gain or allowable capital loss from the disposition of each capital property of the Partnership as determined by the General Partners in accordance with the provisions of the Income Tax Act);

“**Termination Date**” has the meaning given to it in Section 9.1(a); and

“**Trust Indenture**” means the trust indenture made as of the date hereof between Rental ULC and BNY Trust Company of Canada, as indenture trustee, as the same may be amended, supplemented or restated from time to time.

1.2 Other Rules of Interpretation

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires:

- (a) any reference to a designated “Article”, “section” or other subdivision or to a “Schedule” is to the designated Article, section or other subdivision of or Schedule to this Agreement;
- (b) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, section or other subdivision of or Schedule to this Agreement;
- (c) the headings are for convenience of reference only and do not form part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (d) the word “including” is not to be construed to limit a general statement, term or matter to the items set forth following such word but rather refers to all other items or matters that could reasonably fall within the scope of such general statement, term or matter;
- (e) all accounting terms not otherwise defined herein have the meanings assigned to them by, and all calculations to be made hereunder are to be made in accordance with, Canadian GAAP as it may exist from time to time;
- (f) any reference to a statute is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which have the effect of supplementing or superseding such statute or regulations;
- (g) any reference to an entity is also a reference to any entity that is a successor to such entity, provided that all restrictions on assignability and transfer set forth herein are complied with;
- (h) any reference to an “approval”, “authorization” or “consent” of a party means the written approval, written authorization or written consent of such party; and
- (i) words importing the masculine gender include the feminine or neuter gender and words in the singular include the plural, and *vice versa*.

1.3 Strict Performance of Covenants

The failure of any party to seek redress for a violation of, or to insist upon strict performance of, any provision hereof shall not prevent a subsequent act, which would have originally constituted a violation of such provision or any other provision hereof, from having the effect of an original violation of such provision or any other provision hereof.

1.4 Non-Business Days

Unless expressly provided otherwise, whenever payment to be made hereunder shall be stated to be made or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, such payment shall be made or such action shall be taken on the next succeeding Business Day and, in the case of the payment of any monetary amount, the extension of time shall be included for the purposes of the computation of interest, if any, thereon.

1.5 Governing Law

This Agreement and the application or interpretation hereof shall be governed exclusively by its terms and by the laws of the Province of Ontario and each Partner irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

1.6 Time of Essence

Time shall be of the essence hereof.

1.7 Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are expressed in Canadian dollars, and all payments to be made under this Agreement shall be made in such currency.

1.8 Schedules

The following are the Schedules to this Agreement:

Schedule A	-	Initial Partnership Percentages
Schedule B	-	Litigation – General Partners
Schedule C	-	Litigation – Limited Partner

1.9 Joint and Several Liability

The obligations and liabilities of the General Partners hereunder shall be joint and several.

1.10 One Voice Rule

The General Partners shall at all times jointly appoint one of them to act as the agent and designated representative of the General Partners hereunder (the “**Designated Representative**”). The General Partners hereby appoint the Avis General Partner to be the Designated Representative. The General Partners may at their discretion change the Designated Representative. All actions to be taken, documents to be executed, determinations or estimates to be made, notices or reports to be provided or such other matters to be undertaken by the General Partners hereunder shall be taken, executed, made, provided or undertaken by the Designated Representative and shall be binding on the General Partners. The Limited Partner shall be entitled to rely on the actions, executions, determinations, estimates, notices or reports of the Designated Representative without further inquiry. All notices or reports to be provided by the Limited Partner to the General Partners hereunder may be provided solely to the Designated Representative. The General Partner who is not the Designated Representative hereby nominates, constitutes and appoints the Designated Representative as its agent and true and lawful attorney to act on its behalf with full power and authority in its name, place and stead for the purposes of this Section 1.10.

ARTICLE 2
FORMATION AND CONTINUANCE OF PARTNERSHIP
AND RELATIONSHIP BETWEEN PARTNERS

2.1 Formation and Continuance

The General Partners and the Limited Partner hereby confirm the continuance of the Partnership, as initially formed under the Original Limited Partnership Agreement, under the Act. The rights, restrictions and liabilities of the Partners shall be as provided in the Act except as herein otherwise expressly provided.

2.2 Name

The name of the Partnership shall continue to be “**WTH Funding Limited Partnership**” or such other name or names as the General Partners may from time to time deem appropriate to comply with the laws of any jurisdiction in which the Partnership may carry on business. The Partnership may use as a French language name “**Société en commandité de financement WTH**”.

2.3 Unlimited Liability of General Partners

The General Partners shall have unlimited liability for the debts, liabilities and obligations of the Partnership and the General Partners shall be jointly and severally liable for all such debts, liabilities and obligations.

2.4 Limited Liability of Limited Partner

Subject to the provisions of the Act, the liability of the Limited Partner for the debts, liabilities and obligations of the Partnership at any relevant time shall be limited to the Limited Partner’s Capital Account at that time and any amount paid or required at such time to be paid by the Limited Partner as additional capital contributions to the Partnership pursuant to the terms hereof and the Limited Partner shall not be liable for any further claims, assessments or contributions to the Partnership.

ARTICLE 3
OPERATION OF THE PARTNERSHIP

3.1 Business of Partnership

The business of the Partnership shall be to (i) carry on business in performing its functions as Administrator; (ii) hold all of the issued and outstanding capital stock of Rental ULC; (iii) in accordance with the terms of the Purchase Agreement for such period specified in the Purchase Agreement, hold registered ownership (but not beneficial ownership) of Rental ULC Vehicles on behalf of Rental ULC; (iv) enter into and perform its obligations under the Transaction Documents to which it is a party; (v) invest in securities except to the extent prohibited by the Transaction Documents; (vi) make loans to a Partner or Rental ULC or borrow or receive advances from Rental ULC or an Affiliate to the extent permitted by the Transaction Documents; (vii) rent Vehicles throughout Canada; (viii) grant security in accordance with the terms of the Transaction Documents; and (ix) subject to the terms of the Transaction Documents, engage in any activity and to exercise any powers permitted to partnerships governed by the Act that are necessary, convenient or advisable to accomplish the foregoing. The Partnership shall engage in no other business prior to the Termination Date.

3.2 Restrictions on Business

Notwithstanding Section 3.1, the General Partners will manage and conduct all aspects of the day-to-day operations and other activities of the Partnership, subject to the restrictions that the Partnership shall not:

- (i) incur any indebtedness, or assume or guarantee any indebtedness of any other Person, other than: (A) indebtedness incurred, permitted or guaranteed pursuant to Transaction Documents; (B) indebtedness from Affiliates; and (C) other indebtedness not exceeding \$100,000 on account of incidentals or services supplied or furnished to the Partnership;
- (ii) create or permit to exist any Adverse Claim on the Assets of the Partnership but excluding, for greater certainty, any security or encumbrances granted under, pursuant to and in connection with, the other Transaction Documents;
- (iii) acquire any securities of a Partner or any Affiliate of a Partner other than the securities of Rental ULC;
- (iv) take any action which (A) would lead to or result in the business or activities of the Partnership being or including a business or activity other than as permitted in this Agreement, or (B) for so long as the Partnership is a party to or has obligations or liabilities under any other Transaction Document, would be prohibited by the terms of such Transaction Document;
- (v) have any employees;
- (vi) own or lease any real property;
- (vii) rent any Vehicles other than Rental ULC Vehicles;
- (viii) combine, consolidate or merge with any other entity or convey or transfer its properties and Assets substantially as an entirety to any entity, except pursuant to the terms of the Funding/Rental Purchase Agreement; or
- (ix) take any action to dissolve or terminate the Partnership other than in accordance with Article 9 or make an assignment, proposal or voluntary filing under any bankruptcy or insolvency law, including under any Insolvency Legislation.

3.3 Principal Place of Business

The principal place of business of the Partnership shall be 1 Convair Drive East, Etobicoke, Ontario M9W 6Z9, or such other address within the Province of Ontario as the General Partners may designate.

3.4 Fiscal Period

Each Fiscal Period shall commence on January 1 and end on December 31 of each calendar year or such other date as determined by the General Partners.

3.5 Title to Partnership Assets

Title to the assets of the Partnership, whether personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to the assets of the Partnership shall be held in the name of the Partnership, unless prohibited by Applicable Law, in which case the assets of the Partnership shall be held in the name of a General Partner. Each of the General Partners hereby declares and warrants that any Partnership assets for which legal title is held in the name of a General Partner shall be held by such General Partner as agent in trust for the Partnership for the use and benefit of the Partnership in accordance with the provisions of this Agreement. All assets of the Partnership shall be recorded as property of the Partnership on its books and records, irrespective of the name in which legal title to such Partnership assets is held.

3.6 Transaction Documents

The Partners acknowledge and agree that each of the Partners and the Partnership has certain obligations under the Transaction Documents to which it is a party, and the rights of each Partner herein shall be managed in conformity with, and shall not conflict with, such obligations and the performance thereof.

ARTICLE 4

POWERS, DUTIES AND OBLIGATIONS OF THE PARTNERS

4.1 Powers and Duties of Partners

The Partners shall exercise their powers and discharge their duties under this Agreement honestly, in good faith and in the best interests of the Partnership and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances.

4.2 General Partners: Rights, Power and Authority

Subject to the limitations set forth herein and the terms, conditions and limitations set forth in the other Transaction Documents, the General Partners are authorized to carry on the business of the Partnership, with full power and authority to administer, manage, control and operate the business of the Partnership, and have all power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying out the business of the Partnership for and on behalf of and in the name of the Partnership. No Person dealing with the Partnership will be required to inquire into the authority of the General Partners to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for and on behalf of or in the name of the Partnership.

4.3 Limitations of Authority of Limited Partner

The Limited Partner shall not take part in the control of the business of the Partnership nor may the Limited Partner have the power to sign for or to bind the Partnership or undertake any obligation or responsibility on behalf of the Partnership; however the Limited Partner may from time to time:

- (a) perform its obligations under any Transaction Document to which it is a party; or
- (b) examine the state and progress of the business of the Partnership.

4.4 Specific Duties of the General Partners

Without limiting the generality of Section 4.1 but subject to the limitations set forth in Section 4.2, the General Partners are authorized and required to manage, control, administer and operate the business and affairs of the Partnership and to represent the Partnership. Without limiting the generality of the foregoing, the General Partners will:

- (a) pay the Expenses;
- (b) manage, control and develop all the activities of the Partnership and take all measures necessary or appropriate for the business of the Partnership or ancillary thereto;
- (c) open and manage the accounts of the Partnership in banks or other financial institutions for the Partnership in the name of the Partnership, designate and, from time to time, change the signatories thereto and invest the funds in such accounts;
- (d) make all required transfers from the accounts of the Partnership as set forth herein or in the other Transaction Documents;
- (e) make, on behalf of the Partnership, and file with the appropriate authorities, all joint elections, determinations, designations, forms and returns under the Income Tax Act or any other taxation or other legislation or laws of like import of Canada or any jurisdiction of Canada in respect of any Partner's interest in the Partnership or the activities of the Partnership;
- (f) commence or defend any action or proceeding in connection with any actions or proceedings brought by or against the Partnership;
- (g) file on a timely basis returns and any other documents which may be required to be filed by any governmental or like authority;
- (h) in managing the business and affairs of the Partnership, utilize their own employees, business premises, owned or leased, and communications systems;

- (i) maintain as valid and effective all registrations, qualifications, licences and permits, reasonably determined by the General Partners to be necessary or desirable, for the Partnership in the conduct of its Car Rental Business and its business as Administrator to Rental ULC including the registration of the Partnership as a “vehicle dealer” under any applicable motor vehicle, dealer, highway traffic or other similar legislation;
- (j) take all actions required to qualify, continue and keep in good standing the Partnership as a limited partnership and to maintain the limited liability of the Limited Partner in each jurisdiction where the Partnership may carry on business or own property;
- (k) ensure that any insurance required to be maintained in favour of the Partnership or its Assets or Rental ULC pursuant to any other Transaction Document is so maintained;
- (l) in the conduct of the affairs of the Partnership, put all Persons with whom the Partnership does business in its own name on notice that the Limited Partner is not liable for the obligations of the Partnership, and include in all Contracts entered into in the name of the Partnership a notice or other provision to the effect that the Partnership is a limited partnership (each of which conditions may be satisfied by contracting in the name of the Partnership as a limited partnership);
- (m) cause the Partnership to perform all of its obligations and duties under the other Transaction Documents to which it is a party, including as Administrator under the Administration Agreement; and
- (n) do all such things that are in furtherance of or incidental to the business of the Partnership or that are provided for in this Agreement.

4.5 Specific Powers of General Partners

- (a) In furtherance of their duty to manage, control, administer and operate the business and affairs of the Partnership, the General Partners will have the following powers subject to the terms of the other Transaction Documents:
 - (i) to enter into, execute and carry out all agreements by or on behalf of the Partnership involving matters or transactions or services to be rendered by or to the Partnership which are within the ordinary course of the Partnership’s business as set out in Section 3.1;
 - (ii) to incur all reasonable expenses in connection with the Partnership, including those incurred in respect of the discharge of any Adverse Claim upon the Assets which the General Partners determine should be discharged;
 - (iii) to retain or dismiss agents, representatives or professionals with the powers and duties, upon the terms, at the places and for the compensation as in the discretion of the General Partners may be necessary or advisable in the carrying on of the business of the Partnership;

- (iv) to retain legal counsel, experts, advisors or consultants as they consider appropriate and rely upon the advice of such Persons;
 - (v) to execute, acknowledge and deliver any and all other deeds, documents and instruments and do all acts as may be necessary or desirable to carry out the intent and purpose of this Agreement; and
 - (vi) to exercise, for and on behalf of the Partnership, any powers of attorney granted to the Partnership pursuant to any agreement to which it is a party.
- (b) The Partnership, and the General Partners on behalf of the Partnership, are hereby authorized to enter into, deliver and perform the other Transaction Documents to which the Partnership is a party and all documents, agreements, certificates or financing statements contemplated thereby or related thereto, all without any further act, vote or approval of any other Partner or any other Person notwithstanding any other provision of this Agreement, the Act or Applicable Law.

4.6 Restrictions upon General Partners

The General Partners will manage and conduct all aspects of the day-to-day operations and other activities of the Partnership as provided for herein, subject, however, to the following restrictions:

- (a) The General Partners shall not dissolve the affairs of the Partnership except in accordance with the terms hereof and any other Transaction Document;
- (b) Neither the General Partners nor any Affiliate of the General Partners shall carry on any activities outside the Partnership in a manner detrimental to the interests of the Partnership or Rental ULC *provided, however*, that the foregoing shall not prohibit (x) the General Partners nor any Affiliate of the General Partners from directly or indirectly, owning, investing in, or operating a Car Rental Business or businesses similar to and/or in the same geographical area as the Partnership and otherwise competing with the Partnership in the Car Rental Business so long as (i) such Car Rental Business operates under a different name and from different locations (with different counters in an airport car rental centre or similar car rental centre being considered a different location and using different vehicles), and (ii) the General Partners or their Affiliates do not exercise a preference detrimental to the Partnership in the acquisition, disposition, rental, operation, maintenance or use of Rental ULC Vehicles, on the one hand, and vehicles owned or leased by the competing business, on the other hand, or (y) the General Partners from renting Vehicles acquired through a Permitted Vehicle Transaction so long as the General Partners do not exercise a preference detrimental to the Partnership in the acquisition, disposition, rental, operation, maintenance or use of Rental ULC Vehicles, on the one hand, and vehicles acquired through a Permitted Vehicle Transaction, on the other hand. For the purpose of this section, an Affiliate of the General Partners will not have acted in a manner detrimental to the Partnership in its conduct of a competing Car Rental Business solely because of the rental pricing or marketing decisions taken by such Affiliate in operating that competing business.

- (c) The General Partners shall not make an assignment, proposal or voluntary filing in respect of the Partnership or the Limited Partner under any bankruptcy or insolvency law, including under any Insolvency Legislation;
- (d) The General Partners shall not permit the Partnership to become the beneficiary of any stay of proceedings in any bankruptcy or insolvency proceeding of a Partner or any Affiliate thereof, including under any Insolvency Legislation; and
- (e) The General Partners shall not make distributions of capital or income of the Partnership except in accordance with Article 7.

4.7 Fees of the General Partners

The General Partners shall not be entitled to any fees as general partners of the Partnership. As compensation for managing the Partnership, providing certain products and services, using their assets and employees in the Partnership's business, and for performing the obligations of the Partnership under the Transaction Documents, each General Partner shall receive the Net Income of the Partnership allocated to it in accordance with Section 7.1.

4.8 Transactions With Partners And Affiliates

Subject to Section 7.8 and to the extent permitted under the other Transaction Documents, the Partners and their respective Affiliates may render to the Partnership such services as may be reasonably necessary for the management and conduct of the business of the Partnership. Payment for the services rendered by the Partners or their Affiliates shall be made by the Partnership. In addition, but subject to the other Transaction Documents, the Partners or their Affiliates shall be reimbursed by the Partnership for reasonable (out-of-pocket) expenses incurred by them on behalf of the Partnership in connection with the business and affairs of the Partnership. All requests for reimbursement shall be itemized in detail and be accompanied by paid vouchers representing the expenditure for which reimbursement is sought.

4.9 Compliance with Applicable Laws

On request by the General Partners, the Limited Partner shall immediately execute such certificates and other instruments necessary to comply with any Applicable Law of any jurisdiction for the continuation and good standing of the Partnership.

4.10 Separateness Requirements

To the end that the Partnership shall at all times be separate in its dealings from all other Persons, the Partnership shall,

- (a) maintain books and records separate from any other Person;

- (b) maintain its accounts separate from those of any other Person, including the requirement to deposit all Daily Rentals (as that term is defined in the Funding LP Security Agreement) into a separate account owned by the Partnership;
- (c) not guarantee or become obligated for the debts of any other Person or hold out its credit as being available to satisfy the obligations of any other Person except in accordance with the Transaction Documents;
- (d) other than with rental revenues of a General Partner arising from a transaction permitted under Section 4.6(b)(y), not commingle its Assets with those of any other Person;
- (e) conduct its own business in its own name;
- (f) maintain separate financial statements;
- (g) pay its own liabilities out of its own funds;
- (h) allocate fairly and reasonably any overhead for expenses shared with any other Person;
- (i) maintain its own separate mailing address;
- (j) use separate stationery, invoices and cheques;
- (k) hold itself out as a separate Person;
- (l) correct any known misunderstanding regarding its separate identity;
- (m) observe all partnership formalities and other formalities required by the Act, this Agreement and the other Transaction Documents;
- (n) maintain an arm's length relationship with its Affiliates;
- (o) not acquire obligations or securities of the Partners or any Affiliate of the Partners except for interests in Rental ULC or as permitted in another Transaction Document;
- (p) not pledge its Assets for the benefit of any other entity or make any loans or advances to any entity except loans or advances to Rental ULC, a security interest in favour of the Indenture Trustee or as provided in the other Transaction Documents; and
- (q) maintain adequate capital in light of its contemplated business operations.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the General Partners

Each General Partner represents and warrants to the Limited Partner that as of the date hereof and on the date of any issue of Notes or the date of any increase in the principal amount of the Notes:

- (a) **Organization.** Such General Partner is a corporation validly existing under the laws of Canada and has the corporate power to own or lease its property, to carry on its business as now being conducted by it and to enter into this Agreement and the other Transaction Documents and to perform its obligations hereunder and thereunder. Such General Partner is duly qualified, licensed or registered in each jurisdiction in which the failure to be so qualified, licensed or registered could reasonably be expected to have a Material Adverse Effect in respect of such General Partner or the Partnership;
- (b) **Authorization.** This Agreement and each of the other Transaction Documents to which it is a party has been duly authorized, executed and delivered by such General Partner and is a legal, valid and binding obligation of such General Partner, enforceable against it in accordance with its terms, except that enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (c) **No Violation.** The execution and delivery of this Agreement and each of the other Transaction Documents to which it is a party and the consummation of the transactions herein and therein provided for will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of such General Partner under (i) any Contract to which such General Partner is a party or by which it is or its properties are bound, (ii) any provision of the constating documents or by-laws or resolutions of the board of directors (or any committee thereof) or shareholders of such, (iii) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over such General Partner, (iv) any licence, permit, approval, consent or authorization held by such General Partner necessary to the operation of the Partnership's business, or (v) any Applicable Law, which breach, violation, default, conflict or acceleration could reasonably be expected to in the case of (i), (iii) and (iv) above have a Material Adverse Effect in respect of such General Partner or the Partnership.
- (d) **No Litigation, Etc.** There are no actions, suits, proceedings or investigations commenced or, to the knowledge of such General Partner after due inquiry, contemplated or threatened against or affecting such General Partner at law or in equity before any arbitrator or before or by any governmental department, commission, board, bureau, court, agency, arbitrator or instrumentality, domestic or foreign, of any kind, which in any case would prevent or hinder the consummation of the transactions contemplated by this Agreement or the other Transaction Documents or which could reasonably be expected to have a Material Adverse Effect in respect of such General Partner or the Partnership, other than as set out in Schedule B ;

- (e) **Consent and Approvals.** There is no requirement to make any filing with, give any notice to or to obtain a licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Agreement or the other Transaction Documents, except for notifications, consents and approvals which have been given or obtained, as the case may be. There is no requirement under any Contract to which such General Partner is a party or by which it is bound to give any notice to, or to obtain the consent or approval of, be party to such Contract, relating to the consummation or transactions contemplated by this Agreement or the other Transaction Documents, except for notifications, consents and approvals which have been given or obtained, as the case may be;
- (f) **Residency.** The General Partner is not a “non-resident” of Canada for the purposes of the Income Tax Act.
- (g) **Compliance with Applicable Laws.** Such General Partner has conducted and is conducting the Partnership’s business in compliance with all Applicable Laws of each jurisdiction in which any material portion of such business is carried on and has all required licences, permits, registrations and qualifications under the laws of each such jurisdiction to carry on such business, except to the extent that failure to have such licences, permits, registrations or qualifications could not reasonably be expected to have a Material Adverse Effect in respect of such General Partner or the Partnership.
- (h) **Ownership of General Partner.** The Parent owns, directly or indirectly, all of the issued and outstanding shares of such General Partner.
- (i) **VAT Registrations.** The Avis General Partner is a registrant for purposes of the ETA and the QST whose registration numbers are 105750632 and 1000099321, respectively. The Budget General Partner is a registrant for purposes of the ETA and the QST whose registration numbers are 88064 3820 RT0001 and 1086666192 TQ0001, respectively.
- (j) **GP Financial Statements.** The GP Financial Statements have been prepared in accordance with Canadian GAAP and the GP Financial Statements present fairly and disclose in all material respects the financial condition, assets and liabilities of each General Partner as at the respective dates of the GP Financial Statements and the sales, earnings and results of operations for each General Partner for the respective periods covered by the relevant GP Financial Statements. There has been no material adverse change in the results of operations, financial position or condition of a General Partner since the date of the most recent balance sheet for such General Partner forming part of the GP Financial Statements.

(k) **Obligations and Liabilities.** Each General Partner does not have any material obligations or liabilities of any kind whatsoever, whether accrued, contingent or otherwise, other than:

- (i) obligations or liabilities disclosed on, reflected in or provided for in the GP Financial Statements; and
- (ii) obligations or liabilities incurred in the ordinary course of business since December 31, 2009, none of which has been materially adverse to the nature of a General Partner's business, results of operations, assets, financial position or condition.

5.2 **Representations and Warranties of the Limited Partner**

The Limited Partner represent and warrants to the General Partners that as of the date hereof and on the date of any issue of Notes or the date of any increase in the principal amount of the Notes:

- (a) **Organization.** The Limited Partner is a corporation validly existing under the laws of the Province of Ontario and has the corporate power to own or lease its property, to carry on its business as now being conducted by it and to enter into this Agreement and the other Transaction Documents and to perform its obligations hereunder and thereunder. The Limited Partner is duly qualified, licensed or registered in each jurisdiction in which the failure to be so qualified, licensed or registered could reasonably be expected to have a Material Adverse Effect in respect of the Limited Partner or the Partnership;
- (b) **Authorization.** This Agreement and each of the other Transaction Documents to which it is a party has been duly authorized, executed and delivered by the Limited Partner and is a legal, valid and binding obligation of the Limited Partner, enforceable against it in accordance with its terms, except that enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (c) **No Violation.** The execution and delivery of this Agreement and each of the other Transaction Documents to which it is a party and the consummation of the transactions herein and therein provided for will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of the Limited Partner under (i) any Contract to which the Limited Partner is a party or by which it is or its properties are bound, (ii) any provision of the constating documents or by-laws or resolutions of the board of directors (or any committee thereof) or shareholders of such, (iii) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over the Limited Partner, (iv) any licence, permit, approval, consent or authorization held by the Limited Partner necessary to the operation of the Partnership's business, or (v) any Applicable Law, which breach, violation, default, conflict or acceleration could reasonably be expected to in the case of (i), (iii) (iv) and (v) above have a Material Adverse Effect in respect of the Limited Partner or the Partnership.

- (d) **No Litigation, Etc.** There are no actions, suits, proceedings or investigations commenced or, to the knowledge of the Limited Partner after due inquiry, contemplated or threatened against or affecting the Limited Partner at law or in equity before any arbitrator or before or by any governmental department, commission, board, bureau, court, agency, arbitrator or instrumentality, domestic or foreign, of any kind, which in any case would prevent or hinder the consummation of the transactions contemplated by this Agreement or the other Transaction Documents or which could reasonably be expected to have a Material Adverse Effect in respect of the Limited Partner or the Partnership, other than as set out in Schedule C;
- (e) **Consent and Approvals.** There is no requirement to make any filing with, give any notice to or to obtain a licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Agreement or the other Transaction Documents, except for filings, notifications, licences, permits, certificates, registrations, consents and approvals which have been given or obtained, as the case may be. There is no requirement under any Contract to which the Limited Partner is a party or by which it is bound to give any notice to, or to obtain the consent or approval of, be party to such Contract, relating to the consummation or transactions contemplated by this Agreement or the other Transaction Documents, except for notifications, consents and approvals which have been given or obtained, as the case may be;
- (f) **Residency.** The Limited Partner is not a “non-resident” of Canada for the purposes of the Income Tax Act.
- (g) **Solvency, Etc.** The Limited Partner is not insolvent and has not (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due, (ii) proposed a compromise or arrangement to its creditors, (iii) had any petition for a receiving order or bankruptcy filed against it, (iv) consented to have itself declared bankrupt or wound up, (v) consented to have a Receiver or trustee appointed over any part of its assets, (vi) had any encumbrancer take possession of any of its property, (vii) had any execution or distress become enforceable or become levied upon any of its property which could reasonably be expected to have a Material Adverse Effect in respect of the Limited Partner, or (viii) had any unsatisfied judgment outstanding against it for more than 15 days which could reasonably be expected to have a Material Adverse Effect in respect of the Limited Partner.

5.3 **Survival of Representations, Warranties and Covenants**

The representations, warranties and covenants contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall survive the execution and delivery of this Agreement and shall continue for the applicable limitation period notwithstanding the execution and delivery of this Agreement nor any investigation made by or on behalf of the party entitled to the benefit thereof.

ARTICLE 6
PARTNERS' ACCOUNTS

6.1 Initial Capital Contributions to the Partnership

As at the date hereof the Partners have made the following contributions to the capital of the Partnership:

- (a) Limited Partner — \$1,000;
- (b) Avis General Partner — an initial capital contribution of \$1.00 and additional contributions of \$280,950,416.00 (net of distributions) to the date hereof for a total of \$280,950,417.00; and
- (c) Budget General Partner — an initial capital contribution of \$1.00 and additional contributions of \$75,367,398.00 (net of distributions) to the date hereof for a total of \$75,367,399.00.

6.2 Additional Capital Contributions

Each Partner hereby agrees that, in addition to its existing Capital Contribution under Section 6.1, it will contribute additional capital to the Partnership in such amounts and at such times as the Partners shall mutually agree.

6.3 No Assessment on Partners

No Partner shall be assessed or be liable for additional Capital Contributions in excess of its existing Capital Contribution specified in Section 6.1 and any additional Capital Contributions required or agreed to pursuant to Section 6.2.

6.4 Withdrawal and Return of Capital

No Partner shall have the right to withdraw any of its capital without the consent of each other Partner (and then only in accordance with the terms of this Agreement and the terms of the other Transaction Documents), except upon dissolution and liquidation of the Partnership in accordance with Article 9. Upon circumstances requiring a return of any capital to a Partner, no Partner shall have the right to receive property other than cash except as may be specifically provided herein.

6.5 Capital Accounts

- (a) A separate capital account shall be established and maintained on the books of the Partnership by the Designated Representative in respect of each Partner (each such account being a "**Capital Account**"). Except as set out in Article 7, no capital shall be withdrawn from a Partner's Capital Account without the approval of each other Partner (and then only in accordance with the terms of this Agreement and the other Transaction Documents).
- (b) In the event that any Partnership Interest is transferred in accordance with the terms of this Agreement and the other Transaction Documents, the transferee shall succeed to the Capital Account of the transferor Partner to the extent it relates to the Partnership Interest transferred.

- (c) Each Partner's Capital Account shall be determined as set forth in the definitions of General Partner's Capital Account and Limited Partner's Capital Account.
- (d) No Partner shall have the right to receive any interest on any credit balance in its Capital Account. No Partner will be liable to pay any interest to the Partnership on any capital returned to the Partnership or on any negative balance in its Capital Account.
- (e) A Partner's Partnership Interest will not terminate solely because there is a negative or zero balance in its Capital Account.

ARTICLE 7
PARTNERSHIP FINANCE

7.1 Periodic Allocation of Net Income

Net Income in respect of any Settlement Period will be allocated as at the end of such period as follows:

- (a) first, where an amount of Net Loss has previously been allocated to the Limited Partner and has not been recovered by the Limited Partner pursuant to the operation of this provision, to the Limited Partner;
- (b) second, where an amount of Net Loss has previously been allocated to a General Partner and has not been recovered by such General Partner pursuant to the operation of this provision, to such General Partner, provided that if both General Partners have not recovered previously allocated Net Losses, Net Income allocated pursuant to this subsection 7.1(b) shall be allocated as between the General Partners on the same basis as the related Net Losses were allocated between the General Partners at the time that such Net Losses were allocated;
- (c) third, to the Limited Partner an amount equal to a 15% annualized rate of return computed on a monthly basis based upon the then current amount of the Limited Partner's Capital Account to the extent not previously allocated to the Limited Partner pursuant to the operation of this provision; and
- (d) fourth, to the General Partners as to the remainder on the following basis:
 - (i) each of the General Partners will receive an amount equal to a 15% annualized rate of return computed on a monthly basis based upon the then current amount of their respective General Partner's Capital Account (the "**Notional Return**"), provided that if there is insufficient Net Income to generate such return, then each General Partner will receive Net Income on a *pro rata* basis based upon the relative amount of such General Partner's Capital Account to the General Partners' Capital Accounts; and

- (ii) the remainder to each General Partner on a *pro rata* basis based upon the Relative Revenue Contribution of such General Partner for such Settlement Period.

7.2 **Periodic Allocation of Net Loss**

Net Loss in respect of any Settlement Period will be allocated as at the end of such period as follows:

- (a) first, to the General Partners up to a maximum amount equal to the aggregate of:
 - (i) the aggregate Capital Accounts of the General Partners immediately prior to the end of the related Settlement Period, with such amount being allocated as between the General Partners on the basis that each General Partner will receive its allocation in accordance with the following formula:

$$((A + B + C) \times D) - B$$

where:

- A = the GP Losses for such Settlement Period
- B = such General Partner's Notional Return for such Settlement Period
- C = the other General Partner's Notional Return for such Settlement Period
- D = the Relative Revenue Contribution for such General Partner for such Settlement Period

- (b) second, to the Limited Partner as to the remainder.

7.3 **Fiscal Period Allocation of Net Income or Net Loss**

Net Income or Net Loss in respect of any Fiscal Period will be allocated as at the end of such Fiscal Period as follows:

- (a) where the Partnership has earned Net Income in respect of the Fiscal Period, there shall be allocated to each General Partner or the Limited Partner, as the case may be, the amount by which
 - (i) the aggregate of the amounts allocated to such Person pursuant to Section 7.1 in respect of Settlement Periods ending in the Fiscal Period

exceeds

- (ii) the aggregate of the amounts allocated to such Person pursuant to Section 7.2 in respect of Settlement Periods ending in the Fiscal Period,

but the aggregate amount so allocated shall not exceed the Net Income in respect of such Fiscal Period; and

- (b) where the Partnership has realized Net Loss in respect of the Fiscal Period, there shall be allocated to each General Partner or the Limited Partner, as the case may be, the amount by which
 - (i) the aggregate of the amounts allocated to such Person pursuant to Section 7.2 in respect of Settlement Periods ending in the Fiscal Period

exceeds

- (ii) the aggregate of the amounts allocated to such Person pursuant to Section 7.1 in respect of Settlement Periods ending in the Fiscal Period,

but the aggregate amount so allocated shall not exceed the Net Loss in respect of such Fiscal Period.

Where the Partnership has Net Income for a Fiscal Period, no loss shall be allocated to any Partner in respect of such Fiscal Period. Where the Partnership has Net Loss for a Fiscal Period, no income shall be allocated to any Partner in respect of such Fiscal Period.

7.4 Allocation of Taxable Income

Taxable Income in respect of any Fiscal Period will be allocated as at the end of such Fiscal Period as follows:

- (a) first, to the Limited Partner up to the amount of Net Income allocated to it in respect of the Fiscal Period pursuant to subsection 7.3(a); and
- (b) second, to the General Partners as to the remainder, on the following basis:
 - (i) first, each of the General Partners will receive its Annual Notional Return, provided that if there is insufficient Taxable Income to generate such return, then each General Partner will receive Taxable Income on a pro rata basis based upon the relative amount of such General Partner's Capital Account to the General Partners' Capital Accounts; and
 - (ii) the remainder to each General Partner on a *pro rata* basis based upon the Annual Relative Revenue Contributions of such General Partner for such Fiscal Period.

Where the Partnership has Taxable Income for a Fiscal Period, no loss shall be allocated to any Partner in respect of such Fiscal Period. Where the Partnership has Taxable Loss for a Fiscal Period, no income shall be allocated to any Partner in respect of such Fiscal Period.

7.5 Allocation of Tax Loss

Tax Loss in respect of any Fiscal Period will be allocated as at the end of such Fiscal Period as follows:

- (a) first, to the Limited Partner up to the amount of Net Loss allocated to it in respect of the Fiscal Period pursuant to subsection 7.3(b) up to, but not to exceed, the Limited Partner's "at-risk amount" for purposes of the *Income Tax Act* (Canada); and
- (b) second, as to the remainder, to each of the General Partners in accordance with the following formula:

The greater of nil and $((A + B + C) \times D) - B$

where:

- A = the Tax Losses for such Fiscal Period which have not been allocated pursuant to subsection 7.5(a)
B = such General Partner's Annual Notional Return for such Fiscal Period
C = the other General Partner's Annual Notional Return for such Fiscal Period
D = the Annual Relative Revenue Contribution for such General Partner for such Fiscal Period

Where the Partnership has Taxable Income for a Fiscal Period, no loss shall be allocated to any Partner in respect of such Fiscal Period. Where the Partnership has Taxable Loss for a Fiscal Period, no income shall be allocated to any Partner in respect of such Fiscal Period.

7.6 Tax Matters

The Partnership shall be treated as a limited partnership for all purposes, including Canadian federal, provincial and municipal income tax and other tax purposes. The Designated Representative shall prepare or cause to be prepared any tax returns required to be filed by the Partnership, and all financial statements required by each Partner to enable it to file those returns which are required to be filed by it, and shall submit the same to each Partner for review and approval no later than 30 days prior to the due date of such returns.

7.7 Distributions of Cash Flow from Operations

The timing and amount of Distributions of available cash shall, subject to the provisions of the other Transaction Documents, be determined by the Designated Representative and all cash that is distributed to the Partners in respect of their interest in the Partnership will be distributed in the same proportions as Net Income and Net Losses are allocated to them pursuant to Section 7.1.

7.8 Expenses

Unless otherwise provided herein or under the other Transaction Documents, the Partnership shall pay and be responsible for all Expenses.

7.9 Partnership Records and Filings

- (a) The General Partners shall:
- (i) keep at the registered office of the Designated Representative a copy of all Filings and a copy of this Agreement and any amendments hereto;
 - (ii) maintain all Records of the Partnership as may be required by Applicable Law separate from any other Person; and
 - (iii) from time to time, make all Filings with any Governmental Authority that are required to be made by the Partnership.
- (b) No admission of a new Partner and no change of name or address of any Partner shall be effective for the purposes of this Agreement until (i) receipt of notice thereof in writing by the other Partners; (ii) such change is duly registered in the records of the Partnership; (iii) in the case of a new Partner, delivery by such Partner of an agreement to be bound as a Partner in the Partnership by the terms of this Agreement. The name and address of a Partner as reflected from time to time in the records of the Partnership, as from time to time amended, shall be conclusive as to such facts for all purposes of the Partnership.

ARTICLE 8 **RESTRICTIONS ON TRANSFER**

8.1 Restrictions

No Partner shall sell, hypothecate, pledge, transfer, assign or otherwise dispose of all or any of its Partnership Interest or any rights or obligations under this Agreement, except (a) with the prior written consent of each other Partner, which consent may be withheld in such other Partner's absolute discretion, and (b) only in accordance with the other Transaction Documents.

ARTICLE 9 **DISSOLUTION AND LIQUIDATION**

9.1 Dissolution of Partnership

- (a) The Partnership shall not be dissolved and this Agreement shall not be terminated prior to the date that is one year following the date that Rental ULC no longer has any Notes Outstanding and all other obligations and liabilities to the Secured Parties under the other Transaction Documents have been indefeasibly paid or performed in full (the "**Termination Date**").
- (b) Except as provided in this Article 9 and as contemplated in the Funding/Rental Purchase Agreement, no Partner shall have any right to dissolve, liquidate, consolidate, merge or to sell all or substantially all of the Assets without the consent of each other Partner. No Partner shall have the right to, or shall make any application or petition for, nor commence or prosecute any action or proceeding for, the dissolution of the Partnership, any involuntary proceedings under Insolvency Legislation with respect to the Partnership in its capacity as a creditor of the Partnership or for the partition or sale of any of the Assets. Any Partner shall be entitled to a decree or order restraining or enjoining any such application, petition, action or proceeding and may plead this subsection as an estoppel to any defence to the application for such decree or order, it being acknowledged and agreed that the injury resulting from a breach of this subsection would be irreparable and could not be measured in damages.

9.2 Liquidation of the Assets

From and after the Termination Date, the Designated Representative, or another Person appointed by the Designated Representative, shall act as a receiver and liquidator of the Assets and shall commence to wind up the affairs of the Partnership and to liquidate such Assets, if any. During the course of the liquidation, such receiver shall be vested with all of the powers and authority of the General Partners in relation to the Partnership under the terms of this Agreement. The Partnership shall pay to such receiver its reasonable fees and disbursements incurred in carrying out its duties.

9.3 Payment of Liabilities and Distributions

Following the Termination Date and the payment of or provision for all other debts and liabilities of the Partnership and all expenses of liquidation (including the reasonable fees and disbursements incurred by the receiver), the proceeds of the liquidation and the other funds of the Partnership will be distributed to the Partners in accordance with Section 7.7.

9.4 Termination of this Agreement

Upon the completion of the liquidation of the Assets, if any, pursuant to Section 9.2 and the distribution of all of the proceeds thereof, the Designated Representative (or any other Person acting as the receiver and liquidator of the Assets) shall execute and record any notice of dissolution prescribed by the Act as well as any other documents required to effect the dissolution of the Partnership and shall satisfy all applicable formalities in such circumstances as may be prescribed by the laws of all jurisdictions where the Partnership is registered. The effective date of the dissolution of the Partnership and the termination of this Agreement shall be the date of such notice of dissolution. The termination of this Agreement shall not affect or prejudice any rights or obligations which have accrued or arisen under this Agreement prior to the time of termination and such rights and obligations shall survive the termination of this Agreement.

9.5 Continuity

The Partnership shall not dissolve or terminate upon the occurrence of any event, including:

- (a) the withdrawal, removal, or dissolution of a Partner or the admission of a new Partner;
- (b) the Partnership making a general assignment for the benefit of creditors or being adjudicated a bankrupt or insolvent or seeking the protection of Insolvency Legislation; or

- (c) proceedings being taken by a third party against the Partnership under any bankruptcy or insolvency law including under Insolvency Legislation or a Receiver or trustee being appointed over, or execution being levied against, all or any portion of the assets of the Partnership.

ARTICLE 10
GENERAL

10.1 Records

All Records reflecting the Assets, liabilities, revenue and expenditures of the Partnership and all other Records necessary to record the business and affairs of the Partnership and which are required to be kept by the General Partners pursuant to the Act or this Agreement shall be kept separate from those of any other Person during the term of the Partnership and for a period of six years thereafter or such longer period as may be required to comply with Applicable Law, at the Designated Representative's principal place of business. Such Records will be available for inspection by each of the other Partners or their authorized representatives, at the expense of such Partner.

10.2 Confidentiality and Competition

Each of the Partners covenants to keep confidential all information concerning the business and affairs of the Partnership which is not otherwise available to the public and which is not required to be disclosed by Applicable Law or any Transaction Document. In view of the exclusive and limited purposes of the Partnership, but subject to the terms of this Agreement and the other Transaction Documents, neither the existence of the Partnership nor any provision of this Agreement shall restrict in any way the freedom of any Partner to conduct any other business or activity whatsoever or require such Partner to account for and pay to the Partnership or any other Partner any profits earned from such other business or activity.

10.3 Tax Classification

The Partners intend that the Partnership will be classified as a partnership for Canadian federal and provincial income tax purposes and no action will be taken by the Partners or the Partnership that will cause the Partnership to be characterized and taxed for Canadian federal and provincial income tax purposes in any other manner.

10.4 Tax Elections

All tax elections on behalf of the Partnership may be made or rescinded in the discretion of the Designated Representative on behalf of the Partnership.

10.5 Tax Controversies

Should there be any controversy with the Canada Revenue Agency or any other taxing authority involving the Partnership or an individual Partner or Partners as a result of being a Partner in the Partnership, the outcome of which may adversely affect the Partnership either directly or indirectly, the Partnership may incur expenses it reasonably deems necessary and advisable in the interest of the Partnership to oppose such proposed deficiency, including legal and accountants' fees. All decisions relating to settling or refusing to settle any controversy with the Canada Revenue Agency shall be approved by the Partners.

10.6 Binding Agreement

Subject to the restrictions on transfer herein contained, this Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

10.7 Additional Partners

Each additional Partner shall become a signatory hereof by signing such number of counterparts of this Agreement and such other instrument or instruments and in such manner, as the General Partners shall determine. By so signing, each additional Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however, that no such counterpart shall be binding until the provisions of Article 8 hereof, as applicable, shall have been satisfied.

10.8 Amendments

Subject to compliance with any restrictions contained in the other Transaction Documents and to the satisfaction of the Rating Agency Condition for each Outstanding Series and Class of Notes, this Agreement may be amended by mutual agreement of the General Partners and the Limited Partner, *provided* that such amendment, whether initiated by the General Partners or the Limited Partner, may not in any manner allow the Limited Partner to take part in the control of the business of the Partnership. The Partnership shall not be dissolved by virtue of any amendment to this Agreement.

10.9 No Petition

- (a) The Limited Partner shall not make an assignment, proposal or voluntary filing in respect of the Partnership under any bankruptcy or insolvency law, including under any Insolvency Legislation; and
- (b) The Limited Partner shall not permit the Partnership to become the beneficiary of any stay of proceedings in any bankruptcy or insolvency proceeding of a Partner or any Affiliate thereof, including under any Insolvency Legislation.

10.10 Further Assurances

Each of the parties shall, at the expense of the requesting party, promptly do all such acts and things and shall execute and deliver, or cause to be executed and delivered, all such documents, instruments, indentures, certificates and agreements as may be reasonably necessary or desirable to give effect to the provisions of and intent of this Agreement.

10.11 No Waiver; Remedies Cumulative

No failure on the part of any party to exercise and no delay in exercising any right hereunder, or under any agreement, indenture, document or instrument delivered pursuant hereto or in connection herewith shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right. Remedies herein and therein provided are cumulative and not exclusive of any remedies provided by Applicable Law.

10.12 Notices

Any notice, report, demand or other communication required or permitted to be given or made hereunder shall be in writing and shall be sufficiently given or made for all purposes if delivered personally or transmitted by fax to the party or to an officer of the other party to whom the same is directed, addressed as follows:

(a) if to the Avis General Partner, addressed to it at:

Aviscar Inc.
1 Convair Drive East
Etobicoke, ON M9W 6Z9

Attention: Controller
Fax No.: (416) 213-8505

with a copy to:

Avis Budget Car Rental, LLC
6 Sylvan Way
Parsippany, N.J.
USA 07054

Attention: Treasurer
Fax No.: (973) 496-3560

And

Attention: Legal Department
Fax No.: (973) 496-3444

and a copy to:

Avis Budget Group, Inc.
6 Sylvan Way
Parsippany, N.J.
USA 07054

Attention: Treasurer
Fax No.: (973) 496-3560

(b) if to the Budget General Partner, addressed to it at:

Budgetcar Inc.
1 Convair Drive East
Etobicoke, ON M9W 6Z9

Attention: Controller
Fax No.: (416) 213-8505

with a copy to:

Avis Budget Car Rental, LLC
6 Sylvan Way
Parsippany, N.J.
USA 07054

Attention: Treasurer
Fax No.: (973) 496-3560

and

Attention: Legal Department
Fax No.: (973) 496-3444

and a copy to:

Avis Budget Group, Inc.
6 Sylvan Way
Parsippany, N.J.
USA 07054

Attention: Treasurer
Fax No.: (973) 496-3560

(c) if to the Limited Partner, addressed to it at:

2233516 Ontario Inc.
c/o Aviscar Inc.
1 Convair Drive East
Etobicoke, ON M9W 6Z9

Attention: Controller
Fax No.: (416) 213-8505

10.13 Limited Partner Not a General Partner

If any provision of this Agreement has the effect of imposing upon the Limited Partner any of the liabilities or obligations of a general partner under the Act, such provision shall be of no force and effect. The intention of the parties hereto in entering into this Agreement is to have a limited partnership and to be in relation as between themselves and toward others of general partners (Party of the First Part and Party of the Second Part) and a limited partner (Party of the Third Part) and not general partners and general partner and not debtors and creditors and not agents and principals and not trustees and beneficiaries.

10.14 Counterparts

This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts and adopting instruments shall be construed together and shall constitute one and the same agreement.

10.15 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the parties hereto and, to the extent permitted hereunder, their respective successors and assigns.

[signature pages follow]

AVISCAR INC.

By: /s/ David Calabria
Name: David Calabria
Title: Assistant Treasurer

By: _____
Name:
Title:

BUDGETCAR INC.

By: /s/ David B. Wyshner
Name: David B. Wyshner
Title: Executive Vice President,
Chief Financial Officer and
Treasurer

By: _____
Name:
Title:

2233516 ONTARIO INC.

By: /s/ David Calabria
Name: David Calabria
Title: Assistant Treasurer

By: _____
Name:
Title:
