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

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**Form 10-Q**

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

For the quarterly period ended March 31, 2012

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-10308

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**Avis Budget Group, Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**6 Sylvan Way**  
**Parsippany, NJ**  
(Address of principal executive offices)

**06-0918165**  
(I.R.S. Employer  
Identification Number)

**07054**  
(Zip Code)

**(973) 496-4700**  
(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

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

The number of shares outstanding of the issuer's common stock was 106,141,681 shares as of April 30, 2012.

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## FORWARD-LOOKING STATEMENTS

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

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

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- substantial increases in the cost, or decreases in the supply, of fuel, vehicle parts, energy, labor or other resources on which we depend to operate our business;
- risks related to our ability to meet our funding needs and our indebtedness, including our substantial outstanding debt obligations and our ability to incur substantially more debt;
- our ability to meet the financial and other covenants contained in the agreements governing our indebtedness;
- the terms of agreements among us and our former real estate, hospitality and travel distribution businesses following the separation of those businesses from us in 2006, particularly with respect to the allocation of assets and liabilities, including contingent liabilities and guarantees, the ability of each of the separated companies to perform its obligations, including indemnification obligations, under these agreements, and the former real estate business' right to control the process for resolving disputes related to contingent liabilities and assets;
- risks associated with litigation or governmental or regulatory inquiries or investigations involving our Company;
- risks related to tax obligations and the effect of future changes in accounting standards;
- risks related to future acquisitions or investments that we may pursue, including any incurrence of incremental indebtedness to help fund such transactions and our ability to promptly and effectively integrate any acquired businesses; and
- other business, economic, competitive, governmental, regulatory, political or technological factors affecting our operations, pricing or services.

We operate in a continuously changing business environment and new risk factors emerge from time to time. New risk factors, factors beyond our control, or changes in the impact of identified risk factors may cause actual results to differ materially from those set forth in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. Moreover, we do not assume responsibility for the accuracy and completeness of those statements. Other factors and assumptions not identified above, including those discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors" and other portions of our 2011 Annual Report on Form 10-K, were also involved in the derivation of these forward-looking statements, and the failure of such other assumptions to be realized, as well as other factors, may also cause actual results to differ materially from those projected.

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

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**Avis Budget Group, Inc.**  
**CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**  
**(In millions, except per share data)**  
**(Unaudited)**

	Three Months Ended	
	March 31,	
	2012	2011
<b>Revenues</b>		
Vehicle rental	\$ 1,168	\$ 918
Other	455	317
Net revenues	<u>1,623</u>	<u>1,235</u>
<b>Expenses</b>		
Operating	893	659
Vehicle depreciation and lease charges, net	318	276
Selling, general and administrative	219	154
Vehicle interest, net	74	63
Non-vehicle related depreciation and amortization	32	23
Interest expense related to corporate debt, net:		
Interest expense	73	47
Early extinguishment of debt	27	—
Restructuring charges	7	—
Transaction-related costs	6	2
Total expenses	<u>1,649</u>	<u>1,224</u>
<b>Income (loss) before income taxes</b>	(26)	11
Provision for (benefit from) income taxes	<u>(3)</u>	<u>4</u>
<b>Net income (loss)</b>	<u>\$ (23)</u>	<u>\$ 7</u>
<b>Comprehensive income</b>	<u>\$ 21</u>	<u>\$ 27</u>
<b>Earnings (loss) per share</b>		
Basic	(0.22)	0.07
Diluted	(0.22)	0.06

See Notes to Consolidated Condensed Financial Statements (Unaudited).

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

	March 31, 2012	December 31, 2011
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 606	\$ 534
Receivables	555	507
Deferred income taxes	117	120
Other current assets	443	380
<b>Total current assets</b>	<b>1,721</b>	<b>1,541</b>
Property and equipment, net	485	493
Deferred income taxes	510	444
Goodwill	359	353
Other intangibles, net	724	713
Other non-current assets	302	304
<b>Total assets exclusive of assets under vehicle programs</b>	<b>4,101</b>	<b>3,848</b>
Assets under vehicle programs:		
Program cash	50	11
Vehicles, net	9,417	8,356
Receivables from vehicle manufacturers and other	265	380
Investment in Avis Budget Rental Car Funding (AESOP) LLC—related party	354	343
	<u>10,086</u>	<u>9,090</u>
<b>Total assets</b>	<b>\$ 14,187</b>	<b>\$ 12,938</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable and other current liabilities	\$ 1,443	\$ 1,433
Short-term debt and current portion of long-term debt	227	37
<b>Total current liabilities</b>	<b>1,670</b>	<b>1,470</b>
Long-term debt	3,074	3,168
Other non-current liabilities	960	960
<b>Total liabilities exclusive of liabilities under vehicle programs</b>	<b>5,704</b>	<b>5,598</b>
Liabilities under vehicle programs:		
Debt	1,145	990
Debt due to Avis Budget Rental Car Funding (AESOP) LLC—related party	5,306	4,574
Deferred income taxes	1,065	982
Other	532	382
	<u>8,048</u>	<u>6,928</u>
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, \$0.01 par value—authorized 10 million shares; none issued and outstanding	—	—
Common stock, \$0.01 par value—authorized 250 million shares; issued 137,043,754 and 137,028,464	1	1
Additional paid-in capital	8,321	8,532
Accumulated deficit	(2,689)	(2,666)
Accumulated other comprehensive income	122	78
Treasury stock, at cost—30,776,912 and 31,551,170 shares	(5,320)	(5,533)
<b>Total stockholders' equity</b>	<b>435</b>	<b>412</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 14,187</b>	<b>\$ 12,938</b>

See Notes to Consolidated Condensed Financial Statements (Unaudited).

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Operating Activities</b>		
Net income (loss)	\$ (23)	\$ 7
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Vehicle depreciation	331	305
Gain on sale of vehicles, net	(39)	(39)
Non-vehicle related depreciation and amortization	32	23
Amortization of financing costs	16	10
Net change in assets and liabilities, excluding the impact of acquisitions and dispositions:		
Receivables	(28)	(1)
Income taxes and deferred income taxes	—	(25)
Accounts payable and other current liabilities	(65)	(5)
Other, net	29	2
<b>Net cash provided by operating activities</b>	<b>253</b>	<b>277</b>
<b>Investing Activities</b>		
Property and equipment additions	(20)	(8)
Proceeds received on asset sales	3	3
Other, net	(1)	(1)
<b>Net cash used in investing activities exclusive of vehicle programs</b>	<b>(18)</b>	<b>(6)</b>
<i>Vehicle programs:</i>		
Increase in program cash	(39)	(2)
Investment in vehicles	(3,053)	(2,526)
Proceeds received on disposition of vehicles	2,143	1,674
Investment in debt securities of Avis Budget Rental Car Funding (AESOP) LLC—related party	—	(195)
Proceeds from debt securities of Avis Budget Rental Car Funding (AESOP) LLC—related party	—	195
	<b>(949)</b>	<b>(854)</b>
<b>Net cash used in investing activities</b>	<b>(967)</b>	<b>(860)</b>

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

	Three Months Ended March 31,	
	2012	2011
<b>Financing Activities</b>		
Proceeds from long-term borrowings	624	—
Principal payments on long-term borrowings	(520)	(2)
Net change in short-term borrowings	(12)	—
Purchases of warrants	(13)	—
Proceeds from sale of call options	19	—
Debt financing fees	(8)	(1)
Other, net	—	1
<b>Net cash provided by (used in) financing activities exclusive of vehicle programs</b>	<u>90</u>	<u>(2)</u>
<i>Vehicle programs:</i>		
Proceeds from borrowings	3,140	2,957
Principal payments on borrowings	(2,440)	(2,366)
Debt financing fees	(7)	(3)
	<u>693</u>	<u>588</u>
<b>Net cash provided by financing activities</b>	<u>783</u>	<u>586</u>
Effect of changes in exchange rates on cash and cash equivalents	3	(1)
Net increase in cash and cash equivalents	72	2
Cash and cash equivalents, beginning of period	534	911
<b>Cash and cash equivalents, end of period</b>	<u>\$ 606</u>	<u>\$ 913</u>

See Notes to Consolidated Condensed Financial Statements (Unaudited).



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

**1. Basis of Presentation and Recently Issued Accounting Pronouncements**

***Basis of Presentation***

Avis Budget Group, Inc. provides car and truck rentals and ancillary services to businesses and consumers worldwide. The accompanying unaudited Consolidated Condensed Financial Statements include the accounts and transactions of Avis Budget Group, Inc. and its subsidiaries (“Avis Budget”), as well as entities in which Avis Budget directly or indirectly has a controlling financial interest (collectively, the “Company”), and have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) for interim financial reporting.

The Company operates the following business segments:

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

In presenting the Consolidated Condensed Financial Statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”), management makes estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates. In management’s opinion, the Consolidated Condensed Financial Statements contain all normal recurring adjustments necessary for a fair presentation of interim results reported. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These financial statements should be read in conjunction with the Company’s 2011 Annual Report on Form 10-K.

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

*Transaction-related Costs.* The Company completed the acquisition of Avis Europe plc (“Avis Europe”) on October 3, 2011. In the three months ended March 31, 2012, transaction-related costs include expenses related to the integration of Avis Europe’s operations with the Company’s. In the three months ended March 31, 2011, transaction-related costs include due-diligence and other costs associated with the Company’s previous efforts to acquire Dollar Thrifty Automotive Group, Inc. (“Dollar Thrifty”).

*Foreign-currency transactions.* The Company records the net gain or loss of foreign-currency transactions on intercompany loans and the unrealized gain or loss on intercompany loan hedges within interest expense related to corporate debt, net. In the three months ended March 31, 2012, the Company recorded a \$6 million loss on such items. There were no such items in the three months ended March 31, 2011.

***Adoption of New Accounting Standards***

On January 1, 2012, the Company adopted accounting pronouncements amending (i) fair value measurement and disclosure requirements for financial assets and liabilities, (ii) the presentation of other comprehensive income and (iii) the rules for testing goodwill for impairment. Other than additional disclosure for the presentation of the Company’s other comprehensive income, these pronouncements did not have a significant impact on the Company’s financial statements.

## 2. Restructuring Charges

During fourth quarter 2011, subsequent to the acquisition of Avis Europe, the Company implemented a restructuring initiative, to identify synergies across the Company, enhance organizational efficiencies and consolidate and rationalize processes and facilities. During the three months ended March 31, 2012, as part of this process, the Company formally communicated the termination of employment to approximately 50 employees and recorded charges of \$7 million in connection with these initiatives. These charges primarily represent costs associated with severance, outplacement services and other costs associated with employee terminations. As of March 31, 2012, the Company has terminated substantially all of these employees. The Company expects further restructuring costs related to this process of approximately \$40 million to be incurred through 2013.

As of March 31, 2012, the Company had approximately \$1 million of liabilities related to pre-2011 restructuring activities.

The following tables summarize the changes to our restructuring-related liabilities and identifies the amounts recorded within the Company's reportable segments and by category for restructuring charges and corresponding payments and utilizations:

	North America	International	Total
Balance as of January 1, 2012	\$ 1	\$ 1	\$ 2
Restructuring charge	—	7	7
Cash payment/utilization	—	(6)	(6)
Balance as of March 31, 2012	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 3</u>

	Personnel Related	Facility Related	Total
Balance as of January 1, 2012	\$ 1	\$ 1	\$ 2
Restructuring charge	7	—	7
Cash payment/utilization	(6)	—	(6)
Balance as of March 31, 2012	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 3</u>

## 3. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share ("EPS"):

	Three Months Ended March 31,	
	2012	2011
Net income (loss) for basic EPS	\$ (23)	\$ 7
Basic weighted average shares outstanding	105.9	104.6
Options, warrants and non-vested stock	—	2.2
Diluted weighted average shares outstanding <sup>(a) (b)</sup>	<u>105.9</u>	<u>106.8</u>
<b>Earnings per share:</b>		
Basic	\$ (0.22)	\$ 0.07
Diluted	\$ (0.22)	\$ 0.06

<sup>(a)</sup> As the Company incurred a net loss for the three months ended March 31, 2012, all outstanding stock options, restricted stock units, warrants and issuable shares underlying the 3 1/2% convertible notes have an anti-dilutive effect and therefore are excluded from the computation of diluted weighted average shares outstanding for the period. Accordingly, basic and diluted weighted average shares outstanding are equal for the period.

<sup>(b)</sup> For the three months ended March 31, 2011, the shares underlying the 3 1/2% convertible notes have an anti-dilutive effect and therefore are excluded from the computation of diluted weighted average shares outstanding for the period.

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The following table summarizes the Company's outstanding common stock equivalents that were anti-dilutive and therefore excluded from the computation of diluted EPS:

	As of March 31,	
	2012	2011
Options <sup>(a)</sup>	2.8	1.2
Warrants <sup>(b) (c)</sup>	15.0	21.2
Shares underlying 3 1/2% convertible notes <sup>(c)</sup>	15.0	21.2

- <sup>(a)</sup> For the three months ended March 31, 2012, all outstanding stock options were anti-dilutive, as the Company incurred a net loss, and had a weighted average exercise price of \$3.74. The weighted average exercise price for anti-dilutive options for the three months ended March 31, 2011 was \$24.23.
- <sup>(b)</sup> Represents all outstanding warrants for the three months ended March 31, 2012 and 2011. The exercise price for the warrants outstanding for the three months ended March 31, 2012 and 2011 was \$22.50.
- <sup>(c)</sup> The decrease in the number of warrants and shares underlying the 3 1/2% convertible notes that were anti-dilutive was related to the Company's repurchase of a portion of its 3 1/2% convertible notes and warrants see Note 10—Long-term Debt and Borrowing Arrangements and Note 13—Stockholders' Equity for more information.

## 4. Acquisitions

On October 3, 2011, the Company completed the acquisition of the entire issued share capital of Avis Europe for \$976 million and subsequently repaid \$649 million of Avis Europe's assumed indebtedness. Avis Europe provides vehicle rental and ancillary products and services in Europe, the Middle East, Africa and Asia. The acquisition reunited the global operation of the Avis and Budget brands under one corporate umbrella.

The excess of the purchase price over preliminary fair value of net assets acquired was allocated to goodwill, which was assigned to the Company's International segment. The goodwill is not expected to be deductible for tax purposes. The estimated fair value of the assets acquired and liabilities assumed reflects various preliminary fair value estimates and analyses, including preliminary work performed by third-party valuation specialists, which are subject to change up to one year from the acquisition date as valuations are finalized. The fair values of certain tangible assets and liabilities acquired, identifiable intangible assets, income and non-income based taxes, and residual goodwill are therefore not yet finalized and subject to change. Such adjustments did not have a material impact on the Company's Consolidated Condensed Statements of Comprehensive Income for the three months ended March 31, 2012 or the Consolidated Condensed Balance Sheets as of March 31, 2012 and December 31, 2011.

Other intangibles consisted primarily of \$188 million related to license agreements and \$67 million related to customer relationships. These license agreements will be amortized over a weighted-average life of approximately 20 years. Customer relationships will be amortized over a weighted-average life of approximately 12 years.

## 5. Intangible Assets

Intangible assets consisted of:

	As of March 31, 2012			As of December 31, 2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>Amortized Intangible Assets</i>						
License agreements	\$ 261	\$ 33	\$ 228	\$ 252	\$ 29	\$ 223
Customer relationships	86	14	72	80	12	68
Other	2	1	1	2	1	1
	<u>\$ 349</u>	<u>\$ 48</u>	<u>\$ 301</u>	<u>\$ 334</u>	<u>\$ 42</u>	<u>\$ 292</u>
<i>Unamortized Intangible Assets</i>						
Goodwill <sup>(a)</sup>	<u>\$ 359</u>			<u>\$ 353</u>		
Trademarks <sup>(a)</sup>	<u>\$ 423</u>			<u>\$ 421</u>		

- <sup>(a)</sup> The increases in goodwill and trademarks are primarily due to fluctuations in foreign currency.

Amortization expense relating to all intangible assets was approximately \$6 million and \$1 million during first quarter 2012 and 2011, respectively. Based on the Company's amortizable assets at March 31, 2012, the Company expects amortization expense of approximately \$14 million for the remainder of 2012 and approximately \$19 million for each of the five fiscal years thereafter.

## 6. Financial Instruments

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

### Debt Instruments

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

	As of March 31, 2012		As of December 31, 2011	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<b>Corporate debt</b>				
Short-term debt and current portion of long-term debt	\$ 227	\$ 228	\$ 37	\$ 37
Long-term debt, excluding convertible debt	2,830	2,922	2,823	2,842
Convertible debt	244	288	345	354
<b>Debt under vehicle programs</b>				
Vehicle-backed debt due to Avis Budget Rental Car Funding (AESOP) LLC	\$ 5,306	\$ 5,430	\$ 4,574	\$ 4,643
Vehicle-backed debt	1,142	1,156	986	1,001
Interest rate swaps and interest rate contracts <sup>(a)</sup>	3	3	4	4

<sup>(a)</sup> Derivatives in a liability position.

### Derivative Instruments and Hedging Activities

The Company uses foreign exchange contracts to manage its exposure to changes in foreign currency exchange rates associated with its foreign currency denominated receivables and forecasted royalties, forecasted earnings of foreign subsidiaries and forecasted foreign currency denominated acquisitions. The Company primarily hedges its foreign currency exposure to the Australian, Canadian and New Zealand dollars, the Euro and the British pound sterling. The majority of forward contracts do not qualify for hedge accounting treatment. The fluctuations in the value of these forward contracts do, however, largely offset the impact of changes in the value of the underlying risk they economically hedge. Forward contracts used to hedge forecasted third-party receipts and disbursements up to 12 months are designated and do qualify as cash flow hedges. The amount of gains or losses reclassified from accumulated other comprehensive income to earnings resulting from ineffectiveness or from excluding a component of the forward contracts' gain or loss from the effectiveness calculation for cash flow hedges during the three months ended March 31, 2012 and 2011 was not material, nor is the amount of gains or losses the Company expects to reclassify from accumulated other comprehensive income to earnings over the next 12 months.

The Company uses various hedging strategies including interest rate swaps and interest rate caps to create an appropriate mix of fixed and floating rate assets and liabilities. The Company uses interest rate swaps, including freestanding derivatives and derivatives designated as cash flow hedges, to manage the risk related to its floating rate corporate debt and its floating rate vehicle-backed debt. In connection with such cash flow hedges, the Company records the effective portion of changes in the fair value of these cash flow hedges to other comprehensive income, net of tax, and subsequently reclassifies these amounts into earnings in the period during which the hedged transaction is recognized. The Company records the gains or losses related to freestanding derivatives in its consolidated results of operations. The changes in fair values of hedges that were determined to be ineffective are immediately reclassified from accumulated other comprehensive income into earnings.

From time to time, the Company enters into derivative commodity contracts to manage its exposure to changes in the price of unleaded gasoline. Changes in the fair value of these freestanding derivatives are recorded within operating expenses.

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Certain of the Company's derivative instruments contain collateral support provisions that require the Company to post cash collateral to the extent that these derivatives are in a liability position. The aggregate fair value of such derivatives that are in a liability position and the aggregate fair value of assets needed to settle these derivatives as of March 31, 2012 was approximately \$3 million, for which the Company has posted cash collateral in the normal course of business.

As of March 31, 2012, the Company held derivative instruments with absolute notional values as follows: interest rate caps of approximately \$8.0 billion, interest rate swaps of \$627 million, foreign exchange forward contracts of approximately \$273 million, foreign exchange swaps of \$950 million and commodity contracts for the purchase of 12 million gallons of unleaded gasoline.

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

Fair values of derivatives instruments are as follows:

	As of March 31, 2012		As of December 31, 2011	
	Fair Value, Asset Derivatives	Fair Value, Liability Derivatives	Fair Value, Asset Derivatives	Fair Value, Liability Derivatives
<b>Derivatives designated as hedging instruments <sup>(a)</sup></b>				
Interest rate swaps <sup>(b)</sup>	\$ —	\$ 3	\$ —	\$ 3
<b>Derivatives not designated as hedging instruments <sup>(a)</sup></b>				
Foreign exchange forward contracts <sup>(c)</sup>	12	14	26	1
Interest rate contracts <sup>(d)</sup>	1	2	2	4
Interest rate swaps <sup>(b)</sup>	—	5	—	—
Commodity contracts <sup>(c)</sup>	5	—	—	1
Total	<u>\$ 18</u>	<u>\$ 24</u>	<u>\$ 28</u>	<u>\$ 9</u>

<sup>(a)</sup> Amounts in this table exclude derivatives issued by Avis Budget Rental Car Funding (AESOP) LLC ("Avis Budget Rental Car Funding"), as it is not consolidated by the Company; however, certain amounts related to the derivatives held by Avis Budget Rental Car Funding are included within accumulated other comprehensive income, as discussed in Note 13—Stockholders' Equity.

<sup>(b)</sup> Included in other non-current liabilities.

<sup>(c)</sup> Included in other current assets and other current liabilities.

<sup>(d)</sup> Included in assets under vehicle programs and liabilities under vehicle programs.

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

	Three Months Ended	
	March 31,	
	2012	2011
<b>Derivatives designated as hedging instruments</b>		
Interest rate swaps <sup>(a)</sup>	\$ 7	\$ 10
<b>Derivatives not designated as hedging instruments</b>		
Foreign exchange contracts <sup>(b)</sup>	(4)	(1)
Commodity contracts <sup>(b)</sup>	6	1
Interest rate contracts <sup>(c)</sup>	(5)	—
<b>Total</b>	<b>\$ 4</b>	<b>\$ 10</b>

<sup>(a)</sup> Recognized, net of tax, as a component of other comprehensive income within stockholders' equity.

<sup>(b)</sup> Included in operating expenses.

<sup>(c)</sup> Included in interest expense.

## 7. Vehicle Rental Activities

The components of the Company's vehicles, net within assets under vehicle programs are as follows:

	As of March 31, 2012	As of December 31, 2011
Rental vehicles	\$ 10,305	\$ 9,077
Less: Accumulated depreciation	(1,279)	(1,258)
	9,026	7,819
Vehicles held for sale	391	537
<b>Vehicles, net</b>	<b>\$ 9,417</b>	<b>\$ 8,356</b>

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

	Three Months Ended	
	March 31,	
	2012	2011
Depreciation expense	\$ 331	\$ 305
Lease charges	26	10
Gain on sales of vehicles and cost of vehicle disposition	(39)	(39)
<b>Vehicle depreciation and lease charges, net</b>	<b>\$ 318</b>	<b>\$ 276</b>

For the three months ended March 31, 2012 and 2011, vehicle interest, net excludes \$96 million and \$51 million, respectively, of interest expense and expense for the early extinguishment of corporate debt related to the Company's convertible senior notes and the fixed and floating rate borrowings of the Company's Avis Budget Car Rental, LLC ("Avis Budget Car Rental") subsidiary.

## 8. Income Taxes

The Company's effective tax rate for the three months ended March 31, 2012 is a benefit of 11.5%. Such rate differs from the Federal statutory rate of 35.0% primarily due to the treatment of a portion of the expenses for the early extinguishment of corporate debt.

The Company's effective tax rate for the three months ended March 31, 2011 is a provision of 36.4%. Such rate differs from the Federal statutory rate of 35.0% primarily due to state taxes.

**9. Accounts Payable and Other Current Liabilities**

Accounts payable and other current liabilities consisted of:

	As of March 31, 2012	As of December 31, 2011
Accounts payable	\$ 320	\$ 312
Accrued sales and use taxes	182	173
Accrued payroll and related	161	200
Public liability and property damage insurance liabilities—current	125	128
Income taxes payable—current	98	109
Advertising and marketing	74	77
Other	483	434
	<u>\$ 1,443</u>	<u>\$ 1,433</u>

**10. Long-term Debt and Borrowing Arrangements**

Long-term and other borrowing arrangements consisted of:

	Maturity Dates	As of March 31, 2012	As of December 31, 2011
Floating rate term loan <sup>(a)</sup>	April 2014	\$ —	\$ 267
Floating rate notes <sup>(b)</sup>	May 2014	250	250
7 5/8% notes	May 2014	200	200
3 1/2% convertible notes <sup>(c)</sup>	October 2014	244	345
Floating rate term loan <sup>(a) (d)</sup>	May 2016	20	20
7 3/4% notes	May 2016	375	375
9 5/8% notes	March 2018	445	445
Floating rate term loan <sup>(a) (d)</sup>	September 2018	264	412
8 1/4% notes	January 2019	731	602
Floating rate term loan <sup>(a) (e)</sup>	March 2019	495	—
9 3/4% notes	March 2020	250	250
		<u>3,274</u>	<u>3,166</u>
Other		27	39
Total		<u>3,301</u>	<u>3,205</u>
Less: Short-term debt and current portion of long-term debt		<u>227</u>	<u>37</u>
<b>Long-term debt</b>		<u>\$ 3,074</u>	<u>\$ 3,168</u>

<sup>(a)</sup> The floating rate term loans are part of the Company's senior credit facility, which include its revolving credit facility maturing 2016, and are secured by pledges of all of the capital stock of all of the Company's direct or indirect domestic subsidiaries and up to 66% of the capital stock of each direct foreign subsidiary, subject to certain exceptions, and liens on substantially all of the Company's intellectual property and certain other real and personal property.

<sup>(b)</sup> As of March 31, 2012, the floating rate notes due 2014 bear interest at three-month LIBOR plus 250 basis points, for an aggregate rate of 3.00%.

<sup>(c)</sup> As of March 31, 2012, the 3 1/2% convertible notes are convertible by the holders into approximately 15 million shares of our common stock.

<sup>(d)</sup> As of March 31, 2012, the floating rate term loan due 2016 bears interest at three-month LIBOR plus 300 basis points, for an aggregate rate of 3.56% and the floating rate term loan due 2018 bears interest at the greater of three-month LIBOR or 1.25%, plus 500 basis points, for an aggregate rate of 6.25%.

<sup>(e)</sup> As of March 31, 2012, the floating term rate loan due 2019 bears interest at the greater of three-month LIBOR or 1.0%, plus 325 basis points, for an aggregate rate of 4.25%.

During March 2012, the Company amended its Amended and Restated Credit Agreement, dated as of May 3, 2011 (the "Credit Agreement") to issue a \$500 million term loan, at 99.0% of par, that will mature on March 2019. The term loan due 2019 will bear interest at the greater of three-month LIBOR or 1.0%, plus 325 basis points.

During March 2012, the Company issued \$125 million aggregate principal amount of 8 1/4% Senior Notes due 2019. The notes constitute a further issuance of the \$600 million aggregate principal amount issued in fourth quarter 2010. The notes pay interest semi-annually on January 15 and July 15 of each year, beginning July 2012. The notes are unsecured obligations of Avis Budget Car Rental and are guaranteed on a senior basis by the Company and certain of its domestic

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subsidiaries. These notes were issued at 103.5% of par and the proceeds are intended to be used primarily to repay a portion of the Company's 7<sup>5</sup>/<sub>8</sub>% Senior Notes due 2014 which, as of March 31, 2012, have been classified as current portion of long-term debt. The notes rank equally with all of the Company's existing and future senior unsecured indebtedness and are senior to all of the Company's existing and future subordinated indebtedness. The Company has the right to redeem these notes in whole or in part at any time after October 15, 2014 at the applicable redemption price, plus any accrued and unpaid interest through the redemption date.

During the three months ended March 31, 2012, the Company (i) repurchased approximately \$101 million of its 3<sup>1</sup>/<sub>2</sub>% convertible notes for approximately \$117 million, plus accrued interest, (ii) repaid the \$267 million outstanding principal balance of its floating rate term loan due 2014 and (iii) repaid \$150 million in principal of its floating rate term loan due 2018. The Company incurred \$27 million in expenses related to the early extinguishment of this debt.

### Committed Credit Facilities and Available Funding Arrangements

At March 31, 2012, the committed credit facilities available to the Company and/or its subsidiaries included:

	Total Capacity	Outstanding Borrowings	Letters of Credit Issued	Available Capacity
Revolving credit facility maturing 2016 <sup>(a)</sup>	\$ 1,435	\$ —	\$ 586	\$ 849
Other facilities <sup>(b)</sup>	14	5	—	9

<sup>(a)</sup> This revolving credit facility matures in 2016 and bears interest of one-month LIBOR plus 300 basis points. The senior credit facility, which encompasses the floating rate term loans due 2016, 2018 and 2019 and the revolving credit facility, is secured by pledges of all of the capital stock of all of the Company's domestic subsidiaries and up to 66% of the capital stock of each foreign subsidiary directly owned by the Company's domestic subsidiaries, subject to certain exceptions, and liens on substantially all of the Company's intellectual property and certain other real and personal property.

<sup>(b)</sup> These facilities encompass bank overdraft lines of credit, bearing interest of 5.12% to 6.75% as of March 31, 2012.

At March 31, 2012 the Company had various uncommitted credit facilities available, under which it had drawn approximately \$10 million, which bear interest at rates between 0.6% and 7.68%.

The agreements governing the Company's indebtedness contain restrictive covenants, including restrictions on dividends paid to the Company by certain of its subsidiaries, the incurrence of additional indebtedness by the Company and certain of its subsidiaries, acquisitions, mergers, liquidations, and sale and leaseback transactions. The Company's senior credit facility contains maximum leverage and minimum interest coverage ratio requirements. As of March 31, 2012, the Company was in compliance with the financial covenants of its senior credit facility.

## 11. Debt Under Vehicle Programs and Borrowing Arrangements

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

	As of March 31, 2012	As of December 31, 2011
Debt due to Avis Budget Rental Car Funding <sup>(a)</sup>	\$ 5,306	\$ 4,574
Budget Truck financing	216	188
Capital leases <sup>(b)</sup>	427	348
Other <sup>(b)</sup>	502	454
	<u>\$ 6,451</u>	<u>\$ 5,564</u>

<sup>(a)</sup> The increase reflects increased borrowing to fund an increase in the size of the Company's U.S. car rental fleet.

<sup>(b)</sup> The increase principally reflects increased borrowing to fund an increase in the size of the Company's international vehicle rental fleet.

In 2010, the Company established a variable funding note program with a maximum capacity of \$400 million of notes to be issued by Avis Budget Rental Car Funding to the Company to finance the purchase of vehicles. These variable funding notes pay interest of 4.5% at March 31, 2012 and mature in March 2013. During the three months ended March 31, 2012, no funding occurred under the program.



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The following table provides the contractual maturities of the Company's debt under vehicle programs (including related party debt due to Avis Budget Rental Car Funding) at March 31, 2012:

	<b>Vehicle-Backed Debt</b>
Within 1 year <sup>(a)</sup>	\$2,287
Between 1 and 2 years	600
Between 2 and 3 years	1,250
Between 3 and 4 years	933
Between 4 and 5 years	1,133
Thereafter	248
	<u>\$6,451</u>

<sup>(a)</sup> Vehicle-backed debt maturing within one year includes term asset-backed securities maturities of approximately \$1.8 billion and bank and bank-sponsored borrowings of \$526 million.

As of March 31, 2012, available funding under the Company's vehicle programs (including related party debt due to Avis Budget Rental Car Funding) consisted of:

	<b>Total Capacity (a)</b>	<b>Outstanding Borrowings</b>	<b>Available Capacity</b>
Debt due to Avis Budget Rental Car Funding <sup>(b)</sup>	\$ 7,901	\$ 5,306	\$ 2,595
Budget Truck financing <sup>(c)</sup>	327	216	111
Capital leases	510	427	83
Other <sup>(d)</sup>	1,511	502	1,009
	<u>\$10,249</u>	<u>\$ 6,451</u>	<u>\$ 3,798</u>

<sup>(a)</sup> Capacity is subject to maintaining sufficient assets to collateralize debt.

<sup>(b)</sup> The outstanding debt is collateralized by approximately \$6.9 billion of underlying vehicles and related assets.

<sup>(c)</sup> The outstanding debt is collateralized by \$335 million of underlying vehicles and related assets.

<sup>(d)</sup> The outstanding debt is collateralized by approximately \$1.1 billion of underlying vehicles and related assets.

Debt agreements under the Company's vehicle-backed funding programs contain restrictive covenants, including restrictions on dividends paid to the Company by certain of its subsidiaries and restrictions on indebtedness, mergers, liens, liquidations and sale and leaseback transactions and in some cases also require compliance with certain financial requirements. As of March 31, 2012, the Company is not aware of any instances of non-compliance with any of the financial or restrictive covenants contained in the debt agreements under its vehicle-backed funding programs.

## 12. Commitments and Contingencies

### Contingencies

In connection with the separation of Cendant Corporation (as the Company was formerly known) into four independent companies (the "Separation"), the Company completed the spin-offs of Realogy Corporation ("Realogy") and Wyndham Worldwide Corporation ("Wyndham") on July 31, 2006 and completed the sale of Travelport, Inc. ("Travelport") on August 23, 2006. In connection with the spin-offs of Realogy and Wyndham, the Company entered into a Separation Agreement, pursuant to which Realogy assumed 62.5% and Wyndham assumed 37.5% of certain contingent and other corporate liabilities of the Company or its subsidiaries, which are not primarily related to any of the respective businesses of Realogy, Wyndham, our former Travelport subsidiary and/or the Company's vehicle rental operations, and in each case incurred or allegedly incurred on or prior to the Separation ("Assumed Liabilities"). Realogy is entitled to receive 62.5% and Wyndham is entitled to receive 37.5% of the proceeds from certain contingent corporate assets of the Company, which are not primarily related to any of the respective businesses of Realogy, Wyndham, Travelport and/or the Company's vehicle rental operations, arising or accrued on or prior to the Separation ("Assumed Assets"). Additionally, if Realogy or Wyndham were to default on its payment of costs or expenses to the Company related to any Assumed Liabilities, the Company would be responsible for 50% of the defaulting party's obligation. In such event, the Company would be allowed to use the defaulting party's share of the proceeds of any Assumed Assets as a right of offset.

The Company does not believe that the impact of any resolution of contingent liabilities constituting Assumed Liabilities should result in a material liability to the Company in relation to its consolidated financial position or liquidity, as Realogy and Wyndham each have agreed to assume responsibility for these liabilities.

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

In accordance with the terms of the Separation Agreement, Realogy posted a letter of credit in April 2007 for the benefit of the Company to cover its estimated share of the Assumed Liabilities discussed above, subject to adjustment, although there can be no assurance that such letter of credit will be sufficient or effective to cover Realogy's actual obligations if and when they arise.

In October 2009, a judgment was entered against the Company in the amount of \$16 million following the completion of a jury trial for damages related to breach of contract in the United States District Court for the District of Alaska. The lawsuit, which was filed in 2003, involved breach of contract and other claims by one of the Company's licensees related to the acquisition of its Budget vehicle rental business in 2002. The Company believes the verdict in this case is unsupported by the evidence. In addition to the judgment for damages, in June 2010, the district court also entered an order against the Company in the amount of \$3 million, in favor of the plaintiff's motions for pre-judgment interest and attorneys' fees. The Company has filed an appeal of the judgment and attorneys' fees awarded with the United States Court of Appeals for the Ninth Circuit.

In addition to the matters discussed above, the Company is also involved in claims, legal proceedings and governmental inquiries related, among other things, to its vehicle rental operations, including with respect to contract disputes, business practices including wage and hour claims and anti-trust claims, insurance claims, intellectual property claims, environmental issues and other commercial, employment and tax matters, and breach of contract claims by licensees. The Company believes that it has adequately accrued for such matters as appropriate, or, for matters not requiring accrual, believes that such matters will not have a material impact on its results of operations, financial position or cash flows based on information currently available. However, litigation is inherently unpredictable and, although the Company believes that its accruals are adequate and/or that it has valid defenses in these matters, unfavorable resolutions could occur, which could materially impact the Company's results of operations or cash flows in a particular reporting period.

#### ***Commitments to Purchase Vehicles***

The Company maintains agreements with vehicle manufacturers under which the Company has agreed to purchase approximately \$4.6 billion of vehicles from manufacturers over the next 12 months. The majority of these commitments are subject to the vehicle manufacturers' satisfying their obligations under the repurchase and guaranteed depreciation agreements. The purchase of such vehicles is financed primarily through the issuance of vehicle-backed debt in addition to cash received upon the sale of vehicles in the used car market and under repurchase and guaranteed depreciation programs.

#### ***Other Purchase Commitments***

In the normal course of business, the Company makes various commitments to purchase other goods or services from specific suppliers, including those related to capital expenditures. None of the purchase commitments made by the Company as of March 31, 2012 (aggregating approximately \$138 million) was individually significant. These purchase obligations extend through 2015.

#### ***Concentrations***

Concentrations of credit risk at March 31, 2012 include (i) risks related to the Company's repurchase and guaranteed depreciation agreements with domestic and foreign car manufacturers, including Volkswagen Group, Hyundai Motor America, General Motors Company, PSA Peugeot Citroën, Ford Motor Company, Renault S.A., Fiat Automobiles and Chrysler Group LLC primarily with respect to receivables for program cars that have been returned to car manufacturers and (ii) risks related to Realogy and Wyndham, including receivables of \$67 million and \$42 million, respectively, related to certain contingent, income tax and other corporate liabilities assumed by Realogy and Wyndham in connection with the Separation.

#### ***Other Guarantees***

The Company has provided certain guarantees to, or for the benefit of, subsidiaries of Realogy, Wyndham and Travelport, which, as previously discussed, were disposed in 2006. These guarantees relate primarily to various real estate operating leases. The maximum potential amount of future payments that the Company may be required to make under the guarantees relating to these leases is estimated to be approximately \$102 million, the majority of which expire by the end of 2014. At March 31, 2012, the liability recorded by the Company in connection with these guarantees was approximately \$3 million. To the extent that the Company would be required to perform under any of these guarantees, the Company is entitled to

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indemnification by Realogy, Wyndham and Travelport, as applicable. The Company monitors the credit ratings and other relevant information for Realogy, Wyndham and Travelport's parent company in order to assess the status of the payment/performance risk of these guarantees.

### 13. Stockholders' Equity

During the three months ended March 31, 2012, concurrently with the Company's repurchase of a portion of its 3 1/2% convertible notes, the Company repurchased warrants for the purchase of the Company's common stock for \$13 million and sold an equal portion of its convertible note hedge for \$19 million, reducing the net purchase and issuance of shares related to the hedge and warrant by approximately 6 million shares.

#### *Accumulated Other Comprehensive Income*

The components of accumulated other comprehensive income were as follows:

	<u>Currency Translation Adjustments</u>	<u>Net Unrealized Gains (Losses) on Cash Flow Hedges</u>	<u>Net Unrealized Gains on Available-for Sale Securities</u>	<u>Minimum Pension Liability Adjustment</u>	<u>Accumulated Other Comprehensive Income</u>
Balance, January 1, 2012	\$ 159	\$ (13)	\$ 2	\$ (70)	\$ 78
Current period change	37	7	—	—	44
Balance, March 31, 2012	<u>\$ 196</u>	<u>\$ (6)</u>	<u>\$ 2</u>	<u>\$ (70)</u>	<u>\$ 122</u>

All components of accumulated other comprehensive income are net of tax, except currency translation adjustments, which exclude income taxes related to indefinite investments in foreign subsidiaries.

#### *Total Comprehensive Income*

Comprehensive income consists of net income and other gains and losses affecting stockholders' equity that, under GAAP, are excluded from net income.

The components of other comprehensive income were as follows:

	<u>Three Months Ended March 31,</u>	
	<u>2012</u>	<u>2011</u>
Net income (loss)	\$ (23)	\$ 7
Other comprehensive income:		
Currency translation adjustment	37	9
Net unrealized gains on available-for-sale securities, net of tax	—	1
Net unrealized gains on cash flow hedges, net of tax	7	10
	<u>44</u>	<u>20</u>
Total comprehensive income	<u>\$ 21</u>	<u>\$ 27</u>

During the three months ended March 31, 2012 and 2011, the Company's net unrealized losses on cash flow hedges decreased by \$12 million and \$16 million (\$7 million and \$10 million, net of tax), respectively, in 2012 primarily due to the realization of losses in income, and in 2011 primarily due to unrealized gains on derivatives used to manage the interest-rate risk associated with the Company's vehicle-backed debt and floating rate debt. Such decreases during the three months ended March 31, 2012 and 2011 included \$11 million and \$15 million (\$7 million and \$9 million, net of tax), respectively, related to the Company's vehicle-backed debt and are offset by a corresponding change in the Company's Investment in Avis Budget Rental Car Funding on the Consolidated Condensed Balance Sheets.

### 14. Stock-Based Compensation

The Company records compensation expense for all outstanding employee stock awards based on the estimated fair value of the award at the grant date, which is recognized over the requisite service period. The Company recorded stock-based compensation expense of \$4 million and \$4 million (\$2 million and \$3 million, net of tax) during first quarter 2012 and 2011, respectively, related to employee stock awards that were granted by the Company.

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The Company applies the direct method and tax law ordering approach to calculate the tax effects of stock-based compensation. In jurisdictions with net operating loss carryforwards, tax deductions for 2012 and 2011 exercises of stock-based awards did not generate a cash benefit. Approximately \$10 million of incremental tax benefits will be recorded in additional paid-in capital when realized in these jurisdictions.

### **Restricted Stock and Stock Unit Awards**

During first quarter 2012, the Company granted 356,000 market-vesting restricted stock units, 775,000 time-based restricted stock units and 486,000 performance-based restricted stock units under the Company's 2007 Equity and Incentive Plan. Vesting of all or a portion of the of market-vesting and performance-based restricted stock units will occur on the third anniversary of the grant date, subject to continued employment through such anniversary, and (i) in the case of the market-based restricted stock units, attainment of certain Company stock price targets for a specified number of trading days and (ii) in the case of the performance-based restricted stock units, attainment of certain Adjusted EBITDA targets. All of the time-based restricted stock units granted in first quarter 2012 vest ratably on the first three anniversaries of the grant date, subject to continued employment.

During first quarter 2011, the Company granted 347,000 market-vesting restricted stock units and 629,000 time-based restricted stock units, under the Company's 2007 Equity and Incentive Plan. Of the market-vesting restricted stock units granted in first quarter 2011, all or a portion of 254,000 units vest on the third anniversary of the grant date and all or a portion of 93,000 units vest 50% on each of the third and fourth anniversary of the grant date, in each case subject to continued employment through such applicable anniversary and attainment of certain Company stock price targets for a specified number of trading days. Of the time-based restricted stock units granted in first quarter 2011, 598,000 units vest ratably on the first three anniversaries of the grant date and 31,000 units vest on the first anniversary of the grant date, subject in each case to continued employment.

The Company determined the fair value of its market-vesting restricted stock units granted in 2012 and 2011 using a Monte Carlo simulation model. The fair value of each of the Company's market-vesting restricted stock units which contain a three-year vesting period, issued in 2012, was estimated to be approximately \$10.61. The fair value of each of the Company's market-vesting restricted stock units which contain three- and four-year vesting periods, issued in 2011, was estimated to be approximately \$11.35 and \$12.53, respectively. The assumptions used to estimate the fair values of the market-vesting restricted stock awards in first quarter 2012 and 2011 were as follows:

	Three Months Ended	
	March 31,	
	2012	2011
Expected volatility of stock price	49%	48%
Risk-free interest rate	0.39%	0.97% - 1.21%
Valuation period	3 years	3 - 4 years
Dividend yield	0.0%	0.0%

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The activity related to the Company's restricted stock units ("RSUs") and stock option plans consisted of (in thousands of shares):

	RSUs		Options	
	Number of RSUs	Weighted Average Grant Price	Number of Options	Weighted Average Exercise Price
Balance at January 1, 2012	2,998	\$ 12.74	3,432	\$ 7.90
Granted at fair market value	1,617	14.40	—	—
Vested/exercised <sup>(a)</sup>	(1,217)	12.58	(37)	0.79
Canceled	(19)	13.06	(610)	27.29
Balance at March 31, 2012 <sup>(b) (c)</sup>	3,379	13.59	2,785	3.74

<sup>(a)</sup> During the three months ended March 31, 2012, 604,000 performance-based and market-vesting RSUs vested. Stock options exercised during the three months ended March 31, 2012 had an immaterial intrinsic value.

<sup>(b)</sup> As of March 31, 2012, the Company's outstanding RSUs had an aggregate intrinsic value of \$48 million; aggregate unrecognized compensation expense related to RSUs amounted to \$35 million; and the balance of RSUs at March 31, 2012 consists of 1,433,000 related to time-based awards and 1,946,000 related to market-vesting and performance-based awards. Approximately 24,000 time-based and 11,000 performance-based RSUs are eligible to vest in 2012, if applicable service and performance criteria are satisfied.

<sup>(c)</sup> As of March 31, 2012, the Company's outstanding stock options had aggregate intrinsic value of \$32 million; there were 2.5 million "in-the-money" stock options; and aggregate unrecognized compensation expense related to unvested stock options amounted to \$1 million. Approximately 2.7 million stock options are exercisable as of March 31, 2012.

The table below summarizes information regarding the Company's outstanding stock options as of March 31, 2012 (in thousands of shares):

Range of Exercise Prices	Weighted Average Contractual Life (years)	Number of Options
Less than \$5.00	6.2	2,339
\$5.01 to \$10.00	—	—
\$10.01 to \$15.00	7.8	160
\$15.01 to \$20.00	0.9	122
\$20.01 to \$25.00	—	—
\$25.01 to \$30.00	0.1	154
\$30.01 and above	2.5	10
	5.7	2,785

As of March 31, 2012, the Company also had approximately 0.5 million outstanding stock appreciation rights with a weighted average exercise price of \$24.40, and a weighted average remaining contractual life of 1.3 years.

## 15. Segment Information

The reportable segments presented below represent the Company's operating segments for which separate financial information is available and is utilized on a regular basis by its chief operating decision maker, the Company's chief executive officer, to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. Management evaluates the operating results of each of its reportable segments based upon revenue and "Adjusted EBITDA", which is defined as income from continuing operations before non-vehicle related depreciation and amortization, any impairment charge, transaction-related costs, non-vehicle related interest and income taxes. The Company's presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

	Three Months Ended March 31,			
	2012		2011	
	Revenues	Adjusted EBITDA	Revenues	Adjusted EBITDA
North America	\$ 1,038	\$ 93	\$ 998	\$ 54
International	510	22	162	33
Truck Rental	75	1	75	—
Corporate and Other <sup>(a)</sup>	—	(4)	—	(4)
<b>Total Company</b>	<b>\$ 1,623</b>	<b>112</b>	<b>\$ 1,235</b>	<b>83</b>
Less: Non-vehicle related depreciation and amortization		32		23
Interest expense related to corporate debt, net:				
Interest expense		73		47
Early extinguishment of debt		27		—
Transaction-related costs <sup>(b)</sup>		6		2
<b>Income before income taxes</b>		<b>\$ (26)</b>		<b>\$ 11</b>

<sup>(a)</sup> Includes unallocated corporate overhead and the elimination of transactions between segments.

<sup>(b)</sup> During the three months ended March 31, 2012, the Company incurred \$6 million in transaction-related costs related to the integration of the operations of Avis Europe. During the three months ended March 31, 2011, the Company incurred \$2 million of costs related to the Company's previous efforts to acquire Dollar Thrifty.

Since December 31, 2011, there have been no significant changes in segment assets with the exception of the Company's North America segment assets under vehicle programs. As of March 31, 2012 and December 31, 2011, North America segment assets under vehicle programs were approximately \$7.4 billion and \$6.7 billion, respectively.

## 16. Guarantor and Non-Guarantor Consolidating Condensed Financial Statements

The following consolidating financial information presents Consolidating Condensed Statements of Comprehensive Income for the three months ended March 31, 2012 and 2011, Consolidating Condensed Balance Sheets as of March 31, 2012 and December 31, 2011, and Consolidating Condensed Statements of Cash Flows for the three months ended March 31, 2012 and 2011 for: (i) Avis Budget Group, Inc. (the "Parent"); (ii) Avis Budget Car Rental and Avis Budget Finance, Inc. (the "Subsidiary Issuers"); (iii) the guarantor subsidiaries; (iv) the non-guarantor subsidiaries; (v) elimination entries necessary to consolidate the Parent with the Subsidiary Issuers, and the guarantor and non-guarantor subsidiaries; and (vi) the Company on a consolidated basis. The Subsidiary Issuers and the guarantor and non-guarantor subsidiaries are 100% owned by the Parent, either directly or indirectly. All guarantees are full and unconditional and joint and several. This financial information is being presented in relation to the Company's guarantee of the payment of principal, premium (if any) and interest on the senior notes issued by Avis Budget Car Rental. These senior notes consist of Avis Budget Car Rental's 7<sup>5/8</sup>% Notes due 2014, 7<sup>3/4</sup>% Notes due 2016, Floating Rate Notes due 2014, 9<sup>5/8</sup>% Notes due 2018, 8<sup>1/4</sup>% Notes due 2019 and 9<sup>3/4</sup>% Notes due 2020 (collectively, the "Notes"). See Note 10—Long-term Debt and Borrowing Arrangements for additional information regarding these Notes. The Notes are guaranteed by the Parent and certain subsidiaries.

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

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Three Months Ended March 31, 2012

	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>						
Vehicle rental	\$ —	\$ —	\$ 786	\$ 382	\$ —	\$1,168
Other	—	—	235	474	(254)	455
Net revenues	—	—	1,021	856	(254)	1,623
<b>Expenses</b>						
Operating	(1)	6	537	351	—	893
Vehicle depreciation and lease charges, net	—	—	197	212	(91)	318
Selling, general and administrative	5	—	137	77	—	219
Vehicle interest, net	—	—	61	75	(62)	74
Non-vehicle related depreciation and amortization	—	—	19	13	—	32
Interest expense related to corporate debt, net:						
Interest expense	3	64	—	6	—	73
Intercompany interest expense (income)	(7)	(81)	74	14	—	—
Early extinguishment of debt	18	9	—	—	—	27
Transaction-related costs	3	—	—	3	—	6
Restructuring charges	—	—	—	7	—	7
Total expenses	21	(2)	1,025	758	(153)	1,649
<b>Income (loss) before income taxes and equity in earnings of subsidiaries</b>	(21)	2	(4)	98	(101)	(26)
Provision for (benefit from) income taxes	(1)	3	(2)	(3)	—	(3)
Equity in earnings (loss) of subsidiaries	(3)	(2)	—	—	5	—
<b>Net income (loss)</b>	<u>\$ (23)</u>	<u>\$ (3)</u>	<u>\$ (2)</u>	<u>\$ 101</u>	<u>\$ (96)</u>	<u>\$ (23)</u>
<b>Comprehensive income</b>	<u>\$ 21</u>	<u>\$ 41</u>	<u>\$ 42</u>	<u>\$ 146</u>	<u>\$ (229)</u>	<u>\$ 21</u>

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Three Months Ended March 31, 2011

	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>						
Vehicle rental	\$ —	\$ —	\$ 760	\$ 158	\$ —	\$ 918
Other	1	—	221	409	(314)	317
Net revenues	<u>1</u>	<u>—</u>	<u>981</u>	<u>567</u>	<u>(314)</u>	<u>1,235</u>
<b>Expenses</b>						
Operating	—	2	518	139	—	659
Vehicle depreciation and lease charges, net	—	—	227	253	(204)	276
Selling, general and administrative	3	—	128	23	—	154
Vehicle interest, net	—	—	55	44	(36)	63
Non-vehicle related depreciation and amortization	—	—	21	2	—	23
Interest expense related to corporate debt, net:						
Interest expense (income)	2	46	—	(1)	—	47
Intercompany interest expense (income)	(4)	(46)	50	—	—	—
Transaction-related costs	2	—	—	—	—	2
Restructuring charges	—	—	—	—	—	—
Total expenses	<u>3</u>	<u>2</u>	<u>999</u>	<u>460</u>	<u>(240)</u>	<u>1,224</u>
<b>Income (loss) before income taxes and equity in earnings of subsidiaries</b>						
	(2)	(2)	(18)	107	(74)	11
Provision for (benefit from) income taxes	(1)	(1)	(4)	10	—	4
Equity in earnings (loss) of subsidiaries	8	9	23	—	(40)	—
<b>Net income (loss)</b>	<u>\$ 7</u>	<u>\$ 8</u>	<u>\$ 9</u>	<u>\$ 97</u>	<u>\$ (114)</u>	<u>\$ 7</u>
<b>Comprehensive income</b>	<u>\$ 27</u>	<u>\$ 27</u>	<u>\$ 27</u>	<u>\$ 117</u>	<u>\$ (171)</u>	<u>\$ 27</u>



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**Consolidating Condensed Balance Sheets**

As of March 31, 2012

	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 5	\$ 245	\$ 2	\$ 354	\$ —	\$ 606
Receivables, net	—	—	154	401	—	555
Deferred income taxes	8	—	129	3	(23)	117
Other current assets	7	80	85	271	—	443
<b>Total current assets</b>	<u>20</u>	<u>325</u>	<u>370</u>	<u>1,029</u>	<u>(23)</u>	<u>1,721</u>
Property and equipment, net	—	73	283	129	—	485
Deferred income taxes	33	247	228	2	—	510
Goodwill	—	—	74	285	—	359
Other intangibles, net	—	44	342	338	—	724
Other non-current assets	114	93	5	90	—	302
Intercompany receivables (payables)	253	956	(615)	(594)	—	—
Investment in subsidiaries	388	1,834	3,263	—	(5,485)	—
<b>Total assets exclusive of assets under vehicle programs</b>	<u>808</u>	<u>3,572</u>	<u>3,950</u>	<u>1,279</u>	<u>(5,508)</u>	<u>4,101</u>
Assets under vehicle programs:						
Program cash	—	—	—	50	—	50
Vehicles, net	—	4	5	9,408	—	9,417
Receivables from vehicle manufacturers and other	—	—	—	265	—	265
Investment in Avis Budget Rental Car Funding (AESOP) LLC-related party	—	—	—	354	—	354
	—	4	5	10,077	—	10,086
<b>Total Assets</b>	<u>\$ 808</u>	<u>\$ 3,576</u>	<u>\$ 3,955</u>	<u>\$ 11,356</u>	<u>\$ (5,508)</u>	<u>\$ 14,187</u>
<b>Liabilities and stockholders' equity</b>						
Current liabilities:						
Accounts payable and other current liabilities	\$ 23	\$ (61)	\$ 926	\$ 578	\$ (23)	\$ 1,443
Short-term debt and current portion of long-term debt	—	211	2	14	—	227
<b>Total current liabilities</b>	<u>23</u>	<u>150</u>	<u>928</u>	<u>592</u>	<u>(23)</u>	<u>1,670</u>
Long-term debt	244	2,821	8	1	—	3,074
Other non-current liabilities	106	215	264	375	—	960
<b>Total liabilities exclusive of liabilities under vehicle programs</b>	<u>373</u>	<u>3,186</u>	<u>1,200</u>	<u>968</u>	<u>(23)</u>	<u>5,704</u>
Liabilities under vehicle programs:						
Debt	—	1	—	1,144	—	1,145
Due to Avis Budget Rental Car Funding (AESOP) LLC-related party	—	—	—	5,306	—	5,306
Deferred income taxes	—	—	921	144	—	1,065
Other	—	1	—	531	—	532
	—	2	921	7,125	—	8,048
<b>Total stockholders' equity</b>	<u>435</u>	<u>388</u>	<u>1,834</u>	<u>3,263</u>	<u>(5,485)</u>	<u>435</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 808</u>	<u>\$ 3,576</u>	<u>\$ 3,955</u>	<u>\$ 11,356</u>	<u>\$ (5,508)</u>	<u>\$ 14,187</u>

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As of December 31, 2011

	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 2	\$ 234	\$ 1	\$ 297	\$ —	\$ 534
Receivables, net	—	61	140	306	—	507
Deferred income taxes	8	—	129	3	(20)	120
Other current assets	7	63	76	251	(17)	380
<b>Total current assets</b>	<u>17</u>	<u>358</u>	<u>346</u>	<u>857</u>	<u>(37)</u>	<u>1,541</u>
Property and equipment, net	—	70	295	128	—	493
Deferred income taxes	36	177	229	2	—	444
Goodwill	—	—	74	279	—	353
Other intangibles, net	—	44	342	327	—	713
Other non-current assets	124	92	5	83	—	304
Intercompany receivables (payables)	348	1,158	(1,071)	(435)	—	—
Investment in subsidiaries	376	1,769	3,192	—	(5,337)	—
<b>Total assets exclusive of assets under vehicle programs</b>	<u>901</u>	<u>3,668</u>	<u>3,412</u>	<u>1,241</u>	<u>(5,374)</u>	<u>3,848</u>
Assets under vehicle programs:						
Program cash	—	—	—	11	—	11
Vehicles, net	—	6	4	8,346	—	8,356
Receivables from vehicle manufacturers and other	—	—	—	380	—	380
Investment in Avis Budget Rental Car Funding (AESOP) LLC-related party	—	—	—	343	—	343
	<u>—</u>	<u>6</u>	<u>4</u>	<u>9,080</u>	<u>—</u>	<u>9,090</u>
<b>Total Assets</b>	<u>\$ 901</u>	<u>\$ 3,674</u>	<u>\$ 3,416</u>	<u>\$ 10,321</u>	<u>\$ (5,374)</u>	<u>\$12,938</u>
<b>Liabilities and stockholders' equity</b>						
Current liabilities:						
Accounts payable and other current liabilities	\$ 32	\$ 284	\$ 531	\$ 620	\$ (34)	\$ 1,433
Short-term debt and current portion of long-term debt	—	8	2	27	—	37
<b>Total current liabilities</b>	<u>32</u>	<u>292</u>	<u>533</u>	<u>647</u>	<u>(34)</u>	<u>1,470</u>
Long-term debt	345	2,814	9	—	—	3,168
Other non-current liabilities	112	211	262	375	—	960
<b>Total liabilities exclusive of liabilities under vehicle programs</b>	<u>489</u>	<u>3,317</u>	<u>804</u>	<u>1,022</u>	<u>(34)</u>	<u>5,598</u>
Liabilities under vehicle programs:						
Debt	—	3	—	987	—	990
Due to Avis Budget Rental Car Funding (AESOP) LLC-related party	—	—	—	4,574	—	4,574
Deferred income taxes	—	—	843	139	—	982
Other	—	—	—	382	—	382
	<u>—</u>	<u>3</u>	<u>843</u>	<u>6,082</u>	<u>—</u>	<u>6,928</u>
<b>Total stockholders' equity</b>	<u>412</u>	<u>354</u>	<u>1,769</u>	<u>3,217</u>	<u>(5,340)</u>	<u>412</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 901</u>	<u>\$ 3,674</u>	<u>\$ 3,416</u>	<u>\$ 10,321</u>	<u>\$ (5,374)</u>	<u>\$12,938</u>

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**Consolidating Condensed Statements of Cash Flows**

Three Months Ended March 31, 2012

	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Net cash provided by (used in) operating activities	\$ (6)	\$ (86)	\$ 8	\$ 334	\$ 3	\$ 253
<b>Investing activities</b>						
Property and equipment additions	—	(5)	(7)	(8)	—	(20)
Proceeds received on asset sales	—	2	—	1	—	3
Other, net	4	(1)	—	(4)	—	(1)
<b>Net cash provided by (used in) investing activities exclusive of vehicle programs</b>	<u>4</u>	<u>(4)</u>	<u>(7)</u>	<u>(11)</u>	<u>—</u>	<u>(18)</u>
<i>Vehicle programs:</i>						
Decrease (increase) in program cash	—	—	—	(39)	—	(39)
Investment in vehicles	—	(1)	—	(3,052)	—	(3,053)
Proceeds received on disposition of vehicles	—	4	—	2,139	—	2,143
	<u>—</u>	<u>3</u>	<u>—</u>	<u>(952)</u>	<u>—</u>	<u>(949)</u>
<b>Net cash provided by (used in) investing activities</b>	<u>4</u>	<u>(1)</u>	<u>(7)</u>	<u>(963)</u>	<u>—</u>	<u>(967)</u>
<b>Financing activities</b>						
Proceeds from long-term borrowings	—	624	—	—	—	624
Principal payments on long-term borrowings	(101)	(419)	(1)	1	—	(520)
Net change in short-term borrowings	—	—	—	(12)	—	(12)
Purchase of warrants	(13)	—	—	—	—	(13)
Proceeds from sale of call option	19	—	—	—	—	19
Net intercompany transactions	100	(99)	1	1	(3)	—
Debt financing fees	—	(8)	—	—	—	(8)
<b>Net cash provided by (used in) financing activities exclusive of vehicle programs</b>	<u>5</u>	<u>98</u>	<u>—</u>	<u>(10)</u>	<u>(3)</u>	<u>90</u>
<i>Vehicle programs:</i>						
Proceeds from borrowings	—	—	—	3,140	—	3,140
Principal payments on borrowings	—	—	—	(2,440)	—	(2,440)
Debt financing fees	—	—	—	(7)	—	(7)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>693</u>	<u>—</u>	<u>693</u>
<b>Net cash provided by (used in) financing activities</b>	<u>5</u>	<u>98</u>	<u>—</u>	<u>683</u>	<u>(3)</u>	<u>783</u>
Effect of changes in exchange rates on cash and cash equivalents	—	—	—	3	—	3
Net increase (decrease) in cash and cash equivalents	3	11	1	57	—	72
Cash and cash equivalents, beginning of period	2	234	1	297	—	534
Cash and cash equivalents, end of period	<u>\$ 5</u>	<u>\$ 245</u>	<u>\$ 2</u>	<u>\$ 354</u>	<u>\$ —</u>	<u>\$ 606</u>

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Three Months Ended March 31, 2011

	Parent	Subsidiary Issuers	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net cash provided by (used in) operating activities	\$ 13	\$ (27)	\$ (43)	\$ 299	\$ 35	\$ 277
<b>Investing activities</b>						
Property and equipment additions	—	(3)	(4)	(1)	—	(8)
Proceeds received on asset sales	—	3	—	—	—	3
Other, net	—	(1)	1	(1)	—	(1)
<b>Net cash provided by (used in) investing activities exclusive of vehicle programs</b>	<u>—</u>	<u>(1)</u>	<u>(3)</u>	<u>(2)</u>	<u>—</u>	<u>(6)</u>
<i>Vehicle programs:</i>						
Decrease (increase) in program cash	—	—	—	(2)	—	(2)
Investment in vehicles	—	(3)	—	(2,523)	—	(2,526)
Proceeds received on disposition of vehicles	—	8	4	1,662	—	1,674
Investment in AESOP debt securities—related party	(195)	—	—	—	—	(195)
Proceeds from AESOP debt securities—related party	195	—	—	—	—	195
	<u>—</u>	<u>5</u>	<u>4</u>	<u>(863)</u>	<u>—</u>	<u>(854)</u>
<b>Net cash provided by (used in) investing activities</b>	<u>—</u>	<u>4</u>	<u>1</u>	<u>(865)</u>	<u>—</u>	<u>(860)</u>
<b>Financing activities</b>						
Principal payments on borrowings	—	(1)	(1)	—	—	(2)
Net intercompany transactions	(2)	10	42	(15)	(35)	—
Debt financing fees	—	(1)	—	—	—	(1)
Other, net	1	—	—	—	—	1
<b>Net cash provided by (used in) financing activities exclusive of vehicle programs</b>	<u>(1)</u>	<u>8</u>	<u>41</u>	<u>(15)</u>	<u>(35)</u>	<u>(2)</u>
<i>Vehicle programs:</i>						
Proceeds from long-term borrowings	—	—	—	2,957	—	2,957
Principal payments on long-term borrowings	—	—	—	(2,366)	—	(2,366)
Net change in short-term borrowings	—	—	—	—	—	—
Debt financing fees	—	(1)	—	(2)	—	(3)
	<u>—</u>	<u>(1)</u>	<u>—</u>	<u>589</u>	<u>—</u>	<u>588</u>
<b>Net cash provided by (used in) financing activities</b>	<u>(1)</u>	<u>7</u>	<u>41</u>	<u>574</u>	<u>(35)</u>	<u>586</u>
Effect of changes in exchange rates on cash and cash equivalents	—	—	—	(1)	—	(1)
Net increase (decrease) in cash and cash equivalents	12	(16)	(1)	7	—	2
Cash and cash equivalents, beginning of period	257	513	3	138	—	911
Cash and cash equivalents, end of period	<u>\$ 269</u>	<u>\$ 497</u>	<u>\$ 2</u>	<u>\$ 145</u>	<u>\$ —</u>	<u>\$ 913</u>

### 17. Subsequent Events

In April 2012, the Company issued a notice of redemption pursuant to which on May 15, 2012 it will redeem the \$200 million outstanding principal of its 7<sup>5/8</sup>% Senior Notes due 2014 at 100% of the principal amount plus accrued and unpaid interest.

\* \* \* \*

**Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion should be read in conjunction with our Consolidated Condensed Financial Statements and accompanying Notes thereto included elsewhere herein and with our 2011 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “2011 Form 10-K”). Unless otherwise noted, all dollar amounts in tables are in millions and those relating to our results of operations are presented before taxes.*

We operate two of the most recognized brands in the global vehicle rental industry through Avis Rent A Car System, LLC and Budget Rent A Car System, Inc. We provide car and truck rentals and ancillary services to businesses and consumers worldwide.

We operate the following business segments:

- **North America**—provides car rentals in the United States and vehicle rentals in Canada, as well as related products and services.
- **International**—provides, and licenses our brands to third parties for, vehicle rentals and ancillary products and services primarily in Europe, the Middle East, Asia, Africa, South America, central America, the Caribbean, Australia and New Zealand.
- **Truck Rental**—provides truck rentals and related services to consumers and commercial users in the United States.

Our revenues are derived principally from car and truck rentals in our Company-owned operations and include (i) time and mileage (“T&M”) fees charged to our customers for vehicle rentals, (ii) reimbursement from our customers for certain operating expenses we incur, including gasoline and vehicle licensing fees, as well as airport concession fees, which we pay in exchange for the right to operate at airports and other locations, and (iii) sales of loss damage waivers and insurance and rentals of navigation units and other items in conjunction with vehicle rentals. We also earn royalty revenue from our licensees in conjunction with their vehicle rental transactions.

Car rental volumes are closely associated with the travel industry, particularly airline passenger volumes, or enplanements. Because we generate a significant portion of our revenue from our on-airport operations, we expect that our ability to generate revenue growth will be somewhat dependent on increases in worldwide enplanements. Our ability to achieve profit margins consistent with prior periods remains dependent on our ability to successfully manage our costs and our revenues per vehicle. Our vehicle rental operations are seasonal. Historically, the third quarter of the year has been our strongest quarter due to the increased level of leisure travel and household moving activity. Any occurrence that disrupts rental activity during the third quarter could have a disproportionate adverse effect on our results of operations. We have a partially variable cost structure and routinely adjust the size and, therefore, the cost of our rental fleet in response to fluctuations in demand. However, certain expenses, such as rent, are fixed and cannot be reduced in response to seasonal fluctuations in our operations.

We believe that the following factors, among others, have impacted our financial condition and results of operations:

- Worldwide enplanements;
- Fleet, pricing, marketing and strategic decisions made by us and by our competitors;
- Changes in per-unit fleet costs and in conditions in the used vehicle marketplace and/or the value of used vehicles;
- Changes in borrowing costs and in market willingness to purchase corporate and vehicle-related debt;
- Our 2011 acquisition of Avis Europe plc and our ability to successfully integrate its business and realize synergies;
- Changes in the price or availability of unleaded gasoline;
- Changes in foreign exchange rates; and
- Demand for truck rentals.

Historically, our results of operations have declined during periods of general economic weakness. If economic conditions in the countries in which we operate were to weaken, our results of operations could be materially and adversely impacted in 2012 and beyond. In our cost-reduction initiatives and restructuring activities, we are driving process improvements to reduce costs, enhance service to our customers and improve our operations.

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We may pursue acquisitions or investments and could incur additional indebtedness to help fund such transactions, which could have a material impact on our operations, financial condition and liquidity. Due to uncertainties related to our business, there can be no assurance that we will be able to satisfy the covenants contained in our senior credit facility and our asset-backed car rental conduit facilities. Failure to comply with such covenants could significantly impact our liquidity if we were unable to obtain an amendment or waiver or were unable to refinance or replace such facilities. See “Risk Factors” set forth in Item 1A of our 2011 Form 10-K.

### RESULTS OF OPERATIONS

Discussed below are our consolidated results of operations and the results of operations for each of our reportable segments.

We measure performance using the following key operating statistics: (i) rental days, which represents the total number of days (or portion thereof) a vehicle was rented, and (ii) T&M revenue per rental day, which represents the average daily revenue we earned from rental and mileage fees charged to our customers. Our vehicle rental operating statistics (rental days and T&M revenue per rental day) are all calculated based on the actual rental of the vehicle during a 24-hour period. We believe that this methodology, while conservative, provides our management with the most relevant statistics in order to manage the business. Our calculation may not be comparable to other companies’ calculation of similarly-titled statistics.

Our chief operating decision maker assesses performance and allocates resources based upon the separate financial information from the Company’s operating segments. In identifying our reportable segments, we also consider the nature of services provided by our operating segments. Management evaluates the operating results of each of our reportable segments based upon revenue and “Adjusted EBITDA”, which we define as income from continuing operations before non-vehicle related depreciation and amortization, any impairment charge, transaction-related costs, non-vehicle related interest and income taxes. Our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

#### *Three Months Ended March 31, 2012 vs. Three Months Ended March 31, 2011*

Our consolidated results of operations comprised the following:

	Three Months Ended March 31,		Change
	2012	2011	
Net revenues	\$ 1,623	\$ 1,235	\$ 388
Total expenses	1,649	1,224	425
Income (loss) before income taxes	(26)	11	(37)
Provision for (benefit from) income taxes	(3)	4	(7)
Net income (loss)	\$ (23)	\$ 7	\$ (30)

During first quarter 2012, our net revenues increased \$388 million (31%), with more than 80% of our revenue growth due to the acquisition of Avis Europe in fourth quarter 2011 and the inclusion of its revenue in our results. T&M revenue increased by 27% driven by 7% growth in North American rental days and a 263% growth in International rental days. The growth in revenues also includes a 44% increase in our ancillary revenues, such as sales of loss damage waivers and insurance products, GPS navigation unit rentals, gasoline sales and fees charged to customers, and an \$8 million favorable effect related to the translation of our international results into U.S. dollars.

Total expenses increased \$425 million (35%), with greater than 80% of the increase due to including the operating results of Avis Europe. The total expense increase was attributable to (i) a \$234 million (36%) increase in our direct operating expenses largely resulting from costs associated with the 33% increase in total rental days; (ii) a \$65 million (42%) increase in selling, general and administrative expenses primarily because of the Avis Europe acquisition, as well as increased agency commissions and other costs related to higher rental volumes; (iii) a \$42 million (15%) increase in vehicle depreciation and lease charges resulting from a 35% increase in our rental fleet, partially offset by a 15% decline in our per-unit fleet costs; (iv) a \$26 million increase in interest expense on corporate debt due to increased indebtedness, primarily related to the acquisition of Avis Europe; (v) \$27 million of expense in first quarter 2012 for the early extinguishment of a portion of our corporate debt; (vi) an \$11 million increase in vehicle interest expense; (vii) a \$7 million restructuring charge; and (viii) a \$4 million increase in transaction-related costs related to the integration of the operations of Avis Europe. Our expenses also include an \$8 million adverse impact from foreign currency exchange rates. As a result of these items, and a \$7 million decrease in our provision for income taxes, we incurred a net loss of \$23 million.

We expect the results of Avis Europe will be seasonal, with substantially all of Avis Europe’s contribution to Adjusted EBITDA occurring in the second and third quarters of the year.

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Our effective tax rate was a benefit of 12% for first quarter 2012 and a provision of 36% for first quarter 2011. The unusually low tax rate for the first quarter of 2012 was primarily due to the treatment of a portion of the expense for the early extinguishment of corporate debt.

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

	Revenues			Adjusted EBITDA		
	2012	2011	% Change	2012	2011	% Change
North America	\$ 1,038	\$ 998	4%	\$ 93	\$ 54	72%
International	510	162	215%	22	33	(33%)
Truck Rental	75	75	0%	1	—	*
Corporate and Other <sup>(a)</sup>	—	—	*	(4)	(4)	*
<b>Total Company</b>	<b>\$ 1,623</b>	<b>\$ 1,235</b>	<b>31%</b>	<b>112</b>	<b>83</b>	<b>35%</b>
Less: Non-vehicle related depreciation and amortization				32	23	
Interest expense related to corporate debt, net:						
Interest expense				73	47	
Early extinguishment of debt				27	—	
Transaction-related costs <sup>(b)</sup>				6	2	
<b>Income before income taxes</b>				<b>\$ (26)</b>	<b>\$ 11</b>	

\* Not meaningful.

<sup>(a)</sup> Includes unallocated corporate overhead and the elimination of transactions between segments.

<sup>(b)</sup> For 2012, includes \$6 million in costs related to the integration of the operations of Avis Europe and for 2011, includes \$2 million in costs related to our previous efforts to acquire Dollar Thrifty Automotive Group, Inc.

### **North America**

Revenues and Adjusted EBITDA increased \$40 million (4%) and \$39 million (72%), respectively, during first quarter 2012 compared with first quarter 2011. Revenues increased primarily due to higher rental volumes, partially offset by decreased pricing. The increase in Adjusted EBITDA was primarily due to higher revenue and lower fleet costs.

The revenue increase of \$40 million was comprised of a \$22 million (3%) increase in T&M revenue and an \$18 million (7%) increase in ancillary revenues. The increase in T&M revenue was principally the result of a 7% increase in rental days, partially offset by a 3% decrease in T&M revenue per day. The \$18 million increase in ancillary revenues primarily reflects (i) an \$11 million increase in ancillary revenues from GPS rentals, sales of loss damage waivers and insurance products, emergency road service and other items, reflecting a 3% increase on a per-rental-day basis, and (ii) a \$6 million increase in airport concession and vehicle licensing revenue, which was completely offset in Adjusted EBITDA by \$6 million higher airport concession and vehicle licensing fees remitted to airport and other regulatory agencies.

Adjusted EBITDA reflected a \$27 million (5%) increase in operating expenses, primarily related to (i) a \$10 million (8%) increase in selling, general and administrative expenses principally due to higher variable costs related to increased rental volumes, (ii) a \$7 million (4%) increase in certain other expenses related to increased volumes, including agency operator commissions, maintenance and damage, shuttling, credit card fees, and other related costs, (iii) a \$5 million (3%) increase in employee costs, rents and other expenses related primarily to increased staffing levels due to volume and inflationary increases, and (iv) a \$5 million (8%) increase in vehicle interest expense primarily due to our increased car rental fleet. These expense increases were offset by a \$32 million (14%) reduction in fleet depreciation and lease charges, reflecting a 21% improvement in per-unit fleet costs mainly from strong residual values, partially offset by a 9% increase in the average size of our car rental fleet.

### **International**

Revenues increased \$348 million (215%) and Adjusted EBITDA decreased \$11 million (33%) in first quarter 2012 compared to first quarter 2011 primarily due to the acquisition of Avis Europe during fourth quarter 2011. The Avis Europe acquisition contributed \$327 million to revenue and a \$13 million loss to Adjusted EBITDA in first quarter 2012, including \$7 million in restructuring costs.

The revenue increase of \$348 million was comprised of a \$227 million (212%) increase in T&M revenue and a \$121 million (220%) increase in ancillary revenues. The total increase in revenue includes an \$8 million increase related to foreign currency exchange rates, impacting T&M revenue by \$5 million and ancillary revenues by \$3 million, and was completely offset in Adjusted EBITDA by the opposite impact on expenses of \$8 million. The increase in T&M revenue was principally driven by a 263% increase in rental days, mainly due to the inclusion of the operations of Avis Europe, partially offset by a 14% decrease in

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T&M revenue per rental day, which was entirely due to the acquisition of Avis Europe and foreign currency exchange-rate effects. The increase in ancillary revenues reflects (i) a \$75 million increase from GPS rentals, sales of loss damage waivers, insurance products and other items, (ii) a \$28 million increase in airport concession and vehicle licensing revenues, which was primarily offset in Adjusted EBITDA by \$22 million of higher airport concession and vehicle licensing fees remitted to airport and other regulatory authorities, and (iii) an \$18 million increase in gasoline sales, which was principally offset in Adjusted EBITDA by \$12 million higher gasoline expense.

Adjusted EBITDA reflected a \$250 million (352%) increase in operating expenses and a \$75 million (241%) increase in fleet depreciation and lease charges. These increases were principally due to our October 2011 acquisition of Avis Europe, which added to our operating locations, headcount, fleet and other operating expenses, including \$7 million in restructuring charges, as well as increased advertising, marketing and sales commissions, and inflationary increases in rent, partially offset by 3% lower per-unit fleet costs.

### **Truck Rental**

Revenues remained level and Adjusted EBITDA increased \$1 million in first quarter 2012 compared with first quarter 2011.

A 4% increase in T&M revenue per day was offset by a 4% decrease in rental days. The increase in Adjusted EBITDA primarily reflected a 3% decline in per-unit fleet costs and a 3% decline in our average truck rental fleet.

## **FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

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

### **FINANCIAL CONDITION**

	<b>March 31, 2012</b>	<b>December 31, 2011</b>	<b>Change</b>
Total assets exclusive of assets under vehicle programs	\$ 4,101	\$ 3,848	\$ 253
Total liabilities exclusive of liabilities under vehicle programs	5,704	5,598	106
Assets under vehicle programs	10,086	9,090	996
Liabilities under vehicle programs	8,048	6,928	1,120
Stockholders' equity	435	412	23

Total assets exclusive of assets under vehicle programs increased \$253 million primarily due to a \$72 million increase in cash and cash equivalents from December 31, 2011 to March 31, 2012 (see "Liquidity and Capital Resources—Cash Flows"), as well as a \$66 million increase in long-term deferred income taxes, a \$63 million increase in other current assets, largely related to an increase in sales and use taxes, and a \$48 million increase in accounts receivable, due to increased volumes and increased incentive receivables from manufacturers.

Total liabilities exclusive of liabilities under vehicle programs increased \$106 million primarily due to an increase in corporate debt. See "Liquidity and Capital Resources—Debt and Financing Arrangements" regarding the changes in our corporate financings.

Assets under vehicle programs increased approximately \$1.0 billion primarily due to an increase in our vehicle assets, principally related to the seasonal increase in the size of our vehicle rental fleet from December 31, 2011.

Liabilities under vehicle programs increased approximately \$1.1 billion, reflecting additional borrowing to support the increase in our vehicle rental fleet. See "Liquidity and Capital Resources—Debt and Financing Arrangements" regarding the change in our debt related to vehicle programs.

Total stockholders' equity increased \$23 million primarily due to a \$44 million increase in other comprehensive income related to currency translation adjustments and net unrealized gains on cash flow hedges, partially offset by a net loss of \$23 million for the three months ended March 31, 2012.



## LIQUIDITY AND CAPITAL RESOURCES

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

During the three months ended March 31, 2012, we completed several financing transactions related to our corporate indebtedness. We borrowed \$500 million under a floating rate term loan due 2019 and issued an additional \$125 million of our 8 1/4% senior notes due January 2019 at 103.5% of par. We repaid our \$267 million floating rate term loan due 2014 and \$150 million of our floating rate term loan due 2018, and repurchased \$101 million of our convertible notes due 2014 and in May 2012 will repay \$200 million of our 7 5/8% notes due May 2014.

During first quarter 2012, we also increased our borrowings under vehicle programs to fund an increase in our rental fleet in order to accommodate increased rental demand.

## CASH FLOWS

As of March 31, 2012, we had \$606 million of cash on hand, an increase of \$72 million from \$534 million at December 31, 2011. The following table summarizes such activity:

	Three Months Ended March 31,		
	2012	2011	Change
Cash provided by (used in):			
Operating activities	\$ 253	\$ 277	\$ (24)
Investing activities	(967)	(860)	(107)
Financing activities	783	586	197
Effect of exchange rate changes	3	(1)	4
Net change in cash and cash equivalents	<u>\$ 72</u>	<u>\$ 2</u>	<u>\$ 70</u>

During first quarter 2012, we generated \$24 million less cash from operating activities compared with the same period in 2011 which reflects our \$30 million decline in net income.

We used \$107 million more cash in investing activities during the first quarter 2012 compared with the same period in 2011. This change primarily reflects the activities of our vehicle programs, which (i) used \$527 million more cash to purchase vehicles in the current year and (ii) received \$469 million more cash on the disposition of vehicles.

We generated \$197 million more cash from financing activities during first quarter 2012 compared with the same period in 2011. This change primarily reflects a \$105 million net increase in cash provided under our vehicle programs' financing activities primarily due to increased borrowings and a \$92 million increase in net proceeds from corporate borrowings.

## DEBT AND FINANCING ARRANGEMENTS

At March 31, 2012, we had approximately \$9.8 billion of indebtedness (including corporate indebtedness of approximately \$3.3 billion and debt under vehicle programs of approximately \$6.5 billion).

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Corporate indebtedness consisted of:

	Maturity Date	As of March 31, 2012	As of December 31, 2011	Change
Floating rate term loan <sup>(a)</sup>	April 2014	\$ —	\$ 267	\$ (267)
Floating rate notes <sup>(b)</sup>	May 2014	250	250	—
7 5/8% notes	May 2014	200	200	—
3 1/2% convertible notes <sup>(c)</sup>	October 2014	244	345	(101)
Floating rate term loan <sup>(a)(d)</sup>	May 2016	20	20	—
7 3/4% notes	May 2016	375	375	—
9 5/8% notes	March 2018	445	445	—
Floating rate term loan <sup>(a)(d)</sup>	September 2018	264	412	(148)
8 1/4% notes	January 2019	731	602	129
Floating rate term loan <sup>(a)(e)</sup>	March 2019	495	—	495
9 3/4% notes	March 2020	250	250	—
		3,274	3,166	108
Other		27	39	(12)
		<u>\$ 3,301</u>	<u>\$ 3,205</u>	<u>\$ 96</u>

- (a) The floating rate term loans are part of our senior credit facility, which also includes our revolving credit facility maturing 2016, and is secured by pledges of all of the capital stock of our domestic subsidiaries and up to 66% of the capital stock of each direct foreign subsidiary, subject to certain exceptions, and liens on substantially all of our intellectual property and certain other real and personal property.
- (b) As of March 31, 2012, the floating rate notes due 2014 bear interest at three-month LIBOR plus 250 basis points, for an aggregate rate of 3.00%.
- (c) The 3 1/2% convertible notes due 2014 are convertible by the holders into approximately 15 million shares of our common stock.
- (d) As of March 31, 2012, the floating rate term loan due 2016 bears interest at three-month LIBOR plus 300 basis points, for an aggregate rate of 3.56% and the floating rate term loan due 2018 bears interest at the greater of three-month LIBOR or 1.25%, plus 500 basis points, for an aggregate rate of 6.25%.
- (e) As of March 31, 2012 the floating term rate loan due 2019 bears interest at the greater of three-month LIBOR or 1.0%, plus 325 basis points, for an aggregate rate of 4.25%.

The following table summarizes the components of our debt under vehicle programs (including related party debt due to Avis Budget Rental Car Funding (AESOP) LLC (“Avis Budget Rental Car Funding”)):

	As of March 31, 2012	As of December 31, 2011	Change
Debt due to Avis Budget Rental Car Funding <sup>(a)</sup>	\$ 5,306	\$ 4,574	\$ 732
Budget Truck Funding program	216	188	28
Capital Leases	427	348	79
Other <sup>(b)</sup>	502	454	48
	<u>\$ 6,451</u>	<u>\$ 5,564</u>	<u>\$ 887</u>

- (a) The increase reflects increased borrowings to fund an increase in the size of our U.S. car rental fleet.
- (b) The increase principally reflects increased borrowings to fund an increase in the size of our international vehicle rental fleet.

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As of March 31, 2012, the committed credit facilities available to us and/or our subsidiaries included:

	Total Capacity	Outstanding Borrowings	Letters of Credit Issued	Available Capacity
Revolving credit facility maturing 2016 <sup>(a) (b)</sup>	\$ 1,435	\$ —	\$ 586	\$ 849
Other facilities <sup>(b)</sup>	14	5	—	9

(a) This matures in 2016 and bears interest of one-month LIBOR plus 300 basis points. The senior credit facility, which encompasses our floating rate term loans and the revolving credit facility, is secured by pledges of all of the capital stock of all of our direct or indirect domestic subsidiaries and up to 66% of the capital stock of each foreign subsidiary directly owned by our domestic subsidiaries, subject to certain exceptions, and liens on substantially all of our intellectual property and certain other real and personal property.

(b) These facilities encompass bank overdraft lines of credit, bearing interest of 5.12% to 6.75% as of March 31, 2012.

The following table presents available funding under our debt arrangements related to our vehicle programs at March 31, 2012:

	Total Capacity <sup>(a)</sup>	Outstanding Borrowings	Available Capacity
Debt due to Avis Budget Rental Car Funding <sup>(b)</sup>	\$ 7,901	\$ 5,306	\$ 2,595
Budget Truck financing <sup>(c)</sup>	327	216	111
Capital leases	510	427	83
Other <sup>(d)</sup>	1,511	502	1,009
	<u>\$ 10,249</u>	<u>\$ 6,451</u>	<u>\$ 3,798</u>

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

(b) The outstanding debt is collateralized by approximately \$6.9 billion of underlying vehicles and related assets.

(c) The outstanding debt is collateralized by \$335 million of underlying vehicles and related assets.

(d) The outstanding debt is collateralized by approximately \$1.1 billion of underlying vehicles and related assets.

The significant terms for our outstanding debt instruments, credit facilities and available funding arrangements as of March 31, 2012 can be found in Notes 10 and 11 to our Consolidated Condensed Financial Statements.

## LIQUIDITY RISK

Our primary liquidity needs include the payment of operating expenses, servicing of corporate and vehicle related debt and procurement of rental vehicles to be used in our operations. Our primary sources of funding are operating revenue, cash received upon sale of vehicles, borrowings under our vehicle-backed borrowing arrangements and our revolving credit facility, and other financing activities.

As discussed above, as of March 31, 2012, we have cash and cash equivalents of \$606 million, available borrowing capacity under our revolving credit facility of \$849 million and available capacity under our vehicle programs of approximately \$3.8 billion.

Our liquidity position may be negatively affected by financial market disruptions or a downturn in the global economy, which may result in unfavorable conditions in the vehicle rental industry, in the asset-backed financing market, and in the credit markets generally. A downturn in the global economy or a disruption in the credit markets could impact our liquidity due to (i) decreased demand and pricing for vehicles in the used vehicle market, (ii) increased costs associated with, and/or reduced capacity or increased collateral needs under, our financings, (iii) the adverse impact of vehicle manufacturers, including General Motors Company, Ford Motor Company, Chrysler Group LLC, PSA Peugeot-Citroën, Volkswagen Group, Kia Motors America, Inc. or Renault S.A., being unable or unwilling to honor obligations under the contracts we have with such manufacturers, including repurchase or guaranteed depreciation obligations related to program vehicles, (iv) disruption in our ability to obtain financing due to negative credit events specific to us or affecting the overall debt market, (v) the impact of an insolvency event or actual or potential default by any of the financial guaranty firms that have insured a portion of our outstanding vehicle-backed debt and (vi) the effect of any of Realogy, Wyndham or Travelport being unable or unwilling to honor its obligations under the Separation Agreement and the Tax Sharing Agreement. Financial guaranty firms Ambac Assurance Corporation and Assured Guaranty Corp. currently provide financial guaranties for approximately \$700 million (expiring in 2012) and \$100 million (expiring in 2012), respectively, of our U.S. term asset-backed car rental financing. Certain insolvency events by these financial guarantors would result in principal of the related financings being required to be repaid sooner than anticipated.

Our liquidity position also may be negatively affected if we are unable to remain in compliance with the financial and other covenants associated with our senior credit facility and other borrowings. The financial covenants of our senior credit facility include maximum leverage and minimum coverage ratio requirements. As of March 31, 2012, we were in compliance with the financial covenants in our senior credit facility. For additional information regarding our liquidity risks, see Part I, Item 1A, "Risk Factors" of our 2011 Form 10-K.

## **CONTRACTUAL OBLIGATIONS**

Our future contractual obligations have not changed significantly from the amounts reported within our 2011 Form 10-K with the exception of our commitment to purchase vehicles, which decreased by approximately \$600 million from December 31, 2011 to approximately \$4.6 billion at March 31, 2012. Changes to our obligations related to corporate indebtedness and debt under vehicle programs are presented above within the section titled “Liquidity and Capital Resources—Debt and Financing Arrangements” and also within Notes 10 and 11 to our Consolidated Condensed Financial Statements.

## **ACCOUNTING POLICIES**

The results of the majority of our recurring operations are recorded in our financial statements using accounting policies that are not particularly subjective, nor complex. However, in presenting our financial statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions that we are required to make pertain to matters that are inherently uncertain as they relate to future events. Presented within the section titled “Critical Accounting Policies” of our 2011 Form 10-K are the accounting policies (related to goodwill and other indefinite-lived intangible assets, business combinations, vehicles, income taxes, financial instruments and public liability, property damage and other insurance liabilities) that we believe require subjective and/or complex judgments that could potentially affect 2012 reported results. There have been no significant changes to those accounting policies or our assessment of which accounting policies we would consider to be critical accounting policies.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

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

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

Our total market risk is influenced by a wide variety of factors including the volatility present within the markets and the liquidity of the markets. There are certain limitations inherent in the sensitivity analyses presented. These “shock tests” are constrained by several factors, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled. For additional information regarding our long-term borrowings and financial instruments, see Notes 6, 10 and 11 to our Consolidated Condensed Financial Statements.

#### ***Foreign Currency Risk Management***

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

We assess our market risk based on changes in foreign currency exchange rates utilizing a sensitivity analysis. Based on our foreign exchange forward contracts as of March 31, 2012, we estimate that a 10% change in foreign currency exchange rates would not have a material impact on our earnings. Because gains or losses related to foreign exchange forward contracts are expected to be offset by corresponding gains or losses on the underlying exposures being hedged, when combined, these foreign exchange forward contracts and the underlying exposures do not create a material impact to our consolidated condensed financial statements.

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### **Interest Rate Risk Management**

Our primary interest rate exposure at March 31, 2012 was interest rate fluctuations in the United States, specifically LIBOR and commercial paper interest rates due to their impact on variable rate borrowings and other interest rate sensitive liabilities. We use interest rate swaps and caps to manage our exposure to interest rate movements. We anticipate that LIBOR and commercial paper rates will remain a primary market risk exposure for the foreseeable future.

We assess our market risk based on changes in interest rates utilizing a sensitivity analysis. Based on our interest rate derivatives as of March 31, 2012, we estimate that a 10% change in interest rates would not have a material impact on our earnings. Because gains or losses related to interest rate derivatives are expected to be offset by corresponding gains or losses on the underlying exposures being hedged, when combined, these interest rate contracts and the offsetting underlying commitments do not create a material impact to our consolidated condensed financial statements.

### **Commodity Risk Management**

We have commodity price exposure related to fluctuations in the price of unleaded gasoline. We anticipate that such commodity risk will remain a market risk exposure for the foreseeable future. We determined that a hypothetical 10% change in the price of unleaded gasoline would not have a material impact on our earnings for the period ended March 31, 2012.

### **Item 4. Controls and Procedures**

- (a) *Disclosure Controls and Procedures.* Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of the end of such period.
- (b) *Changes in Internal Control Over Financial Reporting.* During the fiscal quarter to which this report relates, there has been no change in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

## **PART II—OTHER INFORMATION**

### **Item 5. Other Information**

On January 1, 2012, the Company adopted Accounting Standard Updates No. 2011-05 and 2011-12, “Presentation of Comprehensive Income”. These accounting standards require companies to present total comprehensive income as either a single continuous statement of comprehensive income or in two separate but consecutive statements. The table below reflects the retrospective application of this guidance for the three years ended December 31, 2011, 2010 and 2009. The adoption of these accounting standards did not have a material impact on our financial condition, cash flows or results of operations.

**Avis Budget Group, Inc.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(In millions, except per share data)

	<u>Year Ended December 31,</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Net income (loss)</b>	<b>\$ (29)</b>	<b>\$ 54</b>	<b>\$ (47)</b>
<b>Other comprehensive income, net of tax</b>			
Currency translation adjustments	\$ (23)	\$ 71	\$ 104
Net unrealized gains (losses) on available-for-sale securities, net of tax of \$0, \$0, and \$0, respectively	2	—	—
Net unrealized gains (losses) on cash flow hedges:			
Unrealized holding gains arising during period, net of tax of (\$44), (\$99) and (\$86), respectively	70	151	133
Less: reclassification adjustment for (losses) included in net income, net of tax of \$23, \$59 and \$58, respectively	(37)	(91)	(90)
Minimum pension liability adjustment:			
Pension and post retirement benefits, net of tax of \$13, (\$1) and (\$10), respectively	(21)	2	15
Less: Pension and post retirement benefits reclassified to earnings, net of tax of \$3, \$2 and \$3, respectively	(5)	(4)	(5)
<b>Accumulated other comprehensive income (loss)</b>	<b>(14)</b>	<b>129</b>	<b>157</b>
<b>Comprehensive income (loss)</b>	<b>\$ (43)</b>	<b>\$ 183</b>	<b>\$ 110</b>

The following will be added to the Condensed Consolidated Statements of Income (Loss) included in the financial statements of the Guarantor and Non-Guarantor Consolidating Financial Statements Note to our annual financial statements.

<u>For the Year Ended December 31, 2011</u>	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Net income (loss)	\$ (29)	\$ 23	\$ 67	\$ 328	\$ (418)	\$ (29)
<b>Comprehensive income (loss)</b>	<b>\$ (43)</b>	<b>\$ 7</b>	<b>\$ 50</b>	<b>\$ 358</b>	<b>\$ (415)</b>	<b>\$ (43)</b>
<u>For the Year Ended December 31, 2010</u>	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Net income (loss)	\$ 54	\$ 66	\$ 66	\$ 428	\$ (560)	\$ 54
<b>Comprehensive income (loss)</b>	<b>\$ 183</b>	<b>\$ 195</b>	<b>\$ 174</b>	<b>\$ 542</b>	<b>\$ (911)</b>	<b>\$ 183</b>
<u>For the Year Ended December 31, 2009</u>	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Net income (loss)	\$ (47)	\$ (12)	\$ 14	\$ 483	\$ (485)	\$ (47)
<b>Comprehensive income (loss)</b>	<b>\$ 110</b>	<b>\$ 145</b>	<b>\$ 175</b>	<b>\$ 634</b>	<b>\$ (954)</b>	<b>\$ 110</b>

**Item 6. Exhibits**

See Exhibit Index.

**SIGNATURES**

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

**AVIS BUDGET GROUP, INC.**

Date: May 9, 2012

/s/ David B. Wyshner

David B. Wyshner

Senior Executive Vice President and Chief Financial Officer

Date: May 9, 2012

/s/ Izilda P. Martins

Izilda P. Martins

Vice President and Acting Chief Accounting Officer

**Exhibit Index**

<u>Exhibit No.</u>	<u>Description</u>
3.1	Amended and Restated Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated September 5, 2006).
3.2	Amended and Restated Bylaws of Avis Budget Group, Inc. (as of November 5, 2009) (Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated November 5, 2009).
10.1	Incremental Revolving Commitment Agreement, dated as of February 3, 2012, among Avis Budget Holdings, LLC, Avis Budget Car Rental, LLC, Natixis, as Incremental Lender and JPMorgan Chase Bank, N.A., as administrative agent.
10.2	Second Amendment, dated as of March 15, 2012, to the Amended and Restated Credit Agreement dated as of May 3, 2011, among Avis Budget Holdings, LLC, Avis Budget Car Rental, LLC, the subsidiary borrowers from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the several lenders from time to time parties thereto J.P. Morgan Securities LLC, Bank Of America Merrill Lynch, Barclays Capital, Deutsche Bank Securities, acting as joint lead arrangers and bookrunners (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 20, 2012).
10.3	Series 2012-1 Supplement, dated as of March 14, 2012, between Centre Point Funding, LLC, as Issuer, Budget Truck Rental LLC, individually and as administrator, Deutsche Bank Securities, Inc. as administrative agent for the Purchaser Groups, the Non-Conduit Purchasers and CP Conduit Purchaser Groups from time to time parties thereto, the Funding Agents for the CP Conduit Purchaser Groups, and The Bank of New York Mellon Trust Company, N.A., as Trustee, Series 2012-1 Agent and Securities Intermediary, to the Amended and Restated Base Indenture, dated as of March 9, 2010, between Centre Point Funding, LLC, as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee.
10.4	Second Amended and Restated Master Motor Vehicle Operating Lease Agreement (Group I), dated March 14, 2012, among, Centre Point Funding, LLC, as Lessor, Budget Truck Rental LLC, as Administrator and as Lessee, and Avis Budget Car Rental, LLC, as Guarantor.
10.5	Purchase Agreement, dated as of March 26, 2012, by and among Avis Budget Car Rental, LLC, Avis Budget Finance, Inc., Avis Budget Group, Inc., Avis Budget Holdings, LLC, the subsidiary guarantors party thereto, and Barclays Capital Inc. for itself and on behalf of the several initial purchasers.
10.6	Registration Rights Agreement, dated March 29, 2012, among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., the guarantors parties thereto, and Barclays Capital Inc. for itself and on behalf of the several initial purchasers.
10.7	Facility Agreement Amendment Letter, dated as of February 8, 2012, among Avis Finance Company Limited, as Co-ordinator, Credit Agricole Corporate and Investment Bank as Mandated Lead Arranger, Original Lender, Security Agent and Facility Agent, and Credit Agricole Corporate and Investment Bank, Milan Branch, as Original Lender.
10.8	Amended and Restated Employment Agreement between Avis Budget Group, Inc. and David B. Wyshner (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 27, 2012).*
10.9	Series 2012-1 Supplement, dated as of March 22, 2012, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2012-1 Agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 27, 2012).
10.10	Series 2012-2 Supplement, dated as of March 22, 2012, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2012-2 Agent (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 27, 2012).
12	Statement re: Computation of Ratio of Earnings to Fixed Charges.
31.1	Certification of Chief Executive Officer pursuant to Rules 13(a)-14(a) and 15(d)-14(a) promulgated under the Securities Exchange Act of 1934, as amended.



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

\* Denotes management contract or compensatory plan.

\*\* Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

## INCREMENTAL REVOLVING COMMITMENT AGREEMENT

INCREMENTAL REVOLVING COMMITMENT AGREEMENT, dated as of February 3, 2012 (this "Agreement"), among AVIS BUDGET HOLDINGS, LLC ("Holdings"), AVIS BUDGET CAR RENTAL, LLC (the "Borrower"), the Incremental Lender (as defined below), JPMORGAN CHASE BANK, N.A., as administrative agent (the "Administrative Agent").

W I T N E S S E T H

WHEREAS, reference is hereby made to the Amended and Restated Credit Agreement dated as of May 3, 2011 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among others, Holdings, the Borrower, the subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto and the Administrative Agent;

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to make, and have made, certain loans and other extensions of credit to the Borrower;

WHEREAS, pursuant to Section 2.23 of the Credit Agreement, the Borrower has requested that increases in the Revolving Commitments in the amount of \$35,000,000 be made available to the Borrower, and the Administrative Agent and the Incremental Lender (as defined below) have agreed, upon the terms and subject to the conditions set forth herein, that Natixis (the "Incremental Lender") will provide the Increased Revolving Commitment (as defined below), and as permitted by Section 2.23 of the Credit Agreement, the Credit Agreement will be amended as set forth herein without additional consent or approval of the other Lenders;

NOW, THEREFORE, the parties hereto agree as follows:

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

SECTION 2. Increased Revolving Commitment. Subject to the terms and conditions set forth herein, the Incremental Lender agrees to provide a revolving commitment in an amount equal to the amount set forth under the heading "Increased Revolving Commitment" opposite the Incremental Lender's name on Annex II hereto (such commitment, the "Increased Revolving Commitment"), such that its total Revolving Commitment on the Incremental Commitment Effective Date (as defined below) shall be the amount set forth under the heading "Total Revolving Commitment" opposite such Lender's name on Annex II hereto.

SECTION 3. Joinder and Amendment of the Credit Agreement. Subject to the terms and conditions set forth herein, on the Incremental Commitment Effective Date:

(a) The Increased Revolving Commitment shall be deemed to be an Incremental Revolving Commitment (as defined in the Credit Agreement), the Incremental Lender shall be deemed to be an Incremental Revolving Lender (as defined in the Credit Agreement) and this Agreement shall be deemed to be an Incremental Commitment Agreement (as defined in the Credit Agreement), in each case, for all purposes of the Credit Agreement and the other Loan Documents.

(b) Schedule 1.1A (Commitments) to the Credit Agreement is hereby amended by supplementing such schedule with the information contained in Annex II hereto.

SECTION 4. Conditions to Effectiveness of Agreement. The effectiveness of this Agreement is subject to the satisfaction of each of the following conditions (the date on which such conditions shall have been so satisfied, the “Incremental Commitment Effective Date”):

(a) The Administrative Agent shall have received a counterpart of this Agreement, executed and delivered by a duly authorized officer of Holdings, the Borrower, the Administrative Agent and the Incremental Lender.

(b) Each Loan Party shall reaffirm by executing the Guarantee and Collateral Acknowledgement substantially in the form attached hereto as Annex I that the Increased Revolving Commitment shall be secured equally and ratably with the existing Loans by the Collateral.

(c) The Borrower shall have delivered all documentation and information as is reasonably requested in writing by the Incremental Lender at least three days prior to the Incremental Commitment Effective Date required by U.S. regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the PATRIOT Act.

(d) All accrued reasonable and documented out-of-pocket costs and expenses (including, to the extent invoiced in advance, reasonable legal fees and out-of-pocket expenses of one firm of counsel) and other compensation due and payable to the Administrative Agent and the Incremental Lender on or prior to the Incremental Commitment Effective Date shall have been paid.

(e) The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Incremental Commitment Effective Date, substantially in the form of Exhibit C to the Credit Agreement, with appropriate insertions and attachments and (ii) a good standing certificate for each Loan Party from its jurisdiction of organization.

(f) The Administrative Agent shall have received an executed legal opinion of Kirkland & Ellis LLP, counsel to the Borrower and its subsidiaries, substantially in the form of Exhibit E to the Credit Agreement, addressed to the Administrative Agent and the Incremental Lender as of the Incremental Commitment Effective Date.

(g) The Administrative Agent shall have received a solvency certificate in form and substance reasonably satisfactory to them from a Responsible Officer of the Borrower that shall document the solvency of the Borrower and its Subsidiaries after giving effect to the Increased Revolving Commitment.

(h) No Default or Event of Default shall have occurred and be continuing or would result from the Increased Revolving Commitment requested to be made or from the application of the proceeds therefrom.

(i) Each of the representations and warranties set forth in Section 4 of the Credit Agreement (as amended by this Agreement) shall be true and correct in all material respects (and in all respects if any such representation and warranty is qualified by materiality) on and as of the Incremental Commitment Effective Date as if made on such date, except to the extent that such representations and warranties expressly relate solely to a specific earlier date (in which case such representations and warranties are true and correct in all material respects as of such earlier date).

(j) The Administrative Agent shall have received a certificate from a Responsible Officer of the Borrower documenting the Borrower’s compliance with the conditions set forth in clauses (h) and (i) above of this Section 4.

SECTION 5. Representations and Warranties. To induce the other parties hereto to enter into this Agreement and to provide the Increased Revolving Commitment, Holdings and the Borrower hereby jointly and severally represent and warrant to the Administrative Agent, and each Incremental Lender that, as of the Incremental Commitment Effective Date:

(a) Each Loan Party has the power and authority, and the legal right, to make, deliver and perform this Agreement, and, in the case of the Borrower, to obtain the extension of credit and to perform its obligations hereunder and under the Credit Agreement (as amended hereby). Each of the Guarantors has taken all necessary organizational action to authorize to execute and deliver the Guarantee and Collateral Acknowledgement dated as of the date hereof (the "Acknowledgement"). The execution, delivery and performance by the Borrower of this Agreement, and by the Guarantors of the Acknowledgement, and the performance by the Borrower and each other Loan Party of the Credit Agreement (as amended hereby) and each other Loan Document to which it is a party, in each case, have been authorized by all necessary corporate or other organizational action of such person, and no other corporate or other organizational proceedings on the part of each such person is necessary to consummate such transactions.

(b) This Agreement has been duly executed and delivered on behalf of the Borrower and Holdings. The Acknowledgement has been duly executed and delivered by each of the Guarantors. Each of the Agreement, the Acknowledgement and, after giving effect to this Agreement, the Credit Agreement and the other Loan Documents, (i) is a legal, valid and binding obligation of each Loan Party party hereto and thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and an implied covenant of good faith and fair dealing and (ii) is in full force and effect. Neither the execution, delivery or performance of this Agreement or the performance of the Credit Agreement (as amended hereby), nor the performance of the transactions contemplated hereby or thereby, will adversely affect the validity, perfection or priority of the Administrative Agent's Lien on any of the Collateral or its ability to realize thereon. As of the Incremental Commitment Effective Date, this Agreement will be effective to amend the Credit Agreement as provided therein.

(c) The execution and delivery of this Agreement and the Acknowledgement, the consummation of the transactions contemplated hereby, and the performance of and compliance with the terms and provisions hereof and of the Credit Agreement (as amended hereby) by any Loan Party will not, at the time of such performance, (i) violate any material Requirement of Law or any material Contractual Obligation of any Group Member, except to the extent such conflict or violation would not reasonably be expected to result in a Material Adverse Effect and (ii) result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligations (other than the Liens created by the Security Documents and the Liens permitted under Section 7.3 of the Credit Agreement). No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement.

(d) No Default or Event of Default shall have occurred and be continuing or would result from the Increased Revolving Commitment requested to be made or from the application of the proceeds therefrom.

SECTION 6. Continuing Effect.

(a) Except as expressly provided herein, all of the terms and provisions of the Credit Agreement are and shall remain in full force and effect. The amendments provided for herein are limited to the specific subsections of the Credit Agreement specified herein and shall not constitute a consent, waiver or amendment of, or an indication of the Administrative Agent's or the Lenders' willingness to consent to any action requiring consent under any other provisions of the Credit Agreement or the same subsection for any other date or time period. Upon the effectiveness of the amendments set forth herein, on and after the Incremental Commitment Effective Date, each reference in the Credit Agreement to "this Agreement," "the Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "Credit Agreement," "thereunder," "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby.

(b) The Borrower and the other parties hereto acknowledge and agree that this Agreement shall constitute a Loan Document.

SECTION 7. Fees. The Borrower agrees to pay to the Administrative Agent on behalf of the Incremental Lender an upfront fee in an amount equal to 0.625% of the amount of the Increased Revolving Commitment provided by the Incremental Lender on the Incremental Commitment Effective Date. Such fee shall be due and payable on the Incremental Commitment Effective Date.

SECTION 8. Expenses. The Borrower agrees to pay and reimburse the Administrative Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the preparation and delivery of this Agreement, and any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable fees and disbursements of one firm of counsel to the Administrative Agent in accordance with the terms in the Credit Agreement.

SECTION 9. Amendments; Execution in Counterparts. This Agreement may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Borrower, Holdings, the Administrative Agent and the Incremental Lender. This Agreement may be executed in any number of counterparts by the parties hereto (including by facsimile and electronic (e.g. ".pdf", or ".tif") transmission), each of which counterparts when so executed shall be an original, but all the counterparts shall together constitute one and the same instrument.

SECTION 10. GOVERNING LAW; WAIVER OF JURY TRIAL. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. EACH PARTY HERETO HEREBY AGREES AS SET FORTH FURTHER IN SECTIONS 10.11 AND 10.12 OF THE CREDIT AGREEMENT AS IF SUCH SECTION WERE SET FORTH IN FULL HEREIN.

[Remainder of page intentionally left blank.]

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

AVIS BUDGET HOLDINGS, LLC

By: /s/ David Calabria  
Name: David Calabria  
Title: Vice President and Assistant Treasurer

AVIS BUDGET CAR RENTAL, LLC

By: /s/ David Calabria  
Name: David Calabria  
Title: Vice President and Assistant Treasurer

[Signature Page to Incremental Revolving Commitment Agreement]

By: /s/ Richard W. Duker

Name: RICHARD W. DUKER

Title: MANAGING DIRECTOR

[Signature Page to Incremental Revolving Commitment Agreement]

NATIXIS, as Incremental Lender

By: /s/ William Maier

Name: William Maier

Title: Senior Managing Director

By: /s/ Gerardo Canet

Name: Gerardo Canet

Title: Director

[Signature Page to Incremental Revolving Commitment Agreement]



**Form of Guarantee and Collateral Acknowledgement**

February 3, 2012

Reference is made to the Amended and Restated Credit Agreement dated as of May 3, 2011 (as amended from time to time, the "Credit Agreement") among others Avis Budget Car Rental, LLC, the Lenders and other parties thereto and JPMorgan Chase Bank, N.A., as administrative agent. Capitalized terms used but not defined herein are used with the meanings assigned to them in the Credit Agreement.

Each of the parties hereto hereby acknowledges and consents to the Incremental Revolving Commitment Agreement, dated as of February 3, 2012 (the "Incremental Commitment Agreement") pursuant to Section 2.23 of the Credit Agreement, and agrees with respect to each Loan Document to which it is a party:

(a) all of its obligations, liabilities and indebtedness under such Loan Document shall remain in full force and effect on a continuous basis after giving effect to the Incremental Commitment Agreement and its guarantee, if any, of the obligations, liabilities and indebtedness of the other Loan Parties under the Agreement shall extend to and cover the Increased Revolving Commitment provided pursuant to the Incremental Commitment Agreement and interest thereon and fees and expenses and other obligations in respect thereof and in respect of commitments related thereto; and

(b) all of the Liens and security interests created and arising under such Loan Document remain in full force and effect on a continuous basis, and the perfected status and priority of each such Lien and security interest continues in full force and effect on a continuous basis, unimpaired, uninterrupted and undischarged, after giving effect to the Incremental Commitment Agreement, as collateral security for its obligations, liabilities and indebtedness under the Credit Agreement and under its guarantees, if any, in the Loan Documents, including, without limitation, the obligations under the Incremental Commitment Agreement.

[Remainder of page intentionally left blank.]

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

[            ]

By: \_\_\_\_\_  
Name:  
Title:

[Signature Page to Acknowledgement]

<u>Name of Lender</u>	<u>Revolving Commitment</u>	<u>Increased Revolving Commitment</u>	<u>Total Revolving Commitment</u>
NATIXIS	\$ 0.00	\$ 35,000,000.00	\$ 35,000,000.00

CENTRE POINT FUNDING, LLC,  
as Issuer

BUDGET TRUCK RENTAL LLC  
as Administrator

AVIS BUDGET CAR RENTAL, LLC

DEUTSCHE BANK SECURITIES, INC.,  
as Administrative Agent

CERTAIN NON-CONDUIT PURCHASERS,

CERTAIN CP CONDUIT PURCHASERS,

CERTAIN FUNDING AGENTS,

CERTAIN APA BANKS

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee, Series 2012-1 Agent and Securities Intermediary

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SERIES 2012-1 SUPPLEMENT  
dated as of March 14, 2012

to

AMENDED AND RESTATED BASE INDENTURE  
dated as of March 9, 2010

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**EXHIBITS**

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<u>Exhibit I:</u>	Form of Monthly Noteholders Statement

**APPENDIX**

<u>Appendix I:</u>	Eligible Truck Models
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SERIES 2012-1 SUPPLEMENT, dated as of March 14, 2012 (this "Series Supplement"), among CENTRE POINT FUNDING, LLC, a special purpose limited liability company established under the laws of Delaware ("CPF"), BUDGET TRUCK RENTAL LLC, ("BTR"), a Delaware limited liability company, as administrator (the "Administrator"), AVIS BUDGET CAR RENTAL, LLC, a Delaware limited liability company ("ABCR"), in its individual capacity with respect to Section 9.4, DEUTSCHE BANK SECURITIES, INC. ("DBSI"), in its capacity as administrative agent for the Purchaser Groups (the "Administrative Agent"), the NON-CONDUIT PURCHASERS from time to time party hereto, the CP CONDUIT PURCHASER GROUPS from time to time party hereto, the FUNDING AGENTS for the CP Conduit Purchaser Groups from time to time party hereto and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee (together with its successors in trust thereunder as provided in the Base Indenture, the "Trustee"), as agent for the benefit of the Series 2012-1 Noteholders (the "Series 2012-1 Agent") and in its capacity as "securities intermediary" (as defined in Section 8-102 of the New York UCC) and a "bank" (as defined in Section 9-102 of the New York UCC) (in such capacities, the "Securities Intermediary"), to the Amended and Restated Base Indenture, dated as of March 9, 2010 (the "Base Indenture"), between CPF and the Trustee.

## PRELIMINARY STATEMENT

WHEREAS, Sections 2.2 and 12.1 of the Base Indenture provide, among other things, that CPF and the Trustee may at any time and from time to time enter into a supplement to the Base Indenture for the purpose of authorizing the issuance of one or more Series of Notes;

NOW, THEREFORE, the parties hereto agree as follows:

### ARTICLE I

#### DESIGNATION

##### Section 1.1 Designation.

(a) There is hereby created a Series of Notes to be issued pursuant to the Base Indenture and this Series Supplement and such Series of Notes shall be designated generally as Variable Funding Rental Truck Asset Backed Notes, Series 2012-1.

(b) The proceeds from the initial sale of the Series 2012-1 Notes shall be deposited in the Collection Account, for further credit to the Group I Collection Account and shall be paid to CPF and used to pay a portion of the purchase price, or to refinance the purchase, of the Group I CPF Trucks. The proceeds of any Increase shall be deposited in the Collection Account, for further credit to the Group I Collection Account and shall be released to CPF as and to the extent set forth in Section 5.2(b).

(c) The Series 2012-1 Notes will have collateral that is segregated as Group I Collateral by the Administrator and the Trustee and solely for the benefit of the Series 2012-1 Noteholders and any other future Series of Notes that is designated in the Series Supplement for



such future Series of Notes as sharing in such Group I Collateral (all as more fully described in the Base Indenture). The Series 2012-1 Notes are hereby designated as a “Group I Series of Notes”. CPF may from time to time issue additional segregated Series of Notes (the Series 2012-1 Notes and any such additional Series, each, a “Group I Series of Notes” and, collectively, the “Group I Series of Notes”) that the related Series Supplements shall indicate are entitled to share, together with the Series 2012-1 Notes and any other Group I Series of Notes, in the Group I Collateral, the Collateral and any other collateral designated as security for the Series 2012-1 Notes and such other Group I Series of Notes under the Base Indenture, this Series Supplement and the Series Supplement related to such other Group I Series of Notes. Accordingly, unless the context otherwise requires, all references in this Series Supplement to “all” Series of Notes (and all references in this Series Supplement to terms defined in the Base Indenture that contain references to “all” Series of Notes) shall refer to all Group I Series of Notes.

(d) If, notwithstanding the foregoing provisions of this Section 1.1, the Series 2012-1 Notes are determined by any court to be secured by collateral, other than the Group I Collateral, the Collateral and any other collateral designated as security for the Series 2012-1 Notes (and, as applicable, any other Group I Series of Notes) under the Base Indenture, this Series Supplement, any other supplement to the Base Indenture relating to the issuance of any other Group I Series of Notes, any other Series 2012-1 Related Document or any other Applicable Related Document for any other Group I Series of Notes (such collateral other than as specified, the “Non-Group I Collateral”), then the interest of the Series 2012-1 Noteholders in such Non-Group I Collateral shall be subordinate in all respects to the interests of the Noteholders of the Series of Notes to which such Non-Group I Collateral was pledged by the terms of the Base Indenture or any other Applicable Related Document for such Series of Notes. The following shall govern the interpretation and construction of the provisions of this Series Supplement: (i) this Section 1.1(d) is intended to constitute a subordination agreement under New York law and for purposes of Section 510(a) of the Bankruptcy Code, (ii) the subordination provided for in this Section 1.1(d) is intended to and shall be deemed to constitute a “complete subordination” under New York law, and, as such, shall be applicable whether or not CPF or any Series 2012-1 Noteholder is a debtor in a case (a “bankruptcy case”) under the Bankruptcy Code (or any amended or successor version thereof), (iii) (A) any reference to the Series 2012-1 Notes shall include all obligations of CPF now or hereafter existing under each of such Series 2012-1 Notes, whether for principal, interest, fees, expenses or otherwise, and (B) without limiting the generality of the foregoing, “interest” owing on the Series 2012-1 Notes shall expressly include any and all interest accruing after the commencement of any bankruptcy case or other insolvency proceeding where CPF is the debtor, notwithstanding any provision or rule of law (including, without limitation, 11 U.S.C. §§ 502, 506(b) (1994) (or any amended or successor version thereof)) that might restrict the rights of any holder of an interest in the Series 2012-1 Notes, as against CPF or any one else, to collect such interest, (iv) “payments” prohibited under the subordination provisions of this Section 1.1(d) shall include any distributions of any type, whether cash, other debt instruments, or any equity instruments, regardless of the source thereof, and (v) the holder of any interest in the Series 2012-1 Notes retains such holder’s right, under 11 U.S.C. § 1126 (1994) (or any amended or successor version thereof), to vote to accept or reject any plan of reorganization proposed for CPF in any subsequent bankruptcy of CPF; provided, that, regardless of any such vote or of the exercise of any other rights such holder (or its agents) may have under the Bankruptcy Code, and without limiting the generality of the other clauses of this Section 1.1(d), any distributions that such holder is to receive on account of such holder’s

interest in the Series 2012-1 Notes under any such plan of reorganization, from CPF, from any collateral, from any guarantor, or from any other source shall be subordinated in right of payment as set forth herein and in the Base Indenture and shall instead be distributed in the order of priority set forth herein and in the Base Indenture.

## ARTICLE II

### DEFINITIONS AND CONSTRUCTION

(a) All capitalized terms not otherwise defined herein are defined in the Definitions List attached to the Base Indenture as Schedule I thereto. All capitalized terms defined in this Series Supplement that are also defined in such Definitions List shall, unless the context otherwise requires, have the meanings set forth in this Series Supplement. All Article, Section or Subsection references herein shall refer to Articles, Sections or Subsections of this Series Supplement, except as otherwise provided herein. Unless otherwise stated herein, as the context otherwise requires or if such term is otherwise defined in the Base Indenture, each capitalized term used or defined herein shall relate only to the Series 2012-1 Notes and not to any other Series of Notes issued by CPF. In addition, with respect to the Series 2012-1 Notes, (i) references in the Base Indenture to (A) the “Applicable Administration Agreement” shall be deemed to refer to the Group I Administration Agreement, (B) the “Applicable Collateral Agreements” shall be deemed to refer to the Group I Collateral Agreements, (C) the “Applicable CPF Lease” shall be deemed to refer to the Group I CPF Lease, (D) the “Applicable CPF Trucks” shall be deemed to refer to the Group I CPF Trucks, (E) the “Applicable Related Documents” shall be deemed to refer to the Series 2012-1 Related Documents, (F) the “Applicable Nominee Agreement” shall be deemed to refer to the Group I Nominee Agreement, (G) the “Applicable Nominee Lienholder” shall be deemed to refer to the Group I Nominee Lienholder and (H) the “Group Collection Account” shall be deemed to refer to the Group I Collection Account, (ii) when the foregoing terms are embedded in a defined term within the Base Indenture, they shall be deemed to refer to the corresponding concept described in clauses (A) through (H), as applicable, except in each case as otherwise specified in this Series Supplement or as the context may otherwise require, and (iii) any references to Notes of a Series in the Base Indenture shall be deemed to refer only to Notes of any Group I Series of Notes.

(b) The following words and phrases shall have the following meanings with respect to the Series 2012-1 Notes and the definitions of such terms are applicable to the singular as well as the plural form of such terms and to the masculine as well as the feminine and neuter genders of such terms:

“ABCR” means Avis Budget Car Rental, LLC, a Delaware limited liability company, and its successors, acting in its capacity as Guarantor.

“Accrued Amounts” means, as on any Distribution Date, the sum of (i) accrued and unpaid interest on the Series 2012-1 Notes (including, for the avoidance of doubt, accrued and unpaid Monthly Funding Costs) as of such Distribution Date, (ii) any accrued and unpaid Commitment Fees as of such Distribution Date, (iii) any Article VIII Costs payable on such Distribution Date and (iv) the product of (A) the Series 2012-1 Percentage as of the beginning of the Series 2012-1 Interest Period ending on such Distribution Date and (B) any Carrying Charges payable on such Distribution Date.

“Acquiring APA Bank” is defined in Section 12.1(c).

“Acquiring Purchaser Group” is defined in Section 12.1(e).

“Adjusted LIBO Rate” means, (a) with respect to each day during each Eurodollar Period, pertaining to a portion of the Purchaser Group Invested Amount with respect to any CP Conduit Purchaser Group allocated to a Eurodollar Tranche, an interest rate per annum (rounded upwards, if necessary, to the nearest 1/16<sup>th</sup> of 1%) equal to the LIBO Rate for such Eurodollar Period multiplied by the Statutory Reserve Rate and (b) for all other purposes, an interest rate per annum (rounded upwards, if necessary, to the nearest 1/16<sup>th</sup> of 1%) equal to the LIBO Rate for the related Series 2012-1 Interest Period multiplied by the Statutory Reserve Rate.

“Administrative Agent” is defined in the recitals hereto.

“Administrator” is defined in the recitals hereto.

“Affected Party” means any Non-Conduit Purchaser, any CP Conduit Purchaser and any Program Support Provider with respect to such CP Conduit Purchaser.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the LIBO Rate, if available, that would be in effect with respect to a Eurodollar Period commencing on the immediately prior Distribution Date. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“APA Bank” means, with respect to a CP Conduit Purchaser, each bank set forth opposite the name of such CP Conduit Purchaser on Schedule I or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser became a party to this Supplement and any assignee thereof, to the extent such assignee has assumed all or a portion of the Commitments of an APA Bank pursuant to a Transfer Supplement entered into in accordance with Section 12.1(c).

“APA Bank Funded Amount” means, with respect to any CP Conduit Purchaser Group for any day, the excess, if any, of the Purchaser Group Invested Amount with respect to such CP Conduit Purchaser Group over the CP Conduit Funded Amount with respect to such CP Conduit Purchaser Group for such day.

“APA Bank Percentage” means, with respect to any APA Bank, the percentage set forth opposite the name of such APA Bank on Schedule I.

“Applicable Margin” is defined in the Fee Letter.

“Article VIII Costs” means any amounts due pursuant to Article VIII and any interest accrued on such amounts pursuant to Section 5.4.

“Asset Purchase Agreement” means, with respect to any CP Conduit Purchaser, the asset purchase agreement, liquidity agreement or other agreement among such CP Conduit Purchaser, the Funding Agent with respect to such CP Conduit Purchaser and the APA Bank with respect to such CP Conduit Purchaser, as amended, modified or supplemented from time to time.

“Available APA Bank Funding Amount” means, with respect to any CP Conduit Purchaser Group for any Business Day, the sum of (i) the portion of such CP Conduit Purchaser Group’s Commitment Percentage of the Series 2012-1 Initial Invested Amount not to be funded by such CP Conduit Purchaser Group by issuing Commercial Paper if such Business Day is the Series 2012-1 Closing Date, (ii) the portion of the APA Bank Funded Amount with respect to such CP Conduit Purchaser Group not allocated to a Eurodollar Tranche on such Business Day, (iii) the portion of the APA Bank Funded Amount with respect to such CP Conduit Purchaser Group allocated to any Eurodollar Tranche the Eurodollar Period in respect of which expires on such Business Day and (iv) the portion of such CP Conduit Purchaser Group’s Purchaser Group Increase Amount for such Business Day not to be funded by such CP Conduit Purchaser Group by issuing Commercial Paper.

“Available CP Funding Amount” means, with respect to any CP Conduit Purchaser Group for any Business Day, the sum of (i) the portion of such CP Conduit Purchaser Group’s Commitment Percentage of the Series 2012-1 Initial Invested Amount to be funded by such CP Conduit Purchaser Group by issuing Commercial Paper if such Business Day is the Series 2012-1 Closing Date, and (ii) the portion of such CP Conduit Purchaser Group’s Purchaser Group Increase Amount for such Business Day to be funded by such CP Conduit Purchaser Group by issuing Commercial Paper.

“Benefited Purchaser Group” is defined in Section 12.3.

“Board” means the Board of Governors of the Federal Reserve System or any successor thereto.

“BTR” is defined in the recitals hereto.

“Business Day” means any day other than (a) a Saturday or a Sunday or (b) a day on which banking institutions in New York, New York or the city in which the corporate trust office of the Trustee is located are authorized or obligated by law or executive order to close.

“Certificate of Lease Deficit Demand” means a certificate in the form of Annex A to the Series 2012-1 Letters of Credit.

“Certificate of Termination Date Demand” means a certificate in the form of Annex D to the Series 2012-1 Letters of Credit.

“Certificate of Termination Demand” means a certificate in the form of Annex C to the Series 2012-1 Letters of Credit.

“Certificate of Unpaid Demand Note Demand” means a certificate in the form of Annex B to the Series 2012-1 Letters of Credit.

“Change in Law” means (a) any law, rule or regulation or any change therein or in the interpretation or application thereof (whether or not having the force of law), in each case, adopted, issued or occurring after the Series 2012-1 Closing Date or (b) any request, guideline or directive (whether or not having the force of law) from any government or political subdivision or agency, authority, bureau, central bank, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, or any accounting board or authority (whether or not part of government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case, whether foreign or domestic (each an “Official Body”) charged with the administration, interpretation or application thereof, or the compliance with any request or directive of any Official Body (whether or not having the force of law) made, issued or occurring after the Series 2012-1 Closing Date; provided that, for the purposes of this definition, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act adopted by the U.S. Congress on July 12, 2010, (ii) the revised Basel Accord prepared by the Basel Committee on Banking Supervision as set out in the publication entitled: “International Convergence of Capital Measurements and Capital Standards: a Revised Framework,” as updated from time to time, and (iii) any rules, regulations, guidance, interpretations or directives relating thereto or issued in connection therewith (whether or not having the force of law) are deemed to have been made, issued or adopted after the Series 2012-1 Closing Date, regardless of the date actually made, issued or adopted.

“Claim” is defined in Section 3.7.

“Commercial Paper” means, with respect to any CP Conduit Purchaser, the promissory notes issued by, or for the benefit of, such CP Conduit Purchaser in the commercial paper market.

“Commitment” means, with respect to (a) the APA Banks included in any CP Conduit Purchaser Group, the obligation of such APA Banks to purchase a Series 2012-1 Note on the Series 2012-1 Closing Date and, thereafter, subject to certain conditions, increase the Purchaser Group Invested Amount with respect to such CP Conduit Purchaser Group, in each case, in an amount up to the Maximum Purchaser Group Invested Amount with respect to such CP Conduit Purchaser Group or (b) any Non-Conduit Purchaser Group, the obligation of the related Non-Conduit Purchaser to purchase a Series 2012-1 Note on the Series 2012-1 Closing Date and, thereafter, subject to certain conditions, increase the Purchaser Group Invested Amount with respect to such Non-Conduit Purchaser Group, in each case, in an amount up to the Maximum Purchaser Group Invested Amount with respect to such Non-Conduit Purchaser Group.

“Commitment Fee” is defined in Section 3.6(d).

“Commitment Fee Rate” is defined in the Fee Letter.

“Commitment Percentage” means, on any date of determination, with respect to any Purchaser Group, the ratio, expressed as a percentage, which such Purchaser Group’s Maximum Purchaser Group Invested Amount bears to the Series 2012-1 Maximum Invested Amount on such date.

“Company Indemnified Person” is defined in Section 3.7.

“Conduit Assignee” means, with respect to any CP Conduit Purchaser, any commercial paper conduit administered by the Funding Agent with respect to such CP Conduit Purchaser and designated by such Funding Agent to accept an assignment from such CP Conduit Purchaser of the Purchaser Group Invested Amount or a portion thereof with respect to such CP Conduit Purchaser pursuant to Section 12.1(b).

“CP Conduit Funded Amount” means, with respect to any CP Conduit Purchaser Group for any day, the portion of the Purchaser Group Invested Amount with respect to such CP Conduit Purchaser Group funded by such CP Conduit Purchaser Group through the issuance of Commercial Paper outstanding on such day.

“CP Conduit Purchaser” means each commercial paper conduit listed on Schedule I or party to a Purchaser Group Supplement pursuant to which such commercial paper conduit became a party to this Supplement.

“CP Conduit Purchaser Group” means, collectively, a CP Conduit Purchaser and the APA Banks with respect to such CP Conduit Purchaser.

“CRD” means European Union Directive 2006/48/EC, as amended, and together with any official guidance provided by the Committee of European Banking Supervisors or the European Banking Authority, from time to time.

“Credit Agreement” means the Amended and Restated Credit Agreement, dated as of May 3, 2011, among Avis Budget Holdings, LLC, ABCR, as Borrower, the subsidiary borrowers referred to therein, the several lenders referred to therein, JPMorgan Chase, as Administrative Agent, Deutsche Bank Securities Inc., as Syndication Agent, each of Bank of America, N.A., Credit Agricole Corporate & Investment Bank, Citicorp USA, Inc. Barclays Bank plc and The Royal Bank of Scotland plc, as Co-Documentation Agents, as amended, restated, modified, supplemented or waived from time to time in accordance with its terms.

“DBSI” is defined in the recitals hereto.

“Decrease” is defined in Section 3.5.

“Demand Note Preference Payment Amount” means, as of any day, (i) the aggregate amount of all proceeds of demands made on the Series 2012-1 Demand Notes pursuant to Section 5.5(c)(iii) or 5.5(d)(ii) that were deposited into the Series 2012-1 Distribution Account and paid to the Series 2012-1 Noteholders during the one-year period ending on such day; provided, however, that if an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to BRAC shall have occurred during such one-year period, the Demand Note Preference Payment Amount as of such day shall equal the Demand Note Preference Payment Amount as if it were calculated as of the date of such occurrence minus (ii) the aggregate amount withdrawn

from the Series 2012-1 Reserve Account or the Series 2012-1 Cash Collateral Account and paid to a Non-Conduit Purchaser or a Funding Agent pursuant to Section 5.7(e) on account of a Preference Amount.

“Demand Notice” is defined in Section 5.5(c)(iii).

“Disbursement” means any Lease Deficit Disbursement, any Unpaid Demand Note Disbursement, any Termination Date Disbursement or any Termination Disbursement under a Series 2012-1 Letter of Credit, or any combination thereof, as the context may require.

“Discount” means with respect to any CP Conduit Purchaser, the amount of interest or discount to accrue on or in respect of the Commercial Paper issued by such CP Conduit Purchaser allocated, in whole or in part, by the Funding Agent with respect to such CP Conduit Purchaser, to fund the purchase or maintenance of the CP Conduit Funded Amount with respect to such CP Conduit Purchaser (including, without limitation, any interest attributable to the commissions of placement agents and dealers in respect of such Commercial Paper and any costs associated with funding small or odd-lot amounts, to the extent that such commissions or costs are allocated, in whole or in part, to such Commercial Paper by such Funding Agent).

“Effective Date” is defined in Section 7.1.

“Eligibility Requirements” mean, with respect to any truck: (i) such truck was manufactured by an Eligible Truck Manufacturer and is an Eligible Truck Model, (ii) such truck was purchased by CPF directly from an Eligible Truck Manufacturer or an Approved Seller or was contributed to CPF as a capital contribution, and (iii) with respect to any truck purchased from an Eligible Truck Manufacturer or Approved Seller, the Administrator has performed the pre-delivery inspection, and for which appropriate lien, titling and filing claims for damage in transit and other delivery claims have been completed.

“Eligible Assignee” means a financial institution having short-term debt ratings of at least A-1 from Standard & Poor’s and P-1 from Moody’s.

“Eligible Truck” means a truck that (a) on the applicable date of determination (i) is owned by CPF, free and clear of all Liens other than Permitted Liens, (ii) is titled in the name of CPF, (iii) with respect to which the Group I Nominee Lienholder or the Trustee is noted as the first lienholder on the Certificate of Title therefor and the Administrator or its agent, as custodian and agent for the Trucks for the benefit of the Group I Secured Parties, or the Trustee, is in possession of such Certificate of Title, (iv) is listed on the Eligible Truck Appendix, (v) is leased under the Group I CPF Lease for use by BTR in its daily rental fleet operations in the United States, and (vi) is not an Ineligible Truck; provided, however, that, with respect to any date of determination on or before the fifty-sixth (56) day following the Vehicle Lease Commencement Date of any Group I CPF Truck, the requirements of the foregoing clauses (ii) and (iii) shall be deemed to be satisfied with respect to such truck if (x) the Titling Procedures and the Titling Certification Requirements for such truck have been satisfied on or prior to such date and (y) the sum of the Net Book Values of any Group I CPF Trucks leased under the Group I CPF Lease that are deemed to satisfy the requirements of the foregoing clauses (ii) and (iii) by reason of this proviso on such date does not exceed 10% of the aggregate Net Book Value of the Group I CPF Trucks as of such date; and (b) satisfied the Eligibility Requirements at the time it was initially leased under the Group I CPF Lease.

“Eligible Truck Appendix” means Attachment A attached to the Group I CPF Lease; provided, that the Eligible Truck Appendix may be amended or supplemented by CPF in accordance with Section 12.11 of this Series Supplement.

“Eligible Truck Manufacturers” means General Motors Corporation, Ford Motor Company, International Truck and Engine Corporation, Isuzu Motors Ltd. and any other manufacturer approved in writing by the Requisite Group Investors of the Group I Series of Notes and the Series 2012-1 Required Noteholders.

“Eligible Truck Model” means each of the truck models set forth on Appendix I of this Series Supplement.

“Eurodollar Period” means, with respect to any Eurodollar Tranche and any CP Conduit Purchaser Group:

(a) initially, the period commencing on the Series 2012-1 Closing Date, Increase Date or a conversion date, as the case may be, with respect to such Eurodollar Tranche and ending one month thereafter (or such other period which is acceptable to the Funding Agent with respect to such CP Conduit Purchaser Group and which in no event will be less than 7 days); and

(b) thereafter, each period commencing on the last day of the immediately preceding Eurodollar Period applicable to such Eurodollar Tranche and ending one month thereafter (or such other period which is acceptable to the Funding Agent with respect to such CP Conduit Purchaser Group and which in no event will be less than 7 days);

provided that all Eurodollar Periods must end on the next Distribution Date.

“Eurodollar Tranche” means, with respect to any CP Conduit Purchaser Group, a portion of the APA Bank Funded Amount with respect to such CP Conduit Purchaser Group allocated to a particular Eurodollar Period and an Adjusted LIBO Rate determined by reference thereto.

“Excluded Taxes” means, with respect to the Administrative Agent, any Non-Conduit Purchaser, any CP Conduit Purchaser, any APA Bank, any Funding Agent, any Program Support Provider or any other recipient of any payment to be made by or on account of any obligation of CPF hereunder, (a) income or franchise Taxes imposed on (or measured by) its net income by the United States of America or by any other Governmental Authority, in each case, as a result of a present or former connection between the United States of America or the jurisdiction of such Governmental Authority imposing such tax, as the case may be, and the Administrative Agent, such Non-Conduit Purchaser, such CP Conduit Purchaser, such APA Bank, such Funding Agent, such Program Support Provider or any other such recipient (except a connection arising solely from the Administrative Agent’s, such Non-Conduit Purchaser’s, such CP Conduit Purchaser’s, such APA Bank’s, such Program Support Provider’s or such recipient’s



having executed, delivered or performed its obligations hereunder, receiving a payment hereunder or enforcing the Series 2012-1 Notes); (b) any branch profits Tax imposed by the United States of America or any similar tax imposed by any other jurisdiction in which CPF is located (except any such branch profits or similar Tax imposed as a result of a connection with the United States of America or other jurisdiction as a result of a connection arising solely from the Administrative Agent's, such Non-Conduit Purchaser's, such CP Conduit Purchaser's, such APA Bank's, such Program Support Provider's or such recipient's having executed, delivered or performed its obligations hereunder, receiving a payment hereunder or enforcing the Series 2012-1 Notes); (c) any Taxes imposed as a result of the Administrative Agent's, such Non-Conduit Purchaser's, such CP Conduit Purchaser's, such APA Bank's, such Funding Agent's, such Program Support Provider's or any other such recipient's failure to comply with the provisions of Section 8.2(e) or (g); and (d) any Taxes imposed under FATCA.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof (whether temporary or final).

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day of such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Fee Letter” means the letter dated as of March 14, 2012, from CPF addressed to the Administrative Agent, each Non-Conduit Purchaser and each of the CP Conduit Purchasers, the Funding Agents and the APA Banks, setting forth certain fees payable to the Purchaser Groups from time to time, as the same may be amended, restated or otherwise modified from time to time.

“Floating Tranche” means, with respect to any CP Conduit Purchaser Group, the portion of the APA Bank Funded Amount with respect to such CP Conduit Purchaser Group not allocated to a Eurodollar Tranche.

“Funding Agent” means, with respect to each CP Conduit Purchaser and its CP Conduit Purchaser Group, the agent bank set forth opposite the name of such CP Conduit Purchaser on Schedule I or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser became a party to this Supplement.

“Group I Administration Agreement” means, with respect to the Series 2012-1 Notes, the Amended and Restated Administration Agreement (Group I), dated as of March 9, 2010, by and among the Administrator, CPF and the Trustee, as amended, modified or supplemented from time to time in accordance with its terms.

“Group I Back-up Administrator” means Lord Securities Corporation.

“Group I Back-up Administration Agreement” means, with respect to the Series 2012-1 Notes, the Back-up Administration Agreement (Group I), dated as of March 9, 2010, by and among the Administrator, CPF, the Group I Back-up Administrator and the Trustee, as amended, modified or supplemented from time to time in accordance with its terms.

“Group I Collateral” is defined in Section 4.1(a).

“Group I Collateral Agreements” means, with respect to the Series 2012-1 Notes, the Group I CPF Lease, the Group I Nominee Agreement and the Group I Administration Agreement.

“Group I Collection Account” is defined in Section 5.1(b).

“Group I Collection Account Control Agreement” means the agreement among CPF, The Bank of New York Mellon Trust Company, N.A., as securities intermediary, and the Trustee, dated as of March 9, 2010, relating to the Group I Collection Account, as amended, modified or supplemented from time to time in accordance with its terms.

“Group I CPF Agreements” is defined in Section 4.1(a)(i).

“Group I CPF Lease” means, with respect to the Series 2012-1 Notes, the Amended and Restated Master Motor Vehicle Operating Lease Agreement (Group I), dated as of March 9, 2010, among CPF, as lessor, BTR, as lessee, ABCR, as guarantor, and BTR, as Administrator, as amended by Amendment No. 1 thereto, dated December 3, 2010 and Amendment No. 2 thereto, dated as of the Series 2012-1 Closing Date, and as further amended, modified or supplemented from time to time in accordance with its terms.

“Group I CPF Trucks” means, with respect to the Series 2012-1 Notes, any Truck owned by CPF and listed on Attachment A to the Group I CPF Lease, as amended or supplemented from time to time.

“Group I Disposition Agent” means Fiserv Automotive Solutions, Inc.

“Group I Disposition Agent Agreement” means, with respect to the Series 2012-1 Notes, the Disposition Agent Agreement (Group I) dated as of March 9, 2010, by and among the Administrator, CPF, the Group I Back-up Administrator, the Group I Disposition Agent and the Trustee, as amended, modified or supplemented from time to time in accordance with its terms.

“Group I Eligible Trucks” means any Group I CPF Trucks that are Eligible Trucks.

“Group I Nominee Agreement” means, with respect to the Series 2012-1 Notes, a Group I Nominee Lienholder agreement approved in writing by the Requisite Group Investors of the Group I Series of Notes, among CPF, the Group I Nominee Lienholder and the Trustee (and which may include additional parties thereto), as amended, modified or supplemented from time to time in accordance with its terms.

“Group I Nominee Lienholder” means, with respect to the Series 2012-1 Notes, a Person approved in writing by the Requisite Group Investors of the Group I Series of Notes, in its capacity as nominee lienholder under the Group I Nominee Agreement, and any successor Group I Nominee Lienholder thereunder.

“Group I Secured Parties” is defined in Section 4.1(a).

“Group I Series of Notes” is defined in Section 1.1(c).

“Increase” is defined in Section 3.3(a).

“Increase Amount” is defined in Section 3.3(a).

“Increase Date” is defined in Section 3.3(a).

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Ineligible Truck” means a Truck owned by CPF that, on the applicable date of determination, (i) is over the Maximum Mileage Limit for such Truck, (ii) has suffered a Casualty, (iii) with respect to Gasoline Trucks, is older than 96 months from the date of original invoicing and with respect to Diesel Trucks, is older than 120 months from the date of original invoicing, (iv) with respect to cargo vans, is older than 72 months from the date of original invoicing or (v) is currently subject to a recall by the manufacturer.

“Interest Rate Hedge Counterparty” means CPF’s counterparty under a Series 2012-1 Interest Rate Hedge.

“Lease Deficit Disbursement” means an amount drawn under a Series 2012-1 Letter of Credit pursuant to a Certificate of Lease Deficit Demand.

“LIBO Rate” means, (a) with respect to each day during each Eurodollar Period pertaining to a Eurodollar Tranche, the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time in accordance with its customary practices for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m. (London time) on the second London Banking Day prior to the commencement of such Eurodollar Period, as the rate for dollar deposits with a maturity comparable to the Eurodollar Period applicable to such Eurodollar Tranche or (b) with respect to each day during a Series 2012-1 Interest Period the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent or any Non-Conduit Purchaser from time to time in accordance with its customary practices for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) for a term of thirty (30) days at approximately 11:00 a.m. (London time) on such day, or if such day is not a London Banking Day, the immediately preceding London Banking Day.

“LOC Pro Rata Share” means, with respect to any Series 2012-1 Letter of Credit Provider as of any date, the fraction (expressed as a percentage) obtained by dividing (A) the available amount under such Series 2012-1 Letter of Credit Provider’s Series 2012-1 Letter of Credit as of such date by (B) an amount equal to the aggregate available amount under all Series 2012-1 Letters of Credit as of such date; provided that only for purposes of calculating the LOC Pro Rata Share with respect to any Series 2012-1 Letter of Credit Provider as of any date, if such Series 2012-1 Letter of Credit Provider has not complied with its obligation to pay the Trustee the amount of any draw under its Series 2012-1 Letter of Credit made prior to such date, the available amount under such Series 2012-1 Letter of Credit Provider’s Series 2012-1 Letter of Credit as of such date shall be treated as reduced (for calculation purposes only) by the amount of such unpaid demand and shall not be reinstated for purposes of such calculation unless and until the date as of which such Series 2012-1 Letter of Credit Provider has paid such amount to the Trustee and been reimbursed by the Lessee or ABCR, as the case may be, for such amount (provided that the foregoing calculation shall not in any manner reduce the undersigned’s actual liability in respect of any failure to pay any demand under its Series 2012-1 Letter of Credit).

“London Banking Day” means any business day on which dealings in deposits in United States dollars are transacted in the London interbank market.

“Maximum Mileage Limit” means (i) with respect to Gasoline Trucks other than cargo vans, 185,000 miles, (ii) with respect to Diesel Trucks other than cargo vans, 225,000 miles and (iii) with respect to any Truck that is a cargo van, 150,000 miles.

“Maximum Purchaser Group Invested Amount” means, (a) with respect to any CP Conduit Purchaser Group, the amount set forth opposite the name of the CP Conduit Purchaser included in such CP Conduit Purchaser Group on Schedule I or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser Group became a party to this Supplement or (b) any Non-Conduit Purchaser Group, the amount set forth opposite the name of such Non-Conduit Purchaser Group on Schedule I or in the Purchaser Group Supplement pursuant to which such Non-Conduit Purchaser Group became a party to this Supplement, in each case, as such amount may be increased or reduced from time to time as provided in Article III.

“Measurement Month” on any date, means collectively, each of the three periods most closely preceding such date, each of which periods shall consist of one calendar month, or the smallest number of consecutive calendar months, in which (a) at least 100 of the Group I CPF Trucks were sold or (b) at least one twelfth of the aggregate Termination Value of the Group I CPF Trucks as of the last day of each such period were sold; provided that, no calendar month included in a Measurement Month shall be included in any other Measurement Month.

“Measurement Month Average” means, with respect to any Measurement Month, the percentage equivalent of a fraction, the numerator of which is the aggregate amount of Disposition Proceeds of all Group I CPF Trucks sold during such Measurement Month, and the denominator of which is the aggregate Termination Value of such Group I CPF Trucks on the dates of their respective sales. For the avoidance of doubt, (i) any Measurement Month Average calculation made after the Series 2012-1 Closing Date shall be calculated based on the Termination Value Curve Schedule attached to the Group I CPF Lease after giving effect to the

amendments (including the inclusion of a new Termination Value Curve Schedule) to the Group I CPF Lease on the Series 2012-1 Closing Date and (ii) any relevant Measurement Month Average preceding the Series 2012-1 Closing Date shall be recalculated using such new Termination Value Curve Schedule attached to the Group I Lease after giving effect to the amendments (including the inclusion of a new Termination Value Curve Schedule) to the Group I CPF Lease on the Series 2012-1 Closing Date.

“Monthly Funding Costs” means, with respect to each Series 2012-1 Interest Period and

(a) any CP Conduit Purchaser Group, the sum of:

(i) for each day during such Series 2012-1 Interest Period, with respect to a CP Conduit Purchaser, the aggregate amount of Discount accruing on or otherwise in respect of the Commercial Paper issued by, or for the benefit of, such CP Conduit Purchaser allocated, in whole or in part, by the Funding Agent with respect to such CP Conduit Purchaser, to fund the purchase or maintenance of the Funded Amount with respect to such CP Conduit Purchaser; plus

(ii) for each day during such Series 2012-1 Interest Period, the sum of:

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

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

(iii) for each day during such Series 2012-1 Interest Period, the product of (A) the CP Conduit Funded Amount with respect to such CP Conduit Purchaser Group on such day times (B) the Program Fee Rate per annum divided by (C) 360; or

(b) any Non-Conduit Purchaser Group, the sum for each day during such Series 2012-1 Interest Period of the product of (i) the Purchaser Group Invested Amount with respect to such Non-Conduit Purchaser Group on such day times (ii) the sum of (A) the Adjusted LIBO Rate with respect to such day and (B) either (1) the Program Fee Rate per annum or (2) in accordance with the terms of Section 3.6(f) or on any date an Amortization Event has occurred and is continuing, the Applicable Margin with respect to any Eurodollar Tranche on such day, as applicable, divided by (C) 360; provided,

however, that if (x) any Change in Law shall make it unlawful for any Non-Conduit Purchaser Group to fund its Purchaser Group Invested Amount at the Adjusted LIBO Rate, (y) any Non-Conduit Purchaser determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or (z) any Non-Conduit Purchaser determines that the Adjusted LIBO Rate will not adequately and fairly reflect the cost to such Non-Conduit Purchaser of funding the Purchaser Group Invested Amount with respect to its Related Purchaser Group, and in each such case such Non-Conduit Purchaser Group shall have notified the Administrative Agent in writing thereof (and not subsequently notified the Administrative Agent such circumstances no longer exist), the amount of Monthly Funding Costs for each day with respect to such Non-Conduit Purchaser Group will be calculated using the sum of (1) the Alternate Base Rate and (2) the Program Fee Rate or, if the Applicable Margin with respect to any Eurodollar Tranche would otherwise be used in clause (ii) hereof, the Applicable Margin with respect to any Floating Tranche, on such day in clause (ii) hereof (rather than the sum of (1) the Adjusted LIBO Rate and (2) the Program Fee Rate or the Applicable Margin with respect to any Eurodollar Tranche, as applicable).

“Monthly Principal Payment Amount” means (a) during the Series 2012-1 Revolving Period, zero, (b) during the Series 2012-1 Controlled Amortization Period, the Series 2012-1 Controlled Amortization Period Monthly Payment Amount, and (c) during the Series 2012-1 Rapid Amortization Period, the Series 2012-1 Rapid Amortization Period Monthly Payment Amount.

“Moody’s” means Moody’s Investors Service.

“Non-Conduit Purchaser” means each financial institution or other entity (other than a commercial paper conduit, APA Bank or Funding Agent) listed on Schedule I or party to a Purchaser Group Supplement pursuant to which such financial institution or entity became a party to this Supplement.

“Non-Conduit Purchaser Group” means a Non-Conduit Purchaser.

“Non-Conduit Purchaser Participants” is defined in Section 12.1(f).

“Non-Group I Collateral” is defined in Section 1.1(d).

“Optional Termination Date” is defined in Section 3.10.

“Optional Termination Notice” is defined in Section 3.10.

“Other Taxes” means any and all current or future stamp or documentary Taxes or other excise or property Taxes, charges or similar levies arising from any payment made under this Supplement, the Base Indenture, or any Series 2012-1 Related Documents or from the execution, delivery or enforcement of, or otherwise with respect to, this Series Supplement, the Base Indenture or any Series 2012-1 Related Document.

“Outstanding” means, with respect to the Series 2012-1 Notes, the Series 2012-1 Invested Amount shall not have been reduced to zero and all accrued interest and other amounts owing on the Series 2012-1 Notes and to the Administrative Agent, the Funding Agents, the CP Conduit Purchasers, the APA Banks and the Non-Conduit Purchasers hereunder shall not have been paid in full.

“Participants” is defined in Section 12.1(d).

“Past Due Rent Payment” is defined in Section 5.2(c).

“Preference Amount” means any amount previously distributed to a member or members of a Purchaser Group on or relating to a Series 2012-1 Note that is recoverable or that has been recovered as a voidable preference by the trustee in a bankruptcy proceeding of BRAC pursuant to the United States Bankruptcy Code (11 U.S.C.), as amended from time to time, in accordance with a final nonappealable order of a court having competent jurisdiction.

“Pre-Preference Period Demand Note Payments” means, as of any date of determination, the aggregate amount of all proceeds of demands made on the Series 2012-1 Demand Notes included in the Series 2012-1 Demand Note Payment Amount as of the Series 2012-1 Letter of Credit Termination Date that were paid by BRAC more than one year before such date of determination; provided, however, that if an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to BRAC occurs during such one-year period, (x) the Pre-Preference Period Demand Note Payments as of any date during the period from and including the date of the occurrence of such Event of Bankruptcy to and including the conclusion or dismissal of the proceedings giving rise to such Event of Bankruptcy without continuing jurisdiction by the court in such proceedings shall equal the Pre-Preference Period Demand Note Payments as of the date of such occurrence and (y) the Pre-Preference Period Demand Note Payments as of any date after the conclusion or dismissal of such proceedings shall equal the Series 2012-1 Demand Note Payment Amount as of the date of the conclusion or dismissal of such proceedings.

“Pricing Increase Notice” is defined in Section 3.6.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by the applicable Funding Agent or Non-Conduit Purchaser as its prime rate in the United States, or if such Funding Agent or Non-Conduit Purchaser does not have a prime rate, the prime rate of an Affiliate thereof designated by such Funding Agent or Non-Conduit Purchaser; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Pro Rata Share” means, with respect to any Purchaser Group, on any date, the ratio, expressed as a percentage, which the Purchaser Group Invested Amount with respect to such Purchaser Group bears to the Series 2012-1 Invested Amount on such date; provided that, for purposes of Section 5.5(e) and amounts payable to Series 2012-1 Terminating Purchasers, “Pro Rata Share” means the ratio, expressed as a percentage, which the principal amount of the Series 2012-1 Notes held by each Series 2012-1 Terminating Purchaser bears to the principal amount of the Series 2012-1 Notes held by all Series 2012-1 Terminating Purchasers.

“Program Fee Rate” is defined in the Fee Letter.

“Program Support Provider” means, with respect to any CP Conduit Purchaser, the APA Bank with respect to such CP Conduit Purchaser and any other or additional Person now or hereafter extending credit, or having a commitment to extend credit to or for the account of, or to make purchases from, such CP Conduit Purchaser or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with such CP Conduit Purchaser’s securitization program.

“Purchaser Group” means CP Conduit Purchaser Group or a Non-Conduit Purchaser Group.

“Purchaser Group Increase Amount” means, with respect to any Purchaser Group, for any Business Day during the Series 2012-1 Revolving Period, such Purchaser Group’s Commitment Percentage of the Increase Amount, if any, on such Business Day.

“Purchaser Group Invested Amount” means, with respect to any Purchaser Group, (a) when used with respect to the Series 2012-1 Closing Date, such Purchaser Group’s Commitment Percentage of the Series 2012-1 Initial Invested Amount and (b) when used with respect to any other date, an amount equal to (i) the Purchaser Group Invested Amount with respect to such Purchaser Group on the immediately preceding Business Day plus (ii) the Purchaser Group Increase Amount with respect to such Purchaser Group on such date minus (iii) the amount of principal payments made to such Purchaser Group pursuant to Section 5.5(b) or (e) on such date plus (iii) the amount of principal payments recovered from such Purchaser Group by a trustee as a preference payment in a bankruptcy proceeding of ABCR or otherwise.

“Purchaser Group Supplement” is defined in Section 12.1(e).

“Qualified Interest Rate Hedge Counterparty” means a bank or other financial institution, which has a short-term senior and unsecured debt rating of at least “A-1” and a long-term senior and unsecured rating of at least “A+”, in each case, from S&P and a short-term senior and unsecured debt rating of “P-1” and a long-term senior and unsecured rating of at least “A1”, in each case, from Moody’s.

“Recipient” is defined in Section 8.2(e)(ii).

“Record Date” means, with respect to each Distribution Date, the immediately preceding Business Day.

“Related Non-Conduit Purchaser” means, with respect to any Non-Conduit Purchaser Group, the Non-Conduit Purchaser that constitutes such Non-Conduit Purchaser Group.

“Related Purchaser Group” means, with respect to (a) any Funding Agent, the CP Conduit Purchaser identified next to such Funding Agent on Schedule I and each APA Bank



identified on Schedule I next to such CP Conduit Purchaser or the CP Conduit Purchaser and APA Bank party to the Purchaser Group Supplement pursuant to which such Funding Agent became a party to this Supplement, (b) any CP Conduit Purchaser, the CP Conduit Purchaser Group of which such CP Conduit Purchaser is a member and (c) any Non-Conduit Purchaser, the Non-Conduit Purchaser Group that such Non-Conduit Purchaser constitutes.

“Replacement Credit Agreement” means any credit agreement or similar facility entered into by Avis Budget Holdings, LLC, ABCR and/or any affiliate of either entity, that refinances or replaces the Credit Agreement, as such Replacement Credit Agreement may be amended, restated, modified, supplemented or waived from time to time in accordance with its terms.

“Retained Interest” means a material net economic interest, initially held in the form of a first loss position represented by ABCR’s indirect ownership of 100% of the outstanding membership interests CPF and the associated indirect rights to residual cash flow under Section 5.2(d), in an amount of not less than 5% of the Series 2012-1 Borrowing Base in accordance with the text of Article 122a of the CRD.

“Series Supplement” is defined in the recitals hereto.

“Series 2012-1 Accounts” means the Group I Collection Account, Series 2012-1 Collection Account, Series 2012-1 Principal Subaccount, Series 2012-1 Accrued Interest Account, Series 2012-1 Reserve Account, Series 2012-1 Cash Collateral Account and Series 2012-1 Distribution Account.

“Series 2012-1 Accrued Interest Account” is defined in Section 5.1(b).

“Series 2012-1 Adjusted Required Enhancement Percentage” means, as of any date of determination, the greater of (a) the Series 2012-1 Required Enhancement Percentage as of such date and (b) the sum of (i) Series 2012-1 Required Enhancement Percentage as of such date plus (ii) an amount (not less than zero) equal to 100% minus the Series 2012-1 Enhancement Adjustment Percentage with respect to date.

“Series 2012-1 Agent” is defined in the recitals hereto.

“Series 2012-1 Amortization Period” means each of (i) the Series 2012-1 Controlled Amortization Period and (i) the Series 2012-1 Rapid Amortization Period.

“Series 2012-1 Available Cash Collateral Account Amount” means, as of any date of determination, the amount on deposit in the Series 2012-1 Cash Collateral Account (after giving effect to any deposits thereto and withdrawals and releases therefrom on such date).

“Series 2012-1 Available Reserve Account Amount” means, as of any date of determination, the amount on deposit in the Series 2012-1 Reserve Account (after giving effect to any deposits thereto and withdrawals and releases therefrom on such date).

“Series 2012-1 Back-up Administration Fees” means, for any Distribution Date during the Series 2012-1 Rapid Amortization Period on which there exists a Series 2012-1 Lease

Interest Payment Deficit, an amount equal to the product of (x) the fees due and payable to the Group I Back-up Administrator pursuant to the terms of the Group I Back-up Administration Agreement and (y) the Series 2012-1 Invested Percentage (as used with respect to Principal Collections).

“Series 2012-1 Borrowing Base” means, as of any date of determination, the sum of (a) the product of (i) the Borrowing Base with respect to the Group I Series of Notes and (ii) the Series 2012-1 Borrowing Base Percentage as of such date and (b) the amount on deposit in the Series 2012-1 Principal Subaccount as of such date.

“Series 2012-1 Borrowing Base Percentage” means, as of any date of determination, the percentage equivalent of a fraction, the numerator of which is the sum of the Series 2012-1 Invested Amount and the Series 2012-1 Overcollateralization Amount as of the end of the immediately preceding Business Day and the denominator of which is the sum of the numerators used to determine invested percentages for allocations with respect to Principal Collections (for all Group I Series of Notes and all classes of such Group I Series of Notes).

“Series 2012-1 Cash Collateral Account” is defined in Section 5.8(e).

“Series 2012-1 Cash Collateral Account Collateral” is defined in Section 5.8(a).

“Series 2012-1 Cash Collateral Account Surplus” means, with respect to any Distribution Date, the lesser of (a) the Series 2012-1 Available Cash Collateral Account Amount and (b) the lesser of (A) the excess, if any, of the Series 2012-1 Enhancement Amount over the Series 2012-1 Required Enhancement Amount (after giving effect to any withdrawal from the Series 2012-1 Reserve Account on such Distribution Date) on such Distribution Date and (B) the excess, if any, of the Series 2012-1 Liquid Enhancement Amount over the Series 2012-1 Required Liquid Enhancement Amount (after giving effect to any withdrawal from the Series 2012-1 Reserve Account on such Distribution Date) on such Distribution Date; provided, however, that, on any date after the Series 2012-1 Letter of Credit Termination Date, the Series 2012-1 Cash Collateral Account Surplus shall mean the excess, if any, of (x) the Series 2012-1 Available Cash Collateral Account Amount over (y) the Series 2012-1 Demand Note Payment Amount minus the Pre-Preference Period Demand Note Payments as of such date.

“Series 2012-1 Cash Collateral Percentage” means, as of any date of determination, the percentage equivalent of a fraction, the numerator of which is the Series 2012-1 Available Cash Collateral Amount as of such date and the denominator of which is the Series 2012-1 Letter of Credit Liquidity Amount as of such date.

“Series 2012-1 Change in Control” means (a) Avis Budget Group, Inc. shall at any time cease to own or control, directly or indirectly, greater than 50% of the Voting Stock of ABCR, BRAC or BTR or (b) CPF is no longer indirectly wholly owned by ABCR.

“Series 2012-1 Closing Date” is defined in Section 3.1(a).

“Series 2012-1 Closing Date Hedge” is defined in Section 5.12(a).

“Series 2012-1 Collateral” means the Collateral, the Group I Collateral, each Series 2012-1 Letter of Credit, each Series 2012-1 Demand Note, the Series 2012-1 Interest Rate Hedge Collateral, the Series 2012-1 Cash Collateral Account Collateral, the Series 2012-1 Reserve Account Collateral and the Series 2012-1 Other Account Collateral.

“Series 2012-1 Collection Account” is defined in Section 5.1(b).

“Series 2012-1 Commitment Termination Date” means, initially, March 13, 2013; provided that the Series 2012-1 Commitment Termination Date may be extended to the 364th day (or, if the 364th day following a Series 2012-1 Commitment Termination Date is not a Business Day, the immediately preceding Business Day) following each Series 2012-1 Commitment Termination Date upon the written agreement of the Series 2012-1 Noteholders.

“Series 2012-1 Controlled Amortization Amount” means, with respect to the Series 2012-1 Notes for any Distribution Date during the Series 2012-1 Controlled Amortization Period, the lesser of (i) the result of (a) one-twelfth of the Series 2012-1 Invested Amount as of the date of the commencement of the Series 2012-1 Controlled Amortization Period minus (b) the aggregate amount of any voluntary Decreases effected on or after the Series 2012-1 Commitment Termination Date pursuant to Section 3.5 of this Series Supplement and paid to each Funding Agent with respect to a CP Conduit Purchaser Group and each Non-Conduit Purchaser pursuant to Section 5.5(b) of this Series Supplement during the Related Month and (ii) the Series 2012-1 Invested Amount; provided, that, for purposes of calculating the amount in clause (i) above, (x) if the aggregate amount of any voluntary Decreases effected on or after the Series 2012-1 Commitment Termination Date during a Related Month exceeds the Series 2012-1 Controlled Amortization Amount for the related Distribution Date, any such excess shall be applied to decrease the amount in clause (i)(a) above for the next succeeding Distribution Date (and, if any excess remains, for each subsequent Distribution Date until such excess has been exhausted) and (y) any amounts used to make principal payments in respect of the Series 2012-1 Notes on any Distribution Date during the Series 2012-1 Controlled Amortization Period in accordance with Section 5.2(b)(ii) in excess of the Series 2012-1 Controlled Amortization Amount for such Distribution Date shall be applied to decrease the amount in clause (i)(a) above for the next succeeding Distribution Date (and, if any excess remains, for each subsequent Distribution Date until such excess has been exhausted).

“Series 2012-1 Controlled Amortization Period” means the period commencing on the Series 2012-1 Commitment Termination Date and continuing to the earlier of (i) the commencement of the Series 2012-1 Rapid Amortization Period, and (ii) the date on which the Series 2012-1 Notes are paid in full.

“Series 2012-1 Controlled Amortization Period Monthly Payment Amount” is defined in Section 5.5(a)(i).

“Series 2012-1 Demand Note” means each demand note made by ABCR or BRAC, substantially in the form of Exhibit G to this Series Supplement, as amended, modified or restated from time to time.

“Series 2012-1 Demand Note Payment Amount” means, as of the Series 2012-1 Letter of Credit Termination Date, the aggregate amount of all proceeds of demands made on the Series 2012-1 Demand Notes pursuant to Section 5.5(c)(iii) or 5.5(d)(ii) that were deposited into the Series 2012-1 Distribution Account and paid to the Series 2012-1 Noteholders during the one-year period ending on the Series 2012-1 Letter of Credit Termination Date; provided, however, that if an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to BRAC shall have occurred during such one-year period, the Series 2012-1 Demand Note Payment Amount as of the Series 2012-1 Letter of Credit Termination Date shall equal the Series 2012-1 Demand Note Payment Amount as if it were calculated as of the date of such occurrence.

“Series 2012-1 Deposit Date” is defined in Section 5.2.

“Series 2012-1 Disposition Agent Fees” means, for any Distribution Date during the Series 2012-1 Rapid Amortization Period on which there exists a Series 2012-1 Lease Interest Payment Deficit, an amount equal to the product of (x) the fees due and payable to the Group I Disposition Agent pursuant to the terms of the Group I Disposition Agent Agreement and (y) the Series 2012-1 Invested Percentage (as used with respect to Principal Collections).

“Series 2012-1 Distribution Account” is defined in Section 5.9(a).

“Series 2012-1 Eligible Letter of Credit Provider” means a person satisfactory to ABCR and the Administrative Agent and having, at the time of the issuance of the related Series 2012-1 Letter of Credit, a long-term senior unsecured debt rating of at least “A” from S&P and a short-term senior unsecured debt rating of at least “A-1” from S&P and a long-term senior unsecured debt rating of at least “A1” from Moody’s and a short-term senior unsecured debt rating of “P-1” from Moody’s that is a commercial bank having total assets in excess of \$500,000,000.

“Series 2012-1 Enhancement” means the Series 2012-1 Cash Collateral Account Collateral, the Series 2012-1 Letters of Credit, the Series 2012-1 Demand Notes and the Series 2012-1 Overcollateralization Amount and the Series 2012-1 Reserve Account Amount.

“Series 2012-1 Enhancement Adjustment Percentage” means, with respect to any date of determination, the lowest of (w) the lowest of the three Measurement Month Averages immediately preceding such date, (x) the Series 2012-1 Six Month Enhancement Adjustment Percentage with respect to such date, (y) the Series 2012-1 Three Month Enhancement Adjustment Percentage with respect to such date and (z) the Series 2012-1 Twelve Month Enhancement Adjustment Percentage with respect to such date.

“Series 2012-1 Enhancement Amount” means, as of any date of determination, the sum of (i) the Series 2012-1 Overcollateralization Amount as of such date, (ii) the Series 2012-1 Letter of Credit Amount as of such date and (iii) the Series 2012-1 Available Reserve Account Amount as of such date.

“Series 2012-1 Enhancement Deficiency” means, as of any date of determination, the amount, if any, by which the Series 2012-1 Enhancement Amount as of such date is less than the Series 2012-1 Required Enhancement Amount as of such date.

“Series 2012-1 Initial Invested Amount” is defined in Section 3.3(a).

“Series 2012-1 Interest Period” means a period commencing on and including a Distribution Date and ending on and including the day preceding the next succeeding Distribution Date; provided, however, that the initial Series 2012-1 Interest Period shall commence on and include the Series 2012-1 Closing Date and end on and include April 19, 2012.

“Series 2012-1 Interest Rate Hedge” has the meaning specified in Section 5.12(a).

“Series 2012-1 Interest Rate Hedge Collateral” has the meaning specified in Section 5.12(d).

“Series 2012-1 Interest Rate Hedge Payments” means any amounts payable by CPF to an Interest Rate Hedge Counterparty from time to time in respect of a Series 2012-1 Interest Rate Hedge.

“Series 2012-1 Interest Rate Hedge Proceeds” means the amounts received by the Trustee from an Interest Rate Hedge Counterparty from time to time in respect of a Series 2012-1 Interest Rate Hedge (including amounts received from a guarantor or from collateral).

“Series 2012-1 Invested Amount” means on any date of determination the sum of the Purchaser Group Invested Amounts with respect to each of the Purchaser Groups on such date.

“Series 2012-1 Invested Percentage” means as of any date of determination:

(a) when used with respect to Principal Collections, the percentage equivalent (which percentage shall never exceed 100%) of a fraction the numerator of which shall be equal to the sum of the Series 2012-1 Invested Amount and the Series 2012-1 Overcollateralization Amount, determined, (x) during the Series 2012-1 Revolving Period, as of the immediately preceding Business Day, (y) following the commencement of the Series 2012-1 Amortization Period but prior to the occurrence of an Amortization Event with respect to any other Group I Series of Notes during such Series 2012-1 Amortization Period, as of the last day of the Series 2012-1 Revolving Period and (z) following the commencement of the Series 2012-1 Amortization Period and after the occurrence of an Amortization Event with respect to any other Group I Series of Notes during such Series 2012-1 Amortization Period, as of the Business Day immediately preceding the day on which the last occurring Amortization Event with respect to any other Group I Series of Notes is deemed to have occurred, and the denominator of which shall be the greater as of the end of the immediately preceding Business Day of (x) the Borrowing Base with respect to the Group I Series of Notes and (y) the sum of the numerators used to determine Invested Percentages for allocations with respect to Principal Collections (for all Group I Series of Notes and all classes of such Group I Series of Notes); and

(b) when used with respect to Interest Collections, the percentage equivalent (which percentage shall never exceed 100%) of a fraction the numerator of which shall be

the Accrued Amounts with respect to the Series 2012-1 Notes on such date of determination, and the denominator of which shall be the aggregate Accrued Amounts with respect to all Group I Series of Notes on such date of determination.

“Series 2012-1 Lease Interest Payment Deficit” means on any Distribution Date an amount equal to the excess, if any, of (a) the aggregate amount of Interest Collections which pursuant to Section 5.2(a) would have been allocated to the Series 2012-1 Accrued Interest Account if all payments of Monthly Base Rent required to have been made under the Group I CPF Lease from and excluding the preceding Distribution Date to and including such Distribution Date were made in full over (b) the aggregate amount of Interest Collections which pursuant to Section 5.2(a) have been allocated to the Series 2012-1 Accrued Interest Account (excluding any amounts paid into the Series 2012-1 Accrued Interest Account pursuant to the proviso in Section 5.2(a)(ii)) from and excluding the preceding Distribution Date to and including such Distribution Date.

“Series 2012-1 Lease Payment Deficit” means either a Series 2012-1 Lease Interest Payment Deficit or a Series 2012-1 Lease Principal Payment Deficit.

“Series 2012-1 Lease Principal Payment Carryover Deficit” means (a) for the initial Distribution Date, zero and (b) for any other Distribution Date, the excess of (x) the Series 2012-1 Lease Principal Payment Deficit, if any, on the preceding Distribution Date over (y) the amount deposited in the Distribution Account on such preceding Distribution Date pursuant to Section 5.5(c)(i) and (ii) of this Series Supplement on account of such Series 2012-1 Lease Principal Payment Deficit.

“Series 2012-1 Lease Principal Payment Deficit” means on any Distribution Date the sum of (a) the Series 2012-1 Monthly Lease Principal Payment Deficit for such Distribution Date and (b) the Series 2012-1 Lease Principal Payment Carryover Deficit for such Distribution Date.

“Series 2012-1 Letter of Credit” means an irrevocable letter of credit, if any, substantially in the form of Exhibit I to this Series Supplement issued by a Series 2012-1 Eligible Letter of Credit Provider in favor of the Trustee for the benefit of the Series 2012-1 Noteholders.

“Series 2012-1 Letter of Credit Amount” means, as of any date of determination, the lesser of (a) the sum of (i) the aggregate amount available to be drawn on such date under each Series 2012-1 Letter of Credit, as specified therein, and (ii) if the Series 2012-1 Cash Collateral Account has been established and funded pursuant to Section 5.8, the Series 2012-1 Available Cash Collateral Account Amount on such date and (b) the aggregate outstanding principal amount of the Series 2012-1 Demand Notes on such date.

“Series 2012-1 Letter of Credit Expiration Date” means, with respect to any Series 2012-1 Letter of Credit, the expiration date set forth in such Series 2012-1 Letter of Credit, as such date may be extended in accordance with the terms of such Series 2012-1 Letter of Credit.

“Series 2012-1 Letter of Credit Liquidity Amount” means, as of any date of determination, the sum of (a) the aggregate amount available to be drawn on such date under

each Series 2012-1 Letter of Credit, as specified therein, and (b) if the Series 2012-1 Cash Collateral Account has been established and funded pursuant to Section 5.8 of this Series Supplement, the Series 2012-1 Available Cash Collateral Account Amount on such date.

“Series 2012-1 Letter of Credit Provider” means the issuer of a Series 2012-1 Letter of Credit.

“Series 2012-1 Letter of Credit Termination Date” means the first to occur of (a) the date on which the Series 2012-1 Notes are fully paid and (b) the Series 2012-1 Termination Date.

“Series 2012-1 Limited Liquidation Event of Default” means, so long as such event or condition continues, any event or condition of the type specified in clauses (a) through (i) of Article VI.

“Series 2012-1 Liquid Enhancement Amount” means, as of any date of determination, the sum of (i) the Series 2012-1 Letter of Credit Liquidity Amount as of such date and (ii) the Series 2012-1 Available Reserve Account Amount as of such date.

“Series 2012-1 Liquid Enhancement Deficiency” means, as of any date of determination, the amount, if any, by which the Series 2012-1 Liquid Enhancement Amount as of such date is less than the Series 2012-1 Required Liquid Enhancement Amount as of such date.

“Series 2012-1 Maximum Invested Amount” means the sum of the Maximum Purchaser Group Invested Amounts with respect to each of the Purchaser Groups; provided that, for the avoidance of doubt, the Series 2012-1 Maximum Invested Amount shall not exceed \$200,000,000.

“Series 2012-1 Monthly Interest” means, with respect to any Series 2012-1 Interest Period, an amount equal to the product of (a) the average daily Series 2012-1 Invested Amount during such Series 2012-1 Interest Period, (b) the Series 2012-1 Note Rate for such Series 2012-1 Interest Period and (c) the number of days in such Series 2012-1 Interest Rate Period divided by 360.

“Series 2012-1 Monthly Lease Principal Payment Deficit” means on any Distribution Date an amount equal to the excess, if any, of (a) the aggregate amount of Principal Collections which pursuant to Section 5.2(a) would have been allocated to the Series 2012-1 Collection Account if all payments required to have been made under the Group I CPF Lease from and excluding the preceding Distribution Date to and including such Distribution Date were made in full over (b) the aggregate amount of Principal Collections which pursuant to Section 5.2(a) have been allocated to the Series 2012-1 Collection Account (without giving effect to any amounts paid into the Series 2012-1 Accrued Interest Account pursuant to the proviso in Section 5.2(a)(ii)) from and excluding the preceding Distribution Date to and including such Distribution Date.

“Series 2012-1 Note” means any one of the Series 2012-1 Variable Funding Rental Truck Asset Backed Notes, executed by CPF and authenticated and delivered by or on

behalf of the Trustee, substantially in the form of Exhibit A. Definitive Series 2012-1 Notes shall have such insertions and deletions as are necessary to give effect to the provisions of Section 2.19 of the Base Indenture.

“Series 2012-1 Note Rate” means for any Series 2012-1 Interest Period, the interest rate equal to the product of (a) the percentage equivalent of a fraction, the numerator of which is equal to the sum of the Monthly Funding Costs with respect to each Purchaser Group for such Series 2012-1 Interest Period and the denominator of which is equal to the average daily Series 2012-1 Invested Amount during such Series 2012-1 Interest Period and (b) a fraction, the numerator of which is 360 and the denominator of which is the number of days in such Series 2012-1 Interest Period; provided, however, that the Series 2012-1 Note Rate will in no event be higher than the maximum rate permitted by applicable law.

“Series 2012-1 Noteholder” means a Person in whose name a Series 2012-1 Note is registered in the Note Register.

“Series 2012-1 Other Account Collateral” is defined in Section 5.9(d).

“Series 2012-1 Overcollateralization Amount” means (i) as of any date on which no Borrowing Base Deficiency exists with respect to the Group I Series of Notes, the Series 2012-1 Required Overcollateralization Amount as of such date and (ii) as of any date on which a Borrowing Base Deficiency exists with respect to the Group I Series of Notes, the excess, if any, of (x) the Series 2012-1 Borrowing Base as of such date over (y) the Series 2012-1 Invested Amount as of such date.

“Series 2012-1 Partial Commitment Termination” means that the Commitment of an APA Bank included in a Purchaser Group is not extended on or before the 30<sup>th</sup> day preceding a Series 2012-1 Commitment Termination Date and such Commitment is not assumed by another APA Bank in accordance with Section 3.9 on or before the applicable Series 2012-1 Commitment Termination Date.

“Series 2012-1 Partial Commitment Termination Percentage” means, with respect to any Series 2012-1 Partial Commitment Termination, the percentage equivalent of a fraction the numerator of which is the aggregate Commitment of the applicable Series 2012-1 Terminating Purchasers and the denominator of which is the aggregate Commitments of all APA Banks, prior to giving effect to such Series 2012-1 Partial Commitment Termination.

“Series 2012-1 Past Due Rent Payment” is defined in Section 5.2(c).

“Series 2012-1 Percentage” means, as of any date of determination, a fraction, expressed as a percentage, the numerator of which is the Series 2012-1 Invested Amount as of such date and the denominator of which is the sum of the Invested Amount of each Series of Notes in each Group outstanding as of such date.

“Series 2012-1 Permanent Interest Rate Hedge” is defined in Section 5.12(a).

“Series 2012-1 Principal Deficit Amount” means, as of any date of determination, the excess, if any, of (a) the Series 2012-1 Invested Amount as of such date over (b) the excess of the Series 2012-1 Borrowing Base over the Series 2012-1 Required Overcollateralization Amount as of such date.



“Series 2012-1 Principal Subaccount” is defined in Section 5.1(b).

“Series 2012-1 Rapid Amortization Period” means the period beginning on the earlier to occur of (a) the close of business on the Business Day immediately preceding the day on which an Amortization Event is deemed to have occurred with respect to the Series 2012-1 Notes and (b) the close of business on the Business Day immediately preceding the Optional Termination Date and ending upon the earlier to occur of (i) the date on which the Series 2012-1 Notes are fully paid and (ii) the termination of the Indenture.

“Series 2012-1 Rapid Amortization Period Monthly Payment Amount” is defined in Section 5.5(a)(ii).

“Series 2012-1 Reimbursement Agreement” means any and each agreement providing for the reimbursement of a Series 2012-1 Letter of Credit Provider for draws under its Series 2012-1 Letter of Credit as the same may be amended, supplemented, restated or otherwise modified from time to time.

“Series 2012-1 Related Documents” means, with respect to the Series 2012-1 Notes, the Base Indenture, this Series Supplement, the Series 2012-1 Notes, any Group I Nominee Agreements, the Group I Administration Agreement, the Group I Disposition Agent Agreement, the Group I Back-up Administration Agreement, the Collection Account Control Agreement, the Group I Collection Account Control Agreement, any agreements relating to the issuance or the purchase of any Series 2012-1 Notes, any Enhancement Agreements for the Series 2012-1 Enhancement, the Group I CPF Lease and the Supplemental Documents relating to the Group I CPF Lease.

“Series 2012-1 Required Borrowing Base” means, as of any date of determination, the sum of (a) the Series 2012-1 Required Overcollateralization Amount as of such date and (b) the Series 2012-1 Invested Amount as of such date.

“Series 2012-1 Required Enhancement Amount” means, as of any date of determination, the product of (a) the Series 2012-1 Adjusted Required Enhancement Percentage as of such date and (b) the Series 2012-1 Invested Amount as of such date.

“Series 2012-1 Required Enhancement Percentage” means, as of any date of determination, 50.0%.

“Series 2012-1 Required Liquid Enhancement Amount” means, as of any date of determination, the greater of (a) the product of (i) the Series 2012-1 Required Liquid Enhancement Percentage as of such date and (ii) the Series 2012-1 Invested Amount as of such date and (b) (i) during the Series 2012-1 Revolving Period, zero and (ii) during the Series 2012-1 Controlled Amortization Period or the Series 2012-1 Rapid Amortization Period, the lesser of (x) the Series 2012-1 Invested Amount and (y) \$10 million.

“Series 2012-1 Required Liquid Enhancement Percentage” means, as of any date of determination, 13.75%.

“Series 2012-1 Required Noteholders” means Purchaser Groups having Purchaser Group Invested Amounts, in the aggregate, exceeding 50% of the Series 2012-1 Invested Amount.

“Series 2012-1 Required Overcollateralization Amount” means, as of any date of determination, the excess of (a) the Series 2012-1 Required Enhancement Amount as of such date over (b) the sum of (i) the Series 2012-1 Letter of Credit Amount as of such date and (ii) the Series 2012-1 Available Reserve Account Amount as of such date.

“Series 2012-1 Required Reserve Account Amount” means, with respect to any Distribution Date, an amount equal to the sum of (a) the greater of (i) the excess, if any, of the Series 2012-1 Required Liquid Enhancement Amount on such Distribution Date over the Series 2012-1 Liquid Enhancement Amount on such Distribution Date (excluding therefrom the Series 2012-1 Available Reserve Account Amount) and (ii) the excess, if any, of the Series 2012-1 Required Enhancement Amount over the Series 2012-1 Enhancement Amount on such Distribution Date (excluding therefrom the Series 2012-1 Available Reserve Account Amount) plus (b) the Demand Note Preference Payment Amount.

“Series 2012-1 Reserve Account” is defined in Section 5.7(a).

“Series 2012-1 Reserve Account Collateral” is defined in Section 5.7(d).

“Series 2012-1 Reserve Account Surplus” means, with respect to any Distribution Date, the excess, if any, of the Series 2012-1 Available Reserve Account Amount over the Series 2012-1 Required Reserve Account Amount on such Distribution Date.

“Series 2012-1 Revolving Period” means the period from and including the Series 2012-1 Closing Date to the earlier to occur of (a) the Series 2012-1 Commitment Termination Date, and (b) the close of business on the Business Day immediately preceding the day on which an Amortization Event is deemed to have occurred or been declared with respect to the Series 2012-1 Notes.

“Series 2012-1 Shortfall” is defined in Section 5.3(f).

“Series 2012-1 Six Month Enhancement Adjustment Percentage” means, with respect to any date, the percentage equivalent of a fraction, the numerator of which is the aggregate amount of Disposition Proceeds of all Group I CPF Trucks sold during the six calendar months immediately preceding such date, and the denominator of which is the aggregate Termination Value of such Group I CPF Trucks on the dates of their respective sales. For the avoidance of doubt, any Series 2012-1 Six Month Enhancement Adjustment Percentage calculation made after the Series 2012-1 Closing Date shall be calculated based on the Termination Value Curve Schedule attached to the Group I CPF Lease after giving effect to the amendments (including the inclusion of a new Termination Value Curve Schedule) to the Group I CPF Lease on the Series 2012-1 Closing Date.

“Series 2012-1 Terminating Purchaser” means, in the event of a Series 2012-1 Partial Commitment Termination, each APA Bank that is not extending its commitment and the related CP Conduit Purchaser collectively.

“Series 2012-1 Termination Date” means the date that is twelve months following the Series 2012-1 Commitment Termination Date.

“Series 2012-1 Three Month Enhancement Adjustment Percentage” means, with respect to any date, the percentage equivalent of a fraction, the numerator of which is the aggregate amount of Disposition Proceeds of all Group I CPF Trucks sold during the three calendar months immediately preceding such date, and the denominator of which is the aggregate Termination Value of such Group I CPF Trucks on the dates of their respective sales. For the avoidance of doubt, any Series 2012-1 Three Month Enhancement Adjustment Percentage calculation made after the Series 2012-1 Closing Date shall be calculated based on the Termination Value Curve Schedule attached to the Group I CPF Lease after giving effect to the amendments (including the inclusion of a new Termination Value Curve Schedule) to the Group I CPF Lease on the Series 2012-1 Closing Date.

“Series 2012-1 Trustee Fees” means, for any Distribution Date during the Series 2012-1 Rapid Amortization Period on which there exists a Series 2012-1 Lease Interest Payment Deficit, a portion of the fees payable to the Trustee in an amount equal to the product of (i) the Series 2012-1 Percentage as of the beginning of the Series 2012-1 Interest Period ending on the day preceding such Distribution Date and (ii) the fees owing to the Trustee under the Indenture.

“Series 2012-1 Twelve Month Enhancement Adjustment Percentage” means, with respect to any date, the percentage equivalent of a fraction, the numerator of which is the aggregate amount of Disposition Proceeds of all Group I CPF Trucks sold during the twelve calendar months immediately preceding such date, and the denominator of which is the aggregate Termination Value of such Group I CPF Trucks on the dates of their respective sales. For the avoidance of doubt, any Series 2012-1 Twelve Month Enhancement Adjustment Percentage calculation made after the Series 2012-1 Closing Date shall be calculated based on the Termination Value Curve Schedule attached to the Group I CPF Lease after giving effect to the amendments (including the inclusion of a new Termination Value Curve Schedule) to the Group I CPF Lease on the Series 2012-1 Closing Date.

“Series 2012-1 Unpaid Demand Amount” means, with respect to any single draw pursuant to Section 5.5(c) or (e) on the Series 2012-1 Letters of Credit, the aggregate amount required to be drawn by the Trustee on all Series 2012-1 Letters of Credit.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal (rounded up to the nearest 1/100th of 1%) established by the Board with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to Regulation D. Eurodollar Tranches shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements

without benefit of or credit for proration, exemptions or offsets that may be available from time to time under such Regulation D or comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the reserve percentage.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Termination Date Disbursement” means an amount drawn under a Series 2012-1 Letter of Credit pursuant to a Certificate of Termination Date Demand.

“Termination Disbursement” means an amount drawn under a Series 2012-1 Letter of Credit pursuant to a Certificate of Termination Demand.

“Transfer Supplement” is defined in Section 12.1(c).

“Transferee” is defined in Section 12.1(f).

“Trustee” is defined in the recitals hereto.

“Unpaid Demand Note Disbursement” means an amount drawn under a Series 2012-1 Letter of Credit pursuant to a Certificate of Unpaid Demand Note Demand.

“Up-Front Fee” is defined in the Up-Front Fee Letter.

“Up-Front Fee Letter” means that certain letter agreement dated as of March 14, 2012, from CPF addressed to the Administrative Agent, each Non-Conduit Purchaser and each CP Conduit Purchaser, Funding Agent and APA Bank, setting forth the up-front fee payable to the Purchaser Groups, as the same may be amended, restated or otherwise modified from time to time.

“Voting Stock” of any Person means the common stock or membership interests of such Person and any other security of, or ownership interest in, such Person having ordinary voting power to elect a majority of the board of directors or a majority of the managers (or other Persons serving similar functions) of such Person.

### ARTICLE III

#### PURCHASE AND SALE OF SERIES 2012-1 NOTES; INCREASES AND DECREASES OF SERIES 2012-1 INVESTED AMOUNT

##### Section 3.1 Purchases of the Series 2012-1 Notes.

(a) Series 2012-1 Closing Date. Subject to the terms and conditions of this Series Supplement, including delivery of notice in accordance with Section 3.3, (i) each Non-Conduit Purchaser shall purchase and each CP Conduit Purchaser may, in its sole discretion,

purchase a Series 2012-1 Note in an amount equal to all or, in the case of a CP Conduit Purchaser, a portion, of its Commitment Percentage of the Series 2012-1 Initial Invested Amount on any Business Day specified by CPF in such notice provided pursuant to Section 3.3 (the "Series 2012-1 Closing Date") and in the case of a CP Conduit Purchaser, if such CP Conduit Purchaser shall have notified the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser that it has elected not to fund a Series 2012-1 Note in an amount equal to its Commitment Percentage of the Series 2012-1 Initial Invested Amount on the Series 2012-1 Closing Date, each APA Bank with respect to such CP Conduit Purchaser shall fund on the Series 2012-1 Closing Date its APA Bank Percentage of that portion of such Series 2012-1 Note not to be funded by such CP Conduit Purchaser and (ii) thereafter, (A) if a Non-Conduit Purchaser or a CP Conduit Purchaser shall have purchased a Series 2012-1 Note, such Non-Conduit Purchaser shall increase and such CP Conduit Purchaser may, in its sole discretion, increase the outstanding principal amount of its Series 2012-1 Note during the Series 2012-1 Revolving Period in accordance with the provisions of this Series Supplement and (B) the APA Banks with respect to each CP Conduit Purchaser shall increase their respective APA Bank Percentages of the outstanding principal amount of the Series 2012-1 Note with respect to such CP Conduit Purchaser Group during the Series 2012-1 Revolving Period in accordance with the provisions of this Series Supplement. Payments by each Non-Conduit Purchaser Group shall be made in immediately available funds on the Series 2012-1 Closing Date to the Trustee for deposit into the Series 2012-1 Collection Account. Payments by each CP Conduit Purchaser and/or the APA Banks with respect to such CP Conduit Purchaser shall be made in immediately available funds on the Series 2012-1 Closing Date to the Funding Agent with respect to such CP Conduit Purchaser for remittance to the Trustee for deposit into the Series 2012-1 Collection Account.

(b) Form of Series 2012-1 Notes. The Series 2012-1 Notes shall be issued in fully registered form without interest coupons, substantially in the form set forth in Exhibit A hereto.

Section 3.2 Delivery.

(a) On the Series 2012-1 Closing Date, CPF shall sign and shall direct the Trustee in writing pursuant to Section 2.2 of the Base Indenture to duly authenticate, and the Trustee, upon receiving such direction, shall so authenticate a Series 2012-1 Note (i) in the case of a CP Conduit Purchaser Group, in the name of the Funding Agent with respect to each CP Conduit Purchaser Group in an amount equal to the Maximum Purchaser Group Invested Amount with respect to such CP Conduit Purchaser Group and deliver such Series 2012-1 Note to such Funding Agent in accordance with such written directions or (ii) in the case of a Non-Conduit Purchaser Group, in the name of the Related Non-Conduit Purchaser in an amount equal to the Maximum Purchaser Group Invested Amount with respect to such Related Non-Conduit Purchaser Group and deliver such 2012-1 Note to such Related Non-Conduit Purchaser in accordance with such written directions.

(b) The Administrative Agent shall maintain a record of the actual Purchaser Group Invested Amount outstanding with respect to each Purchaser Group and the actual Series

2012-1 Invested Amount outstanding on any date of determination, which, absent manifest error, shall constitute prima facie evidence of the outstanding Purchaser Group Invested Amounts and outstanding Series 2012-1 Invested Amount from time to time. Upon a written request from the Trustee, the Administrative Agent shall provide in writing the identity of the Purchaser Groups, the related Funding Agents for each CP Conduit Purchaser Group, the Purchaser Group Invested Amount for each Purchaser Group and the Pro Rata Share with respect to such Purchaser Group to the Trustee.

Section 3.3 Procedure for Issuance of the Series 2012-1 Initial Invested Amount and for Increasing the Series 2012-1 Invested Amount.

(a) Subject to Section 3.3(c), (i) on the Series 2012-1 Closing Date, each Non-Conduit Purchaser shall purchase, and each CP Conduit Purchaser may agree, in its sole discretion, to purchase, and the APA Banks with respect to such CP Conduit Purchaser shall purchase, a Series 2012-1 Note in accordance with Section 3.1; and (ii) on any Business Day during the Series 2012-1 Revolving Period, (a) in the case of a Non-Conduit Purchaser Group, the related Non-Conduit Purchaser hereby agrees, that the Non-Conduit Purchaser Group Invested Amount with respect to such Purchaser Group may be increased by an amount equal to the Commitment Percentage of the Increase Amount, (b) in the case of a CP Conduit Purchaser Group, the CP Conduit Purchaser in such CP Conduit Purchaser Group may agree, in its sole discretion, that the Purchaser Group Invested Amount with respect to such Purchaser Group may be increased by an amount equal to the Commitment Percentage with respect to such Purchaser Group of the Increase Amount, or (c) in the case of a CP Conduit Purchaser Group, each APA Bank in such CP Conduit Purchaser Group hereby agrees that the Purchaser Group Invested Amount with respect to such Purchaser Group may be increased by an amount equal to its APA Bank Percentage of the Commitment Percentage with respect to such Purchaser Group of the Increase Amount (an “Increase”), upon the request of CPF (each date upon which an Increase occurs hereunder being referred to as the “Increase Date” applicable to such Increase); provided, that CPF shall have given the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser (with a copy to the Trustee) irrevocable written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Exhibit B hereto, of such request no later than 3:00 p.m. (New York City time) on the second Business Day prior to the Series 2012-1 Closing Date or such Increase Date, as the case may be. Such notice shall state (x) the Series 2012-1 Closing Date or the Increase Date, as the case may be, and (y) the initial aggregate principal amount of the Series 2012-1 Note (the “Series 2012-1 Initial Invested Amount”) or the proposed amount of the Increase (each, an “Increase Amount”), as the case may be. The obligations of each Purchaser Group to fund an Increase Amount is several and no Purchaser Group shall be responsible for the failure of another Purchaser Group to fund its Increase.

(b) If a CP Conduit Purchaser elects not to fund the full amount of its Commitment Percentage of the Series 2012-1 Initial Invested Amount or a requested Increase, such CP Conduit Purchaser shall notify the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser, and each APA Bank with respect to such CP Conduit Purchaser shall fund its APA Bank Percentage of the portion of the Commitment Percentage with respect to such Purchaser Group of the Series 2012-1 Initial Invested Amount or such Increase, as the case may be, not funded by such CP Conduit Purchaser.

(c) No Purchaser Group shall be required to make the initial purchase of a Series 2012-1 Note on the Series 2012-1 Closing Date or to increase its Purchaser Group Invested Amount on any Increase Date hereunder unless:

(i) such Purchaser Group's Commitment Percentage of the Series 2012-1 Initial Invested Amount or such Increase Amount is equal to (A) \$1,000,000 or an integral multiple of \$100,000 in excess thereof or (B) if less, the excess of the Maximum Purchaser Group Invested Amount with respect to such Purchaser Group over the Purchaser Group Invested Amount with respect to such Purchaser Group;

(ii) after giving effect to the initial purchase of the Series 2012-1 Notes or such Increase, as the case may be, (A) the Purchaser Group Invested Amount with respect to such Purchaser Group would not exceed the Maximum Purchaser Group Invested Amount with respect to such Purchaser Group and (B) the Series 2012-1 Invested Amount would not exceed the Series 2012-1 Maximum Invested Amount;

(iii) after giving effect to the initial purchase of the Series 2012-1 Notes or such Increase, as the case may be, no Series 2012-1 Enhancement Deficiency would occur and be continuing;

(iv) no Amortization Event with respect to the Series 2012-1 Notes or Potential Amortization Event with respect to the Series 2012-1 Notes would occur and be continuing prior to or after giving effect to the issuance of the Series 2012-1 Notes or such Increase, as the case may be;

(v) the Series 2012-1 Revolving Period has not ended; and

(vi) all of the representations and warranties made by each of CPF, the Lessee, the Guarantor and the Administrator in the Base Indenture, this Series Supplement and the Series 2012-1 Related Documents to which each is a party are true and correct in all material respects (other than representations and warranties expressly subject to materiality, which shall be true and correct) on and as of the Series 2012-1 Closing Date or such Increase Date, as the case may be, as if made on and as of such date (except to the extent such representations and warranties are expressly made as of another date).

CPF's acceptance of funds in connection with (x) the initial purchase of Series 2012-1 Notes on the Series 2012-1 Closing Date and (y) each Increase occurring on any Increase Date shall constitute a representation and warranty by CPF to the Purchaser Groups as of the Series 2012-1 Closing Date or such Increase Date (except to the extent such representations and warranties are expressly made as of another date), as the case may be, that all of the conditions contained in this Section 3.3(c) have been satisfied.

(d) Upon receipt of any notice required by Section 3.3(a) from CPF, the Administrative Agent shall forward (by telecopy or electronic messaging system) a copy of such notice to each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit

Purchaser Group, no later than 5:00 p.m. (New York City time) on the day received. After receipt by any Funding Agent with respect to a CP Conduit Purchaser Group of such notice from the Administrative Agent, such Funding Agent shall, so long as the conditions set forth in Sections 3.3(a) and (c) are satisfied, promptly provide telephonic notice to the related CP Conduit Purchaser and the related APA Banks of the Series 2012-1 Closing Date or Increase Date, as the case may be, and of such CP Conduit Purchaser Group's Commitment Percentage of the Series 2012-1 Initial Invested Amount or such Increase Amount, as the case may be. If such CP Conduit Purchaser elects to fund all or a portion of its Commitment Percentage of the Series 2012-1 Initial Invested Amount or Increase Amount, as the case may be, such CP Conduit Purchaser shall pay in immediately available funds its Commitment Percentage (or any portion thereof) of the amount of the Series 2012-1 Initial Invested Amount or such Increase on the Series 2012-1 Closing Date or such Increase Date, as the case may be, to the Funding Agent with respect to such CP Conduit Purchaser Group for deposit into the Series 2012-1 Collection Account. If such CP Conduit Purchaser does not fund the full amount of its Commitment Percentage of the Series 2012-1 Initial Invested Amount or the Increase Amount, as the case may be, and the related APA Banks are required to fund the portion thereof not funded by the CP Conduit Purchaser, each such APA Bank shall pay in immediately available funds its APA Bank Percentage of such portion on the Series 2012-1 Closing Date or such Increase Date to the Funding Agent with respect to such CP Conduit Purchaser Group for deposit in the Series 2012-1 Collection Account. Each Funding Agent shall remit the amounts received by it from its CP Conduit Purchaser or the related APA Banks pursuant to this Section 3.3(d) to the Trustee for deposit into the Series 2012-1 Collection Account. So long as the conditions set forth in Sections 3.3(a) and (c) are satisfied, each Non-Conduit Purchaser shall pay in immediately available funds the Commitment Percentage of such Non-Conduit Purchaser of the Series 2012-1 Initial Invested Amount on the Series 2012-1 Closing Date or the amount of such Increase on the related Increase Date to the Trustee for deposit into the Series 2012-1 Collection Account.

Section 3.4 Sales by CP Conduit Purchasers of Series 2012-1 Notes to APA Banks. Notwithstanding any limitation to the contrary contained herein, each CP Conduit Purchaser may, in its own discretion, at any time, sell or assign all or any portion of its interest in its Series 2012-1 Note to any Conduit Assignee or to the APA Banks with respect to such CP Conduit Purchaser pursuant to, and subject to the terms and conditions of the Asset Purchase Agreement with respect to such CP Conduit Purchaser or otherwise.

Section 3.5 Procedure for Decreasing the Series 2012-1 Invested Amount. On any Business Day prior to the occurrence of an Amortization Event with respect to the Series 2012-1 Notes, upon the written request of CPF or the Administrator on behalf of CPF, the Series 2012-1 Invested Amount may be reduced (a "Decrease") by the Trustee's withdrawing from the Series 2012-1 Principal Subaccount, depositing into the Series 2012-1 Distribution Account and distributing to the Administrative Agent funds on deposit in the Series 2012-1 Principal Subaccount on such day in accordance with Section 5.5(b) in an amount not to exceed the amount of such funds on deposit on such day; provided that (i) CPF shall have given the Administrative Agent (with a copy to the Trustee) irrevocable written notice (effective upon receipt) of the amount of such Decrease prior to 9:30 a.m. (New York City time) on the second



Business Day prior to such Decrease and (ii) any such Decrease shall be in an amount equal to \$5,000,000 and integral multiples of \$250,000 in excess thereof (or, if such Decrease will be used to reduce the Series 2012-1 Invested Amount to zero, such Decrease may be in such amount as is necessary to reduce the Series 2012-1 Invested Amounts to zero). Upon each Decrease, the Administrative Agent shall indicate in its records such Decrease and the Purchaser Group Invested Amount outstanding with respect to each Purchaser Group after giving effect to such Decrease. Upon receipt of any notice required by Section 3.5 from CPF, the Administrative Agent shall forward (by telecopy or electronic messaging system) a copy of such notice to the Funding Agent with respect to each Purchaser Group, no later than 1:00 p.m. (New York City time) on the day received.

Section 3.6 Interest; Fees.

(a) Interest shall be payable on the Series 2012-1 Notes on each Distribution Date pursuant to Section 5.3.

(b) On any Business Day, CPF may, subject to Sections 3.6(c) and 8.4, elect to allocate all or any portion of the Available APA Bank Funding Amount with respect to any CP Conduit Purchaser Group to one or more Eurodollar Tranches with Eurodollar Periods commencing on such Business Day by giving the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser Group irrevocable written or telephonic (confirmed in writing) notice thereof, which notice must be received by such Funding Agent prior to 1:00 p.m. (New York City time) three Business Days prior to such Business Day. Such notice shall specify (i) the applicable Business Day, (ii) the Eurodollar Period for each Eurodollar Tranche to which a portion of the Available APA Bank Funding Amount with respect to such CP Conduit Purchaser Group is to be allocated and (iii) the portion of such Available APA Bank Funding Amount being allocated to each such Eurodollar Tranche. Upon receipt of any such notice, the Funding Agent with respect to a CP Conduit Purchaser Group shall notify the CP Conduit Purchaser and the APA Bank with respect to such CP Conduit Purchaser Group of the contents of such notice promptly upon receipt thereof.

(c) Notwithstanding anything to the contrary contained in this Section 3.6, (A) the portion of the Available APA Bank Funding Amount with respect to any CP Conduit Purchaser Group allocable to each Eurodollar Tranche must be in an amount equal to \$100,000 or an integral multiple of \$100,000 in excess thereof, (B) no more than 7 Eurodollar Tranches with respect to such CP Conduit Purchaser Group shall be outstanding at any one time, and (C) after the occurrence and during the continuance of any Amortization Event or Potential Amortization Event with respect to the Series 2012-1 Notes, CPF may not elect to allocate any portion of the Available APA Bank Funding Amount with respect to any CP Conduit Purchaser Group to a Eurodollar Tranche.

(d) CPF shall pay with funds available pursuant to Section 5.3(a) to the Administrative Agent, for the account of each Purchaser Group, on each Distribution Date, a commitment fee with respect to the Series 2012-1 Interest Period ending on the day preceding such Distribution Date (the "Commitment Fee") during the Series 2012-1 Revolving Period

equal to the Commitment Fee Rate times the Maximum Purchaser Group Invested Amount with respect to such Purchaser Group during such Series 2012-1 Interest Period less the average daily Purchaser Group Invested Amount with respect to such Purchaser Group during such Series 2012-1 Interest Period. The Commitment Fees shall be due and payable monthly in arrears on each Distribution Date and on the date the Series 2012-1 Revolving Period terminates.

(e) Calculations of per annum rates under this Series Supplement shall be made on the basis of a 360- (or 365-/366- in the case of interest on the Floating Tranche based on the Prime Rate) day year. Each determination of the Adjusted LIBO Rate by the Administrative Agent shall be conclusive and binding upon each of the parties hereto in the absence of manifest error.

(f) On any date prior to the occurrence of an Amortization Event on which 50% or more of the Series 2012-1 Invested Amount as of such date is funded by one or more APA Banks, each Non-Conduit Purchaser may elect, in its sole discretion, by delivering written notice to CPF, the Administrator and the Administrative Agent (a "Pricing Increase Notice"), to have the Monthly Funding Costs with respect to such Non-Conduit Purchaser calculated for each day of a Series 2012-1 Interest Period that more than 50% of the Series 2012-1 Invested Amount is funded by one or more APA Banks at a rate per annum equal to the sum of (A) the Adjusted LIBO Rate with respect to such day and (B) the Applicable Margin with respect to any Eurodollar Tranche on such day (rather than the Adjusted LIBO Rate with respect to such day and the Program Fee Rate on such day). At any time following delivery of a Pricing Increase Notice by a Non-Conduit Purchaser, such Non-Conduit Purchaser may, in its sole discretion, rescind such election by delivering written notice thereof to CPF, the Administrator and the Administrative Agent.

#### Section 3.7 Indemnification by CPF.

(a) CPF agrees to indemnify and hold harmless the Trustee, the Administrative Agent, each Funding Agent, each CP Conduit Purchaser, each APA Bank, each Non-Conduit Purchaser and each of their respective officers, directors, agents and employees (each, a "Company Indemnified Person") from and against any loss, liability, expense, damage or injury suffered or sustained by (a "Claim") such Company Indemnified Person by reason of (i) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of CPF pursuant to the Indenture or the other Series 2012-1 Related Documents to which it is a party, (ii) a breach of any representation or warranty made or deemed made by CPF (or any of its officers) in the Indenture or other Series 2012-1 Related Document or (iii) a failure by CPF to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Indenture or the other Series 2012-1 Related Documents, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the negligence, bad faith or willful misconduct of such Company Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes, Indemnified Taxes

or Other Taxes (in the cases of Indemnified Taxes or Other Taxes, to the extent governed by Section 8.2); provided that any payments made by CPF pursuant to this Section 3.7 shall be made solely from funds available pursuant to Section 5.3(e), shall be non-recourse other than with respect to such funds, and shall not constitute a claim against CPF to the extent that such funds are insufficient to make such payment. The indemnification provided for in this Section 3.7(a) shall survive the termination of the Base Indenture, this Series Supplement or any Applicable Related Document with respect to any Group I Series of Notes.

(b) CPF hereby agrees to indemnify and hold harmless each Series 2012-1 Noteholder (including its respective directors, officers, employees and agents) from and against any and all losses, liabilities (including liabilities for penalties), claims, demands, actions, suits, judgments, reasonable out-of-pocket costs and expenses arising out of or resulting from the assignments and security interests granted by this Indenture, whether arising by virtue of any act or omission on the part of CPF or otherwise, including, without limitation, the reasonable out-of-pocket costs, expenses, and disbursements (including reasonable attorneys' fees and expenses) incurred by such Series 2012-1 Noteholder in enforcing this Indenture or preserving any of its rights to, or realizing upon, any of the Collateral or Group I Collateral; provided, however, the foregoing indemnification shall not extend to any action by any Series 2012-1 Noteholder which constitutes gross negligence or willful misconduct by such Series 2012-1 Noteholder. The indemnification provided for in this Section 3.7(b) shall survive the termination of the Base Indenture or this Series Supplement.

#### Section 3.8 Funding Agents.

(a) The Funding Agent with respect to each CP Conduit Purchaser Group is hereby authorized to record on each Business Day the CP Funded Amount with respect to such CP Conduit Purchaser Group and the aggregate amount of Discount accruing with respect thereto on such Business Day and the APA Bank Funded Amount with respect to such CP Conduit Purchaser Group and the amount of interest accruing with respect thereto on such Business Day and, based on such recordations, to determine the Monthly Funding Costs with respect to each Series 2012-1 Interest Period and such CP Conduit Purchaser Group. Any such recordation by a Funding Agent, absent manifest error, shall constitute prima facie evidence of the accuracy of the information so recorded. Furthermore, the Funding Agent with respect to each CP Conduit Purchaser Group will maintain records sufficient to identify the percentage interest of the related CP Conduit Purchaser and each APA Bank with respect to such CP Conduit Purchaser Group holding an interest in the Series 2012-1 Note registered in the name of such Funding Agent and any amounts owing thereunder.

(b) Upon receipt of funds from the Administrative Agent on each Distribution Date and the date of any Decrease, each Funding Agent shall pay such funds to the related CP Conduit Purchaser and/or the related APA Bank owed such funds in accordance with the recordations maintained by it in accordance with Section 3.8(a) with respect to such CP Conduit Purchaser. If a Funding Agent shall have paid to any CP Conduit Purchaser or APA Bank any funds that (i) must be returned for any reason (including bankruptcy) or (ii) exceeds that which such CP Conduit Purchaser or APA Bank was entitled to receive, such amount shall be promptly repaid to such Funding Agent by such CP Conduit Purchaser or APA Bank.

Section 3.9 Partial Termination.

(a) If any APA Bank that is part of a Purchaser Group has not extended its Commitment on or before the 30<sup>th</sup> day prior to a Series 2012-1 Commitment Termination Date, the Administrative Agent may, but shall not be obligated to, offer any other APA Bank the right to increase its Commitment by the amount of the Commitment of such non-extending APA Bank. In the event that any APA Bank agrees to such an increase, the non-extending APA Bank and related CP Conduit Purchaser and the APA Bank assuming such non-extending APA Bank's Commitment and its related CP Conduit Purchaser shall execute a Purchaser Group Supplement in accordance with Section 12.1(e).

Section 3.10 Optional Termination.

On any Business Day, CPF shall have the right to deliver an irrevocable written notice (an "Optional Termination Notice") to the Administrative Agent, the Trustee, the Administrator and the Rating Agencies in which CPF declares that the Commitments shall terminate on the date (the "Optional Termination Date") set forth in such notice (which date, in any event, shall be a Distribution Date not less than twenty Business Days from the date on which such notice is delivered). Upon receipt of any Optional Termination Notice from CPF, the Administrative Agent shall promptly notify each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group thereof. From and after the Optional Termination Date, the Series 2012-1 Rapid Amortization Period shall commence for all purposes under this Supplement, the Base Indenture and the Series 2012-1 Related Documents.

**ARTICLE IV**

**SECURITY**

Section 4.1 Grant of Security Interest.

(a) To secure the Note Obligations with respect to the Series 2012-1 Notes and any other Group I Series of Notes and to secure compliance with the provisions of the Base Indenture and this Series Supplement and the Series Supplement for any other Group I Series of Notes, CPF hereby pledges, assigns, conveys, delivers, transfers and sets over to the Trustee, to the extent set forth in this Series Supplement and the Series Supplement for each other Group I Series of Notes, for the benefit of the Noteholders of each Group I Series of Notes (collectively, the "Group I Secured Parties"), and hereby grants to the Trustee, for the benefit of such Group I Secured Parties, a security interest in, all of CPF's right, title and interest in and to all of the following assets, property, and interests of CPF, whether now owned or at any time hereafter acquired or created (collectively, the "Group I Collateral"):

(i) the Group I CPF Lease, any Sublease related to such Group I CPF Lease and any other agreements related to the Group I CPF Trucks to which CPF

is a party or in which CPF otherwise has an interest (collectively, the “Group I CPF Agreements”), including, without limitation, all monies due and to become due to CPF under or in connection with such Group I CPF Agreements, whether payable as rent, fees, expenses, costs, indemnities, insurance recoveries, damages for the breach of such Group I CPF Agreements or otherwise, all security for amounts payable thereunder and all rights, remedies, powers, privileges and claims of CPF against any other party under or with respect to such Group I CPF Agreements (whether arising pursuant to the terms of such Group I CPF Agreements or otherwise available to CPF at law or in equity), the right to enforce the Group I CPF Agreements and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect to the Group I CPF Agreements or the obligations of any party thereunder;

(ii) the Group I Administration Agreement, including, without limitation, all rights, remedies, powers, privileges and claims of CPF against any other party under or with respect to the Group I Administration Agreement (whether arising pursuant to the terms of the Group I Administration Agreement or otherwise available to CPF at law or in equity), and the right to enforce the Group I Administration Agreement and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect to the Group I Administration Agreement or the obligations of any party thereunder;

(iii) any Group I Nominee Agreement, including, without limitation, all rights, remedies, powers, privileges and claims of CPF against any other party under or with respect to such Group I Nominee Agreement (whether arising pursuant to the terms of the Group I Nominee Agreement or otherwise available to CPF at law or in equity), and the right to enforce such Group I Nominee Agreement and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect to such Group I Nominee Agreement or the obligations of any party thereunder;

(iv) all Group I CPF Trucks and all Certificates of Title with respect thereto;

(v) all sale or other proceeds from the disposition of Group I CPF Trucks, including all monies due in respect of Group I CPF Trucks, whether payable as the purchase price of Group I CPF Trucks or as related fees, expenses, costs, indemnities, insurance recoveries or otherwise;

(vi) all payments under insurance policies (whether or not the Trustee is named as the loss payee thereof) or any warranty payable by reason of loss or damage to, or otherwise with respect to, any Group I CPF Trucks;

(vii) (v) the Group I Collection Account and all accounts designated in this Series Supplement or the Series Supplement for any other Group I Series of Notes or otherwise as a sub-account or an administrative subaccount thereof

(other than the Series 2012-1 Collection Account, the Series 2012-1 Principal Subaccount, the Series 2012-1 Accrued Interest Account and any other such sub-account or administrative subaccount established solely for the benefit of a particular Group I Series of Notes, and not for the benefit of any other Group I Series of Notes, as set forth in this Series Supplement, any such other Series Supplement or any other document or agreement pursuant to which such sub-account or administrative subaccount is established), (w) all funds on deposit therein from time to time, (x) all certificates and instruments, if any, representing or evidencing any or all of such accounts or the funds on deposit therein from time to time, (y) all Investment Property credited to any such account at any time and from time to time or acquired at any time and from time to time with the funds on deposit in any or all such accounts (including income thereon) and (z) all Permitted Investments made at any time and from time to time with the funds on deposit in any or all such accounts (including income thereon);

(viii) all additional property relating to the Group I Series of Notes that may from time to time hereafter (pursuant to the terms of this Series Supplement, the Series Supplement for any other Group I Series of Notes or otherwise) be subjected to the grant and pledge hereof by CPF or by anyone on its behalf; and

(ix) to the extent not otherwise included, all Proceeds, products, offspring, rents or profits of any and all of the foregoing, including cash, and all collateral security and guarantees given by any Person with respect to any of the foregoing.

(b) The foregoing grant is made in trust to secure the Note Obligations for the Series 2012-1 Notes and any other Group I Series of Notes and to secure compliance with the provisions of this Base Indenture, this Series Supplement and the Series Supplement for each other Group I Series of Notes, all as provided in the Base Indenture, this Series Supplement and each such other Series Supplement. The Trustee, as trustee on behalf of the Group I Secured Parties, acknowledges such grant, accepts the trusts under the Base Indenture and this Series Supplement in accordance with the provisions of the Base Indenture and this Series Supplement and subject to Section 10.1 and 10.2 of the Base Indenture, agrees to perform its duties required in the Base Indenture, this Series Supplement and each such other Series Supplement to the best of its abilities to the end that the interests of the Group I Secured Parties may be adequately and effectively protected. The Group I Collateral shall secure each Group I Series of Notes equally and ratably without prejudice, priority (except, with respect to any other Group I Series of Notes, as otherwise stated in the Series Supplement for such Group I Series of Notes) or distinction.

## ARTICLE V

### SERIES 2012-1 ALLOCATIONS

With respect to the Series 2012-1 Notes, the following shall apply:

Section 5.1 Establishment of Group I Collection Account, Series 2012-1 Collection Account, Series 2012-1 Principal Subaccount and Series 2012-1 Accrued Interest Account.

(a) All Collections allocable to the Series 2012-1 Notes shall be allocated to the Collection Account, for further credit to the Group I Collection Account.

(b) Pursuant to the Base Indenture, the Trustee has created a Group Collection Account for the benefit of the Noteholders of the Group I Series of Notes (such account, the "Group I Collection Account"). In addition, the Trustee shall create three administrative subaccounts within the Group I Collection Account for the benefit of the Series 2012-1 Noteholders: the Series 2012-1 Collection Account (such sub-account, the "Series 2012-1 Collection Account"), the Series 2012-1 Principal Subaccount (such sub-account, the "Series 2012-1 Principal Subaccount") and the Series 2012-1 Accrued Interest Account (such sub-account, the "Series 2012-1 Accrued Interest Account").

Section 5.2 Allocations with Respect to the Series 2012-1 Notes.

(a) The net proceeds from the initial sale of the Series 2012-1 Notes and any Increase will be deposited into the Collection Account, for further credit to the Group I Collection Account. On each Business Day on which Collections are deposited into the Group I Collection Account (each such date, a "Series 2012-1 Deposit Date"), the Administrator shall direct the Trustee in writing pursuant to the Group I Administration Agreement to allocate all amounts deposited into the Group I Collection Account prior to 11:00 a.m. (New York City time) on such Series 2012-1 Deposit Date as set forth below:

(i) allocate to the Series 2012-1 Collection Account an amount equal to the sum of (A) the Series 2012-1 Invested Percentage (as of such day) of the aggregate amount of Interest Collections deposited to the Group I Collection Account on such day and (B) any amounts received by the Trustee on such day in respect of the Series 2012-1 Interest Rate Hedges. All such amounts allocated to the Series 2012-1 Collection Account shall be further allocated to the Series 2012-1 Accrued Interest Account; and

(ii) allocate to the Series 2012-1 Principal Subaccount the sum of (A) the Series 2012-1 Invested Percentage (as of such day) of the aggregate amount of Principal Collections deposited to the Group I Collection Account on such day and (B) the proceeds from the issuance of the Series 2012-1 Notes and from any Increase; provided that if on any Determination Date (A) the Administrator determines that the amount anticipated to be available from Interest Collections allocable to the Series 2012-1 Notes, Series 2012-1 Interest Rate Hedge Proceeds and other amounts available pursuant to Section 5.3 to pay Series 2012-1 Monthly Interest and any unpaid Series 2012-1 Shortfall with respect to the Series 2012-1 Interest Period ending on the day preceding the next succeeding

Distribution Date and Series 2012-1 Interest Rate Hedge Payments due on such Distribution Date, if any, will be less than the sum of such Series 2012-1 Monthly Interest, such Series 2012-1 Shortfall and such Series 2012-1 Interest Rate Hedge Payments, if any, and (B) the Series 2012-1 Enhancement Amount is greater than zero, the Administrator shall direct the Trustee in writing to reallocate a portion of the Principal Collections allocated to the Series 2012-1 Notes in an amount equal to the lesser of such insufficiency and the Series 2012-1 Enhancement Amount to the Series 2012-1 Accrued Interest Account to be treated as Interest Collections allocable to the Series 2012-1 Notes on such Distribution Date.

(b) Series 2012-1 Principal Subaccount. If on any Business Day the Series 2012-1 Available Reserve Account Amount is less than the Series 2012-1 Required Reserve Account Amount prior to the occurrence of an Amortization Event with respect to the Series 2012-1 Notes, the Administrator shall instruct the Trustee in writing to withdraw funds in an amount equal to such insufficiency from the Series 2012-1 Principal Subaccount and deposit such amount into the Series 2012-1 Reserve Account.

(i) Series 2012-1 Revolving Period. On any Business Day during the Series 2012-1 Revolving Period, upon the written request of CPF, or the Administrator on behalf of CPF, the Trustee shall withdraw funds from the Series 2012-1 Principal Subaccount and pay such funds to CPF, provided that no Borrowing Base Deficiency, Series 2012-1 Enhancement Deficiency or Series 2012-1 Principal Deficit Amount would result therefrom or exist immediately thereafter as certified to the Trustee in writing by the Administrator; provided, however, that on each Business Day following the occurrence of a Series 2012-1 Partial Commitment Termination and prior to the occurrence of the Series 2012-1 Commitment Termination Date or an Amortization Event with respect to the Series 2012-1 Notes, prior to such withdrawal of funds from the Series 2012-1 Principal Subaccount to pay CPF, the Administrator shall direct the Trustee to, and the Trustee shall, as so directed by the Administrator, withdraw the Series 2012-1 Partial Commitment Termination Percentage of funds on deposit in the Series 2012-1 Principal Subaccount, deposit such amounts in the Series 2012-1 Distribution Account and use such amounts to make payments to the Series 2012-1 Terminating Purchasers on the immediately succeeding Distribution Date in respect of the Series 2012-1 Notes held by such Series 2012-1 Terminating Purchasers until the principal amount of such Series 2012-1 Notes is reduced to zero in accordance with Section 5.5(e).

(ii) Series 2012-1 Controlled Amortization Period. Commencing on the Series 2012-1 Commitment Termination Date, on any Business Day during the Related Month with respect to any Distribution Date during the Series 2012-1 Controlled Amortization Period, upon the written request of CPF, or the Administrator on behalf of CPF, the Trustee shall withdraw from the Series 2012-1 Principal Subaccount an amount equal to the excess, if any, of the amount allocated to the Series 2012-1 Principal Subaccount over the Series 2012-1 Controlled Amortization Amount with respect to the Series 2012-1 Notes for such Distribution Date and pay such funds to CPF, provided that no Borrowing Base Deficiency, Series 2012-1 Enhancement Deficiency or Series 2012-1 Principal Deficit Amount would result therefrom or exist immediately thereafter as certified to the Trustee in writing by the Administrator. Amounts allocated to the Series



2012-1 Principal Subaccount during each Related Month with respect to each Distribution Date during the Series 2012-1 Controlled Amortization Period and not applied to make a voluntary Decrease in the Series 2012-1 Invested Amount pursuant to Section 3.5 or paid to CPF pursuant to this Section 5.2(b) (ii) (or, if all or a portion of the Related Month with respect to such Distribution Date was during the Series 2012-1 Revolving Period, pursuant to Section 5.2(b)(i)) shall be withdrawn from the Series 2012-1 Principal Subaccount, deposited in the Series 2012-1 Distribution Account on the immediately succeeding Distribution Date and used to make principal payments in respect of the Series 2012-1 Notes ratably, without preference or priority of any kind, until the Series 2012-1 Invested Amount is reduced to zero in accordance with Section 5.5(e).

(iii) Series 2012-1 Rapid Amortization Period. Amounts allocated to the Series 2012-1 Principal Subaccount during each Related Month with respect to each Distribution Date during the Series 2012-1 Rapid Amortization Period together with all other amounts on deposit in the Series 2012-1 Principal Collection Subaccount on the last day of such Related Month shall be withdrawn from the Series 2012-1 Principal Subaccount, deposited in the Series 2012-1 Distribution Account on the immediately succeeding Distribution Date and used to make principal payments in respect of the Series 2012-1 Notes ratably, without preference or priority of any kind, until the Series 2012-1 Invested Amount is reduced to zero in accordance with Section 5.5(e). Notwithstanding anything to the contrary herein, no funds on deposit in the Series 2012-1 Principal Subaccount shall be paid or distributed to CPF after the occurrence of an Amortization Event with respect to the Series 2012-1 Notes until the Series 2012-1 Notes have been paid in full.

(c) Past Due Rental Payments. Notwithstanding Section 5.2(a), if after the occurrence of a Series 2012-1 Lease Payment Deficit, the Lessee shall make payments of Monthly Base Rent or other amounts payable by the Lessee under the Group I CPF Lease on or prior to the fifth Business Day after the occurrence of such Series 2012-1 Lease Payment Deficit (a "Past Due Rent Payment"), the Administrator shall direct the Trustee in writing pursuant to the Group I Administration Agreement to allocate to the Series 2012-1 Collection Account an amount equal to the Series 2012-1 Invested Percentage as of the date of the occurrence of such Series 2012-1 Lease Payment Deficit of the Collections attributable to such Past Due Rent Payment (the "Series 2012-1 Past Due Rent Payment"). The Administrator shall instruct the Trustee in writing pursuant to the Group I Administration Agreement to withdraw from the Series 2012-1 Collection Account and apply the Series 2012-1 Past Due Rent Payment in the following order:

(i) if the occurrence of such Series 2012-1 Lease Payment Deficit resulted in a withdrawal being made from the Series 2012-1 Reserve Account pursuant to Section 5.3(d), deposit in the Series 2012-1 Reserve Account an amount equal to the lesser of (x) the Series 2012-1 Past Due Rent Payment and (y) the excess, if any, of the Series 2012-1 Required Reserve Account Amount over the Series 2012-1 Available Reserve Account Amount on such day;

(ii) if the occurrence of the related Series 2012-1 Lease Payment Deficit resulted in one or more Lease Deficit Disbursements being made under the Series 2012-1 Letters of Credit, pay to each Series 2012-1 Letter of Credit Provider who made such a Lease Deficit Disbursement for application in accordance with the provisions of the applicable Series 2012-1 Reimbursement Agreement an amount equal to the lesser of (x) the unreimbursed amount of such Series 2012-1 Letter of Credit Provider's Lease Deficit Disbursement and (y) such Series 2012-1 Letter of Credit Provider's pro rata share, calculated on the basis of the unreimbursed amount of each Series 2012-1 Letter of Credit Provider's Lease Deficit Disbursement, of the amount of the Series 2012-1 Past Due Rent Payment remaining after payment pursuant to clause (i) above;

(iii) if the occurrence of such Series 2012-1 Lease Payment Deficit resulted in a withdrawal being made from the Series 2012-1 Cash Collateral Account, deposit in the Series 2012-1 Cash Collateral Account an amount equal to the lesser of (x) the amount of the Series 2012-1 Past Due Rent Payment remaining after any payment pursuant to clauses (i) and (ii) above and (y) the amount withdrawn from the Series 2012-1 Cash Collateral Account on account of such Series 2012-1 Lease Payment Deficit;

(iv) allocate to the Series 2012-1 Accrued Interest Account the amount, if any, by which the Series 2012-1 Lease Interest Payment Deficit, if any, relating to such Series 2012-1 Lease Payment Deficit exceeds the amount of the Series 2012-1 Past Due Rent Payment applied pursuant to clauses (i), (ii) and (iii) above; and

(v) treat the remaining amount of the Series 2012-1 Past Due Rent Payment as Principal Collections allocated to the Series 2012-1 Notes in accordance with Section 5.2(a)(ii).

Section 5.3 Payments to Noteholders. The Funding Agent with respect to each CP Conduit Purchaser Group and each Non-Conduit Purchaser shall provide written notice to the Administrative Agent (x) no later than two Business Days prior to each Determination Date, setting forth the Monthly Funding Costs with respect to its Related Purchaser Group with respect to the portion of the current Series 2012-1 Interest Period ending on such Business Day and a reasonable estimation of the Monthly Funding Costs with respect to such Purchaser Group for the remainder of such Series 2012-1 Interest Period and (y) within three Business Days after the end of each calendar month, setting forth the Monthly Funding Costs (calculated as if such calendar month were a Series 2012-1 Interest Period) with respect to such Purchaser Group for such calendar month. The Administrative Agent shall, within two Business Days following its receipt of such information from each Funding Agent and each Non-Conduit Purchaser, compile the information provided in such written notice provided pursuant to clause (x) or (y) above, as applicable, into one written notice for all Purchaser Groups and forward such notice to the Administrator. On each Determination Date, the Administrator shall determine the Series 2012-1 Note Rate for the current Series 2012-1 Interest Period. If the actual amount of the Monthly Funding Costs with

respect to any Purchaser Group for a Series 2012-1 Interest Period is less than or greater than the amount thereof estimated by the Funding Agent or Non-Conduit Purchaser with respect to its Related Purchaser Group on a Determination Date, such Funding Agent or Non-Conduit Purchaser shall notify the Administrator and the Administrative Agent thereof on the next succeeding Determination Date and the Administrator shall reduce or increase the Monthly Funding Costs with respect to such Purchaser Group for the next succeeding Series 2012-1 Interest Period by the amount of such excess or deficiency, as applicable. The Administrator shall determine the Series 2012-1 Note Rate for the last Series 2012-1 Interest Period on the Determination Date immediately preceding the final Distribution Date based on the information provided by the Funding Agents and the Non-Conduit Purchasers. If a Funding Agent or a Non-Conduit Purchaser determines that the actual Monthly Funding Costs with respect to its Related Purchaser Group for the last Series 2012-1 Interest Period will be more or less than the estimate thereof provided to the Administrator and informs the Administrator of such variance prior to the Distribution Date for such Series 2012-1 Interest Period, the Administrator shall recalculate the Series 2012-1 Note Rate for such Series 2012-1 Interest Period. On each Determination Date, as provided below, the Administrator shall instruct the Paying Agent in writing pursuant to the Group I Administration Agreement to withdraw, and on the following Distribution Date the Paying Agent, acting in accordance with such instructions, shall withdraw the amounts required to be withdrawn from the Group I Collection Account pursuant to Section 5.3(a) below in respect of all funds available from Series 2012-1 Interest Rate Hedge Proceeds and Interest Collections processed since the preceding Distribution Date and allocated to the holders of the Series 2012-1 Notes.

(a) Note Interest with respect to the Series 2012-1 Notes. On each Determination Date, the Administrator shall instruct the Trustee and the Paying Agent in writing pursuant to the Group I Administration Agreement as to the amount to be withdrawn and paid pursuant to Section 5.4 from the Series 2012-1 Accrued Interest Account to the extent funds are anticipated to be available from Interest Collections allocable to the Series 2012-1 Notes and the Series 2012-1 Interest Rate Hedge Proceeds processed from, but not including, the preceding Distribution Date through the succeeding Distribution Date in respect of (w) first, an amount equal to the Series 2012-1 Monthly Interest for the Series 2012-1 Interest Period ending on the day preceding the related Distribution Date, (x) second, an amount equal to the Series 2012-1 Interest Rate Hedge Payments payable on such date, if any, (y) third, an amount equal to the accrued and unpaid Commitment Fees for each Purchaser Group for the Series 2012-1 Interest Period ending on the day preceding the related Distribution Date, and (z) fourth, an amount equal to the amount of any unpaid Series 2012-1 Shortfall as of the preceding Distribution Date (together with any accrued interest on such Series 2012-1 Shortfall). On the following Distribution Date, the Trustee shall withdraw the amounts described in the first sentence of this Section 5.3(a) from the Series 2012-1 Accrued Interest Account and deposit such amounts in the Series 2012-1 Distribution Account.

(b) Withdrawals from Series 2012-1 Reserve Account. If the Administrator determines on any Distribution Date that the amounts available from the Series 2012-1 Accrued Interest Account are insufficient to pay the sum of (a) the amounts described in clauses (w), (x), (y) and (z) of Section 5.3(a) above on such Distribution Date and (b) during the Series 2012-1 Rapid Amortization Period, the Series 2012-1 Trustee Fees, the

Series 2012-1 Disposition Agent Fees and the Series 2012-1 Back-up Administration Fees for such Distribution Date, the Administrator shall instruct the Trustee in writing to withdraw from the Series 2012-1 Reserve Account and deposit in the Series 2012-1 Distribution Account on such Distribution Date an amount equal to the lesser of the Series 2012-1 Available Reserve Account Amount and such insufficiency. The Trustee shall withdraw such amount from the Series 2012-1 Reserve Account and deposit such amount in the Series 2012-1 Distribution Account.

(c) Lease Payment Deficit Notice. On or before 10:00 a.m. (New York City time) on each Distribution Date, the Administrator shall notify the Trustee of the amount of any Series 2012-1 Lease Payment Deficit, such notification to be in the form of Exhibit C to this Series Supplement (each a "Lease Payment Deficit Notice").

(d) Draws on Series 2012-1 Letters of Credit For Series 2012-1 Lease Interest Payment Deficits. If the Administrator determines on any Distribution Date that there exists a Series 2012-1 Lease Interest Payment Deficit, the Administrator shall instruct the Trustee in writing to draw on the Series 2012-1 Letters of Credit, if any, and, the Trustee shall, by 12:00 noon (New York City time) on such Distribution Date draw an amount (identified by the Administrator) equal to the least of (i) such Series 2012-1 Lease Interest Payment Deficit, (ii) the excess, if any, of the sum of (A) the amounts described in clauses (w), (x), (y) and (z) of Section 5.3(a) above on such Distribution Date and (B) during the Series 2012-1 Rapid Amortization Period, the Series 2012-1 Trustee Fees, the Series 2012-1 Disposition Agent Fees and the Series 2012-1 Back-up Administration Fees for such Distribution Date over the amounts available from the Series 2012-1 Accrued Interest Account plus the amount withdrawn from the Series 2012-1 Reserve Account pursuant to Section 5.3(b) on such Distribution Date and (iii) the Series 2012-1 Letter of Credit Liquidity Amount, on the Series 2012-1 Letters of Credit by presenting to each Series 2012-1 Letter of Credit Provider a Certificate of Lease Deficit Demand and shall cause the Lease Deficit Disbursements to be deposited in the Series 2012-1 Distribution Account on such Distribution Date for distribution in accordance with Section 5.4; provided, however, that if the Series 2012-1 Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Series 2012-1 Cash Collateral Account and deposit in the Series 2012-1 Distribution Account an amount equal to the lesser of (x) the Series 2012-1 Cash Collateral Percentage on such Distribution Date of the least of the amounts described in clauses (i), (ii) and (iii) above and (y) the Series 2012-1 Available Cash Collateral Account Amount on such Distribution Date and draw an amount equal to the remainder of such amount on the Series 2012-1 Letters of Credit.

(e) Balance. On or prior to the second Business Day preceding each Distribution Date, the Administrator shall instruct the Trustee and the Paying Agent in writing pursuant to the Group I Administration Agreement to pay the balance (after making the payments required in Section 5.3(a)), if any, of the amounts available from the Series 2012-1 Accrued Interest Account as follows:

(i) first, to the Administrator, an amount equal to the Series 2012-1 Invested Percentage as of the beginning of such Series 2012-1 Interest Period of the Monthly Administration Fee payable by CPF (as specified in Section 5 of the Group I Administration Agreement) for such Series 2012-1 Interest Period;

(ii) second, during the Series 2012-1 Rapid Amortization Period, to the Group I Disposition Agent and/or the Group I Back-up Administrator, any Series 2012-1 Disposition Agent Fees and/or Series 2012-1 Back-up Administration Fees remaining unpaid after application of the Monthly Administration Fee pursuant to the Group I Back-up Administration Agreement;

(iii) third, to the Trustee, an amount equal to the Series 2012-1 Percentage as of the beginning of such Series 2012-1 Interest Period of the Trustee's fees for such Series 2012-1 Interest Period;

(iv) fourth, to the Series 2012-1 Distribution Account to pay any Article VIII Costs;

(v) fifth, to pay any Carrying Charges (other than Carrying Charges provided for above) to the Persons to whom such amounts are owed, an amount equal to the Series 2012-1 Percentage as of the beginning of such Series 2012-1 Interest Period of such Carrying Charges (other than Carrying Charges provided for above) for such Series 2012-1 Interest Period; and

(vi) sixth, the balance, if any, shall be treated as Principal Collections allocable to the Series 2012-1 Notes.

(f) Shortfalls. If the amounts described in Section 5.3 are insufficient to pay the Series 2012-1 Monthly Interest and the Commitment Fees of the Purchaser Groups on any Distribution Date, payments of interest to the Series 2012-1 Noteholders and payments of Commitment Fees to the Purchaser Groups will be reduced on a pro rata basis by the amount of such deficiency. The aggregate amount, if any, of such deficiency on any Distribution Date shall be referred to as the "Series 2012-1 Shortfall." Interest shall accrue on the Series 2012-1 Shortfall at the Alternate Base Rate plus 2% per annum.

#### Section 5.4 Payment of Note Interest and Commitment Fees.

On each Distribution Date, subject to Section 9.8 of the Base Indenture, the Paying Agent shall, in accordance with Section 6.1 of the Base Indenture, pay to the Administrative Agent for the accounts of the Purchaser Groups from the Series 2012-1 Distribution Account the amounts deposited in the Series 2012-1 Distribution Account pursuant to Section 5.3. Upon the receipt of funds from the Paying Agent on each Distribution Date on account of Series 2012-1 Monthly Interest, the Administrative Agent shall pay to each Non-Conduit Purchaser and each Funding Agent with respect to a CP Conduit Purchaser Group an amount equal to the Monthly Funding Costs with respect to its Related Purchaser Group with respect to the Series 2012-1 Interest Period ending on the day preceding such Distribution Date plus the amount of any unpaid Series 2012-1 Shortfalls relating to unpaid Series 2012-1 Monthly Interest payable to such Purchaser Group as of the preceding Distribution Date, together with any interest thereon at the Alternate

Base Rate plus 2% per annum. If the amount paid to the Administrative Agent on any Distribution Date pursuant to this Section 5.4 on account of Series 2012-1 Monthly Interest for the Series 2012-1 Interest Period ending on the day preceding such Distribution Date is less than such Series 2012-1 Monthly Interest, the Administrative Agent shall pay the amount available to the Non-Conduit Purchasers and the Funding Agents, on behalf of the CP Conduit Purchaser Groups, on a rata basis, based on the Monthly Funding Costs with respect to each Related Purchaser Group with respect to such Series 2012-1 Interest Period. Upon the receipt of funds from the Paying Agent on each Distribution Date on account of Commitment Fees, the Administrative Agent shall pay to each Non-Conduit Purchaser and each Funding Agent with respect to a CP Conduit Purchaser Group an amount equal to the Commitment Fee payable to its Related Purchaser Group with respect to the Series 2012-1 Interest Period ending on the day preceding such Distribution Date plus the amount of any unpaid Series 2012-1 Shortfalls relating to unpaid Commitment Fees payable to such Purchaser Group as of the preceding Distribution Date, together with any interest thereon at the Alternate Base Rate plus 2% per annum. If the amount paid to the Administrative Agent on any Distribution Date pursuant to this Section 5.4 on account of Commitment Fees is less than the Commitment Fees payable on such Distribution Date, the Administrative Agent shall pay the amount available to the Non-Conduit Purchasers and the Funding Agents, on behalf of the CP Conduit Purchaser Groups, on a pro rata basis, based on the Commitment Fee payable to each Purchaser Group on such Distribution Date. Upon the receipt of funds from the Trustee or the Paying Agent on any Distribution Date on account of Article VIII Costs, the Administrative Agent shall pay such amounts to the Non-Conduit Purchasers owed such amounts and/or to the Funding Agent with respect to the CP Conduit Purchaser or the APA Bank owed such amounts. If the amounts paid to the Administrative Agent on any Distribution Date pursuant to Section 5.3(e) on account of Article VIII Costs are less than the Article VIII Costs due and payable on such Distribution Date, the Administrative Agent shall pay the amounts available to the Non-Conduit Purchasers owed such amounts and/or to the Funding Agents with respect to the CP Conduit Purchasers and APA Banks owed such amounts, on a pro rata basis, based on the Article VIII Costs owing to such Non-Conduit Purchasers, CP Conduit Purchasers and APA Banks. Due and unpaid Article VIII Costs owing to a Purchaser Group shall accrue interest at the Alternate Base Rate plus 2%; provided that Article VIII Costs shall not be considered due until the first Distribution Date following five days notice to CPF and the Administrator of such Article VIII Costs.

Section 5.5 Payment of Note Principal.

(a) Monthly Principal Payments.

(i) On the Determination Date immediately preceding each Distribution Date during the Series 2012-1 Controlled Amortization Period, the Administrator shall instruct the Trustee and the Paying Agent in writing pursuant to the Group I Administration Agreement and in accordance with this Section 5.5 as to (A) the amount allocated to the Series 2012-1 Notes during the Related Month pursuant to Section 5.2(a)(ii), less (x) the amount thereof paid to CPF pursuant to Section 5.2(b)(ii)(and/or, if all or a portion of the Related Month with respect to such Distribution Date was during the Series 2012-1 Revolving Period, Section 5.2(b)(i)), (y) the amount thereof applied to make voluntary

Decreases in the Series 2012-1 Invested Amount pursuant to Section 3.5 and (z) the amount thereof withdrawn from the Series 2012-1 Principal Subaccount and deposited into the Series 2012-1 Reserve Account pursuant to Section 5.2(b), in each case, on or prior to such Determination Date, (B) any amounts to be withdrawn from the Series 2012-1 Reserve Account and deposited into the Series 2012-1 Distribution Account and (C) any amounts to be drawn on the Series 2012-1 Demand Notes and/or on the Series 2012-1 Letters of Credit (or withdrawn from the Series 2012-1 Cash Collateral Account) (the amounts described in (A), (B) and (C) are, collectively, the “Series 2012-1 Controlled Amortization Period Monthly Payment Amount”).

(ii) On the Determination Date immediately preceding each Distribution Date during the Series 2012-1 Rapid Amortization Period, the Administrator shall instruct the Trustee and the Paying Agent in writing pursuant to the Group I Administration Agreement and in accordance with this Section 5.5 as to (A) the amount allocated to the Series 2012-1 Notes during Related Month pursuant to Section 5.2(a)(ii), (B) any amounts to be withdrawn from the Series 2012-1 Reserve Account and deposited into the Series 2012-1 Distribution Account, (C) any amounts to be drawn on the Series 2012-1 Demand Notes and/or on the Series 2012-1 Letters of Credit (or withdrawn from the Series 2012-1 Cash Collateral Account) and (D) any amounts (other than the amounts described in clause (A) above) to be withdrawn from the Series 2012-1 Principal Subaccount and deposited into the Series 2012-1 Distribution Account (the amounts described in (A), (B), (C) and (D) are, collectively, the “Series 2012-1 Rapid Amortization Period Monthly Payment Amount”).

(iii) On the Distribution Date following each Determination Date, the Trustee shall withdraw the lesser of (A) the applicable Monthly Principal Payment Amount and (B) the Series 2012-1 Invested Amount from the Series 2012-1 Principal Subaccount and deposit such amount in the Series 2012-1 Distribution Account, to be paid to the holders of the Series 2012-1 Notes.

(b) Decreases. On any Business Day prior to the occurrence of an Amortization Event with respect to the Series 2012-1 Notes on which a Decrease is to be made pursuant to Section 3.5, the Trustee shall withdraw from the Series 2012-1 Principal Subaccount in accordance with the written instructions of the Administrator an amount equal to the lesser of (i) the funds then allocated to the Series 2012-1 Principal Subaccount and (ii) the amount of such Decrease, and deposit such amount in the Series 2012-1 Distribution Account, to be paid to the Administrative Agent. Upon the receipt of funds on account of a Decrease from the Trustee, the Administrative Agent shall pay to each Funding Agent with respect to a CP Conduit Purchaser Group and each Non-Conduit Purchaser, its related Purchaser Group’s Pro Rata Share of the amount of such Decrease. Each CP Conduit Purchaser Group’s share of the amount of any Decrease on any Business Day shall be allocated by such CP Conduit Purchaser Group first to reduce the Available CP Funding Amount with respect to such CP Conduit Purchaser Group and the Available APA Bank Funding Amount with respect to such CP Conduit Purchaser Group on such Business Day and then to reduce the portion of the Purchaser Group Invested Amount with respect to such CP Conduit Purchaser Group allocated to Eurodollar Tranches in such order as such CP Conduit Purchaser Group may select in order to minimize costs payable pursuant to Section 8.3.

(c) Principal Deficit Amount. On each Distribution Date on which the Series 2012-1 Principal Deficit Amount is greater than zero or the Administrator determines that there exists a Series 2012-1 Lease Principal Payment Deficit, amounts shall be transferred to the Series 2012-1 Distribution Account as follows:

(i) Reserve Account Withdrawal. The Administrator shall instruct the Trustee in writing prior to 12:00 noon (New York City time) on such Distribution Date, in the case of a Series 2012-1 Lease Principal Payment Deficit or a Series 2012-1 Principal Deficit Amount resulting from a Series 2012-1 Lease Payment Deficit, or prior to 12:00 noon (New York City time) on the second Business Day prior to such Distribution Date, in the case of any other Series 2012-1 Principal Deficit Amount, to withdraw from the Series 2012-1 Reserve Account, an amount equal to the lesser of (x) the Series 2012-1 Available Reserve Account Amount and (y) the greater of (1) such Series 2012-1 Principal Deficit Amount and (2) such Series 2012-1 Lease Principal Payment Deficit and deposit it in the Series 2012-1 Distribution Account on such Distribution Date or such second Business Day prior to such Distribution Date, as applicable.

(ii) Principal Draws on Series 2012-1 Letters of Credit. If the Administrator determines on any such Distribution Date that there exists a Series 2012-1 Lease Principal Payment Deficit, the Administrator shall instruct the Trustee in writing to draw on the Series 2012-1 Letters of Credit, if any, as provided below. Upon receipt of a notice by the Trustee from the Administrator in respect of a Series 2012-1 Lease Principal Payment Deficit on or prior to 11:00 a.m. (New York City time) on a Distribution Date, the Trustee shall, by 12:00 noon (New York City time) on such Distribution Date draw an amount as set forth in such notice equal to the lesser of (a) the amount by which the Series 2012-1 Lease Principal Payment Deficit on such Distribution Date exceeds the amount to be deposited in the Series 2012-1 Distribution Account in accordance with clause (i) of this Section 5.5(c) on such Distribution Date, and (b) the Series 2012-1 Letter of Credit Liquidity Amount on the Series 2012-1 Letters of Credit by presenting to each Series 2012-1 Letter of Credit Provider a Certificate of Lease Deficit Demand and shall cause the Lease Deficit Disbursements to be deposited in the Series 2012-1 Distribution Account on such Distribution Date; provided, however, that if the Series 2012-1 Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Series 2012-1 Cash Collateral Account and deposit in the Series 2012-1 Distribution Account an amount equal to the Series 2012-1 Cash Collateral Percentage on such Distribution Date of the lesser of the amounts described in clauses (a) and (b) above and draw an amount equal to the remainder of the least of the amounts described in clauses (a) and (b) above on the Series 2012-1 Letters of Credit.

(iii) Demand Note Draw. If on any related Determination Date, the Administrator determines that the Series 2012-1 Principal Deficit Amount on the next succeeding Distribution Date (even assuming that there is no Series 2012-1 Lease Principal Payment Deficit on such Distribution Date) will be greater than zero and there are any Series 2012-1 Letters of Credit or amounts on deposit in the Series 2012-1 Cash Collateral Account on such date, prior to 10:00 a.m. (New York City time) on the second Business Day prior to such Distribution Date, the Administrator shall instruct the Trustee



in writing to make a demand (a “Demand Notice”) substantially in the form attached hereto as Exhibit D on BRAC demanding payment of an amount equal to the lesser of (A) the Series 2012-1 Principal Deficit Amount less the amount deposited or to be deposited in the Series 2012-1 Distribution Account in accordance with clause (i) of this Section 5.5(c) on such Business Day and (B) the Series 2012-1 Letter of Credit Amount. The Trustee shall, prior to 12:00 noon (New York City time) on the second Business Day preceding such Distribution Date, deliver such Demand Notice to BRAC; provided, however, that if an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to BRAC shall have occurred and be continuing, the Trustee shall not be required to deliver such Demand Notice to BRAC. The Trustee shall cause the proceeds of any demand on the Series 2012-1 Demand Note to be deposited into the Series 2012-1 Distribution Account.

(iv) Letter of Credit Draw. In the event that either (x) on or prior to 10:00 a.m. (New York City time) on the Business Day prior to a Distribution Date, BRAC shall have failed to pay to the Trustee or deposit in the Series 2012-1 Distribution Account the amount specified in a Demand Notice delivered pursuant to clause (iii) of this Section 5.5(c) in whole or in part or (y) due to the occurrence of an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to BRAC, the Trustee shall not have delivered such Demand Notice to BRAC on the second Business Day preceding such Distribution Date, then, in the case of (x) or (y) the Trustee shall on such Business Day draw on the Series 2012-1 Letters of Credit an amount equal to the lesser of (a) Series 2012-1 Letter of Credit Amount, and (b) the aggregate amount that BRAC failed to pay under the Series 2012-1 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) by presenting to each Series 2012-1 Letter of Credit Provider a Certificate of Unpaid Demand Note Demand; provided, however, that if the Series 2012-1 Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Series 2012-1 Cash Collateral Account and deposit in the Series 2012-1 Distribution Account an amount equal to the Series 2012-1 Cash Collateral Percentage on such Business Day of the lesser of the amounts described in clauses (a) and (b) above and draw an amount equal to the remainder of the lesser of the amounts described in clauses (a) and (b) above on the Series 2012-1 Letters of Credit. The Trustee shall deposit, or cause the deposit of, the proceeds of any draw on the Series 2012-1 Letters of Credit and the proceeds of any withdrawal from the Series 2012-1 Cash Collateral Account into the Series 2012-1 Distribution Account.

(d) Series 2012-1 Termination Date. The entire Series 2012-1 Invested Amount shall be due and payable on the Series 2012-1 Termination Date. In connection therewith:

(i) Reserve Account Withdrawal. If, after giving effect to the deposit into the Series 2012-1 Distribution Account of the amount to be deposited in accordance with Section 5.5(a), together with any amounts to be deposited therein in accordance with Section 5.5(c) on the Series 2012-1 Termination Date, the amount to be deposited in the Series 2012-1 Distribution Account with respect to the Series 2012-1 Termination Date is

or will be less than the Series 2012-1 Invested Amount, then, prior to 12:00 noon (New York City time) on the second Business Day prior to the Series 2012-1 Termination Date, the Administrator shall instruct the Trustee in writing to withdraw from the Series 2012-1 Reserve Account, an amount equal to the lesser of the Series 2012-1 Available Reserve Account Amount and such insufficiency and deposit it in the Series 2012-1 Distribution Account on the Series 2012-1 Termination Date.

(ii) Demand Note Draw. If the amount to be deposited in the Series 2012-1 Distribution Account in accordance with Section 5.5(a) together with any amounts to be deposited therein in accordance with Section 5.5(c) and Section 5.5(d)(i) on the Series 2012-1 Termination Date is less than the Series 2012-1 Invested Amount, and there are any Series 2012-1 Letters of Credit or amounts on deposit in the Series 2012-1 Cash Collateral Account on such date, then, prior to 10:00 a.m. (New York City time) on the second Business Day prior to the Series 2012-1 Termination Date, the Administrator shall instruct the Trustee in writing to deliver a Demand Notice to BRAC for payment under the Series 2012-1 Demand Notes in an amount equal to the lesser of (i) such insufficiency and (ii) the Series 2012-1 Letter of Credit Amount. The Trustee shall, prior to 12:00 noon (New York City time) on the second Business Day preceding the Series 2012-1 Termination Date, deliver such Demand Notice to ABCR; provided, however, that if an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to BRAC shall have occurred and be continuing, the Trustee shall not be required to deliver such Demand Notice to BRAC. The Trustee shall cause the proceeds of any demand on the Series 2012-1 Demand Notes to be deposited into the Series 2012-1 Distribution Account.

(iii) Letter of Credit Draw. In the event that either (x) on or prior to 10:00 a.m. (New York City time) on the Business Day immediately preceding any Distribution Date next succeeding any date on which a Demand Notice has been transmitted by the Trustee to BRAC pursuant to clause (ii) of this Section 5.5(d) BRAC shall have failed to pay to the Trustee or deposit into the Series 2012-1 Distribution Account the amount specified in such Demand Notice in whole or in part or (y) due to the occurrence of an Event of Bankruptcy (or the occurrence of an event described in clause (a) of the definition thereof, without the lapse of a period of 60 consecutive days) with respect to BRAC, the Trustee shall not have delivered such Demand Notice to BRAC on the second Business Day preceding the Series 2012-1 Termination Date, then, in the case of (x) or (y) the Trustee shall draw on the Series 2012-1 Letters of Credit by 12:00 noon (New York City time) on such Business Day an amount equal to the least of (a) the amount that BRAC failed to pay under the Series 2012-1 Demand Notes (or, the amount that the Trustee failed to demand for payment thereunder) and (b) the Series 2012-1 Letter of Credit Amount on such Business Day, by presenting to each Series 2012-1 Letter of Credit Provider a Certificate of Unpaid Demand Note Demand; provided, however, that if the Series 2012-1 Cash Collateral Account has been established and funded, the Trustee shall withdraw from the Series 2012-1 Cash Collateral Account and deposit in the Series 2012-1 Distribution Account an amount equal to the Series 2012-1 Cash Collateral Percentage on such Business Day of the lesser of the amounts described in clauses (a) and (b) above and draw an amount equal to the remainder of the lesser of the amounts described in

clauses (a) and (b) above on the Series 2012-1 Letters of Credit. The Trustee shall deposit, or cause the deposit of, the proceeds of any draw on the Series 2012-1 Letters of Credit and the proceeds of any withdrawal from the Series 2012-1 Cash Collateral Account into the Series 2012-1 Distribution Account.

(e) Distribution. On each Distribution Date, the Paying Agent shall, in accordance with Section 6.1 of the Base Indenture, (i) pay to the Administrative Agent for the accounts of the Purchaser Groups from the Series 2012-1 Distribution Account the amount deposited therein pursuant to Section 5.5(a), (c) and/or (d) or (ii) pay to the Administrative Agent for the account of the applicable Purchaser Groups constituting the Series 2012-1 Terminating Purchasers from the Series 2012-1 Distribution Account the amount deposited therein pursuant to Section 5.2(b)(i). Upon the receipt of funds from the Trustee pursuant to Sections 5.5(a), (c), and/or (d) on any Distribution Date, the Administrative Agent shall pay to each Funding Agent with respect to each CP Conduit Purchaser Group and each Non-Conduit Purchaser, its Purchaser Group's Pro Rata Share of such funds. Upon the receipt of funds from the Trustee pursuant to Sections 5.2(b)(i) on any Distribution Date, the Administrative Agent shall pay to each Funding Agent and/or Non-Conduit Purchaser with respect to a Series 2012-1 Terminating Purchaser, such Series 2012-1 Terminating Purchasers Pro Rata Share of such funds.

Section 5.6 Administrator's Failure to Instruct the Trustee to Make a Deposit or Payment. If the Administrator fails to give notice or instructions to make any payment from the Group I Collection Account or deposit into the Collection Account (which amount is to be further credited to the Group I Collection Account) or the Group I Collection Account required to be given by the Administrator, at the time specified in the Group I Administration Agreement or any other Series 2012-1 Related Document (including applicable grace periods), the Trustee shall make such payment or deposit into or from the Collection Account or Group I Collection Account, as the case may be, without such notice or instruction from the Administrator, provided that the Administrator, upon request of the Trustee, promptly provides the Trustee with all information necessary to allow the Trustee to make such a payment or deposit. When any payment or deposit hereunder or under any other Series 2012-1 Related Document is required to be made by the Trustee or the Paying Agent at or prior to a specified time, the Administrator shall deliver any applicable written instructions with respect thereto reasonably in advance of such specified time.

Section 5.7 Series 2012-1 Reserve Account.

(a) Establishment of Series 2012-1 Reserve Account. CPF shall establish and maintain in the name of the Trustee for the benefit of the Series 2012-1 Noteholders, or cause to be established and maintained, an account (the "Series 2012-1 Reserve Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Series 2012-1 Noteholders. The Series 2012-1 Reserve Account shall be maintained (i) with a Qualified Institution, or (ii) as a segregated trust account with the corporate trust department of a depository institution or trust company having corporate trust powers and acting as trustee for

funds deposited in the Series 2012-1 Reserve Account; provided that, if at any time such Qualified Institution is no longer a Qualified Institution or the credit rating of any securities issued by such depository institution or trust company shall be reduced to below “BBB-” by S&P or “Baa2” by Moody’s, then CPF shall, within 30 days of such reduction, establish a new Series 2012-1 Reserve Account with a new Qualified Institution. If the Series 2012-1 Reserve Account is not maintained in accordance with the previous sentence, CPF shall establish a new Series 2012-1 Reserve Account, within ten (10) Business Days after obtaining knowledge of such fact, which complies with such sentence, and shall instruct the Trustee in writing to transfer all cash and investments from the non-qualifying Series 2012-1 Reserve Account into the new Series 2012-1 Reserve Account. Initially, the Series 2012-1 Reserve Account shall be established with The Bank of New York Mellon Trust Company, N.A.; provided that if the Series 2012-1 Reserve Account is established with any other institution, CPF shall cause such institution to enter into an agreement in form and substance reasonably satisfactory to the Administrative Agent establishing “control” within the meaning of Section 8-106 of the New York UCC by the Trustee over the Series 2012-1 Reserve Account, including agreements by such institution to (i) to act as the securities intermediary (as defined in Section 8-102(a)(14) of the New York UCC) with respect to the Series 2012-1 Reserve Account; (ii) that its jurisdiction as securities intermediary is New York; (iii) that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Series 2012-1 Reserve Account shall be treated as a financial asset (as defined in Section 8-102(a)(9) of the New York UCC) and (iv) to comply with any entitlement order (as defined in Section 8-102(a)(8) of the New York UCC) issued by the Trustee without further consent of CPF.

(b) Administration of the Series 2012-1 Reserve Account. The Administrator may instruct the institution maintaining the Series 2012-1 Reserve Account to invest funds on deposit in the Series 2012-1 Reserve Account from time to time in Permitted Investments; provided, however, that any such investment shall mature not later than the Business Day prior to the Distribution Date following the date on which such funds were received, unless any Permitted Investment held in the Series 2012-1 Reserve Account is held with the Paying Agent, then such investment may mature on such Distribution Date and such funds shall be available for withdrawal on or prior to such Distribution Date. All such Permitted Investments will be credited to the Series 2012-1 Reserve Account and any such Permitted Investments that constitute (i) physical property (and that is not either a United States security entitlement or a security entitlement) shall be physically delivered to the Securities Intermediary; (ii) United States security entitlements or security entitlements shall be controlled (as defined in Section 8-106 of the New York UCC) by the Securities Intermediary pending maturity or disposition, and (iii) uncertificated securities (and not United States security entitlements) shall be delivered to the Securities Intermediary by causing the Securities Intermediary to become the registered holder of such securities. The Trustee shall, at the expense of CPF, take such action as is required to maintain the Trustee’s security interest in the Permitted Investments credited to the Series 2012-1 Reserve Account. CPF shall not direct the Trustee to dispose of (or permit the disposal of) any Permitted Investments prior to the maturity thereof to the extent such disposal would result in a loss of the purchase price of such Permitted Investments. In the absence of written investment instructions hereunder, funds on deposit in the Series 2012-1 Reserve Account shall remain uninvested.

(c) Earnings from Series 2012-1 Reserve Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Series 2012-1 Reserve Account shall be deemed to be on deposit therein and available for distribution.

(d) Series 2012-1 Reserve Account Constitutes Additional Collateral for Series 2012-1 Notes. In order to secure and provide for the repayment and payment of the Note Obligations with respect to the Series 2012-1 Notes, CPF hereby grants a security interest in and assigns, pledges, grants, transfers and sets over to the Trustee, for the benefit of the Series 2012-1 Noteholders, all of CPF's right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) the Series 2012-1 Reserve Account, including any security entitlement thereto; (ii) all funds on deposit therein from time to time; (iii) all certificates and instruments, if any, representing or evidencing any or all of the Series 2012-1 Reserve Account or the funds on deposit therein from time to time; (iv) all investments made at any time and from time to time with monies in the Series 2012-1 Reserve Account, whether constituting securities, instruments, general intangibles, investment property, financial assets or other property; (v) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for the Series 2012-1 Reserve Account, the funds on deposit therein from time to time or the investments made with such funds; and (vi) all proceeds of any and all of the foregoing, including, without limitation, cash (the items in the foregoing clauses (i) through (vi) are referred to, collectively, as the "Series 2012-1 Reserve Account Collateral"). The Trustee shall possess all right, title and interest in and to all funds on deposit from time to time in the Series 2012-1 Reserve Account and in all proceeds thereof, and shall be the only person authorized to originate entitlement orders in respect of the Series 2012-1 Reserve Account. The Series 2012-1 Reserve Account Collateral shall be under the sole dominion and control of the Trustee for the benefit of the Series 2012-1 Noteholders. The Securities Intermediary hereby agrees (i) to act as the securities intermediary (as defined in Section 8-102(a)(14) of the New York UCC) with respect to the Series 2012-1 Reserve Account; (ii) that its jurisdiction as securities intermediary is New York; (iii) that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Series 2012-1 Reserve Account shall be treated as a financial asset (as defined in Section 8-102(a)(9) of the New York UCC) and (iii) to comply with any entitlement order (as defined in Section 8-102(a)(8) of the New York UCC) issued by the Trustee without further consent of CPF.

(e) Preference Amount Withdrawals from the Series 2012-1 Reserve Account or the Series 2012-1 Cash Collateral Account. If a Non-Conduit Purchaser or a member of a CP Conduit Purchaser Group notifies the Trustee in writing of the existence of a Preference Amount, then, subject to the satisfaction of the conditions set forth in the next succeeding sentence, on the Business Day on which those conditions are first satisfied, the Trustee shall withdraw from either (x) on or prior to the Series 2012-1 Letter of Credit Termination Date, the Series 2012-1 Reserve Account or (y) after the Series 2012-1 Letter of Credit Termination Date, the Series 2012-1 Cash Collateral Account and pay to the applicable Non-Conduit Purchaser or the Funding Agent for such member an amount equal to such Preference Amount. Prior to any withdrawal from the Series 2012-1 Reserve Account or the Series 2012-1 Cash Collateral Account pursuant to this Section 5.7(e), the Trustee shall have received (i) a certified copy of the order requiring the return of such Preference Amount; (ii) an opinion of counsel satisfactory to the Trustee that such order is final and not subject to appeal; and (iii) a release as to any claim against CPF by the Purchaser Group for any amount paid in respect of such Preference Amount. On the Business

Day after the Series 2012-1 Letter of Credit Termination Date, the Trustee shall transfer the amount on deposit in the Series 2012-1 Reserve Account to the Series 2012-1 Cash Collateral Account.

(f) Series 2012-1 Reserve Account Surplus. In the event that the Series 2012-1 Reserve Account Surplus on any Distribution Date, after giving effect to all withdrawals from the Series 2012-1 Reserve Account, is greater than zero, the Trustee, acting in accordance with the written instructions of the Administrator pursuant to the Group I Administration Agreement, shall withdraw from the Series 2012-1 Reserve Account an amount equal to the Series 2012-1 Reserve Account Surplus and shall pay such amount to CPF.

(g) Termination of Series 2012-1 Reserve Account. Upon the termination of the Indenture pursuant to Section 11.1 of the Base Indenture, the Trustee, acting in accordance with the written instructions of the Administrator, after the prior payment of all amounts owing to the Series 2012-1 Noteholders and payable from the Series 2012-1 Reserve Account as provided herein, shall withdraw from the Series 2012-1 Reserve Account all amounts on deposit therein for payment to CPF.

Section 5.8 Series 2012-1 Letters of Credit and Series 2012-1 Cash Collateral Account.

(a) Series 2012-1 Letters of Credit and Series 2012-1 Cash Collateral Account Constitute Additional Collateral for Series 2012-1 Notes. In order to secure and provide for the repayment and payment of the Note Obligations with respect to the Series 2012-1 Notes, CPF hereby grants a security interest in and assigns, pledges, grants, transfers and sets over to the Trustee, for the benefit of the Series 2012-1 Noteholders, all of CPF's right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) each Series 2012-1 Letter of Credit; (ii) the Series 2012-1 Cash Collateral Account, including any security entitlement thereto; (iii) all funds on deposit in the Series 2012-1 Cash Collateral Account from time to time; (iv) all certificates and instruments, if any, representing or evidencing any or all of the Series 2012-1 Cash Collateral Account or the funds on deposit therein from time to time; (v) all investments made at any time and from time to time with monies in the Series 2012-1 Cash Collateral Account, whether constituting securities, instruments, general intangibles, investment property, financial assets or other property; (vi) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for the Series 2012-1 Cash Collateral Account, the funds on deposit therein from time to time or the investments made with such funds; and (vii) all proceeds of any and all of the foregoing, including, without limitation, cash (the items in the foregoing clauses (ii) through (vii) are referred to, collectively, as the "Series 2012-1 Cash Collateral Account Collateral"). The Trustee shall, for the benefit of the Series 2012-1 Noteholders, possess all right, title and interest in all funds on deposit from time to time in the Series 2012-1 Cash Collateral Account and in all proceeds thereof, and shall be the only person authorized to originate entitlement orders in respect of the Series 2012-1 Cash Collateral Account. The Series 2012-1 Cash Collateral Account shall be under the sole dominion and control of the Trustee for the benefit of the Series 2012-1 Noteholders. The Securities Intermediary hereby agrees (i) to

act as the securities intermediary (as defined in Section 8-102(a)(14) of the New York UCC) with respect to the Series 2012-1 Cash Collateral Account; (ii) that its jurisdiction as securities intermediary is New York; (iii) that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Series 2012-1 Cash Collateral Account shall be treated as a financial asset (as defined in Section 8-102(a)(9) of the New York UCC) and (iv) to comply with any entitlement order (as defined in Section 8-102(a)(8) of the New York UCC) issued by the Trustee without further consent of CPF.

(b) Series 2012-1 Letter of Credit Expiration Date. If prior to the date which is ten (10) days prior to the then scheduled Series 2012-1 Letter of Credit Expiration Date with respect to any Series 2012-1 Letter of Credit, excluding the amount available to be drawn under such Series 2012-1 Letter of Credit but taking into account each substitute Series 2012-1 Letter of Credit which has been obtained from a Series 2012-1 Eligible Letter of Credit Provider and is in full force and effect on such date, the Series 2012-1 Enhancement Amount would be equal to or more than the Series 2012-1 Required Enhancement Amount and the Series 2012-1 Liquid Enhancement Amount would be equal to or more than the Series 2012-1 Required Liquid Enhancement Amount, then the Administrator shall notify the Trustee in writing no later than two Business Days prior to such Series 2012-1 Letter of Credit Expiration Date of such determination. If prior to the date which is ten (10) days prior to the then scheduled Series 2012-1 Letter of Credit Expiration Date with respect to any Series 2012-1 Letter of Credit, excluding the amount available to be drawn under such Series 2012-1 Letter of Credit but taking into account a substitute Series 2012-1 Letter of Credit which has been obtained from a Series 2012-1 Eligible Letter of Credit Provider and is in full force and effect on such date, the Series 2012-1 Enhancement Amount would be less than the Series 2012-1 Required Enhancement Amount or the Series 2012-1 Liquid Enhancement Amount would be less than the Series 2012-1 Required Liquid Enhancement Amount, then the Administrator shall notify the Trustee in writing no later than two Business Days prior to such Series 2012-1 Letter of Credit Expiration Date of (x) the greater of (A) the excess, if any, of the Series 2012-1 Required Enhancement Amount over the Series 2012-1 Enhancement Amount, excluding the available amount under such expiring Series 2012-1 Letter of Credit but taking into account any substitute Series 2012-1 Letter of Credit which has been obtained from a Series 2012-1 Eligible Letter of Credit Provider and is in full force and effect, on such date, and (B) the excess, if any, of the Series 2012-1 Required Liquid Enhancement Amount over the Series 2012-1 Liquid Enhancement Amount, excluding the available amount under such expiring Series 2012-1 Letter of Credit but taking into account any substitute Series 2012-1 Letter of Credit which has been obtained from a Series 2012-1 Eligible Letter of Credit Provider and is in full force and effect, on such date, and (y) the amount available to be drawn on such expiring Series 2012-1 Letter of Credit on such date. Upon receipt of such notice by the Trustee on or prior to 10:00 a.m. (New York City time) on any Business Day, the Trustee shall, by 12:00 noon (New York City time) on such Business Day (or, in the case of any notice given to the Trustee after 10:00 a.m. (New York City time), by 12:00 noon (New York City time) on the next following Business Day), draw the lesser of the amounts set forth in clauses (x) and (y) above on such expiring Series 2012-1 Letter of Credit by presenting a Certificate of Termination Demand and shall cause the Termination Disbursement to be deposited in the Series 2012-1 Cash Collateral Account.

If the Trustee does not receive the notice from the Administrator described in the first paragraph of this Section 5.8(b) on or prior to the date that is two (2) Business Days prior to

each Series 2012-1 Letter of Credit Expiration Date, the Trustee shall, by 12:00 noon (New York City time) on such Business Day draw the full amount of such Series 2012-1 Letter of Credit by presenting a Certificate of Termination Demand and shall cause the Termination Disbursement to be deposited in the Series 2012-1 Cash Collateral Account.

(c) Series 2012-1 Letter of Credit Providers. The Administrator shall notify the Trustee in writing within one Business Day of becoming aware that (i) the long-term senior unsecured debt credit rating of any Series 2012-1 Letter of Credit Provider has fallen below “A” as determined by Standard & Poor’s or “A2” as determined by Moody’s or (ii) the short-term senior unsecured debt credit rating of any Series 2012-1 Letter of Credit Provider has fallen below “A-1” as determined by Standard & Poor’s or “P-1” as determined by Moody’s. At such time the Administrator shall also notify the Trustee of (i) the greatest of (A) the excess, if any, of the Series 2012-1 Required Enhancement Amount over the Series 2012-1 Enhancement Amount, excluding the available amount under the Series 2012-1 Letter of Credit issued by such Series 2012-1 Letter of Credit Provider, on such date, and (B) the excess, if any, of the Series 2012-1 Required Liquid Enhancement Amount over the Series 2012-1 Liquid Enhancement Amount, excluding the available amount under the Series 2012-1 Letter of Credit issued by such Series 2012-1 Letter of Credit Provider, on such date, and (ii) the amount available to be drawn on such Series 2012-1 Letter of Credit on such date. Upon receipt of such notice by the Trustee on or prior to 10:00 a.m. (New York City time) on any Business Day, the Trustee shall, by 12:00 noon (New York City time) on such Business Day (or, in the case of any notice given to the Trustee after 10:00 a.m. (New York City time), by 12:00 noon (New York City time) on the next following Business Day), draw on such Series 2012-1 Letter of Credit in an amount equal to the lesser of the amounts in clause (i) and clause (ii) of the immediately preceding sentence on such Business Day by presenting a Certificate of Termination Demand and shall cause the Termination Disbursement to be deposited in the Series 2012-1 Cash Collateral Account.

(d) Draws on the Series 2012-1 Letters of Credit. If there is more than one Series 2012-1 Letter of Credit on the date of any draw on the Series 2012-1 Letters of Credit pursuant to the terms of this Series Supplement, the Administrator shall instruct the Trustee, in writing, to draw on each Series 2012-1 Letter of Credit in an amount equal to the LOC Pro Rata Share of the Series 2012-1 Letter of Credit Provider issuing such Series 2012-1 Letter of Credit of the amount of such draw on the Series 2012-1 Letters of Credit.

(e) Establishment of Series 2012-1 Cash Collateral Account. On or prior to the Series 2012-1 Closing Date, CPF shall establish and maintain in the name of the Trustee for the benefit of the Series 2012-1 Noteholders, or cause to be established and maintained, an account (the “Series 2012-1 Cash Collateral Account”), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Series 2012-1 Noteholders. The Series 2012-1 Cash Collateral Account shall be maintained (i) with a Qualified Institution, or (ii) as a segregated trust account with the corporate trust department of a depository institution or trust company having corporate trust powers and acting as trustee for funds deposited in the Series 2012-1 Cash Collateral Account; provided that, if at any time such Qualified Institution is no longer a Qualified Institution or the credit rating of any securities issued by such depository institution or trust company shall be reduced to below “BBB-” by S&P or “Baa3” by Moody’s, then CPF shall, within 30 days of such reduction, establish a new Series 2012-1 Cash Collateral Account with a new Qualified Institution or a new segregated trust account with the corporate



trust department of a depository institution or trust company having corporate trust powers and acting as trustee for funds deposited in the Series 2012-1 Cash Collateral Account. If a new Series 2012-1 Cash Collateral Account is established, CPF shall instruct the Trustee in writing to transfer all cash and investments from the non-qualifying Series 2012-1 Cash Collateral Account into the new Series 2012-1 Cash Collateral Account. Initially, the Series 2012-1 Cash Collateral Account shall be established with The Bank of New York Mellon Trust Company, N.A.; provided that if the Series 2012-1 Cash Collateral Account is established with any other institution, CPF shall cause such institution to enter into an agreement in form and substance reasonably satisfactory to the Administrative Agent establishing “control” within the meaning of Section 8-106 of the New York UCC by the Trustee over the Series 2012-1 Cash Collateral Account, including agreements by such institution to (i) to act as the securities intermediary (as defined in Section 8-102(a)(14) of the New York UCC) with respect to the Series 2012-1 Cash Collateral Account; (ii) that its jurisdiction as securities intermediary is New York; (iii) that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Series 2012-1 Cash Collateral Account shall be treated as a financial asset (as defined in Section 8-102(a)(9) of the New York UCC) and (iii) to comply with any entitlement order (as defined in Section 8-102(a)(8) of the New York UCC) issued by the Trustee without further consent of CPF.

(f) Administration of the Series 2012-1 Cash Collateral Account. CPF may instruct (by standing instructions or otherwise) the institution maintaining the Series 2012-1 Cash Collateral Account to invest funds on deposit in the Series 2012-1 Cash Collateral Account from time to time in Permitted Investments; provided, however, that any such investment shall mature not later than the Business Day prior to the Distribution Date following the date on which such funds were received, unless any Permitted Investment held in the Series 2012-1 Cash Collateral Account is held with the Paying Agent, in which case such investment may mature on such Distribution Date so long as such funds shall be available for withdrawal on or prior to such Distribution Date. All such Permitted Investments will be credited to the Series 2012-1 Cash Collateral Account and any such Permitted Investments that constitute (i) physical property (and that is not either a United States security entitlement or a security entitlement) shall be physically delivered to the Securities Intermediary; (ii) United States security entitlements or security entitlements shall be controlled (as defined in Section 8-106 of the New York UCC) by the Securities Intermediary pending maturity or disposition, and (iii) uncertificated securities (and not United States security entitlements) shall be delivered to the Securities Intermediary by causing the Trustee to become the registered holder of such securities. The Securities Intermediary shall, at the expense of CPF, take such action as is required to maintain the Trustee’s security interest in the Permitted Investments credited to the Series 2012-1 Cash Collateral Account. CPF shall not direct the Securities Intermediary to dispose of (or permit the disposal of) any Permitted Investments prior to the maturity thereof to the extent such disposal would result in a loss of principal of such Permitted Investment. In the absence of written investment instructions hereunder, funds on deposit in the Series 2012-1 Cash Collateral Account shall remain uninvested.

(g) Earnings from Series 2012-1 Cash Collateral Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Series 2012-1 Cash Collateral Account shall be deemed to be on deposit therein and available for distribution.

(h) Series 2012-1 Cash Collateral Account Surplus. In the event that the Series 2012-1 Cash Collateral Account Surplus on any Distribution Date (or, after the Series 2012-1 Letter of Credit Termination Date, on any date) is greater than zero, the Trustee, acting in accordance with the written instructions of the Administrator, shall withdraw from the Series 2012-1 Cash Collateral Account an amount equal to the Series 2012-1 Cash Collateral Account Surplus and shall pay such amount: first, to the Series 2012-1 Letter of Credit Providers to the extent of any unreimbursed drawings under the related Series 2012-1 Reimbursement Agreement, for application in accordance with the provisions of the related Series 2012-1 Reimbursement Agreement, and, second, to CPF any remaining amount.

(i) Termination of Series 2012-1 Cash Collateral Account. Upon the termination of this Series Supplement in accordance with its terms, the Trustee, acting in accordance with the written instructions of the Administrator, after the prior payment of all amounts owing to the Series 2012-1 Noteholders and payable from the Series 2012-1 Cash Collateral Account as provided herein, shall withdraw from the Series 2012-1 Cash Collateral Account all amounts on deposit therein (to the extent not withdrawn pursuant to Section 5.8(h) above) and shall pay such amounts: first, to the Series 2012-1 Letter of Credit Providers to the extent of any unreimbursed drawings under the related Series 2012-1 Reimbursement Agreement, for application in accordance with the provisions of the related Series 2012-1 Reimbursement Agreement, and, second, to CPF any remaining amount.

(j) Termination Date Demands on the Series 2012-1 Letters of Credit. Prior to 10:00 a.m. (New York City time) on the Business Day immediately succeeding the Series 2012-1 Letter of Credit Termination Date, the Administrator shall determine the Series 2012-1 Demand Note Payment Amount as of the Series 2012-1 Letter of Credit Termination Date. If the Series 2012-1 Demand Note Payment Amount is greater than zero, then the Administrator shall instruct the Trustee in writing to draw on the Series 2012-1 Letters of Credit prior to 11:00 a.m. (New York City time) on such Business Day. Upon receipt of any such notice by the Trustee on or prior to 11:00 a.m. (New York City time) on a Business Day, the Trustee shall, by 12:00 noon (New York City time) on such Business Day draw an amount equal to the lesser of (i) the excess of the Series 2012-1 Demand Note Payment Amount over the Series 2012-1 Available Reserve Account Amount (prior to giving effect to any transfer to the Series 2012-1 Cash Collateral Account pursuant to Section 5.7(e) on such date) and (ii) the Series 2012-1 Letter of Credit Liquidity Amount on the Series 2012-1 Letters of Credit by presenting to each Series 2012-1 Letter of Credit Provider a Certificate of Termination Date Demand; provided, however, that if the Series 2012-1 Cash Collateral Account has been established and funded, the Trustee shall draw an amount equal to the product of (a) 100% minus the Series 2012-1 Cash Collateral Percentage and (b) the lesser of the amounts referred to in clause (i) or (ii) on such Business Day on the Series 2012-1 Letters of Credit as calculated by the Administrator and provided in writing to the Trustee. The Trustee shall cause the Termination Date Disbursement to be deposited in the Series 2012-1 Cash Collateral Account.

Section 5.9 Series 2012-1 Distribution Account.

(a) Establishment of Series 2012-1 Distribution Account. The Trustee shall establish and maintain in the name of the Trustee for the benefit of the Series 2012-1 Noteholders, or cause to be established and maintained, an account (the "Series 2012-1 Distribution Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Series 2012-1 Noteholders. The Series 2012-1 Distribution Account shall be maintained (i) with a Qualified Institution, or (ii) as a segregated trust account with the corporate trust department of a depository institution or trust company having corporate trust powers and acting as trustee for funds deposited in the Series 2012-1 Distribution Account; provided that, if at any time such Qualified Institution is no longer a Qualified Institution or the credit rating of any securities issued by such depository institution or trust company shall be reduced to below "BBB-" by S&P or "Baa3" by Moody's, then CPF shall, within 30 days of such reduction, establish a new Series 2012-1 Distribution Account with a new Qualified Institution. If the Series 2012-1 Distribution Account is not maintained in accordance with the previous sentence, CPF shall establish a new Series 2012-1 Distribution Account, within ten (10) Business Days after obtaining knowledge of such fact, which complies with such sentence, and shall instruct the Trustee in writing to transfer all cash and investments from the non-qualifying Series 2012-1 Distribution Account into the new Series 2012-1 Distribution Account. Initially, the Series 2012-1 Distribution Account shall be established with The Bank of New York Mellon Trust Company, N.A.; provided that if the Series 2012-1 Distribution Account is established with any other institution, CPF shall cause such institution to enter into an agreement in form and substance reasonably satisfactory to the Administrative Agent establishing "control" within the meaning of Section 8-106 of the New York UCC by the Trustee over the Series 2012-1 Distribution Account, including agreements by such institution to (i) to act as the securities intermediary (as defined in Section 8-102(a)(14) of the New York UCC) with respect to the Series 2012-1 Distribution Account; (ii) that its jurisdiction as securities intermediary is New York; (iii) that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Series 2012-1 Cash Collateral Account shall be treated as a financial asset (as defined in Section 8-102(a)(9) of the New York UCC) and (iv) to comply with any entitlement order (as defined in Section 8-102(a)(8) of the New York UCC) issued by the Trustee without further consent of CPF.

(b) Administration of the Series 2012-1 Distribution Account. The Administrator may instruct the institution maintaining the Series 2012-1 Distribution Account to invest funds on deposit in the Series 2012-1 Distribution Account from time to time in Permitted Investments; provided, however, that any such investment shall mature not later than the Business Day prior to the Distribution Date following the date on which such funds were received, unless any Permitted Investment held in the Series 2012-1 Distribution Account is held with the Paying Agent, then such investment may mature on such Distribution Date and such funds shall be available for withdrawal on or prior to such Distribution Date. All such Permitted Investments will be credited to the Series 2012-1 Distribution Account and any such Permitted Investments that constitute (i) physical property (and that is not either a United States security entitlement or a security entitlement) shall be physically delivered to the Securities Intermediary; (ii) United States security entitlements or security entitlements shall be controlled (as defined in Section 8-106 of the New York UCC) by the Securities Intermediary pending maturity or disposition, and (iii) uncertificated securities (and not United States security entitlements) shall

be delivered to the Securities Intermediary by causing the Securities Intermediary to become the registered holder of such securities. The Trustee shall, at the expense of CPF, take such action as is required to maintain the Trustee's security interest in the Permitted Investments credited to the Series 2012-1 Distribution Account. CPF shall not direct the Trustee to dispose of (or permit the disposal of) any Permitted Investments prior to the maturity thereof to the extent such disposal would result in a loss of the purchase price of such Permitted Investments. In the absence of written investment instructions hereunder, funds on deposit in the Series 2012-1 Distribution Account shall remain uninvested.

(c) Earnings from Series 2012-1 Distribution Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Series 2012-1 Distribution Account shall be deemed to be on deposit and available for distribution.

(d) Series 2012-1 Distribution Account and Certain Other Accounts Constitute Additional Collateral for Series 2012-1 Notes. In order to secure and provide for the repayment and payment of the Note Obligations with respect to the Series 2012-1 Notes, CPF hereby grants a security interest in and assigns, pledges, grants, transfers and sets over to the Trustee, for the benefit of the Series 2012-1 Noteholders, all of CPF's right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) the Series 2012-1 Distribution Account, the Series 2012-1 Collection Account, the Series 2012-1 Principal Subaccount and the Series 2012-1 Accrued Interest Account, including in each case, any security entitlement thereto; (ii) all funds on deposit in the foregoing accounts from time to time; (iii) all certificates and instruments, if any, representing or evidencing any or all of the foregoing accounts or the funds on deposit therein from time to time; (iv) all investments made at any time and from time to time with monies in any of the foregoing accounts, whether constituting securities, instruments, general intangibles, investment property, financial assets or other property; (v) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any of the foregoing accounts, the funds on deposit therein from time to time or the investments made with such funds; and (vi) all proceeds of any and all of the foregoing, including, without limitation, cash (the items in the foregoing clauses (i) through (vi) are referred to, collectively, as the "Series 2012-1 Other Account Collateral"). The Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Series 2012-1 Distribution Account, the Series 2012-1 Collection Account, the Series 2012-1 Principal Subaccount and the Series 2012-1 Accrued Interest Account and in and to all proceeds thereof, and shall be the only person authorized to originate entitlement orders in respect of the foregoing accounts. The Series 2012-1 Other Account Collateral shall be under the sole dominion and control of the Trustee for the benefit of the Series 2012-1 Noteholders. The Securities Intermediary hereby agrees (i) to act as the securities intermediary (as defined in Section 8-102(a)(14) of the New York UCC) with respect to the Series 2012-1 Distribution Account, the Series 2012-1 Collection Account, the Series 2012-1 Principal Subaccount and the Series 2012-1 Accrued Interest Account; (ii) that its jurisdiction as securities intermediary is New York; (iii) that each item of property (whether investment property, financial asset, security, instrument or cash) credited to any of the foregoing accounts shall be treated as a financial asset (as defined in Section 8-102(a)(9) of the New York UCC) and (iii) to comply with any entitlement order (as defined in Section 8-102(a)(8) of the New York UCC) issued by the Trustee without further consent of CPF.

Section 5.10 Series 2012-1 Accounts Permitted Investments. CPF shall not, and shall not permit, funds on deposit in the Series 2012-1 Accounts to be invested in:

- (a) Permitted Investments that do not mature at least one Business Day before the next Distribution Date;
- (b) demand deposits, time deposits or certificates of deposit with a maturity in excess of 360 days;
- (c) commercial paper which is not rated “P-1” by Moody’s and “A-1+” by S&P;
- (d) money market funds or eurodollar time deposits which are not rated “Aaa” and “P-1” by Moody’s and “AAm” and “A-1+” by S&P;
- (e) eurodollar deposits that are not rated “P-1” by Moody’s and “A-1+” by S&P or that are with financial institutions not organized under the laws of a G-7 nation; or
- (f) any investment, instrument or security not otherwise listed in clause (i) through (vi) of the definition of “Permitted Investments” in the Base Indenture.

Section 5.11 Series 2012-1 Demand Notes Constitute Additional Collateral for Series 2012-1 Notes. In order to secure and provide for the repayment and payment of the obligations with respect to the Series 2012-1 Notes, CPF hereby grants a security interest in and assigns, pledges, grants, transfers and sets over to the Trustee, for the benefit of the Series 2012-1 Noteholders, all of CPF’s right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) the Series 2012-1 Demand Notes; (ii) all certificates and instruments, if any, representing or evidencing the Series 2012-1 Demand Notes; and (iii) all proceeds of any and all of the foregoing, including, without limitation, cash. On the date hereof, CPF shall deliver to the Trustee, for the benefit of the Series 2012-1 Noteholders, each Series 2012-1 Demand Note, endorsed in blank. The Trustee, for the benefit of the Series 2012-1 Noteholders, shall be the only Person authorized to make a demand for payments on the Series 2012-1 Demand Notes.

Section 5.12 Series 2012-1 Interest Rate Hedges.

(a) On the Series 2012-1 Closing Date, CPF shall enter into an interest rate cap agreement (the “Series 2012-1 Closing Date Hedge”) with a Qualified Interest Rate Hedge Counterparty, having an aggregate notional amount at least equal to \$70,100,000, a strike rate of 4.00%, a term of at least until the earlier of (x) May 8, 2012 and (y) the date that the Series 2012-1 Notes are rated by a Rating Agency and that is otherwise in form and substance acceptable to each Funding Agent and each Non-Conduit Purchaser. On or prior to the earliest of (i) the date that is five months after the Series 2012-1 Closing Date, (ii) the date of the issuance and sale by CPF of rental truck asset backed notes to third party investors in a capital markets transaction

and (iii) ten Business Days after the first date on which the LIBO Rate is equal to or greater than 1.50%, CPF shall enter into one or more interest rate cap agreements (each such interest rate cap agreement a “Series 2012-1 Permanent Interest Rate Hedge” and each Series 2012-1 Permanent Interest Rate Hedge and the Series 2012-1 Closing Date Hedge a “Series 2012-1 Interest Rate Hedge”) with a Qualified Interest Rate Hedge Counterparty, having an aggregate notional amount at least equal to the Series 2012-1 Invested Amount on such date, a strike rate of 3.00%, a term of at least until the Series 2012-1 Termination Date and that are otherwise in form and substance acceptable to each Funding Agent and each Non-Conduit Purchaser; provided, however, that any Series 2012-1 Permanent Interest Rate Hedge that complies with each Rating Agency’s then current published criteria shall be deemed to be in form and substance acceptable to each Funding Agent and each Non-Conduit Purchaser.

(b) On each Distribution Date subsequent to the date determined in accordance with Section 5.12(a), the aggregate notional amount of all Series 2012-1 Interest Rate Hedges with Qualified Interest Rate Hedge Counterparties or with Counterparties who, if they are not Qualified Interest Rate Hedge Counterparties, shall have complied with their obligations described in Section 5.12(c), maintained by CPF shall be at least equal to the Series 2012-1 Invested Amount on such Distribution Date, after giving effect to any payments of principal made pursuant to Section 5.5(e) on such Distribution Date.

(c) If, at any time, an Interest Rate Hedge Counterparty with respect to a Series 2012-1 Permanent Interest Rate Hedge is not a Qualified Interest Rate Hedge Counterparty, then CPF shall cause such Interest Rate Hedge Counterparty within 30 days following such occurrence, at the Interest Rate Hedge Counterparty’s expense, to do one of the following (the choice of such action to be determined by the Interest Rate Hedge Counterparty) (i) obtain a replacement interest rate hedge on the same terms as the Series 2012-1 Permanent Interest Rate Hedge from a Qualified Interest Rate Hedge Counterparty and simultaneously with such replacement CPF shall terminate the Series 2012-1 Permanent Interest Rate Hedge being replaced, (ii) obtain a guaranty from, or contingent agreement of, another person who qualifies as a Qualified Interest Rate Hedge Counterparty to honor the Interest Rate Hedge Counterparty’s obligations under the Series 2012-1 Permanent Interest Rate Hedge in form and substance satisfactory to the Administrative Agent or (iii) post and maintain collateral satisfactory to each Funding Agent and each Non-Conduit Purchaser; provided that the posting of collateral as required by each Rating Agency’s published criteria as in effect the date such Series 2012-1 Permanent Interest Rate Hedge was entered into shall be deemed to be collateral satisfactory to each Funding Agent and each Non-Conduit Purchaser; provided, further, that no termination of any Series 2012-1 Permanent Interest Rate Hedge shall occur until CPF has entered into a replacement Series 2012-1 Permanent Interest Rate Hedge.

(d) To secure payment of all obligations to the Series 2012-1 Noteholders, CPF grants a security interest in, and assigns, pledges, grants, transfers and sets over to the Trustee, for the benefit of the Series 2012-1 Noteholders, all of CPF’s right, title and interest in the Series 2012-1 Interest Rate Hedges and all proceeds thereof (the “Series 2012-1 Interest Rate Hedge Collateral”). CPF shall require all Series 2012-1 Interest Rate Hedge Proceeds to be paid to, and the Trustee shall allocate all Series 2012-1 Interest Rate Hedge Proceeds to, the Series 2012-1 Accrued Interest Account of the Series 2012-1 Collection Account.

## ARTICLE VI

### AMORTIZATION EVENTS

In addition to the Amortization Events set forth in Section 9.1 of the Base Indenture, any of the following shall be an Amortization Event with respect to the Series 2012-1 Notes and collectively shall constitute the Amortization Events set forth in Section 9.1(1) of the Base Indenture with respect to the Series 2012-1 Notes (without notice or other action on the part of the Trustee or any holders of the Series 2012-1 Notes):

(a) a Series 2012-1 Enhancement Deficiency shall exist and continue to exist for at least two (2) Business Days; provided, however, that such event or condition shall not be an Amortization Event if during such two (2) Business Day period such Series 2012-1 Enhancement Deficiency shall have been cured in accordance with the terms and conditions of the Indenture and the Series 2012-1 Related Documents;

(b) a Series 2012-1 Liquid Enhancement Deficiency shall exist and continue to exist for at least two (2) Business Days; provided, however, that such event or condition shall not be an Amortization Event if during such two (2) Business Day period such insufficiency shall have been cured in accordance with the terms and conditions of the Indenture and the Series 2012-1 Related Documents;

(c) the Series 2012-1 Controlled Amortization Amount with respect to any Distribution Date during the Series 2012-1 Controlled Amortization Period is not paid on such Distribution Date and, other than with respect to the final Distribution Date during the Series 2012-1 Controlled Amortization Period, such failure continues for a period of three (3) Business Days;

(d) the Collection Account, the Group I Collection Account, the Series 2012-1 Collection Account, the Series 2012-1 Principal Subaccount, the Series 2012-1 Accrued Interest Account, the Series 2012-1 Distribution Account or the Series 2012-1 Reserve Account shall be subject to an injunction, estoppel or other stay or a Lien (other than Liens permitted under the Series 2012-1 Related Documents);

(e) the Series 2012-1 Invested Amount shall not have been reduced to zero on or prior to the Series 2012-1 Termination Date;

(f) any Series 2012-1 Letter of Credit shall not be in full force and effect for at least two (2) Business Days and either (x) a Series 2012-1 Enhancement Deficiency would result from excluding such Series 2012-1 Letter of Credit from the Series 2012-1 Enhancement Amount or (y) a Series 2012-1 Liquid Enhancement Deficiency would result from excluding such Series 2012-1 Letter of Credit from the Series 2012-1 Liquid Enhancement Amount;

(g) from and after the funding of the Series 2012-1 Cash Collateral Account, the Series 2012-1 Cash Collateral Account shall be subject to an injunction, estoppel or other stay or a Lien (other than Liens permitted under the Series 2012-1 Related Documents) for at least two (2) Business Days and either (x) a Series 2012-1

Enhancement Deficiency would result from excluding the Series 2012-1 Available Cash Collateral Account Amount from the Series 2012-1 Enhancement Amount or (y) a Series 2012-1 Liquid Enhancement Deficiency would result from excluding such Series 2012-1 Available Cash Collateral Amount from the Series 2012-1 Liquid Enhancement Amount;

(h) an Event of Bankruptcy shall have occurred with respect to any Series 2012-1 Letter of Credit Provider or any Series 2012-1 Letter of Credit Provider repudiates its Series 2012-1 Letter of Credit or refuses to honor a proper draw thereon and either (x) a Series 2012-1 Enhancement Deficiency would result from excluding such Series 2012-1 Letter of Credit from the Series 2012-1 Enhancement Amount or (y) a Series 2012-1 Liquid Enhancement Deficiency would result from excluding such Series 2012-1 Letter of Credit from the Series 2012-1 Liquid Enhancement Amount;

(i) a Borrowing Base Deficiency shall occur and continue for at least seven (7) days;

(j) CPF fails to maintain the Series 2012-1 Interest Rate Hedges in accordance with Sections 5.12(a) and (b) and the Series 2012-1 Related Documents for at least two Business Days;

(k) CPF defaults in the payment of any amount payable hereunder when the same becomes due and payable or fails to make any deposits required hereunder and, in any such case, such default continues for a period of two (2) Business Days

(l) On or before the 56<sup>th</sup> day following the Series 2012-1 Closing Date, the Certificates of Title to all of the Group I CPF Trucks that are Eligible Trucks subject to the lien of the Indenture on the Series 2012-1 Closing Date, shall not be in the possession of the Administrator as agent of the Trustee pursuant to Section 2(b) of the Group I Administration Agreement with the title of CPF and the lien of the Trustee in each case noted thereon;

(m) CPF fails to deliver the Agreed Upon Procedures Letter pursuant to Section 9.2(c) to the Administrative Agent within 45 days of the Series 2012-1 Closing Date;

(n) any final and unappealable (or, if capable of appeal, such appeal is not being diligently pursued or enforcement thereof has not been stayed) judgment or order for the payment of money in excess of \$300,000 (excluding amounts covered by insurance) is rendered against CPF and such judgment or order continues unsatisfied and unstayed for a period of thirty (30) days;

(o) a Series 2012-1 Change in Control shall have occurred;

(p) the breach by ABCR or any of its Affiliates of any covenant under the Credit Agreement or any Replacement Credit Agreement to the extent such covenant requires compliance by ABCR or its Affiliates with an interest coverage ratio, a fixed charge coverage ratio, a leverage ratio or a minimum EBITDA level or with any other financial measure or ratio intended to test the financial or credit performance of ABCR and its consolidated subsidiaries, whether or not such breach is waived pursuant to the terms of the Credit Agreement or such Replacement Credit Agreement; or



(q) the occurrence and continuation of an “event of default” under the Credit Agreement or any Replacement Credit Agreement that is not waived pursuant to the terms of such Credit Agreement or Replacement Credit Agreement.

In the case of an event described in (j), (k), (l), (m), (n), (o), (p) or (q), an Amortization Event with respect to the Series 2012-1 Notes shall have occurred with respect to the Series 2012-1 Notes only if the Trustee or the Series 2012-1 Required Noteholders declare that an Amortization Event has occurred. In the case of an event described in (a), (b), (c), (d), (e), (f), (g), (h) or (i), an Amortization Event with respect to the Series 2012-1 Notes shall have occurred without any notice or other action on the part of the Trustee or any Series 2012-1 Noteholders, immediately upon the occurrence of such event.

Upon the occurrence of an Amortization Event with respect to the Series 2012-1 Notes, (i) interest shall accrue at the Alternate Base Rate plus 2% per annum plus the Program Fee Rate or Applicable Margin, as applicable on all unpaid principal of the Series 2012-1 Notes, together with all accrued and unpaid interest thereon and other amounts payable hereunder and (ii) all Collections shall be allocated and distributed to the Series 2012-1 Noteholders in accordance with Article V hereof.

## ARTICLE VII

### CONDITIONS PRECEDENT

Section 7.1 Conditions Precedent to Effectiveness of Series Supplement. This Series Supplement shall become effective on the date (the “Effective Date”) on which all of the following conditions precedent have been satisfied:

(a) Documents. The Administrative Agent shall have received copies for each CP Conduit Purchaser and the Funding Agent and the APA Banks with respect to such CP Conduit Purchaser and each Non-Conduit Purchaser, each executed and delivered in form and substance satisfactory to it of (i) the Base Indenture, executed by a duly authorized officer of each of CPF and the Trustee, (ii) this Series Supplement, executed by a duly authorized officer of each of CPF, the Administrator, the Trustee, the Administrative Agent, the Non-Conduit Purchasers, the Funding Agents, the CP Conduit Purchasers and the APA Banks, (iii) the Fee Letter, executed by a duly authorized officer of CPF, (iv) the Up-Front Fee Letter, executed by a duly authorized officer of CPF, (v) the Group I CPF Lease, executed by a duly authorized officer of each of BTR, the Guarantor, the Administrator and CPF, (vi) the Group I Administration Agreement, executed by a duly authorized officer of each of CPF, the Administrator and the Trustee, (vii) the Collection Account Control Agreement, executed by a duly authorized officer of each of the parties thereto, (viii) the Group I Back-Up Administration Agreement, executed by a duly authorized officer of each of the parties thereto, (ix) the Group I Back-Up Disposition Agent Agreement, executed by a duly authorized officer of each of

the parties thereto, and (x) each Series 2012-1 Letter of Credit, if any, executed by a duly authorized officer of each Series 2012-1 Letter of Credit Provider and (xi) each Series 2012-1 Interest Rate Hedge, executed by a duly authorized officer of each Series 2012-1 Interest Rate Hedge Counterparty.

(b) Corporate Documents; Proceedings of CPF, the Administrator, Lessee and the Guarantor. The Administrative Agent shall have received, with a copy for each Non-Conduit Purchaser and each CP Conduit Purchaser and the Funding Agent and the APA Banks with respect to such CP Conduit Purchaser, from CPF, the Administrator, BTR, and the Guarantor true and complete copies of:

(i) to the extent applicable, the certificate of incorporation or certificate of formation, including all amendments thereto, of such Person, certified as of a recent date by the Secretary of State or other appropriate authority of the state of incorporation or organization, as the case may be, and a certificate of compliance, of status or of good standing, as and to the extent applicable, of each such Person as of a recent date, from the Secretary of State or other appropriate authority of such jurisdiction;

(ii) a certificate of the Secretary or an Assistant Secretary of such Person, dated on or prior to the Effective Date and certifying (A) that attached thereto is a true and complete copy of the bylaws, limited liability company agreement or partnership agreement of such Person, as the case may be, as in effect on the Series 2012-1 Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of the resolutions, in form and substance reasonably satisfactory to each Non-Conduit Purchaser and each Funding Agent, of the Board of Directors or Managers of such Person or committees thereof authorizing the execution, delivery and performance of this Series Supplement and the Series 2012-1 Related Documents to which it is a party and the transactions contemplated thereby, and that such resolutions have not been amended, modified, revoked or rescinded and are in full force and effect, (C) that the certificate of incorporation or certificate of formation of such Person has not been amended since the date of the last amendment thereto shown on the certificate of good standing (or its equivalent) furnished pursuant to clause (i) above and (D) as to the incumbency and specimen signature of each officer or authorized signatory executing this Series Supplement and the Series 2012-1 Related Documents or any other document delivered in connection herewith or therewith on behalf of such Person; and

(iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to clause (ii) above.

(c) Representations and Warranties. All representations and warranties of each of CPF, the Administrator, BTR, and the Guarantor contained in the Indenture and each of the Series 2012-1 Related Documents shall be true and correct as of the Series 2012-1 Closing Date.

(d) No Amortization Event or Potential Amortization Event. No Amortization Event or Potential Amortization Event in respect of the Series 2012-1 Notes or any other Series of Notes shall exist and, after giving effect to the issuance of the Series 2012-1 Notes, no Amortization Event or Potential Amortization Event shall exist.

(e) Series 2012-1 Enhancement Deficiency. After giving effect to the issuance of the Series 2012-1 Notes, no Series 2012-1 Enhancement Deficiency shall exist.

(f) Lien Searches. The Administrative Agent shall have received a written search report listing all effective financing statements that name CPF or BTR as debtor or assignor and that are filed in the State of Delaware and in any other jurisdictions that the Administrative Agent determines are necessary or appropriate, together with copies of such financing statements, and tax and judgment lien searches showing no such liens that are not permitted by the Base Indenture, this Series Supplement or the Series 2012-1 Related Documents.

(g) Legal Opinions. The Administrative Agent shall have received, with a counterpart addressed to each Non-Conduit Purchaser and each CP Conduit Purchaser and the Funding Agent, the Program Support Provider and the APA Banks with respect to such CP Conduit Purchaser and the Trustee, opinions of counsel required by Section 2.2(b) of the Base Indenture and opinions of counsel with respect to such other matters as may be reasonably requested by any Funding Agent, in form and substance reasonably acceptable to the addressees thereof and their counsel.

(h) Fees and Expenses. Each Non-Conduit Purchaser and each Funding Agent with respect to a CP Conduit Purchaser shall have received payment of all fees (including any applicable Up-Front Fee), out-of-pocket expenses and other amounts due and payable to such Non-Conduit Purchasers or such CP Conduit Purchaser or the APA Banks with respect to such CP Conduit Purchaser on or before the Effective Date.

(i) Establishment of Accounts. The Administrative Agent shall have received written evidence reasonably satisfactory to it that the Collection Account, the Group I Collection Account (and the Series 2012-1 Collection Account, the Series 2012-1 Reserve Account, Series 2012-1 Principal Subaccount and the Series 2012-1 Accrued Interest Account as administrative subaccounts within the Group I Collection Account), the Series 2012-1 Cash Collateral Account and the Series 2012-1 Distribution Account shall have been established in accordance with the terms and provisions of the Indenture.

(j) Opinion. The Administrative Agent shall have received, with a counterpart addressed to each Non-Conduit Purchaser, CP Conduit Purchaser and the Funding Agent, the Program Support Provider and the APA Banks with respect such CP Conduit Purchaser, an opinion of counsel to the Trustee as to the due authorization, execution and delivery by the Trustee of this Series Supplement and the due execution, authentication and delivery by the Trustee of the Series 2012-1 Notes.

(k) Truck Schedules. The Administrative Agent shall have received a copy of the Eligible Truck Appendix, as amended and/or supplemented as of the date thereof, at least two Business Days prior to the Series 2012-1 Closing Date.

(l) Commercial Paper Ratings. The Administrative Agent shall have received confirmation of the ratings of the Commercial Paper of each of the CP Conduit Purchasers requiring such confirmation after giving effect to their respective investments in the Series 2012-1 Notes.

(m) Filings. The Administrative Agent shall have received (i) executed originals of any documents (including, without limitation, financing statements) required to be filed in each jurisdiction necessary to perfect (A) CPF's interest in the Group I CPF Trucks and the related property acquired pursuant to the Group I CPF Lease and (B) the security interest of the Trustee in the Collateral and the Group I Collateral (other than copies of all documents filed with the appropriate office within the State of Oklahoma pursuant to the Oklahoma Vehicle License and Registration Act, Title 47, Okla. Stat. §§1101 et seq., to obtain Certificates of Title to all Group I CPF Trucks that are Eligible Trucks indicating that CPF holds title to such Group I CPF Trucks and noting the lien of the Trustee thereon) and (ii) evidence reasonably satisfactory to it of each such filing and reasonably satisfactory evidence of the payment of any necessary fee or tax relating thereto.

(n) Release of Liens. Each Non-Conduit Purchaser and each Funding Agent shall have received evidence satisfactory to it of the release of the Group I CPF Trucks from any existing Liens (other than Permitted Liens).

(o) Proceedings. All corporate and other proceedings and all other documents and legal matters in connection with the transactions contemplated by the Series 2012-1 Related Documents shall be satisfactory in form and substance to each Non-Conduit Purchaser and each Funding Agent and its counsel.

## ARTICLE VIII

### CHANGE IN CIRCUMSTANCES

#### Section 8.1 Increased Costs.

(a) If any Change in Law (except with respect to Taxes which shall be solely governed by Section 8.2) shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Affected Party (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on any Affected Party or the London interbank market any other condition affecting the Indenture or the Series 2012-1 Related Documents or the funding of Eurodollar Tranches by such Affected Party; and the result of any of the foregoing shall be to increase the cost to such Affected Party of making, converting into, continuing or maintaining Eurodollar Tranches (or maintaining its obligation to do so) or to reduce any amount received or receivable by such Affected Party hereunder or in connection herewith (whether principal, interest or otherwise), then CPF shall pay to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional costs incurred or reduction suffered.

(b) If any Affected Party determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Affected Party's capital or the capital of any corporation controlling such Affected Party as a consequence of its obligations hereunder to a level below that which such Affected Party or such corporation could have achieved but for such Change in Law (taking into consideration such Affected Party's or such corporation's policies with respect to capital adequacy), then from time to time, CPF shall pay to such Affected Party such additional amount or amounts as will compensate such Affected Party for any such reduction suffered.

(c) A certificate of an Affected Party setting forth the amount or amounts necessary to compensate such Affected Party as specified in subsections (a) and (b) of this Section 8.1 shall be delivered to CPF (with a copy to the Administrative Agent and the Funding Agent with respect to such Affected Party) and shall be conclusive absent manifest error. Any payments made by CPF pursuant to this Section 8.1 shall be made solely from funds available in the Series 2012-1 Distribution Account for the payment of Article VIII Costs, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against CPF to the extent that insufficient funds exist to make such payment. The agreements in this Section shall survive the termination of this Series Supplement and the Base Indenture and the payment of all amounts payable hereunder and thereunder.

(d) Failure or delay on the part of an Affected Party to demand compensation pursuant to this Section 8.1 shall not constitute a waiver of such Affected Party's right to demand such compensation; provided that CPF shall not be required to compensate any Affected Party pursuant to this Section 8.1 for any increased costs or reductions incurred more than 270 days prior to the date that such Affected Party notifies CPF of the Change in Law giving rise to such increased costs or reductions and of such Affected Party's intention to claim compensation therefor; provided, further, that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270 day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 8.2 Taxes.

(a) Any and all payments by or on account of any obligation of CPF hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if CPF shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) subject to Section 8.2(c) below, the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 8.2) the recipient receives an amount equal to the sum that it would have received had no such deductions been made, (ii) CPF shall make such deductions and (iii) CPF shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, CPF shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) CPF shall indemnify the Administrative Agent, each Non-Conduit Purchaser, each Funding Agent, each Program Support Provider and each member of each CP Conduit Purchaser Group within the later of 10 days after written demand therefor and the Distribution Date next following such demand for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Non-Conduit Purchaser, such Funding Agent, such Program Support Provider or such member of such CP Conduit Purchaser Group on or with respect to any payment by or on account of any obligation of CPF hereunder or under the Indenture (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 8.2) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that no Person shall be indemnified pursuant to this Section 8.2(c) or entitled to receive additional amounts under the proviso of Section 8.2(a) to the extent that the reason for such indemnification results from the failure by such Person to comply with the provisions of Section 8.2(e) or (g). A certificate as to the amount of such payment or liability delivered to CPF by the Administrative Agent, any Non-Conduit Purchaser, any Funding Agent, any Program Support Provider or any member of any CP Conduit Purchaser Group shall be conclusive absent manifest error. Any payments made by CPF pursuant to this Section 8.2 shall be made solely from funds available in the Series 2012-1 Distribution Account for the payment of Article VIII Costs, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against CPF to the extent that insufficient funds exist to make such payment. The agreements in this Section shall survive the termination of this Series Supplement and the Base Indenture and the payment of all amounts payable hereunder and thereunder.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by CPF to a Governmental Authority, CPF shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) (i) The Administrative Agent, each Non-Conduit Purchaser, each Funding Agent, each member of each CP Conduit Purchaser Group and each Program Support Provider, if entitled to an exemption from or reduction of an Indemnified Tax or Other Tax with respect to payments made hereunder or under the Indenture shall (to the extent legally able to do so) deliver

to CPF (with a copy to the Administrative Agent) such properly completed and executed documentation prescribed by applicable law and reasonably requested by CPF on the later of (i) 30 Business Days after such request is made and the applicable forms are provided to the Administrative Agent, such Non-Conduit Purchaser, such Funding Agent, such member of such CP Conduit Purchaser Group or such Program Support Provider or (ii) 30 Business Days before prescribed by applicable law as will permit such payments to be made without withholding or with an exemption from or reduction of Indemnified Taxes or Other Taxes.

(ii) If a payment made to the Administrative Agent, such Non-Conduit Purchaser, such CP Conduit Purchaser, such APA Bank, such Funding Agent, such Program Support Provider (each a "recipient") would be subject to U.S. federal withholding Tax imposed by FATCA if such recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such recipient shall deliver to CPF and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by CPF or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by CPF or the Administrative Agent as may be necessary for CPF and the Administrative Agent to comply with their obligations under FATCA and to determine that such recipient has complied with such recipient's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (ii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(f) If the Administrative Agent, any Non-Conduit Purchaser, any Funding Agent, any Program Support Provider or any member of any CP Conduit Purchaser Group receives a refund solely in respect of Indemnified Taxes or Other Taxes, it shall pay over such refund to CPF to the extent that it has already received indemnity payments or additional amounts pursuant to this Section 8.2 with respect to such Indemnified Taxes or Other Taxes giving rise to the refund, net of all out-of-pocket expenses and without interest (other than interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that CPF shall, upon request of the Administrative Agent, such Non-Conduit Purchaser, such Funding Agent, such Program Support Provider or such member of such CP Conduit Purchaser Group, repay such refund (plus interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Non-Conduit Purchaser, such Funding Agent, such Program Support Provider or such member of such CP Conduit Purchaser Group if the Administrative Agent, such Non-Conduit Purchaser, such Funding Agent, such Program Support Provider or such member of such CP Conduit Purchaser Group is required to repay such refund to such Governmental Authority. Nothing contained herein shall require the Administrative Agent, any Non-Conduit Purchaser, any Funding Agent, any Program Support Provider or any member of any CP Conduit Purchaser Group to make its tax returns (or any other information relating to its taxes which it deems confidential) available to CPF or any other Person.

(g) The Administrative Agent, each Non-Conduit Purchaser, each Funding Agent, each Program Support Provider and each member of each CP Conduit Purchaser Group (other than any such entity which is a domestic corporation) shall:

(i) upon or prior to becoming a party hereto, deliver to CPF and the Administrative Agent two (2) duly completed copies of IRS Form W-8BEN, W-8ECI or W-9, or successor applicable forms or documents, as the case may be, establishing a complete exemption from withholding of United States federal income taxes or backup withholding taxes with respect to payments under the Series 2012-1 Notes and this Series Supplement;

(ii) deliver to CPF and the Administrative Agent two (2) further copies of any such form or certification establishing a complete exemption from withholding of United States federal income taxes or backup withholding taxes with respect to payments under the Series 2012-1 Notes and this Series Supplement on or before the date that any such form or certification expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent form previously delivered by it to CPF; and

(iii) obtain such extensions of time for filing and completing such forms or certifications as may reasonably be requested by CPF and the Administrative Agent;

unless, in any such case, any change in treaty, law or regulation has occurred after the Series 2012-1 Closing Date (or, if later, the date the Administrative Agent, such Non-Conduit Purchaser, such Funding Agent, such Program Support Provider or such member of such CP Conduit Purchaser Group becomes an indemnified party hereunder) and prior to the date on which any such delivery would otherwise be required which renders the relevant form inapplicable or which would prevent the Administrative Agent, such Non-Conduit Purchaser, such Funding Agent, such Program Support Provider or such member of such CP Conduit Purchaser Group from duly completing and delivering the relevant form with respect to it, and the Administrative Agent, such Non-Conduit Purchaser, such Funding Agent, such Program Support Provider or such member of such CP Conduit Purchaser Group so advises CPF and the Administrative Agent.

(h) If a beneficial or equity owner of the Administrative Agent, a Non-Conduit Purchaser, a Funding Agent, a Program Support Provider or a member of a CP Conduit Purchaser Group (instead of the Administrative Agent, the Non-Conduit Purchaser, the Funding Agent, the Program Support Provider or the member of the CP Conduit Purchaser Group itself) is required under United States federal income tax law or the terms of a relevant treaty to provide IRS Form W-8BEN, W-8ECI or W-9, or any successor applicable forms or documents, as the case may be, in order to claim an exemption from withholding of United States federal income taxes or backup withholding taxes, then each such beneficial owner or equity owner shall be considered to be the Administrative Agent, a Non-Conduit Purchaser, a Funding Agent, a Program Support Provider or a member of a CP Conduit Purchaser Group for purposes of Section 8.2(g).

(i) CPF shall deliver to the Administrative Agent two properly completed and duly executed copies of U.S. Internal Revenue Service Form W-9. Such forms shall be delivered on or before the Series 2012-1 Closing Date. In addition, CPF shall deliver such forms to the Administrative Agent upon request or a reasonable period of time before the invalidity of any form previously delivered by CPF.



Section 8.3 Break Funding Payments. CPF agrees to indemnify each Purchaser Group and to hold each Purchaser Group harmless from any loss or expense which such Purchaser Group may sustain or incur as a consequence of (a) the failure by CPF to accept any Increase or the failure of the continuation or conversion of a Eurodollar Tranche to occur after CPF has given irrevocable notice requesting the same in accordance with the provisions of this Series Supplement, (b) the conversion into or continuation of a Eurodollar Tranche that occurs other than on the last day of the applicable Eurodollar Period, (c) default by CPF in making any prepayment in connection with a Decrease after CPF has given irrevocable notice thereof in accordance with the provisions of Section 3.5 or any Increase not being continued as, or converted into, an Increase under the Eurodollar Tranche after a request for such an Advance has been made in accordance with the terms contained herein, or (d) the making of a prepayment of a Eurodollar Tranche (including, without limitation, any Decrease) prior to the termination of the Eurodollar Period for such Eurodollar Tranche, as the case may be, or the making of a Decrease on a date other than as specified in any notice of a Decrease or in a greater amount than contained in any notice of a Decrease. Such indemnification shall include an amount determined by the Non-Conduit Purchaser or the Funding Agent with respect to its Related Purchaser Group and shall equal (a) in the case of the losses or expenses associated with a Eurodollar Tranche, either (x) the excess, if any, of (i) such Related Purchaser Group's cost of funding the amount so prepaid or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of the Eurodollar Period (or in the case of a failure to borrow, convert or continue, the Eurodollar Period that would have commenced on the date of such prepayment or of such failure), as the case may be, over (ii) the amount of interest earned by such Related Purchaser Group upon redeployment of an amount of funds equal to the amount prepaid or not borrowed, converted or continued for a comparable period or (y) if such Related Purchaser Group is able to terminate the funding source before its scheduled maturity, any costs associated with such termination and (b) in the case of the losses or expenses incurred by a Non-Conduit Purchaser or a CP Conduit Purchaser, the losses and expenses incurred by such Non-Conduit Purchaser or CP Conduit Purchaser in connection with the liquidation or reemployment of deposits or other funds acquired by such Non-Conduit Purchaser or CP Conduit Purchaser as a result of a failure to accept an Increase, a default in the making of a Decrease or the making of a Decrease in an amount or on a date not contained in a notice of a Decrease. Notwithstanding the foregoing, any payments made by CPF pursuant to this subsection shall be made solely from funds available in the Series 2012-1 Distribution Account for the payment of Article VIII Costs, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against CPF to the extent that such funds are insufficient to make such payment. This covenant shall survive the termination of this Series Supplement and the Base Indenture and the payment of all amounts payable hereunder and thereunder. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by any Non-Conduit Purchaser or any Funding Agent on behalf of its Related Purchaser Group to CPF shall be conclusive absent manifest error.

Section 8.4 Alternate Rate of Interest. If prior to the commencement of any Eurodollar Period:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Eurodollar Period, or

(b) the Administrative Agent is advised by any APA Bank that the Adjusted LIBO Rate for such Eurodollar Period will not adequately and fairly reflect the cost to such APA Bank of making or maintaining the Eurodollar Tranches during such Eurodollar Period,

then the Administrative Agent shall promptly give telecopy or telephonic notice thereof to CPF and the Trustee, whereupon until the Administrative Agent notifies CPF and the Trustee that the circumstances giving rise to such notice no longer exist, the Available APA Bank Funding Amount with respect to any CP Conduit Purchaser Group (in the case of clause (a) above) or with respect to the related CP Conduit Purchaser Group (in the case of clause (b) above) shall not be allocated to any Eurodollar Tranche.

Section 8.5 Mitigation Obligations. If an Affected Party requests compensation under Section 8.1, or if CPF is required to pay any additional amount to any Purchaser Group or any Governmental Authority for the account of any Purchaser Group pursuant to Section 8.2, then, upon written notice from CPF, such Affected Party or Purchaser Group, as the case may be, shall use commercially reasonable efforts to designate a different lending office for funding or booking its obligations hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, which pays a price for such assignment which is acceptable to such Purchaser Group and its assignee, in the judgment of such Affected Party or Purchaser Group, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 8.1 or 8.2, as the case may be, in the future and (ii) would not subject such Affected Party or Purchaser Group to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Affected Party or Purchaser Group. CPF hereby agrees to pay all reasonable costs and expenses incurred by such Affected Party or Purchaser Group in connection with any such designation or assignment.

## ARTICLE IX

### REPRESENTATIONS AND WARRANTIES, COVENANTS

#### Section 9.1 Representations and Warranties of CPF and the Administrator.

(a) CPF and the Administrator each hereby represents and warrants to the Trustee, the Administrative Agent, each Funding Agent, each CP Conduit Purchaser, each APA Bank and each Non-Conduit Purchaser that:

(i) each and every of their respective representations and warranties contained in the Series 2012-1 Related Documents is true and correct as of the Series 2012-1 Closing Date and is true and correct in all material respects as of

each Increase Date; provided, that, with respect to the representation of CPF in Section 7.14 of the Base Indenture regarding the notation of the Trustee's Lien for the benefit of the Secured Parties on the Certificate of Title for any CPF Truck as of the Series 2012-1 Closing Date and each Increase Date, such representation shall be deemed to be true and correct with respect to any newly added Group I CPF Truck as of any such date on or before the fifty-sixth (56) day following the Vehicle Lease Commencement Date for such Group I CPF Truck so long as the Titling Procedures and the Titling Certification Requirements with respect to such newly added Group I CPF Truck have been satisfied in accordance with the proviso set forth in the definition of "Eligible Truck";

(ii) as of the Series 2012-1 Closing Date, they have not engaged, in connection with the offering of the Series 2012-1 Notes, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act; and

(iii) each is solvent and is not the subject of any voluntary or involuntary case or proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy or insolvency law both before and after giving effect to the transactions contemplated herein and in the Series 2012-1 Related Documents.

(b) CPF hereby represents and warrants to the Trustee, the Administrative Agent, each Funding Agent, each CP Conduit Purchaser, each APA Bank and each Non-Conduit Purchaser that each of the Series 2012-1 Notes has been duly authorized and executed by CPF, and when duly authenticated by the Trustee and delivered to the Funding Agents in accordance with the terms of this Series Supplement, will constitute legal, valid and binding obligations of CPF enforceable in accordance with their terms, except as enforceability thereof may be limited by bankruptcy, insolvency, or other similar laws relating to or affecting generally the enforcement of creditors' rights or by general equitable principles.

(c) CPF hereby represents and warrants to the Trustee, the Administrative Agent, each Funding Agent, each CP Conduit Purchaser, each APA Bank and each Non-Conduit Purchaser, as of the Series 2012-1 Closing Date and each Increase Date, that assuming the accuracy of the representations and warranties of each Non-Conduit Purchaser, CP Conduit Purchaser and APA Bank in Section 12.2, the Series 2012-1 Notes are exempt from registration under Section 4(2) of the Securities Act of 1933, as amended.

(d) CPF hereby represents and warrants to the Trustee, the Administrative Agent, each Funding Agent, each CP Conduit Purchaser, each APA Bank and each Non-Conduit Purchaser, as of the Series 2012-1 Closing Date and each Increase Date, that with respect to each Group I CPF Truck included in the Borrowing Base, the Titling Procedures have been satisfied for such Group I CPF Truck and subject to the proviso set forth in the definition of "Eligible Truck", the Oklahoma Certificate of Title has been issued for such CPF Truck.

Section 9.2 Covenants of CPF and the Administrator. CPF and the Administrator hereby agree, in addition to their obligations hereunder, that:

(a) they shall observe in all material respects each and every of their respective covenants (both affirmative and negative) contained in the Base Indenture and all other Series 2012-1 Related Documents to which each is a party;

(b) they shall afford each Non-Conduit Purchaser, each Funding Agent with respect to a CP Conduit Purchaser Group, the Trustee or any representatives of any such Non-Conduit Purchaser, Funding Agent or the Trustee access to all records relating to the Group I CPF Lease and the Group I CPF Trucks at any reasonable time during regular business hours, upon reasonable prior notice (and with one Business Day's prior notice if an Amortization Event with respect to the Series 2012-1 Notes shall have been deemed to have occurred or shall have been declared to have occurred), for purposes of inspection and shall permit such Non-Conduit Purchaser, such Funding Agent, the Trustee or any representative of such Non-Conduit Purchaser, such Funding Agent or the Trustee to visit any of CPF's or the Administrator's, as the case may be, offices or properties during regular business hours and as often as may reasonably be desired to discuss the business, operations, properties, financial and other conditions of CPF or the Administrator with their respective officers and employees and with their independent certified public accountants;

(c) no later than 45 days after the Series 2012-1 Closing Date, they shall provide to each Non-Conduit Purchaser and each Funding Agent, a report in form and substance acceptable to the Administrative Agent from a nationally-recognized auditing firm approved by the Administrative Agent regarding the performance by such auditing firm of the agreed upon procedures concerning the Group I CPF Trucks (the "Agreed Upon Procedures Letter");

(d) no later than 40 days after the Distribution Date in October of each year (beginning in 2012), unless such requirement is waived by the Administrative Agent, they shall provide to each Non-Conduit Purchaser and each Funding Agent a report in form and substance acceptable to the Administrative Agent from a nationally-recognized auditing firm approved by the Administrative Agent regarding the performance by such auditing firm of the agreed upon procedures concerning the Collateral;

(e) they shall furnish to the Paying Agent a Monthly Noteholders Statement pursuant to Section 4.1(d) of the Base Indenture with respect to the Series 2012-1 Notes in a form acceptable to the Administrative Agent containing the information set forth on Exhibit I hereto;

(f) they shall promptly provide such additional financial and other information with respect to the Series 2012-1 Related Documents, CPF, the Administrator, the Lessee or the Guarantor as the Administrative Agent may from time to time reasonably request;

(g) they shall provide to the Administrative Agent simultaneously with delivery to the Trustee copies of information furnished to the Trustee or CPF pursuant to the Series 2012-1 Related Documents as such information relates to all Group I Series of Notes generally or specifically to the Series 2012-1 Notes or the Series 2012-1 Collateral. The Administrative Agent shall distribute to the Funding Agents copies of all information delivered to it pursuant to this Section 9.2(g);

(h) they shall not agree to any amendment to the Base Indenture or any other Series 2012-1 Related Document, whether or not such amendment otherwise requires the consent of the Requisite Investors or the Requisite Group Investors with respect to the Group I Series of Notes, without having received the prior written consent of the Series 2012-1 Required Noteholders; and

(i) that CPF shall cause the Trustee to hold in the State of New York the Series 2012-1 Demand Note and any other Series 2012-1 Collateral that may be perfected by possession in the State of New York under the New York UCC.

(j) each of CPF and the Administrator, if requested by any Series 2012-1 Noteholder, shall take all actions reasonably necessary to promptly obtain a rating on the Series 2012-1 Notes from Moody's or DBRS, Inc., including without limitation, entering into an amendment to the Series Supplement to the extent necessary to obtain such rating.

#### Section 9.3 Covenants of CPE.

(a) CPF hereby agrees, in addition to its obligations hereunder, that from and after the date hereof, no additional Series of Notes shall be issued under the Base Indenture if any Amortization Event with respect to any Series of Notes in any Group has occurred and is continuing or would result from such issuance.

(b) CPF shall not amend any of its organizational documents, including its certificate of formation or limited liability company agreement, without the prior written consent of the Series 2012-1 Required Noteholders.

(c) CPF shall furnish to the Trustee, upon written request received on or before March 31 of any calendar year commencing in 2013, an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and re-filing of the Indenture, any indentures supplemental thereto and any other requisite documents and with respect to the execution and filing of any financing statements and continuation statements as are necessary to maintain the perfection of the lien and security interest created by the Indenture in the Collateral and the Group I Collateral and reciting the details of such action or stating that in the opinion of such counsel no such action is necessary to maintain the perfection of such lien and security interest. Such Opinion of Counsel shall also describe the recording, filing, re-recording and re-filing of the Indenture, any indentures supplemental hereto and any other

requisite documents and the execution and filing of any financing statements and continuation statements that will, in the opinion of such counsel, be required to maintain the perfection of the lien and security interest of the Indenture in the Collateral and the Group I Collateral until March 31 in the following calendar year.

Section 9.4 Covenant and Representation of ABCR.

(a) ABCR agrees, for the benefit of each Series 2012-1 Noteholder that is required to comply with the requirements of Article 122a of the CRD that it shall:

- (i) Hold and maintain the Retained Interest for so long as the Series 2012-1 Notes are outstanding;
- (ii) Not sell the Retained Interest or subject the Retained Interest to any credit risk mitigation or any short positions or any other hedge, in each case, in a manner that would be contrary to Article 122a(1) of the CRD;
- (iii) In connection with and accompanying each Monthly Noteholders Statement, confirm to the Trustee that it continues to comply with this subsection (i) and (ii) of this Section 9.4;
- (iv) Promptly provide notice to each such Series 2012-1 Noteholder in the event that it fails to comply with subsection (i) or (ii) of this Section 9.4;
- (v) Notify each Series 2012-1 Noteholder of any material change to the form or other terms or characteristics of the Retained Interest since the delivery of the most recent Monthly Noteholders Statement; and
- (vi) Provide any and all information requested by any Series 2012-1 Noteholder that any such Series 2012-1 Noteholder would reasonably require in order for such Series 2012-1 Noteholder to comply with its obligations under Article 122a of the CRD; provided that compliance by ABCR with this clause (vi) shall be at the expense of the requesting Series 2012-1 Noteholder.

(b) ABCR hereby represents and warrants to the Trustee, the Administrative Agent, each Non-Conduit Purchaser, each Funding Agent, each CP Conduit Purchaser and each APA Bank, as of the Series 2012-1 Closing Date, as of each Increase Date and as of the date of delivery of each Monthly Noteholders Statement that (i) it continues to hold the Retained Interest on such date and (ii) it has not sold or subjected the Retained Interest to any credit risk mitigation or any short positions or any other hedge in a manner which would be contrary to Article 122a(1) of the CRD.

**ARTICLE X**

**THE ADMINISTRATIVE AGENT**

Section 10.1 Appointment. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the APA Banks and the Funding Agents hereby irrevocably designates and appoints the Administrative Agent as the agent of such Person under this Series Supplement and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Series Supplement and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Series Supplement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Series Supplement, the Administrative Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any Non-Conduit Purchaser, any CP Conduit Purchaser, any APA Bank or any Funding Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Series Supplement or otherwise exist against the Administrative Agent.

Section 10.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Series Supplement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 10.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Base Indenture, this Series Supplement or any other Series 2012-1 Related Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Non-Conduit Purchasers, the CP Conduit Purchasers, the APA Banks or the Funding Agents for any recitals, statements, representations or warranties made by CPF, the Lessee, the Guarantor, the Administrator or any officer thereof contained in this Series Supplement or any other Series 2012-1 Related Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Series Supplement or any other Series 2012-1 Related Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Series Supplement, any other Series 2012-1 Related Document, or for any failure of any of CPF, the Lessee, the Guarantor or the Administrator to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Non-Conduit Purchaser, any CP Conduit Purchaser, any APA Bank or any Funding Agent to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Series Supplement, any other Series 2012-1 Related Document or to inspect the properties, books or records of CPF, the Lessee, the Guarantor or the Administrator.

Section 10.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to CPF or the Administrator), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the registered holder of any Series 2012-1 Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Series Supplement or any other Series 2012-1 Related Document unless it shall first receive such advice or concurrence of the Series 2012-1 Required Noteholders, as it deems appropriate or it shall first be indemnified to its satisfaction by the Non-Conduit Purchasers and the Funding Agents against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Series Supplement and the other Series 2012-1 Related Documents in accordance with a request of the Series 2012-1 Required Noteholders (unless, in the case of any action relating to the giving of consent hereunder, the giving of such consent requires the consent of all Series 2012-1 Noteholders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Non-Conduit Purchasers, the CP Conduit Purchasers, the APA Banks and the Funding Agents.

Section 10.5 Notice of Administrator Default or Amortization Event or Potential Amortization Event. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Amortization Event or Potential Amortization Event or any Administrator Default unless the Administrative Agent has received written notice from a Non-Conduit Purchaser, a CP Conduit Purchaser, an APA Bank, a Funding Agent, CPF or the Administrator referring to the Indenture or this Series Supplement, describing such Amortization Event or Potential Amortization Event, or Administrator Default and stating that such notice is a “notice of an Amortization Event or Potential Amortization Event” or “notice of an Administrator Default,” as the case may be. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Non-Conduit Purchasers, the Funding Agents, the Trustee, CPF and the Administrator. The Administrative Agent shall take such action with respect to such event as shall be reasonably directed by the Series 2012-1 Required Noteholders, provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such event as it shall deem advisable in the best interests of the Purchaser Groups.



Section 10.6 Non-Reliance on the Administrative Agent and Other Purchaser Groups. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the APA Banks and the Funding Agents expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of CPF, the Lessee, the Guarantor or the Administrator shall be deemed to constitute any representation or warranty by the Administrative Agent to any such Person. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the APA Banks and the Funding Agents represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Non-Conduit Purchaser, CP Conduit Purchaser, APA Bank or Funding Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of CPF, the Lessee, the Guarantor and the Administrator and made its own decision to enter into this Series Supplement. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the APA Banks and the Funding Agents also represents that it will, independently and without reliance upon the Administrative Agent or any other Non-Conduit Purchaser, CP Conduit Purchaser, APA Bank or Funding Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Series Supplement and the other Series 2012-1 Related Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of CPF, the Lessee, the Guarantor and the Administrator. Except for notices, reports and other documents expressly required to be furnished to the Non-Conduit Purchasers and the Funding Agents by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to provide any Non-Conduit Purchaser, any CP Conduit Purchaser, any APA Bank or any Funding Agent with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of CPF, the Lessee, the Guarantor or the Administrator which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

Section 10.7 Indemnification. Each Non-Conduit Purchaser and each of the APA Banks in a Purchaser Group agrees to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by CPF and the Administrator and without limiting the obligation of CPF and the Administrator to do so), ratably according to their respective Commitment Percentages in effect on the date on which indemnification is sought under this Section 10.7 (or if indemnification is sought after the date upon which the Commitments shall have terminated and the Purchaser Group Invested Amounts shall have been reduced to zero, ratably in accordance with their Commitment Percentages immediately prior to such date of payment) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Series Supplement, any of the other Series 2012-1 Related Documents or any documents contemplated

by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Non-Conduit Purchaser, APA Bank or Funding Agent shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of all amounts payable hereunder.

Section 10.8 The Administrative Agent in Its Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with CPF, the Administrator or any of their Affiliates as though the Administrative Agent were not the Administrative Agent hereunder. With respect to any Series 2012-1 Note held by the Administrative Agent, the Administrative Agent shall have the same rights and powers under this Series Supplement and the other Series 2012-1 Related Documents as any Non-Conduit Purchaser, APA Bank or Funding Agent and may exercise the same as though it were not the Administrative Agent, and the terms "Non-Conduit Purchaser," "APA Bank," and "Funding Agent" shall include the Administrative Agent in its individual capacity.

Section 10.9 Resignation of Administrative Agent; Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent at any time by giving 30 days' notice to the Non-Conduit Purchasers, the Funding Agents, the Trustee, CPF and the Administrator. If DBSI shall resign as Administrative Agent under this Series Supplement, then the Series 2012-1 Required Noteholders shall appoint a successor administrative agent from among the Non-Conduit Purchasers and the Funding Agents, which successor administrative agent shall be approved by CPF and the Administrator (which approval shall not be unreasonably withheld or delayed) whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Series Supplement. If no successor administrative agent has accepted appointment as Administrative Agent by the date which is 10 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Administrator shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Series 2012-1 Required Noteholders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of Section 3.7 and this Article X shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Series Supplement.

## ARTICLE XI

### THE FUNDING AGENTS

Section 11.1 Appointment. Each CP Conduit Purchaser and each APA Bank with respect to such CP Conduit Purchaser hereby irrevocably designates and appoints the Funding Agent set forth next to such CP Conduit Purchaser's name on Schedule I as the agent of such Person under this Series Supplement and irrevocably authorizes such Funding Agent, in such capacity, to take such action on its behalf under the provisions of this Series Supplement and to exercise such powers and perform such duties as are expressly delegated to such Funding Agent by the terms of this Series Supplement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Series Supplement, each Funding Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any CP Conduit Purchaser or APA Bank and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Series Supplement or otherwise exist against each Funding Agent.

Section 11.2 Delegation of Duties. Each Funding Agent may execute any of its duties under this Series Supplement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Each Funding Agent shall not be responsible to the CP Conduit Purchaser or any APA Bank in its CP Conduit Purchaser Group for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

Section 11.3 Exculpatory Provisions. Each Funding Agent and any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall not be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Base Indenture, this Series Supplement or any other Series 2012-1 Related Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the CP Conduit Purchasers and/or APA Banks for any recitals, statements, representations or warranties made by CPF, the Lessee, the Guarantor, the Administrator, the Administrative Agent, or any officer thereof contained in this Series Supplement or any other Series 2012-1 Related Document or in any certificate, report, statement or other document referred to or provided for in, or received by such Funding Agent under or in connection with, this Series Supplement or any other Series 2012-1 Related Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Series Supplement, any other Series 2012-1 Related Document, or for any failure of any of CPF, the Lessee, the Guarantor, the Administrative Agent, or the Administrator to perform its obligations hereunder or thereunder. Each Funding Agent shall not be under any obligation to the CP Conduit Purchaser or any APA Bank in its CP Conduit Purchaser Group to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Series Supplement, any other Series 2012-1 Related Document or to inspect the properties, books or records of CPF, the Lessee, the Guarantor, the Administrative Agent, or the Administrator.

Section 11.4 Reliance by Each Funding Agent. Each Funding Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to CPF or the Administrator), independent accountants and other experts selected by such Funding Agent. Each Funding Agent shall be fully justified in failing or refusing to take any action under this Series Supplement or any other Series 2012-1 Related Document unless it shall first receive such advice or concurrence of the Related Purchaser Group, as it deems appropriate or it shall first be indemnified to its satisfaction by the Related Purchaser Group against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

Section 11.5 Notice of Administrator Default or Amortization Event or Potential Amortization Event. Each Funding Agent shall not be deemed to have knowledge or notice of the occurrence of any Amortization Event or Potential Amortization Event or any Administrator Default unless such Funding Agent has received written notice from a Non-Conduit Purchaser, a CP Conduit Purchaser, an APA Bank, CPF, the Administrative Agent or the Administrator referring to the Indenture or this Series Supplement, describing such Amortization Event or Potential Amortization Event, or Administrator Default and stating that such notice is a “notice of an Amortization Event or Potential Amortization Event” or “notice of an Administrator Default,” as the case may be. In the event that any Funding Agent receives such a notice, such Funding Agent shall give notice thereof to the Non-Conduit Purchaser, the CP Conduit Purchaser and APA Banks in its CP Conduit Purchaser Group. Such Funding Agent shall take such action with respect to such event as shall be reasonably directed by the CP Conduit Purchaser and APA Banks in its CP Conduit Purchaser Group, provided that unless and until such Funding Agent shall have received such directions, such Funding Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such event as it shall deem advisable in the best interests of the CP Conduit Purchaser and APA Banks in its CP Conduit Purchaser Group.

Section 11.6 Non-Reliance on Each Funding Agent and Other Purchaser Groups. Each CP Conduit Purchaser and each of the related APA Banks expressly acknowledge that neither its Funding Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by such Funding Agent hereinafter taken, including any review of the affairs of CPF, the Lessee, the Guarantor, the Administrative Agent, or the Administrator shall be deemed to constitute any representation or warranty by such Funding Agent to any such Person. Each CP Conduit Purchaser and each of the related APA Banks represents to its Funding Agent that it has, independently and without reliance upon such Funding Agent and based on such documents and information as it has

deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of CPF, the Lessee, the Guarantor, the Administrative Agent, and the Administrator and made its own decision to enter into this Series Supplement. Each CP Conduit Purchaser and each of the related APA Banks also represents that it will, independently and without reliance upon its Funding Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Series Supplement and the other Series 2012-1 Related Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other conditions and creditworthiness of CPF, the Lessee, the Guarantor, the Administrative Agent, and the Administrator.

Section 11.7 Indemnification. Each APA Bank in a CP Conduit Purchaser Group agrees to indemnify its Funding Agent in its capacity as such (to the extent not reimbursed by CPF and the Administrator and without limiting the obligation of CPF and the Administrator to do so), ratably according to its respective APA Bank Percentage in effect on the date on which indemnification is sought under this Section 11.7 (or if indemnification is sought after the date upon which the Commitments shall have been terminated, ratably in accordance with its APA Bank Percentage at the time of termination) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against such Funding Agent in any way relating to or arising out of this Series Supplement, any of the other Series 2012-1 Related Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Funding Agent under or in connection with any of the foregoing; provided that no APA Bank shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such related Funding Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of all amounts payable hereunder.

## ARTICLE XII

### GENERAL

#### Section 12.1 Successors and Assigns.

(a) This Series Supplement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that (i) CPF may not assign or transfer any of its rights under this Series Supplement without the prior written consent of all of the Series 2012-1 Noteholders, (ii) no Non-Conduit Purchaser may assign or transfer any of its rights under this Supplement other than pursuant to paragraph (e) or (f) below, (iii) no CP Conduit Purchaser may assign or transfer any of its rights under this Series Supplement other

than in accordance with the Asset Purchase Agreement with respect to such CP Conduit Purchaser or otherwise to the APA Bank with respect to such CP Conduit Purchaser or a Program Support Provider with respect to such CP Conduit Purchaser or pursuant to clause (b) or (e) below of this Section 12.1 and (iv) no APA Bank may assign or transfer any of its rights or obligations under this Series Supplement except to a Program Support Provider or pursuant to clause (c), (d) or (e) below of this Section 12.1. Notwithstanding anything to the contrary set forth herein or any Series 2012-1 Related Document, any CP Conduit Purchaser may at any time, without the consent of CPF, transfer and assign all or a portion of the Purchaser Group Invested Amount with respect to such CP Conduit Purchaser and all of its rights and obligations under this Series Supplement and any other Series 2012-1 Related Documents to which it is a party (or otherwise to which it has rights) to the APA Bank with respect to such CP Conduit Purchaser.

(b) Without limiting the foregoing, each CP Conduit Purchaser may assign, without the consent of CPF, all or a portion of the Purchaser Group Invested Amount with respect to such CP Conduit Purchaser and its rights and obligations under this Series Supplement and any other Series 2012-1 Related Documents to which it is a party (or otherwise to which it has rights) to a Conduit Assignee with respect to such CP Conduit Purchaser. Prior to or concurrently with the effectiveness of any such assignment (or if impracticable, immediately thereafter), the assigning CP Conduit Purchaser shall notify the Administrative Agent, CPF, the Trustee and the Administrator thereof. Upon such assignment by a CP Conduit Purchaser to a Conduit Assignee, (A) such Conduit Assignee shall be the owner of the Purchaser Group Invested Amount or such portion thereof with respect to such CP Conduit Purchaser, (B) the related administrative or managing agent for such Conduit Assignee shall act as the administrative agent for such Conduit Assignee hereunder, with all corresponding rights and powers, express or implied, granted to the Funding Agent hereunder or under the other Series 2012-1 Related Documents, (C) such Conduit Assignee and its liquidity support provider(s) and credit support provider(s) and other related parties shall have the benefit of all the rights and protections provided to such CP Conduit Purchaser herein and in the other Series 2012-1 Related Documents (including, without limitation, any limitation on recourse against such Conduit Assignee as provided in this paragraph), (D) such Conduit Assignee shall assume all of such CP Conduit Purchaser's obligations, if any, hereunder or under the Base Indenture or under any other Series 2012-1 Related Document with respect to such portion of the Purchaser Group Invested Amount and such CP Conduit Purchaser shall be released from such obligations, (E) all distributions in respect of the Purchaser Group Invested Amount or such portion thereof with respect to such CP Conduit Purchaser shall be made to the applicable agent or administrative agent, as applicable, on behalf of such Conduit Assignee, (F) the definitions of the terms "Monthly Funding Costs" and "Discount" shall be determined in the manner set forth in the definition of "Monthly Funding Costs" and "Discount" applicable to such CP Conduit Purchaser on the basis of the interest rate or discount applicable to commercial paper issued by such Conduit Assignee (rather than such CP Conduit Purchaser), (G) the defined terms and other terms and provisions of this Series Supplement, the Base Indenture and the other Series 2012-1 Related Documents shall be interpreted in accordance with the foregoing, and (H) if requested by the Administrative Agent or the agent or administrative agent with respect to the Conduit Assignee, the parties shall execute and deliver such further agreements and documents and take such other actions as the Administrative Agent or such agent or administrative agent may reasonably request to evidence and give effect to the foregoing. No assignment by any CP Conduit Purchaser to a Conduit Assignee of the Purchaser Group Invested Amount with respect to such CP Conduit Purchaser shall in any way diminish the obligations of the APA Bank with respect to such CP Conduit Purchaser under Section 3.3 to fund any Increase.

(c) Any APA Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell all or any part of its rights and obligations under this Series Supplement and the Series 2012-1 Notes, with the prior written consent of the Administrative Agent and, prior to the occurrence and continuance of an Amortization Event, CPF and the Administrator (in each case, which consent shall not be unreasonably withheld), to one or more banks (an “Acquiring APA Bank”) pursuant to a transfer supplement, substantially in the form of Exhibit E (the “Transfer Supplement”), executed by such Acquiring APA Bank, such assigning APA Bank, the Funding Agent with respect to such APA Bank, the Administrative Agent and, prior to the occurrence and continuance of an Amortization Event, CPF and the Administrator and delivered to the Administrative Agent. Notwithstanding the foregoing, no APA Bank shall so sell its rights hereunder if such Acquiring APA Bank is not an Eligible Assignee.

(d) Any APA Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more financial institutions or other entities (“APA Bank Participants”) participations in its APA Bank Percentage of the Maximum Purchaser Group Invested Amount with respect to it and the other APA Banks included in the related CP Conduit Purchaser Group, its Series 2012-1 Note and its rights hereunder (the “Sold APA Bank Rights”) pursuant to documentation in form and substance satisfactory to such APA Bank and the APA Bank Participant; provided, however, that (i) in the event of any such sale by an APA Bank to an APA Bank Participant, (A) such APA Bank’s obligations under this Series Supplement shall remain unchanged, (B) such APA Bank shall remain solely responsible for the performance thereof and (C) CPF and the Administrative Agent shall continue to deal solely and directly with such APA Bank in connection with its rights and obligations under this Series Supplement and (ii) no APA Bank shall sell any participating interest under which the APA Bank Participant shall have rights to approve any amendment to, or any consent or waiver with respect to, this Series Supplement, the Base Indenture or any Series 2012-1 Related Document, except to the extent that the approval of such amendment, consent or waiver otherwise would require the unanimous consent of all APA Banks hereunder. An APA Bank Participant shall have the right to receive Article VIII Costs but only to the extent that the related selling APA Bank would have had such right absent the sale of the related participation and, with respect to amounts due pursuant to Section 8.2, only to the extent such APA Bank Participant shall have complied with the provisions of Section 8.2(e) and (g) as if such APA Bank Participant were the Administrative Agent, a Funding Agent, a Program Support Provider or a member of a CP Conduit Purchaser Group. Each APA Bank that sells a participation shall, acting solely for this purpose as an agent of CPF, maintain a register on which it enters the name and address of each APA Bank Participant and the principal amounts (and stated interest) of each APA Bank Participant’s interest in the Sold APA Bank Rights (the “APA Bank Participant Register”); provided that no APA Bank shall have any obligation to disclose all or any portion of the APA Bank Participant Register (including the identity of any APA Bank Participant or any information relating to a APA Bank Participant’s interest in any commitments, loans, letters of credit or its other obligations hereunder) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries

in the APA Bank Participant Register shall be conclusive absent manifest error, and such APA Bank shall treat each Person whose name is recorded in the APA Bank Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a APA Bank Participant Register.

(e) Any CP Conduit Purchaser and the APA Bank with respect to such CP Conduit Purchaser may at any time sell all or any part of their respective rights and obligations, and any Non-Conduit Purchaser may at any time sell all or any part of its rights and obligations, under this Series Supplement and the Series 2012-1 Notes (including its Commitments), with the prior written consent of the Administrative Agent and, prior to the occurrence and continuance of an Amortization Event, CPF and the Administrator (in each case, which consent shall not be unreasonably withheld), to (x) a multi-seller commercial paper conduit and one or more banks providing support to such multi-seller commercial paper conduit or (y) to a financial institution or other entity (an “Acquiring Purchaser Group”) pursuant to a transfer supplement, substantially in the form of Exhibit E (the “Purchaser Group Supplement”), executed by such Acquiring Purchaser Group (including the CP Conduit Purchaser and the APA Banks, if any, with respect to such Acquiring Purchaser Group), the Funding Agent, if any, with respect to such Acquiring Purchaser Group, such assigning Purchaser Group (including the APA Banks, if any, with respect to such assigning Purchaser Group), the Funding Agent, if any, with respect to such assigning Purchaser Group and the Administrative Agent and, prior to an Amortization Event, CPF and the Administrator, and delivered to the Administrative Agent.

(f) Any Non-Conduit Purchaser may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more financial institutions or other entities (“Non-Conduit Purchaser Participants”) participations in its Commitment, its Series 2012-1 Note and its rights hereunder (the “Sold Non-Conduit Purchaser Rights”) pursuant to documentation in form and substance satisfactory to such Non-Conduit Purchaser and the Non-Conduit Purchaser Participant; provided, however, that (i) in the event of any such sale by a Non-Conduit Purchaser to a Non-Conduit Purchaser Participant, (A) such Non-Conduit Purchaser’s obligations under this Indenture Supplement shall remain unchanged, (B) such Non-Conduit Purchaser shall remain solely responsible for the performance thereof and (C) CPF and the Administrative Agent shall continue to deal solely and directly with such Non-Conduit Purchaser in connection with its rights and obligations under this Indenture Supplement and (ii) no Non-Conduit Purchaser shall sell any participating interest under which the Non-Conduit Purchaser Participant shall have rights to approve any amendment to, or any consent or waiver with respect to, this Supplement, the Base Indenture or any Related Document, except to the extent that the approval of such amendment, consent or waiver otherwise would require the unanimous consent of all Series 2012-1 Noteholders hereunder. A Non-Conduit Purchaser Participant shall have the right to receive Article VIII Costs but only to the extent that the related selling Non-Conduit Purchaser would have had such right absent the sale of the related participation and, with respect to amounts due pursuant to Section 8.2, only to the extent such Non-Conduit Purchaser Participant shall have complied with the provisions of Sections 8.2(e) and (g) as if such Non-Conduit Purchaser Participant were a Non-Conduit Purchaser or the Administrative Agent. Each Non-Conduit Purchaser that sells a participation shall, acting solely for this purpose as an agent of CPF, maintain a register on which it enters the name and address



of each Non-Conduit Purchaser Participant and the principal amounts (and stated interest) of each Non-Conduit Purchaser Participant's interest in the Sold Non-Conduit Purchaser Rights (the "Non-Conduit Purchaser Participant Register"); provided that no Non-Conduit Purchaser shall have any obligation to disclose all or any portion of the Non-Conduit Purchaser Participant Register (including the identity of any Non-Conduit Purchaser Participant or any information relating to a Non-Conduit Purchaser Participant's interest in any commitments, loans, letters of credit or its other obligations hereunder) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Non-Conduit Purchaser Participant Register shall be conclusive absent manifest error, and such Non-Conduit Purchaser shall treat each Person whose name is recorded in the Non-Conduit Purchaser Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Non-Conduit Purchaser Participant Register.

(g) CPF authorizes each APA Bank and Non-Conduit Purchaser to disclose to any APA Bank Participant, Acquiring APA Bank, Non-Conduit Purchaser Participant or Acquiring Purchaser Group (each, a "Transferee") and any prospective Transferee any and all financial information in such APA Bank's possession concerning CPF, the Collateral, the Administrator and the Series 2012-1 Related Documents which has been delivered to such APA Bank or Non-Conduit Purchaser by CPF or the Administrator in connection with such APA Bank's credit evaluation of CPF, the Collateral and the Administrator.

(h) Notwithstanding any other provision of this Supplement to the contrary, any Non-Conduit Purchaser, any APA Bank or any Program Support Provider may at any time pledge or grant a security interest in all or any portion of its rights under its Series 2012-1 Note and this Supplement to secure obligations of such Non-Conduit Purchaser, such APA Bank or such Program Support Provider to a Federal Reserve Bank, without notice to or consent of the Administrative Agent, the Issuer or the Administrator; provided that no such pledge or grant of a security interest shall release a Non-Conduit Purchaser or an APA Bank from any of its obligations hereunder or substitute any such pledgee or grantee for such Non-Conduit Purchaser or such APA Bank as a party hereto.

Section 12.2 Securities Law. Each Non-Conduit Purchaser, CP Conduit Purchaser and APA Bank hereby represents and warrants to CPF that it is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D under the Securities Act and has sufficient assets to bear the economic risk of, and sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of, its investment in a Series 2012-1 Note. Each Non-Conduit Purchaser, CP Conduit Purchaser and APA Bank agrees that its Series 2012-1 Note will be acquired for investment only and not with a view to any public distribution thereof, and that such Non-Conduit Purchaser, CP Conduit Purchaser and APA Bank will not offer to sell or otherwise dispose of its Series 2012-1 Note (or any interest therein) in violation of any of the registration requirements of the Securities Act, or any applicable state or other securities laws. Each Non-Conduit Purchaser, CP Conduit Purchaser and APA Bank acknowledges that it has no right to require CPF to register its Series

2012-1 Note under the Securities Act or any other securities law. Each Non-Conduit Purchaser, CP Conduit Purchaser and APA Bank hereby confirms and agrees that in connection with any transfer by it of an interest in the Series 2012-1 Note, such Non-Conduit Purchaser, CP Conduit Purchaser or APA Bank has not engaged and will not engage in a general solicitation or general advertising including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

Section 12.3 Adjustments; Set-off.

(a) If any member of a Purchaser Group (a "Benefited Purchaser Group") shall at any time receive in respect of its Purchaser Group Invested Amount any distribution of principal, interest, Commitment Fees or any interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off or otherwise) in a greater proportion than any such distribution received by any other Purchaser Group, if any, in respect of such other Purchaser Group's Purchaser Group Invested Amount, or interest thereon, the APA Banks in such Benefited Purchaser Group shall purchase for cash from the other Purchaser Group such portion of such other Purchaser Group's interest in the Series 2012-1 Notes, or shall provide such other Purchaser Group with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Purchaser Group to share the excess payment or benefits of such collateral or proceeds ratably with the other Purchaser Group; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Purchaser Group, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. CPF agrees that any Purchaser Group so purchasing a portion of another Purchaser Group's Purchaser Group Invested Amount may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Purchaser Group were the direct holder of such portion.

(b) In addition to any rights and remedies of the Purchaser Groups provided by law, each member of a Purchaser Group shall have the right, without prior notice to CPF, any such notice being expressly waived by CPF to the extent permitted by applicable law, upon any amount becoming due and payable by CPF hereunder or under the Series 2012-1 Notes to set-off and appropriate and apply against any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Purchaser Group to or for the credit or the account of CPF. Each Non-Conduit Purchaser, CP Conduit Purchaser and APA Bank agrees promptly to notify CPF, the Administrator and the Administrative Agent after any such set-off and application made by such Non-Conduit Purchaser, CP Conduit Purchaser or APA Bank; provided that the failure to give such notice shall not affect the validity of such set-off and application.

Section 12.4 No Bankruptcy Petition.

(a) Each of the Administrative Agent, the Non-Conduit Purchasers, the CP Conduit Purchasers, the APA Banks and the Funding Agents hereby covenants and agrees that, prior to the date which is one year and one day after the later of payment in full of all Series of Notes, it will not institute against, or join any other Person in instituting against, CPF any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other similar proceedings under any federal or state bankruptcy or similar law.

(b) CPF, the Administrator, the Trustee, the Administrative Agent, each Non-Conduit Purchaser, each Funding Agent and each APA Bank hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper issued by, or for the benefit of, a CP Conduit Purchaser, it will not institute against, or join any other Person in instituting against, such CP Conduit Purchaser (or the Person issuing Commercial Paper for the benefit of such CP Conduit Purchaser) any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other similar proceedings under any federal or state bankruptcy or similar law.

(c) This covenant shall survive the termination of this Series Supplement and the Base Indenture and the payment of all amounts payable hereunder and thereunder.

Section 12.5 Limited Recourse.

(a) Notwithstanding anything to the contrary contained herein, any obligations of each CP Conduit Purchaser hereunder to any party hereto are solely the corporate or limited liability company obligations of such CP Conduit Purchaser and shall be payable at such time as funds are received by or are available to such CP Conduit Purchaser in excess of funds necessary to pay in full all of its outstanding Commercial Paper and, to the extent funds are not available to pay such obligations, the claims relating thereto shall not constitute a claim against such CP Conduit Purchaser but shall continue to accrue. Each party hereto agrees that the payment of any claim (as defined in Section 101 of Title 11 of the Bankruptcy Code) of any such party against a CP Conduit Purchaser shall be subordinated to the payment in full of all of its Commercial Paper.

(b) No recourse under any obligation, covenant or agreement of any CP Conduit Purchaser contained herein shall be had against any incorporator, stockholder, member, officer, director, employee or agent of such CP Conduit Purchaser, its administrative agent, the Funding Agent with respect to such CP Conduit Purchaser or any of their Affiliates by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Series Supplement is solely a corporate or limited liability company obligation of such CP Conduit Purchaser individually, and that no personal liability whatever shall attach to or be incurred by any incorporator, stockholder, member, officer, director, employee or agent of such CP Conduit Purchaser, its administrative agent, the Funding Agent with respect to such CP Conduit Purchaser or any of its Affiliates (solely by virtue of such capacity) or any of them under or by reason of any of the obligations, covenants or agreements of such CP Conduit Purchaser contained in this Agreement, or implied therefrom, and that any and all personal liability for breaches by such CP Conduit Purchaser of

any of such obligations, covenants or agreements, either at common law or at equity, or by statute, rule or regulation, of every such incorporator, stockholder, member, officer, director, employee or agent is hereby expressly waived as a condition of and in consideration for the execution of this Series Supplement; provided that the foregoing shall not relieve any such Person from any liability it might otherwise have as a result of fraudulent actions taken or omissions made by them. The provisions of this Section 12.5 shall survive termination of this Series Supplement and the Base Indenture.

Section 12.6 Costs and Expenses. CPF agrees to pay on demand (w) all reasonable out-of-pocket costs and expenses of the Administrative Agent (including, without limitation, reasonable fees and disbursements of counsel to the Administrative Agent) and of each Purchaser Group (including in connection with the preparation, execution and delivery of this Series Supplement the reasonable fees and disbursements of one counsel, other than counsel to the Administrative Agent, for all such Purchaser Groups) in connection with (i) the preparation, execution and delivery of this Series Supplement, the Base Indenture and the other Series 2012-1 Related Documents and any amendments or waivers of, or consents under, any such documents and (ii) the enforcement by the Administrative Agent, any Non-Conduit Purchaser or any Funding Agent of the obligations and liabilities of CPF, the Lessee, the Guarantor and the Administrator under the Indenture, this Series Supplement, the other Series 2012-1 Related Documents or any related document and all costs and expenses, if any (including reasonable counsel fees and expenses), in connection with the enforcement of this Series Supplement, the Base Indenture and the other Series 2012-1 Related Documents, (x) all reasonable out of pocket costs and expenses of the Administrative Agent (including, without limitation, reasonable fees and disbursements of counsel to the Administrative Agent) in connection with the administration of this Series Supplement, the Base Indenture and the other Series 2012-1 Related Documents, (y) the rating agency fees and expenses incurred by each CP Conduit in connection with its investment in the Series 2012-1 Notes and (z) all reasonable out-of-pocket costs and expenses of the Administrative Agent (including, without limitation, reasonable fees and disbursements of counsel to the Administrative Agent) and of each Purchaser Group in connection with obtaining any rating on the Series 2012-1 Notes pursuant to Section 9.2(j). Any payments made by CPF pursuant to this Section 12.6 shall be made solely from funds available in the Series 2012-1 Distribution Account for the payment of the Article VIII Costs, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against CPF to the extent that insufficient funds exist to make such payment. The agreements in this Section shall survive the termination of this Series Supplement and the Base Indenture and the payment of all amounts payable hereunder and thereunder.

Section 12.7 Exhibits. The following exhibits attached hereto supplement the exhibits included in the Indenture.

Exhibit A: Form of Variable Funding Note  
Exhibit B: Form of Notice of Increase  
Exhibit C: Form of Lease Payment Deficit Notice

<u>Exhibit D:</u>	Form of Demand Notice
<u>Exhibit E:</u>	Form of Transfer Supplement
<u>Exhibit F:</u>	Form of Purchaser Group Supplement
<u>Exhibit G:</u>	Form of Series 2012-1 Demand Note
<u>Exhibit H:</u>	Form of Series 2012-1 Letter of Credit
<u>Exhibit I:</u>	Form of Monthly Noteholders Statement

Section 12.8 Ratification of Base Indenture. As supplemented by this Series Supplement, the Base Indenture is in all respects ratified and confirmed and the Base Indenture as so supplemented by this Series Supplement shall be read, taken, and construed as one and the same instrument.

Section 12.9 Counterparts. This Series Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

Section 12.10 Governing Law. This Series Supplement shall be construed in accordance with the law of the State of New York, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such law.

Section 12.11 Amendments. This Series Supplement may be modified or amended from time to time in accordance with the terms of the Base Indenture; provided, that notwithstanding anything to the contrary in the Base Indenture, no amendment or modification to this Series Supplement shall be effective without the prior written consent of the Series 2012-1 Required Noteholders; provided, further, that if, pursuant to the terms of the Base Indenture or this Series Supplement, the consent of the Required Noteholders is required for an amendment or modification of this Series Supplement, such requirement shall be satisfied if such amendment or modification is consented to by the Series 2012-1 Required Noteholders. Notwithstanding the foregoing (i) so long as no Group I Series of Notes are rated by a Rating Agency, satisfaction of the Rating Agency Condition shall not be required in connection with any amendment to this Series Supplement or any amendment to, or supplementation of, the Eligible Truck Appendix and (ii) so long as no Amortization Event has occurred and is continuing or would result after giving effect to such amendment, the Eligible Truck Appendix may be amended or supplemented without the consent of any Series 2012-1 Noteholder (including, for the avoidance of doubt, to effect a transfer of Applicable CPF Trucks from the Group I CPF Lease to the Applicable CPF Lease of another Group); provided that, with respect to any amendment or supplementation of the Eligible Truck Appendix to add new Group I CPF Trucks to the Group I CPF Lease, if no Termination Value Curve Schedule would apply to any such Trucks, the Administrator and the Administrative Agent shall agree upon a Termination Value Curve Schedule with respect to any such Trucks prior to such amendment or supplementation.

Section 12.12 Discharge of Indenture. Notwithstanding anything to the contrary contained in the Base Indenture, no discharge of the Indenture pursuant to Section 10.1(b) of the Base Indenture will be effective as to the Series 2012-1 Notes without the consent of the Series 2012-1 Required Noteholders.

Section 12.13 Series 2012-1 Demand Notes. Other than pursuant to a demand thereon pursuant to Section 5.5 of this Series Supplement, CPF shall not reduce the amount of the Series 2012-1 Demand Notes or forgive amounts payable thereunder so that the outstanding principal amount of the Series 2012-1 Demand Notes after such reduction or forgiveness is less than the Series 2012-1 Letter of Credit Liquidity Amount. CPF shall not agree to any amendment of the Series 2012-1 Demand Notes without the prior written consent of the Series 2012-1 Required Noteholders.

Section 12.14 Termination of Series Supplement. This Series Supplement shall cease to be of further effect when all outstanding Series 2012-1 Notes theretofore authenticated and issued have been delivered (other than destroyed, lost, or stolen Series 2012-1 Notes which have been replaced or paid) to the Trustee for cancellation and CPF has paid all sums payable hereunder and, if the Series 2012-1 Demand Note Payment Amount on the Series 2012-1 Letter of Credit Termination Date was greater than zero, the Series 2012-1 Cash Collateral Account Surplus shall equal zero, the Demand Note Preference Payment Amount shall have been reduced to zero and all amounts have been withdrawn from the Series 2012-1 Cash Collateral Account in accordance with Section 5.8(h) of this Series Supplement.

Section 12.15 Collateral Representations and Warranties of CPF.

(a) CPF owns and has good and marketable title to the Series 2012-1 Collateral, free and clear of all Liens other than Permitted Liens. This Indenture constitutes a valid and continuing Lien on the Series 2012-1 Collateral in favor of the Trustee on behalf of the Secured Parties, which Lien on the Series 2012-1 Collateral has been perfected and is prior to all other Liens (other than Permitted Liens), enforceable as such as against creditors of and purchasers from CPF in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing. CPF has received all consents and approvals required by the terms of the Series 2012-1 Collateral to the pledge of the Series 2012-1 Collateral to the Trustee.

(b) Other than the security interest granted to the Trustee hereunder, CPF has not pledged, assigned, sold or granted a security interest in the Series 2012-1 Collateral. All action necessary to protect and perfect the Trustee's security interest in the Series 2012-1 Collateral has been duly and effectively taken. No security agreement, financing statement, equivalent security or lien instrument or continuation statement listing CPF as debtor covering

all or any part of the Series 2012-1 Collateral is on file or of record in any jurisdiction, except such as may have been filed, recorded or made by CPF in favor of the Trustee on behalf of the Secured Parties in connection with this Indenture, and CPF has not authorized any such filing.

Section 12.16 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Trustee, the Administrative Agent, any Non-Conduit Purchaser, any Funding Agent, any CP Conduit Purchaser or any APA Bank, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

Section 12.17 Waiver of Setoff. Notwithstanding any other provision of this Series Supplement or any other agreement to the contrary, all payments to the Administrative Agent, the Non-Conduit Purchasers, the Funding Agents, the CP Conduit Purchasers and the APA Banks hereunder shall be made without set-off or counterclaim.

Section 12.18 Notices. All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given (i) in the case of CPF, the Administrator and the Trustee, in the manner set forth in Section 13.1 of the Base Indenture and (ii) in the case of the Administrative Agent, the Non-Conduit Purchasers, the CP Conduit Purchasers, the APA Banks and the Funding Agents, in writing, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand or three days after being deposited in the mail, postage prepaid, in the case of facsimile or other electronic notice, when received, or in the case of overnight air courier, one Business Day after the date such notice is delivered to such overnight courier, addressed as follows in the case of the Administrative Agent and to the addresses therefor set forth in Schedule I, in the case of the Non-Conduit Purchasers, the CP Conduit Purchasers, the APA Banks and the Funding Agents; or to such other address as may be hereafter notified by the respective parties hereto:

Administrative  
Agent: Deutsche Bank Securities, Inc.  
60 Wall Street, 3<sup>rd</sup> Floor  
New York, New York 10005  
Attention: Mary Conners  
Fax: 212-797-5150

With a copy to:  
abs.conduits@db.com

Section 12.19 Collateral Covenants of the Trustee. The Trustee shall hold the Series 2012-1 Demand Note and any other Series 2012-1 Collateral in the State of New York pursuant to instructions of CPF in accordance with Section 9.2(i) or as otherwise directed by the Administrative Agent.





DEUTSCHE BANK SECURITIES INC.,  
as Administrative Agent

By: \_\_\_\_\_ /s/ Jay Steiner

Name: Jay Steiner

Title: Managing Director

By: \_\_\_\_\_ /s/ Robert Sheldon

Name: Robert Sheldon

Title: Managing Director

DEUTSCHE BANK TRUST COMPANY AMERICAS, as a  
Non-Conduit Purchaser

By: \_\_\_\_\_ /s/ Jay Steiner

Name: Jay Steiner

Title: Managing Director

By: \_\_\_\_\_ /s/ Robert Sheldon

Name: Robert Sheldon

Title: Managing Director



THE BANK OF NEW YORK MELLON TRUST COMPANY,  
N.A., not in its individual capacity, but solely as Trustee, as  
Series 2012-1 Agent and as Securities Intermediary

By: \_\_\_\_\_ /s/ Sally R. Tokich  
Name: Sally R. Tokich  
Title: Senior Associate

SCHEDULE I TO SERIES 2012-1 SUPPLEMENT

CP Conduit Purchasers

<u>CP Conduit</u>	<u>APA Banks</u>	<u>Funding Agent</u>	<u>APA Bank Percentage</u>	<u>Maximum Purchaser Group Invested Amount</u>
Windmill Funding Corporation	Royal Bank of Scotland plc	Royal Bank of Scotland plc	100%	\$100,000,000

Non-Conduit Purchasers

<u>Non-Conduit Purchaser</u>	<u>Maximum Purchaser Group Invested Amount</u>
Deutsche Bank Trust Company Americas	\$100,000,000

SECOND AMENDED AND RESTATED MASTER MOTOR VEHICLE  
OPERATING LEASE AGREEMENT  
(GROUP I)

dated as of March 14, 2012

among

CENTRE POINT FUNDING, LLC,  
as Lessor,

BUDGET TRUCK RENTAL LLC,  
as Administrator  
as Lessee

and

AVIS BUDGET CAR RENTAL, LLC,  
as Guarantor

AS SET FORTH IN SECTION 23 HEREOF, LESSOR HAS ASSIGNED TO THE TRUSTEE (AS DEFINED HEREIN) CERTAIN OF ITS RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE. TO THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL EXECUTED COUNTERPART, WHICH SHALL BE IDENTIFIED AS THE COUNTERPART CONTAINING THE RECEIPT THEREFOR EXECUTED BY THE TRUSTEE ON THE SIGNATURE PAGE THEREOF.

[THIS IS NOT COUNTERPART NO. 1]

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APPENDICES, SCHEDULES AND ATTACHMENTS

Appendix 1	Definitions List
Schedule 25.5	Litigation
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ATTACHMENT A	Information Relating to Group I Trucks
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**SECOND AMENDED AND RESTATED MASTER MOTOR VEHICLE  
OPERATING LEASE AGREEMENT  
(GROUP I)**

This Second Amended and Restated Master Motor Vehicle Operating Lease Agreement (Group I) (this "Agreement"), dated as of March 14, 2012, is made by and among CENTRE POINT FUNDING, LLC ("CPF") (f/k/a Budget Truck Funding, LLC), a Delaware limited liability company (the "Lessor"), BUDGET TRUCK RENTAL LLC, a Delaware limited liability company ("BTR"), as lessee (the "Lessee") and as administrator (the "Administrator"), and AVIS BUDGET CAR RENTAL, LLC, a Delaware limited liability company ("ABCR"), as guarantor (the "Guarantor"). This Agreement amends and restates that certain Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of March 9, 2010 (the "Existing Lease"), by and among CPF, BTR and ABCR.

**WITNESSETH** :

WHEREAS, the Lessor has purchased trucks that are manufactured by Eligible Truck Manufacturers with the proceeds obtained by the issuance of the Rental Truck Asset Backed Notes, Series 2006-1 pursuant to the Base Indenture (referred to below) and the Series 2006-1 Supplement thereto, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, and intends to purchase, or refinance the purchase of, trucks that are manufactured by Eligible Truck Manufacturers with the proceeds obtained by the issuance of the Rental Truck Asset Backed Notes, Series 2012-1 pursuant to the Base Indenture (referred to below) and the Series 2012-1 Supplement thereto, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time and any additional Group I Series of Notes issued from time to time under the Base Indenture and related Group I Series Supplements thereto (any trucks so purchased, together with any trucks received as a capital contribution and designated for lease hereunder, the "Group I Trucks").

WHEREAS, the Lessor desires to lease to the Lessee and the Lessee desires to lease from the Lessor the Group I Trucks set forth on Attachment A hereto for use in the daily rental business of the Lessee; and

WHEREAS, the Guarantor has, pursuant to Section 22 hereof, guaranteed the obligations of the Lessee under this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS. Unless otherwise specified herein, capitalized terms used herein (including the preamble and recitals hereto) shall have the meanings ascribed to such terms in Appendix 1 hereto. If a capitalized term is not defined in Appendix 1, such capitalized term shall have the meaning ascribed to such term in the Definitions List attached as Annex I to the Amended and Restated Base Indenture, dated as of March 9, 2010 (the "Base Indenture"),

between the Lessor, as issuer, and The Bank of New York Mellon Trust Company, N.A. (f/k/a The Bank of New York Trust Company, N.A.), as Trustee, as such Definitions List may from time to time be amended in accordance with the Base Indenture. The Base Indenture and each related Group I Series Supplement are referred to herein as the “Indenture”.

2. GENERAL AGREEMENT. (a) The Lessee and the Lessor intend that this Agreement is an operating lease and that the relationship between the Lessor and the Lessee pursuant hereto shall always be only that of lessor and lessee, and the Lessee hereby declares, acknowledges and agrees that the Lessor is the owner of, and the Lessor holds legal title to, the Group I Trucks. The Lessee shall not acquire by virtue of this Agreement any right, equity, title or interest in or to any Group I Trucks, except the right to use the same under the terms hereof. The parties 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, and each party hereto will take no position on its tax returns and filings contrary to the position that the Lessor is the owner of the Group I Trucks for federal and state income tax purposes.

(b) If, notwithstanding the intent of the parties to this Agreement, this Agreement is characterized by any third party as a financing arrangement or as otherwise not constituting a “true lease,” then it is the intention of the parties that this Agreement shall constitute a security agreement under applicable law, and, to secure all of its obligations under this Agreement, the Lessee hereby grants to the Lessor a security interest in all of the Lessee’s right, title and interest, if any, in and to all of the following assets, property and interests in property, whether now owned or hereafter acquired or created:

(i) the rights of the Lessee under this Agreement, as the same may be amended, modified or supplemented from time to time in accordance with its terms, and any other agreements related to or in connection with this Agreement to which the Lessee is a party (the “Lessee Agreements”), including, without limitation, (a) all monies, if any, due and to become due to the Lessee from the Guarantor under or in connection with any of the Lessee Agreements, whether payable as rent, guaranty payments, fees, expenses, costs, indemnities, insurance recoveries, damages for the breach of any of the Lessee Agreements or otherwise, (b) all rights, remedies, powers, privileges and claims of the Lessee against any other party under or with respect to the Lessee Agreements (whether arising pursuant to the terms of such Lessee Agreements or otherwise available to the Lessee at law or in equity), including the right to enforce any of the Lessee Agreements and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect to the Lessee Agreements or the obligations and liabilities of any party thereunder, (c) all liens and property from time to time purporting to secure payment of the obligations and liabilities of the Lessee arising under or in connection with the Lessee Agreements, together with any documents or agreements describing any collateral securing such obligations or liabilities, and (d) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such obligations and liabilities of the Lessee pursuant to the Lessee Agreements;

(ii) all Group I Trucks which, notwithstanding that this Agreement and any Sublease is intended to convey only a leasehold interest, are determined to be owned by the Lessee or any Permitted Sublessee, and all Certificates of Title with respect to such Group I Trucks;

(iii) all right, title and interest of the Lessee or any Permitted Sublessee in and to any proceeds from the sale of Group I Trucks which, notwithstanding that this Agreement and any Sublease is intended to convey only a leasehold interest, are determined to be owned by the Lessee or any Permitted Sublessee, including all monies due in respect of such Group I Trucks, whether payable as the purchase price of such Group I Trucks or as fees, expenses, costs, indemnities, insurance recoveries or otherwise;

(iv) all payments under insurance policies (whether or not the Lessor or the Trustee is named as the loss payee thereof) or any warranty payable by reason of loss or damage to, or otherwise with respect to, any of the Group I Trucks;

(v) the rights of the Lessee under any Sublease, as the same may be amended, modified or supplemented from time to time in accordance with its terms, including, without limitation, (a) all monies, if any, due and to become due to the Lessee from any Permitted Sublessee under or in connection with any Sublease, whether payable as rent, fees, expenses, costs, indemnities, insurance recoveries, damages for the breach of any Sublease or otherwise, (b) all rights, remedies, powers, privileges and claims of the Lessee against any other party under or with respect to any Sublease (whether arising pursuant to the terms of such Sublease or otherwise available to the Lessee at law or in equity), including the right to enforce any Sublease and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect to any Sublease or the obligations and liabilities of any party thereunder, (c) all liens and property from time to time purporting to secure payment of the obligations and liabilities of any Permitted Sublessee arising under or in connection with any Sublease, together with any documents or agreements describing any collateral securing such obligations or liabilities, and (d) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such obligations and liabilities of any Permitted Sublessee pursuant to any Sublease;

(vi) all additional property that may from time to time hereafter be subjected to the grant and pledge under this Agreement, as the same may be modified or supplemented from time to time, by the Lessee or by anyone on its behalf; and

(vii) all proceeds of any and all of the foregoing including, without limitation, payments under insurance (whether or not the Lessor is named as the loss payee thereof) and cash.

(c) To secure the Note Obligations with respect to each Group I Series of Notes, the Lessee hereby grants to the Trustee, on behalf of the Group I Secured Parties, a first priority security interest in all of the Lessee's right, title and interest, if any, in and to all of the collateral described in Section 2(b) above, whether now owned or hereafter acquired or created. Upon the

occurrence of a Liquidation Event of Default or a Limited Liquidation Event of Default and subject to the provisions of the Applicable Related Documents with respect to each Group I Series of Notes, the Trustee shall have all of the rights and remedies of a secured party, including, without limitation, the rights and remedies granted under the UCC.

(d) The Lessee agrees to deliver to the Lessor and the Trustee on or before the date hereof:

(i) a written search report as of a recent date from a Person satisfactory to the Lessor and the Trustee listing all effective financing statements that name the Lessee as debtor or assignor, and that are filed in the jurisdictions in which filings were made pursuant to clause (ii) below, together with copies of such financing statements, and tax and judgment lien search reports from a Person satisfactory to the Lessor and the Trustee showing no evidence of liens filed against the Lessee that purport to affect any Group I Trucks or any Group Specific Collateral specified as Group I Collateral under the Base Indenture or any related Group I Series Supplement;

(ii) evidence of the filing in the State of Delaware of proper financing statements on Form UCC-1 naming the Lessee, as debtor, and the Lessor, as secured party, covering the collateral described in Section 2(b) hereof; and

(iii) evidence of the filing in the State of Delaware of proper financing statements on Form UCC-1 naming the Lessee, as debtor, and the Trustee as secured party covering the collateral described in Section 2(b) hereof.

**2.1 Lease of Group I Trucks.** From time to time, subject to the terms and provisions hereof, the Lessor agrees to lease to the Lessee and the Lessee agrees to lease from the Lessor, subject to the terms hereof, (i) the Group I Trucks identified in Attachment A hereto (which Attachment A shall set forth the VIN, the model, model year, the manufacturer, the original Capitalized Cost and the Net Book Value as of the date hereof of each Group I Truck and whether each such Group I Truck is a cargo van, gas truck or a diesel truck) and (ii) each additional Group I Truck purchased by the Lessee as agent for the Lessor or contributed to Lessor by BRAC to be leased to the Lessee, as identified in a supplement to Attachment A (in the form of Attachment B) setting forth the VIN, the model, model year, the manufacturer, the original Capitalized Cost and the Initial Purchase Net Book Value of such Group I Truck and whether each such Group I Truck is a cargo van, gas truck or a diesel truck (each, a "Vehicle Acquisition Schedule"), produced from time to time by such Lessee. The Lessor shall, subject to Section 2.5 below and compliance with the terms of the Base Indenture and each related Group I Series Supplement, make available Group I Trucks for lease to the Lessee. In addition, each Lessee shall provide such other information regarding such Group I Trucks as the Lessor may reasonably require from time to time. The Lessor shall lease to the Lessee, and the Lessee shall lease from the Lessor, only Group I Trucks that are Eligible Trucks. This Agreement and any other related documents attached to this Agreement (collectively, the "Supplemental Documents"), will constitute the entire agreement regarding the leasing of Group I Trucks by the Lessor to the Lessee.

2.2 Right of Lessee to Act as Lessor's Agent. (a) The Lessor agrees that the Lessee may act as the Lessor's agent in acquiring additional Group I Trucks on behalf of the Lessor, as well as filing claims on behalf of the Lessor for damage in transit, and other delivery related claims with respect to the Group I Trucks leased hereunder; provided, however, that the Lessor may hold the Lessee liable for such Lessee's actions in performing as the Lessor's agent hereunder. In addition, the Lessor agrees that the Lessee may make arrangements for delivery of Group I Trucks to a location selected by the Lessee at the Lessee's expense. The Lessee may accept or reject Eligible Trucks upon delivery in accordance with the Lessee's customary business practices, and any Eligible Trucks, if rejected, will be deemed a Casualty hereunder. The Lessee, acting as agent for the Lessor, shall be responsible for pursuing any rights of the Lessor with respect to the return of any Eligible Trucks to the manufacturer thereof pursuant to the preceding sentence. The Lessee agrees that all Group I Trucks ordered as provided herein shall be Eligible Vehicles.

(b) The Lessee, acting as agent for the Lessor, shall be responsible for complying with the Titling Procedures for all Group I Trucks promptly upon the acquisition thereof or contribution thereof to the Lessor (but in no event later than three (3) Business Days after such acquisition or contribution thereof).

2.3 Payment of Purchase Price by Lessor. Upon receipt of the manufacturer's invoice and certificate of origin in respect of any new Group I Truck (other than, for the avoidance of doubt, any Group I Truck that has been contributed to the Lessor by BRAC), the Lessor or its agent shall pay or cause to be paid to the related manufacturer the costs and expenses incurred in connection with the acquisition of such Group I Truck as established by the invoice of the manufacturer (the "Initial Acquisition Cost") for such Group I Truck, and the Lessee shall pay all applicable costs and expenses of freight, packing, handling, storage, shipment and delivery of such Group I Truck to the extent that the same have not been included within the Initial Acquisition Cost.

2.4 Non-Liability of Lessor. THE LESSOR SHALL NOT BE LIABLE TO THE LESSEE FOR ANY FAILURE OR DELAY IN MAKING DELIVERY OF GROUP I TRUCKS. AS BETWEEN THE LESSOR AND THE LESSEE, ACCEPTANCE FOR LEASE OF THE GROUP I TRUCKS LEASED BY THE LESSEE SHALL CONSTITUTE THE LESSEE'S ACKNOWLEDGMENT AND AGREEMENT THAT THE LESSEE HAS FULLY INSPECTED SUCH GROUP I TRUCKS, THAT SUCH GROUP I TRUCKS ARE IN GOOD ORDER AND CONDITION AND ARE OF THE MANUFACTURE, DESIGN, SPECIFICATIONS AND CAPACITY REQUIRED BY THE LESSEE, THAT THE LESSEE IS SATISFIED THAT THE SAME ARE SUITABLE FOR THIS USE AND THAT THE LESSOR IS NOT A MANUFACTURER OR ENGAGED IN THE SALE OR DISTRIBUTION OF GROUP I TRUCKS, AND HAS NOT MADE AND DOES NOT HEREBY MAKE ANY REPRESENTATION, WARRANTY OR COVENANT WITH RESPECT TO MERCHANTABILITY, CONDITION, QUALITY, DURABILITY OR SUITABILITY OF THE GROUP I TRUCKS IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSES OR USES OF THE LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO. THE LESSOR SHALL NOT BE LIABLE FOR ANY FAILURE

OR DELAY IN DELIVERING ANY GROUP I TRUCK LEASED PURSUANT TO THIS AGREEMENT, OR FOR ANY FAILURE TO PERFORM ANY PROVISION HEREOF, RESULTING FROM FIRE OR OTHER CASUALTY, NATURAL DISASTER, RIOT, STRIKE OR OTHER LABOR DIFFICULTY, GOVERNMENTAL REGULATION OR RESTRICTION, OR ANY CAUSE BEYOND THE LESSOR'S DIRECT CONTROL. IN NO EVENT SHALL THE LESSOR 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 GROUP I TRUCK, AND THERE SHALL BE NO ABATEMENT OF MONTHLY BASE RENT, SUPPLEMENTAL RENT OR OTHER AMOUNTS PAYABLE HEREUNDER BECAUSE OF THE SAME.

2.5 Lessee's Rights to Purchase Group I Trucks. The Lessee shall have the option, exercisable with respect to any Group I Truck during the Vehicle Term with respect to such Group I Truck, to purchase any Group I Truck leased by the Lessee at the greater of (i) the Termination Value or (ii) the fair market value of such Group I Truck (the greater of such amounts being referred to as the "Vehicle Purchase Price"), in which event the Lessee will pay the Vehicle Purchase Price to the Lessor on or before the Distribution Date with respect to the Related Month in which the Lessee elects to purchase such Group I Truck and the Lessee will pay to the Lessor on or before such Distribution Date all accrued and unpaid Monthly Base Rent and any Supplemental Rent then due and payable with respect to such Group I Truck through such Distribution Date. The Lessor may request title to any such Group I Truck to be transferred to the Lessee, and the Administrator shall request the Trustee to remove notation of its Lien (or, if applicable, to cause any Applicable Nominee Lienholder to remove notation of its Lien) from the Certificate of Title for such Group I Truck, concurrently with or promptly after the Vehicle Purchase Price for such Group I Truck (and any such unpaid Monthly Base Rent and Supplemental Rent) is deposited in the Collection Account.

2.6 Lessor's Right to Cause Group I Trucks to be Sold. If the Lessee does not elect to purchase any Group I Truck leased by the Lessee hereunder pursuant to Section 2.5 hereof, then:

(a) The Lessee shall use commercially reasonable efforts to arrange for the sale of each Group I Truck to a third party for the Vehicle Purchase Price with respect to such Group I Truck on or prior to the applicable Vehicle Lease Expiration Date. Notwithstanding the disposition of a Group I Truck by the Lessee prior to the applicable Vehicle Lease Expiration Date, the Lessee shall pay to the Lessor all accrued and unpaid Monthly Base Rent and any Supplemental Rent then due and payable with respect to such Group I Truck through the Distribution Date with respect to the Related Month during which such disposition occurred, unless such Group I Truck is a Casualty, payment for which will be made in accordance with Section 6 hereof. If a sale of such Group I Truck is arranged by the Lessee pursuant to this Section 2.6(a), then (i) the Lessee shall deliver the Group I Truck to the purchaser thereof, (ii) the Lessee shall cause to be delivered to the Lessor the funds paid for such Group I Truck by the purchaser and (iii) if applicable, the Administrator shall request the Trustee to remove notation of its Lien (or, if applicable, to cause any Applicable Nominee Lienholder to remove notation of its Lien) from the Certificate of Title of such Group I Truck.



(b) In the event any Group I Truck or Group I Trucks are not purchased by the Lessee of such Group I Truck pursuant to Section 2.5 or sold to a third party pursuant to Section 2.6(a), then, the Lessee shall return such Group I Truck or Group I Trucks to the Lessor on or before the Distribution Date with respect to the Related Month in which the applicable Vehicle Lease Expiration Date falls.

2.7 Conditions to Each Lease of Group I Trucks. The agreement of the Lessor to make available any Group I Truck for lease to the Lessee upon such Lessee's acquisition of such Group I Truck, as agent of the Lessor, is subject to the terms and conditions of the Base Indenture and subject to the satisfaction of the following conditions precedent as of the Vehicle Lease Commencement Date for such Group I Truck:

2.7.1 No Default. No Lease Event of Default or Amortization Event with respect to any Group I Series of Notes shall have occurred and be continuing on such date or would result from the leasing of such Group I Truck.

2.7.2 Limitations of the Acquisition of Certain Trucks. After giving effect to the inclusion of such Group I Truck under this Agreement, there shall not be a failure or violation of any of the conditions, requirements, or restrictions specified in the Base Indenture or any related Group I Series Supplement with respect to the leasing of Eligible Trucks under this Agreement.

2.7.3 Truck Order. The Lessee shall have complied with the applicable provisions of Section 2.1 of this Agreement.

2.7.4 Funding. The aggregate amount of funds to be expended by the Lessor on any one date to acquire any Group I Trucks shall not exceed the aggregate Net Book Value of all such Group I Trucks.

2.7.5 Eligible Trucks. Each Group I Truck shall meet the requirements as set forth in clauses (a)(i), (ii), (iii), (iv) and (vi) and (b) in the definition of "Eligible Truck" in the Indenture (subject, in the case of clauses (a)(ii) and (a)(iii) to any applicable qualifications and provisos included in such definition).

### 3. TERM.

3.1 Vehicle Term. The "Vehicle Lease Commencement Date" (x) for each Group I Truck owned by Lessor on the date hereof shall mean the Initial Group I Closing Date or such later date as determined in accordance with the Master Motor Vehicle Operating Lease, dated as of May 11, 2006, by and among CPF, BTR and ABCR, as amended at the time such Group I Truck was added to the Existing Lease and (y) for each additional Group I Truck shall mean the earlier of (a) the date referenced in the Vehicle Acquisition Schedule with respect to such Group I Truck, and (b) the date such Group I Truck is contributed to the Lessor or the date that funds are expended by the Lessor to acquire such Group I Truck (with respect to such Group

I Truck, the “Truck Funding Date”). The “Vehicle Term” with respect to each Group I Truck shall extend from the Vehicle Lease Commencement Date through the earliest of (i) if such Group I Truck is sold to a third party, the date on which funds in the amount of the Vehicle Purchase Price in respect of such sale are deposited in the Collection Account (by such third party or by the Lessee or the Guarantor on behalf of such third party), (ii) if such Group I Truck becomes a Casualty, the date funds in the amount of the Termination Value thereof are deposited in the Collection Account by the Lessee, (iii) if such Group I Truck becomes an Ineligible Truck (other than a Casualty), the date such Group I Truck has become an Ineligible Truck (iv) the date that such Group I Truck is purchased by the Lessee pursuant to Section 2.5 hereof and the Vehicle Purchase Price with respect to such purchase (along with any unpaid Monthly Base Rent and Supplemental Rent with respect to such Group I Truck) is deposited in the Collection Account by the Lessee, and (v) the date on which such Group I Truck is reclassified to the Applicable CPF Lease of another Group in connection with a refinancing of such Group I Truck (the earliest of such dates described in clauses (i) through (v) being referred to as the “Vehicle Lease Expiration Date”).

3.2 Term. The “CPF Lease Commencement Date” shall mean the Initial Group I Closing Date. The “CPF Lease Expiration Date” shall mean the latest of (i) the date of the payment in full of each Group I Series of Notes (including any interest thereon) and all outstanding Carrying Charges, (ii) the latest Vehicle Lease Expiration Date for all Group I Trucks and (iii) the date on which all amounts payable hereunder have been paid in full. The “Term” of this Agreement shall mean the period commencing on the CPF Lease Commencement Date and ending on the CPF Lease Expiration Date.

4. RENT AND CHARGES. The Lessee will pay Monthly Base Rent and any Supplemental Rent due and payable on a monthly basis as set forth in this Section 4.

4.1 Payment of Rent. On each Distribution Date the Lessee shall pay in immediately available funds to the Lessor not later than 11:00 a.m. New York City time, on such Distribution Date, (i) all Monthly Base Rent that has accrued during the Related Month with respect to each Group I Truck leased hereunder during or prior to the Related Month and (ii) all Supplemental Rent due and payable on such Distribution Date.

4.2 Net Lease. THIS AGREEMENT SHALL BE A NET LEASE, AND THE LESSEE’S OBLIGATION TO PAY ALL MONTHLY BASE RENT, SUPPLEMENTAL RENT AND OTHER SUMS 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 the Lessee hereunder shall in no way be released, discharged or otherwise affected (except as may be expressly provided herein) for any reason, including without limitation: (i) any defect in the condition, merchantability, quality or fitness for use of the Group I Trucks or any part thereof; (ii) any damage to, removal, abandonment, salvage, loss, scrapping or destruction of or any requisition or taking of the Group I Trucks or any part thereof; (iii) any restriction, prevention or curtailment of or interference with any use of the Group I Trucks or any part thereof; (iv) any defect in or any Lien on title to the Group I Trucks or any part thereof; (v) any change, waiver, extension, indulgence or other action or omission in respect of any obligation or

liability of the Lessee or the Lessor; (vi) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to the Lessee, the Lessor 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; (vii) any claim that the Lessee has or might have against any Person, including without limitation the Lessor; (viii) any failure on the part of the Lessor or the Lessee to perform or comply with any of the terms hereof or of any other agreement; (ix) any invalidity or unenforceability or disaffirmance of this Agreement or any provision hereof or any of the other Applicable Related Documents with respect to any Group I Series of Notes or any provision of any thereof, in each case whether against or by the Lessee or otherwise; (x) any insurance premiums payable by the Lessee with respect to the Group I Trucks; or (xi) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not the Lessee shall have notice or knowledge of any of the foregoing and whether or not foreseen or foreseeable. This Agreement shall be noncancelable by the Lessee and, except as expressly provided herein, the Lessee, 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 Monthly Base Rent, Supplemental Rent or other amounts payable by the Lessee hereunder. All payments by the Lessee made hereunder shall be final (except to the extent of adjustments provided for herein), absent manifest error and, except as otherwise provided herein, the Lessee 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, the Lessee shall nonetheless pay all Monthly Base Rent, all Supplemental Rent and all other amounts 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 the Lessee herein shall be performed at its cost, expense and risk unless expressly otherwise stated.

5. INSURANCE. The Lessee represents that it shall at all times maintain or cause to be maintained insurance coverage in force as follows:

5.1 Personal Injury and Damage. Insurance coverage as set forth in Section 26.3 hereof. In addition, the Lessee will maintain with respect to the Lessee's properties and businesses insurance against loss or damage of the kind customarily insured against by corporations, limited liability companies or other entities engaged in the same or similar businesses, of such types and in such amounts as are customarily carried by such similarly situated corporations.

5.2 Delivery of Certificate of Insurance. Within 10 days after the Initial Group I Closing Date, the Lessee or the Guarantor shall deliver to the Lessor a certificate(s) of insurance naming the Lessor, CPF and the Trustee as additional insureds as to the item required by Section 26.3. Such insurance shall not be changed or canceled except as provided below in Section 5.3.

5.3 Changes in Insurance Coverage. No changes shall be made in any of the foregoing insurance requirements unless the prior written consent of each of the Lessor and the Trustee are first obtained. The Lessor may grant or withhold its consent to any proposed change in such insurance in its sole discretion. The Trustee shall be required to grant its consent to any proposed change in such insurance upon compliance with the following conditions:

- (i) The Lessee or the Guarantor shall deliver not less than 30 days' prior written notice of any proposed change in such insurance to the Trustee; and

(ii) The Required Noteholders of each Group I Series of Notes Outstanding shall have consented to the proposed change.

#### 6. RISK OF LOSS: CASUALTY OBLIGATIONS.

6.1 Risk of Loss Borne by Lessee. Upon delivery of each Group I Truck to the Lessee, as between the Lessor and the Lessee, the Lessee assumes and bears the risk of loss, damage, theft, taking, destruction, attachment, seizure, confiscation or requisition with respect to such Group I Truck, however caused or occasioned, and all other risks and liabilities, including personal injury or death and property damage, arising with respect to such Group I Truck due to the manufacture, purchase, acceptance, rejection, ownership, delivery, leasing, subleasing, possession, use, inspection, registration, operation, condition, maintenance, repair, storage, sale, return or other disposition of such Group I Truck, howsoever arising.

6.2 Casualty. If a Group I Truck becomes a Casualty, then the Lessee will (i) promptly notify the Lessor thereof and (ii) promptly, but in no event later than the Distribution Date with respect to the Related Month during which such Group I Truck became a Casualty, pay to the Lessor the Termination Value of such Group I Truck (as of the date such Group I Truck became a Casualty). Upon payment by the Lessee to the Lessor of the Termination Value of any Group I Truck that has become a Casualty (i) the Lessor shall cause title to such Group I Truck to be transferred to the Lessee to facilitate liquidation of such Group I Truck by the Lessee, (ii) the Lessee shall be entitled to any physical damage insurance proceeds applicable to such Group I Truck and (iii) the Administrator shall request the Trustee to remove notation of its Lien (or, if applicable, to cause any Applicable Nominee Lienholder to remove notation of its Lien) from the Certificate of Title for such Group I Truck.

7. GROUP I TRUCK USE. So long as no Lease Event of Default, Liquidation Event of Default or Limited Liquidation Event of Default has occurred (subject, however, to Section 2.5 hereof), the Lessee may use Group I Trucks leased hereunder in its regular course of business, including subleasing Group I Trucks to Permitted Sublessees in accordance with this Section 7. Such use shall be confined solely to the United States, and the principal place of business or rental office of the Lessee with respect to the Group I Trucks shall be located in the United States. The Administrator shall promptly and duly execute, deliver, file and record all such documents, statements, filings and registrations and take such further actions as the Lessor or the Trustee shall from time to time reasonably request in order to establish, perfect and maintain the Lessor's rights to and interest in the Group I Trucks and the Certificates of Title as against the Lessee or any third party in any applicable jurisdiction and to establish, perfect and maintain the Trustee's Lien on the Group I Trucks and the Certificates of Title as a perfected first lien in any applicable jurisdiction. The Lessee may, at its sole expense, change the place of principal location of any Group I Trucks. Notwithstanding the foregoing, no change of location shall be undertaken unless and until (x) all actions necessary to maintain the Lien of the Trustee

on such Group I Trucks and the Certificates of Title with respect to such Group I Trucks shall have been taken and (y) all legal requirements applicable to such Group I Trucks shall have been met or obtained. Following the occurrence of a Lease Event of Default, a Limited Liquidation Event of Default or a Liquidation Event of Default, the Lessee shall advise the Lessor in writing where all Group I Trucks leased hereunder as of such date are principally located. The Lessee shall not knowingly use any Group I Trucks or knowingly permit the same to be used for any unlawful purpose. The Lessee shall use reasonable precautions to prevent loss or damage to Group I Trucks. The Lessee shall comply with all applicable statutes, decrees, ordinances and regulations regarding acquiring, titling, registering, leasing, insuring and disposing of Group I Trucks and shall take reasonable steps to ensure that operators are licensed. The Lessee and the Lessor agree that the Lessee shall perform, at the Lessee's own expense, such Group I Truck preparation and conditioning services with respect to Group I Trucks leased by the Lessee hereunder as are customary. The Lessor or the Trustee or any authorized representative of the Lessor or the Trustee may during reasonable business hours from time to time, without disruption of the Lessee's business, subject to applicable law, inspect Group I Trucks and registration certificates, Certificates of Title and related documents covering Group I Trucks wherever the same be located. In addition to its normal daily rental operations, the Lessee may sublease Group I Trucks to a Permitted Sublessee provided that (i) such Permitted Sublessee uses such Group I Trucks in the regular course of its business and the regular course of such Permitted Sublessee's business is renting vehicles on a daily basis, (ii) the aggregate Net Book Value of all Group I Trucks being subleased at any one time is less than ten percent (10%) (or such other percentage as may be agreed to in writing by the Required Noteholders of each Group I Series of Notes Outstanding at such time) of the aggregate Net Book Value of the Vehicles being leased under this Agreement at such time, (iii) the applicable sublease agreement is substantially in the form of Attachment D hereto and (iv) the Lessee delivers to the Lessor and the Trustee an Opinion of Counsel, dated the date of the applicable Sublease, (a) substantially to the effect that (w) the applicable Sublease has been duly authorized, executed and delivered by each of the Lessee and the applicable Permitted Sublessee, (x) the applicable Sublease constitutes a valid, binding and enforceable obligation of each of the Lessee and the applicable Permitted Sublessee, (y) there is no pending or threatened litigation which, if adversely determined, would materially and adversely affect the ability of each of the Lessee and the applicable Permitted Sublessee to perform its obligations under the applicable Sublease and (z) the applicable Sublease does not conflict with or violate any court decree, injunction, writ or order applicable to either the Lessee or the applicable Permitted Sublessee or result in a breach or default under any indenture, agreement or other instrument of the Lessee or the applicable Permitted Sublessee and (b) with respect to the validity, perfection and priority of the security interests created by the Sublease. No such sublease to a Permitted Sublessee shall release the Lessee or the Guarantor from any obligations under this Agreement. The Lessee shall not sublease any Group I Truck or assign any right or interest herein or in any Group I Truck to any Person other than a Permitted Sublessee in accordance with this Section 7; provided, however, the foregoing shall not be deemed to prohibit the Lessee from renting Group I Trucks to third party customers in the ordinary course of its business.

8. LIENS. Except for Permitted Liens, the Lessee shall keep all Group I Trucks leased by it hereunder free of all Liens arising during the Term. Upon the Vehicle Lease Expiration Date for each Group I Truck, should any such Lien exist on such Group I Truck, the

Lessor may, in its discretion, remove such Lien, and any sum of money that may be paid by the Lessor in release or discharge thereof, including attorneys' fees and costs, will be paid by the Lessee upon demand by the Lessor. The Lessor may grant security interests in the Group I Trucks leased by the Lessee hereunder without consent of the Lessee; provided, however, that if any such Liens would interfere with the rights of the Lessee under this Agreement, the Lessor must obtain the prior written consent of the Lessee. The Lessee agrees and acknowledges that the granting of Liens and the taking of other actions pursuant to the Base Indenture and the Applicable Related Documents with respect to any Group I Series of Notes does not interfere with the rights of the Lessee under this Agreement.

9. **NON-DISTURBANCE.** So long as the Lessee satisfies its obligations hereunder, its quiet enjoyment, possession and use of the Group I Trucks leased by the Lessee hereunder will not be disturbed during the Term, subject, however, to Sections 2.6 and 18 hereof and except that the Lessor and the Trustee each retains the right, but not the duty, to inspect the Group I Trucks without disturbing the ordinary conduct of the Lessee's business. Upon the request of the Lessor or the Trustee from time to time, the Lessee will make reasonable efforts to confirm to the Lessor and the Trustee the location, mileage and condition of each Group I Truck leased by the Lessee hereunder and to make available for the Lessor's or the Trustee's inspection within a reasonable time period, not to exceed 45 days, the Group I Trucks at the location where such Group I Trucks are normally domiciled. Further, the Lessee will, during normal business hours and with a notice of three Business Days, make its records pertaining to the Group I Trucks available to the Lessor or the Trustee for inspection at the location where the Lessee's records are normally domiciled.

10. **REGISTRATION; LICENSE; TRAFFIC SUMMONSES; PENALTIES AND FINES.** The Lessee, at its expense, shall be responsible for proper registration and licensing of the Group I Trucks and titling of the Group I Trucks in the name of the Lessor (with the Lien of the Trustee, in its name or in the name of an Applicable Nominee Lienholder, on behalf of the Trustee, noted thereon), and, where required, shall have such Group I Trucks inspected by any appropriate governmental authority; provided, however, that notwithstanding the foregoing, possession of all Certificates of Title shall at all times remain with the Administrator, or an Affiliate or agent of the Administrator identified to the Trustee in writing, which will hold such Certificates of Title in its capacity as agent for the Lessor and on behalf of the Trustee. The Lessee shall be responsible for the payment of all registration fees, title fees, license fees, traffic summonses, penalties, judgments and fines incurred with respect to any Group I Truck during the Vehicle Term for such Group I Truck or imposed during the Vehicle Term for such Group I Truck by any Governmental Authority or any court of law or equity with respect to such Group I Trucks in connection with the Lessee's operation of such Group I Trucks. The Lessor agrees to execute a power of attorney in substantially the form of Attachment C hereto (each, a "Power of Attorney"), and such other documents as may be necessary in order to allow the Lessee to title, register and dispose of the Group I Trucks leased hereunder in accordance with the terms hereof; provided, however, that possession of all Certificates of Title shall at all times remain with the Administrator, or an Affiliate or agent of the Administrator identified to the Trustee in writing, which will hold such Certificates of Title in its capacity as agent for the Lessor and on behalf of the Trustee, and the Lessee acknowledges and agrees that it has no right, title or interest in or with respect to any Certificate of Title. Notwithstanding anything herein to the contrary, the Lessor may terminate such Power of Attorney as provided in Section 18.3(iii) hereof.

11. MAINTENANCE AND REPAIRS. The Lessee shall pay for all maintenance and repairs to keep Group I Trucks in good working order and condition, and the Lessee will maintain the Group I Trucks as required in order to keep the manufacturer's warranty in force. The Lessee will return Group I Trucks to a facility authorized by the manufacturer of such Group I Truck or the Lessee's warranty station authorized by the manufacturer of such Group I Truck for warranty work. The Lessee will comply with any manufacturer's recall of any Group I Truck. The Lessee will pay, or cause to be paid, all usual and routine expenses incurred in the use and operation of Group I Trucks including, but not limited to, fuel, lubricants, and coolants. The Lessee agrees that it shall not make any material alterations to any Group I Trucks without the prior consent of the Lessor. Any improvements or additions to any Group I Trucks shall become and remain the property of the Lessor, except that any addition to Group I Trucks made by the Lessee shall remain the property of the Lessee if such addition can be disconnected from such Group I Trucks without impairing the functioning of such Group I Trucks or its resale value, excluding such addition.

12. GROUP I TRUCK WARRANTIES.

12.1 No Lessor Warranties. THE LESSEE ACKNOWLEDGES THAT THE LESSOR IS NOT THE MANUFACTURER, THE AGENT OF THE MANUFACTURER, OR THE DISTRIBUTOR OF THE GROUP I TRUCKS LEASED BY THE LESSEE HEREUNDER. THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE FITNESS, SAFENESS, DESIGN, MERCHANTABILITY, CONDITION, QUALITY, CAPACITY OR WORKMANSHIP OF THE GROUP I TRUCKS NOR ANY WARRANTY THAT THE GROUP I TRUCKS WILL SATISFY THE REQUIREMENTS OF ANY LAW OR ANY CONTRACT SPECIFICATION, AND AS BETWEEN THE LESSOR AND THE LESSEE, THE LESSEE AGREES TO BEAR ALL SUCH RISKS AT ITS SOLE COST AND EXPENSE. THE LESSEE SPECIFICALLY WAIVES ALL RIGHTS TO MAKE CLAIMS AGAINST THE LESSOR AND ANY GROUP I TRUCK FOR BREACH OF ANY WARRANTY OF ANY KIND WHATSOEVER AND, AS TO THE LESSOR, THE LESSEE LEASES THE GROUP I TRUCKS "AS IS." IN NO EVENT SHALL THE LESSOR BE LIABLE FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHATSOEVER OR HOWSOEVER CAUSED.

12.2 Manufacturer's Warranties. If a Group I Truck is covered by a manufacturer's warranty, the Lessee, during the Vehicle Term for such Group I Truck, shall have the right to make any claims under such warranty which the Lessor could make.

13. GROUP I TRUCK USAGE GUIDELINES AND RETURN; TRUCK SPECIAL DAMAGE PAYMENTS.

13.1 Usage. As used herein "Truck Turn-In Condition Standard" with respect to each Group I Truck shall mean such Group I Truck shall have no: body dents; rust; corrosion; dented, rusted, broken, missing chrome or trim; ripped or stained upholstery, seats, dash, headliner or carpeting; missing interior trim; sprung or misaligned doors or their openings; worn,

cracked, split, broken or leaking weather-stripping; faulty window mechanisms; broken, cracked, missing glass, mirrors or lights; faulty electronic systems, including on-board computers, processors, sensors, controls, radios, stereos, and the like; faulty heating, air conditioning or climate control systems; worn or faulty shock absorbers or other suspension or steering parts, systems or mechanisms; excessively worn tires; or any other condition that adversely affects the appearance or operating condition of such Group I Truck, in each case other than any such condition that would reasonably be considered to be normal wear and tear or otherwise de minimis by a purchaser of such Group I Truck.

13.2 Truck Special Damage Payments. (a) The Lessee will use its best efforts to maintain the Group I Trucks in a manner such that no Truck Special Damage Payments (as defined below) shall be due upon disposition of the Group I Trucks by or for the benefit of the Lessor. Upon disposition of each Group I Truck leased hereunder by or for the benefit of the Lessor, other than the sale of any Group I Truck to the Lessee in accordance with the terms hereof, if such Group I Truck fails to satisfy the Truck Turn-In Condition Standard established pursuant to Section 13.1, the Lessor will charge the Lessee for the amount that the Administrator estimates in good faith to be the reduction in the saleable value of such Group I Truck as a result of such failure to satisfy the Truck Turn-In Condition Standard (any such amounts are referred to as the "Truck Special Damage Payments").

(b) On each Distribution Date, the Lessee shall pay to the Lessor all Truck Special Damage Payments that have accrued during the Related Month. The obligation of the Lessee to pay Truck Special Damage Payments shall constitute the sole remedy respecting the breach of its covenant contained in the first sentence of Section 13.2(a). The provisions of this Section 13.2 will survive the expiration or earlier termination of the Term.

14. DISPOSITION PROCEDURE. The Lessee shall comply with the requirements of law in connection with, among other things, the delivery of Certificates of Title and documents of transfer signed as necessary, and signed odometer statements to be submitted with the Group I Trucks upon any disposition thereof pursuant to the terms hereof.

15. ODOMETER DISCLOSURE REQUIREMENT. The Lessee agrees to comply with all requirements of law with respect to Group I Trucks in connection with the transfer of ownership by the Lessor of any Group I Truck, including, without limitation, the submission of any required odometer disclosure statement at the time of any such transfer of ownership.

16. GENERAL INDEMNITY.

16.1 Indemnity by the Lessee and the Guarantor. The Lessee and the Guarantor agree jointly and severally to indemnify and hold harmless the Lessor, the Administrator and the Trustee and the Lessor's, the Administrator's and the Trustee's directors, officers, stockholders, agents and employees (collectively, the "Indemnified Persons"), on a net after-tax basis against any and all claims, demands and liabilities of whatsoever nature and all costs and expenses relating to or in any way arising out of:

16.1.1 the ordering, delivery, acquisition, title on acquisition, rejection, installation, possession, titling, retitling, registration, re-registration, custody by the



Lessee or the Guarantor (or the Administrator or its agent on behalf of the Lessee or the Guarantor) of title and registration documents, use, non-use, misuse, operation, deficiency, defect, transportation, repair, control or disposition of any Group I Truck leased hereunder or to be leased hereunder pursuant to a request by the Lessee including, without limitation, any Group I Truck subleased to a Permitted Sublessee pursuant to Section 7 and any of the forgoing actions, events or circumstances occurring or arising in connection with such subleasing and any customer of any such Permitted Sublessee. The foregoing shall include, without limitation, any liability (or any alleged liability) of the Lessor to any third party arising out of any of the foregoing, including, without limitation, all legal fees, costs and disbursements arising out of such liability (or alleged liability);

16.1.2 all (i) federal, state, county, municipal or foreign license, qualification, registration, franchise, sales, use, gross receipts, ad valorem, business, property (real or personal), excise, motor vehicle, and occupation fees and taxes, and all federal, state and local income taxes, and penalties and interest thereon, and all other taxes, fees and assessments of any kind whatsoever whether assessed, levied against or payable by the Lessor or otherwise, with respect to any Group I Truck leased hereunder or the acquisition, purchase, sale, rental, delivery, use, operation, control, ownership or disposition of any such Group I Truck or measured in any way by the value thereof or by the business of, investment in, ownership by the Lessor with respect thereto and (ii) documentary, stamp, filing, recording, mortgage or other taxes, if any, which may be payable by the Lessor in connection with this Agreement or any other Applicable Related Documents with respect to any Group I Series of Notes; provided, however, that the following taxes are excluded from the indemnity provided in clauses (i) and (ii) above:

(i) any tax on, based on, with respect to, or measured by net income (including federal alternative minimum tax), other than any taxes or other charges which may be imposed as a result of any determination by a taxing authority that the Lessor is not the owner for tax purposes of the Group I Trucks leased hereunder or that this Agreement is not a “true lease” for tax purposes or that depreciation deductions that would be available to the owner of such Group I Trucks are disallowed, or that the Lessor is not entitled to include the full purchase price for any such Group I Truck in basis including any amounts payable in respect of interest charges, additions to tax and penalties that may be imposed, and all attorneys and accountants fees and expenses and all other fees and expenses that may be incurred in defending against or contesting any such determination;

(ii) any withholding tax imposed by the United States federal government other than such a tax imposed as a result of a change in law enacted (including new interpretations thereof), adopted or promulgated after the Initial Group I Closing Date or, if later, the date the Trustee acquires its interest in (A) the Group I Trucks leased hereunder, (B) the Base Indenture or (C) any other related operative documents that causes it to be an Indemnified Person hereunder unless such a tax is enacted, adopted or promulgated as a tax in lieu of, or in substitution for a tax not otherwise indemnifiable hereunder;

(iii) any tax with respect to any Group I Truck leased by the Lessee hereunder or any transaction relating to such Group I Truck to the extent it covers any period beginning after the earlier of (A) the discharge in full of the Lessee's obligation to pay Monthly Base Rent, Supplemental Rent and any other amount payable hereunder with respect to such Group I Truck or (B) the expiration or other termination of this Agreement with respect to such Group I Truck, unless such tax accrues in respect of any period during which the Lessee holds over such Group I Truck; and

(iv) any tax that is imposed on an Indemnified Person or any of its Affiliates, to the extent that such tax results from the willful misconduct or gross negligence of such Indemnified Person or such Affiliates;

16.1.3 any violation by the Lessee or the Guarantor of this Agreement or of any Applicable Related Documents with respect to any Group I Series of Notes to which the Lessee or the Guarantor is a party or by which it is bound or of any laws, rules, regulations, orders, writs, injunctions, decrees, consents, approvals, exemptions, authorizations, licenses and withholdings of objecting of any governmental or public body or authority and all other requirements having the force of law applicable at any time to any Group I Truck leased hereunder or any action or transaction by the Lessee or the Guarantor with respect thereto or pursuant to this Agreement;

16.1.4 all out of pocket costs of the Lessor (including the fees and out of pocket expenses of counsel for the Lessor) in connection with the execution, delivery and performance of this Agreement and the other Applicable Related Documents with respect to any Group I Series of Notes;

16.1.5 all out of pocket costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Lessor or the Trustee in connection with the administration, enforcement, waiver or amendment of this Agreement and any other Applicable Related Documents with respect to any Group I Series of Notes and all indemnification obligations of the Lessor under the Applicable Related Documents with respect to any Group I Series of Notes; and

16.1.6 all costs, fees, expenses, damages and liabilities (including, without limitation, the fees and out of pocket expenses of counsel) in connection with, or arising out of, any claim made by any third party against the Lessor for any reason.

If the Lessor shall actually receive any tax benefit (whether by way of offset, credit, deduction, refund or otherwise) not already taken into account in calculating the net after-tax basis for such payment as a result of the payment of any tax indemnified pursuant to this Section 16 or in connection with the circumstances giving rise, to the imposition of such tax, such tax benefit shall be used to offset any indemnity payment owed pursuant to this Section 16 or shall be paid to the Lessee or the Guarantor, as applicable (but only to the extent of any prior indemnity

payments actually made pursuant to this Section 16 and only after the Lessor shall actually receive such tax benefits), provided, however, that no such payment to the Lessee or the Guarantor, as applicable, shall be made while any Lease Event of Default shall have occurred and be continuing.

16.2 Reimbursement Obligation by the Lessee and the Guarantor. The Lessee and the Guarantor shall forthwith upon demand reimburse the Lessor or the relevant Indemnified Person for any sum or sums expended with respect to any of the foregoing; provided, however, that, if so requested by the Lessee or the Guarantor, the Lessor or the relevant Indemnified Person shall submit to the Lessee or the Guarantor, as applicable, a statement documenting any such demand for reimbursement or prepayment. To the extent that the Lessee or the Guarantor in fact indemnifies the Lessor or the relevant Indemnified Person under the indemnity provisions of this Agreement, the Lessee or the Guarantor, as applicable, shall be subrogated to the Lessor's rights or the relevant Indemnified Person's rights in the affected transaction and shall have a right to determine the settlement of claims therein. The foregoing indemnity as contained in this Section 16 shall survive the expiration or earlier termination of this Agreement or any lease of any Group I Truck hereunder.

16.3 Defense of Claims. The Lessor agrees to notify the Lessee of any claim made against it for which the Lessee may be liable pursuant to this Section 16 and, if the Lessee requests, to contest or allow the Lessee to contest such claim. If any Lease Event of Default shall have occurred and be continuing, no contest shall be required, and any contest which has begun shall not be required to be continued to be pursued, unless arrangements to secure the payment of the Lessee's obligations pursuant to this Section 16 hereunder have been made and such arrangements are reasonably satisfactory to the Lessor. The Lessor shall not settle any such claim without the Lessee's consent, which consent shall not be unreasonably withheld. Defense of any claim referred to in this Section 16 for which indemnity may be required shall, at the option and request of the Indemnified Person, be conducted by the Lessee or the Guarantor, as applicable. The Lessee or the Guarantor, as the case may be, will inform the Indemnified Person of any such claim and of the defense thereof and will provide copies of material documents relating to any such claim or defense to such Indemnified Person upon request. Such Indemnified Person may participate in any such defense at its own expense; provided such participation does not interfere with the Lessee's or the Guarantor's assertion of such claim or defense. The Lessee and the Guarantor agree that no Indemnified Person will be liable to the Lessee or the Guarantor, as applicable, for any claim caused directly or indirectly by the inadequacy of any Group I Truck leased for any purpose or any deficiency or defect therein or the use or maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide such repairs, servicing or adjustments or any interruption or loss of service or use thereof or any loss of business, all of which shall be the risk and responsibility of the Lessee or the Guarantor. The rights and indemnities of each Indemnified Person hereunder are expressly made for the benefit of, and will be enforceable by, each Indemnified Person notwithstanding the fact that such Indemnified Person is either no longer a party to (or entitled to receive the benefits of) this Agreement, or was not a party to (or entitled to receive the benefits of) this Agreement at its outset. Except as otherwise set forth herein, nothing herein shall be deemed to require the Lessee or the Guarantor to indemnify the Lessor for any of the Lessor's acts or omissions which constitute gross negligence or willful misconduct. This general indemnity shall not affect any claims of the type discussed above which the Lessee or the Guarantor may have against the manufacturer.

17. ASSIGNMENT.

17.1 Right of the Lessor to Assign this Agreement. The Lessor shall have the right to finance the acquisition and ownership of the Group I Trucks by selling or assigning, in whole or in part, its right, title and interest in this Agreement, including, without limitation, in moneys due from the Lessee, the Guarantor and any third party under this Agreement; provided, however, that any such sale or assignment shall be subject to the rights and interest of the Lessee in the Group I Trucks, including but not limited to the Lessee's right of quiet and peaceful possession of the Group I Trucks as set forth in Section 9 hereof, and under this Agreement.

17.2 Limitations on the Right of the Lessee to Assign this Agreement. The Lessee agrees that it shall not, without prior written consent of the Lessor and the consent of the Required Noteholders of each Group I Series of Notes Outstanding, assign this Agreement or any of its rights hereunder to any other party; provided, however, that the Lessee may rent the Group I Trucks under the terms of its normal daily rental programs and may sublease Group I Trucks to Permitted Sublessees in accordance with Section 7 hereof. Any purported assignment in violation of this Section 17.2 shall be void and of no force or effect. Nothing contained herein shall be deemed to restrict the right of the Lessee to acquire or dispose of, by purchase, lease, financing, or otherwise, motor vehicles that are not subject to the provisions of this Agreement.

18. DEFAULT AND REMEDIES THEREFOR.

18.1 Events of Default. Any one or more of the following will constitute an event of default (a "Lease Event of Default") as that term is used herein:

18.1.1 there occurs a default in the payment of any portion of Monthly Base Rent or Supplemental Rent and the continuance thereof for a period of five Business Days;

18.1.2 any unauthorized assignment or transfer of this Agreement by the Lessee or the Guarantor occurs;

18.1.3 the failure, in any material respect, of the Lessee and the Guarantor to maintain, or cause to be maintained, insurance as required in Section 5 or Section 26.3;

18.1.4 the failure of the Lessee and the Guarantor to observe or perform any other covenant, condition, agreement or provision hereof, including, but not limited to, usage and maintenance, and such default continues for more than 30 days after the earlier of (x) the date the Lessee or Guarantor has actual knowledge of such default or (y) the date written notice of such default is delivered by the Lessor or the Trustee to the Lessee or the Guarantor;

18.1.5 if any representation or warranty made by the Lessee or the Guarantor herein is inaccurate or incorrect or is breached or is false or misleading in any material respect as of the date of the making thereof or any schedule, certificate, financial

statement, report, notice, or other writing furnished by or on behalf of the Lessee or the Guarantor to the Lessor or the Trustee is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified, and the circumstance or condition in respect of which such representation, warranty or writing was inaccurate, incorrect, breached, false or misleading in any material respect, as the case may be, shall not have been eliminated or otherwise cured for 30 days after the earlier of (x) the date of the receipt of written notice thereof from the Lessor or the Trustee to the Guarantor or the Lessee and (y) the date the Guarantor or the Lessee learns of such circumstance or condition;

18.1.6 an Event of Bankruptcy occurs with respect to the Lessee, the Guarantor, the Administrator or BRAC;

18.1.7 the Pension Benefit Guaranty Corporation or the Internal Revenue Service shall have filed notice of one or more liens against the Lessee (unless such lien does not purport to cover the Collateral or the Group I Collateral or any amount payable under this Agreement), and, in the case of notice filed by the Internal Revenue Service, such notice shall have remained in effect for more than 30 days unless, prior to the expiration of such period, the Lessee shall have provided the Lessor with a bond in an amount at least equal to the amount of such lien or, in the case of any such lien in an amount less than \$1,000,000, the Lessee shall have established to the reasonable satisfaction of the Lessor that such lien is being contested in good faith and that adequate reserves have been established in respect of the claim giving rise to such lien.

18.2 Effect of Lease Event of Default or Liquidation Event of Default. If any Lease Event of Default described in Section 18 or any Liquidation Event of Default shall occur, the Lessor, acting at the direction of the Trustee may terminate this Agreement and then (x) any accrued and unpaid Monthly Base Rent, Supplemental Rent and all other charges and payments accrued but unpaid under this Agreement (calculated as if the full amount of interest on each Group I Series of Notes was then due and payable in full) shall, automatically, without further action by the Lessor or the Trustee, become immediately due and payable and (y) the Lessee shall, at the request of the Lessor or the Trustee, return or cause to be returned all Group I Trucks (and the Administrator shall deliver, or cause to be delivered, to the Trustee the Certificates of Title relating thereto) to the Lessor or the Trustee.

18.3 Rights of Lessor Upon Lease Event of Default, Limited Liquidation Event of Default or Liquidation Event of Default. If a Lease Event of Default, Limited Liquidation Event of Default or Liquidation Event of Default shall occur, then the Lessor or the Trustee at its option may:

(i) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee or the Guarantor of the applicable covenants and terms of this Agreement or to recover damages for the breach hereof calculated in accordance with Section 18.5; or

(ii) By notice in writing to the Lessee, terminate this Agreement in its entirety and/or the right of possession hereunder of the Lessee of the Group I Trucks, and the

Lessor or the Trustee may direct delivery by the Lessee or the Guarantor (or the Administrator or its agent on behalf of the Lessee or the Guarantor) of documents of title to the Group I Trucks, whereupon all rights and interests of the Lessee or the Guarantor to the Group I Trucks will cease and terminate and the Guarantor will remain liable hereunder as herein provided, provided, however, that their liability will be calculated in accordance with Section 18.5); and thereupon, the Lessor or the Trustee or its agents may peaceably enter upon the premises of the Lessee or other premises where the Group I Trucks may be located and take possession of them and thenceforth hold, possess and enjoy the same free from any right of the Lessee or the Guarantor, or their successors or assigns, to use the Group I Trucks for any purpose whatsoever, and the Lessor will, nevertheless, have a right to recover from the Lessee or the Guarantor any and all amounts which under the terms of this Section 18.3 (as limited by Section 18.5 of this Agreement) as may be then due. The Lessor will provide the Lessee with written notice of the place and time of any sale of Group I Trucks at least five days prior to the proposed sale, which shall be deemed commercially reasonable, and the Lessee may purchase such Group I Truck(s) at the sale. Each and every power and remedy hereby specifically given to the Lessor and the Trustee will be in addition to every other power and remedy hereby specifically given to the Lessor or the Trustee or now or hereafter existing at law, in equity or in bankruptcy and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Lessor or the Trustee; provided, however, that the measure of damages recoverable against the Lessee and the Guarantor will in any case be calculated in accordance with Section 18.5. All such powers and remedies will be cumulative, and the exercise of one will not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Lessor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder will impair any such power or remedy or will be construed to be a waiver of any default or any acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Lessee or the Guarantor will not otherwise alter or affect the Lessor's rights or the obligations hereunder of the Lessee and the Guarantor. The Lessor's acceptance of any payment after it will have become due hereunder will not be deemed to alter or affect the Lessor's or the Trustee's rights hereunder with respect to any subsequent payments or defaults therein; or

(iii) By notice in writing to the Lessee, terminate the Power of Attorney.

18.4 Rights of Trustee Upon Liquidation Event of Default, Limited Liquidation Event of Default and Non-Performance of Certain Covenants.

(i) If a Liquidation Event of Default or a Limited Liquidation Event of Default shall have occurred and be continuing, the Lessor and the Trustee, to the extent provided in the Base Indenture and each related Group I Series Supplement, shall have the rights against the Guarantor, the Lessee, and the Group I Collateral provided in the Base Indenture and such Group I Series Supplements, including the right to take possession of all or a portion of the Group I Trucks immediately from the Lessee.

(ii) Upon a default in the performance (after giving effect to any applicable grace periods provided herein) by the Guarantor or the Lessee of its obligations hereunder to keep the Group I Trucks free of Liens (other than Permitted Liens) and to maintain the Trustee's first priority perfected security interest in the Group I Collateral, the Lessor or the Trustee shall have the right to take actions reasonably necessary to correct such default with respect to the subject Group I Trucks including the execution of UCC financing statements with respect to general intangibles and the completion of Vehicle Perfection and Documentation Requirements on behalf of the Guarantor or the Lessee as applicable.

(iii) Upon the occurrence of a Liquidation Event of Default or a Limited Liquidation Event of Default, the Lessee shall dispose of the Group I Trucks in accordance with the instructions of the Trustee. To the extent the Lessee fails to so dispose of any Group I Trucks, the Trustee shall have the right to otherwise dispose of such Group I Trucks. In addition, following the occurrence of a Liquidation Event of Default or a Limited Liquidation Event of Default, the Trustee shall have all of the rights, remedies, powers, privileges and claims vis-à-vis the Guarantor or the Lessee, necessary or desirable to allow the Trustee to exercise the rights, remedies, powers, privileges and claims set forth in Sections 3.3 and 9.2 of the Base Indenture, and each of the Guarantor and the Lessee acknowledges that it has hereby granted to the Lessor all of the rights, remedies, powers, privileges and claims granted by the Lessor to the Trustee pursuant to Article 3 of the Base Indenture and that the Trustee may act in lieu of the Lessor in the exercise of such rights, remedies, powers, privileges and claims.

18.5 Measure of Damages. If a Lease Event of Default, a Limited Liquidation Event of Default or a Liquidation Event of Default occurs and the Lessor or the Trustee exercises the remedies granted to the Lessor or the Trustee under this Article 18, the amount that the Lessor shall be permitted to recover shall be equal to:

(i) all Monthly Base Rent, all Supplemental Rent and all other amounts due and payable under this Agreement (calculated as provided in Section 18.2); plus

(ii) any damages and expenses, including reasonable attorneys' fees and expenses (but excluding net after-tax losses of federal and state income tax benefits to which the Lessor would otherwise be entitled as a result of this Agreement), which the Lessor or the Trustee will have sustained by reason of the Lease Event of Default, Limited Liquidation Event of Default or Liquidation Event of Default, together with reasonable sums for such attorneys' fees and such expenses as will be expended or incurred in the seizure, storage, rental or sale of the Group I Trucks or in the enforcement of any right or privilege hereunder or in any consultation or action in such connection; plus

(iii) interest on amounts due and unpaid under this Agreement at the applicable Carrying Cost Interest Rate plus 1.0% from time to time computed from the date of the Lease Event of Default, Limited Liquidation Event of Default or Liquidation Event of Default or the date payments were originally due to the Lessor under this Agreement or

from the date of each expenditure by the Lessor which is recoverable from the Lessee pursuant to this Section 18, as applicable, to and including the date payments are made by the Lessee.

18.6 Application of Proceeds. The proceeds of any sale or other disposition pursuant to Section 18.2 or 18.3 shall be applied in the following order: (i) to the reasonable costs and expenses incurred by the Lessor in connection with such sale or disposition, including any reasonable costs associated with repairing any Group I Trucks, and reasonable attorneys' fees in connection with the enforcement of this Agreement, (ii) to the payment of outstanding Monthly Base Rent and Supplement Rent, (iii) to the payment of all other amounts due hereunder, and (iv) any remaining amounts to the Lessor, or such Person(s) as may be lawfully entitled thereto.

18.7 Special Default. If on any Business Day, the Lessee or the Guarantor obtains actual knowledge that a Group I Truck included in the Borrowing Base (other than any Group I Truck that is an Eligible Truck solely by reason of the proviso to the definition of Eligible Trucks) is not titled in the name of CPF with the Trustee or an Applicable Nominee Lienholder noted as the first lienholder on the Certificate of Title for such Group I Truck (or, the Lessee or the Guarantor obtains actual knowledge that the Titling Procedures have not been properly satisfied with respect to any Group I Truck included in the Borrowing Base), then the Lessee shall within three (3) Business Days make an application (or correct its application, as the case may be) with the Oklahoma Tax Commission (the "OTC") or any Oklahoma motor vehicle license agent ("License Agent") to properly title such Group I Truck in the name of CPF with a lien in favor of the Trustee (or an Applicable Nominee Lienholder, as the case may be). If the Lessee fails to perform under the preceding sentence by the close of business on the third Business Day after obtaining such knowledge, then the Lessee shall promptly, but in no event later than three (3) Business Days thereafter, sell or purchase any improperly titled Group I Trucks (or any such Group I Truck with respect to which the Titling Procedures have not been properly satisfied). If the proceeds of the sale of any such Group I Truck are less than the applicable Vehicle Purchase Price for such improperly titled Group I Truck, then the Lessee shall pay to CPF an amount equal to such deficiency; provided, that if the Lessee purchases any such Group I Truck, it shall pay to the Lessor the applicable Vehicle Purchase Price therefor.

19. CERTIFICATION OF TRADE OR BUSINESS USE. The Lessee hereby warrants and certifies as of the date hereof and as of each Series Closing Date with respect to a Group I Series of Notes, under penalties of perjury, that (i) it intends to use the Group I Trucks which are subject to this Agreement in its trade or business and (ii) it has been advised that it will not be treated as the owner of such Group I Trucks for federal tax income purposes.

20. SURVIVAL. In the event that, during the term of this Agreement, the Lessee or the Guarantor becomes liable for the payment or reimbursement of any obligations, claims or taxes pursuant to any provision hereof, such liability will continue, notwithstanding the expiration or termination of this Agreement, until all such amounts are paid or reimbursed by the Lessee or the Guarantor.



21. TITLE. This is an agreement to lease only and title to Group I Trucks will at all times remain in the Lessor's name or in the name of a nominee. Neither the Lessee nor the Guarantor will have any rights or interest in Group I Trucks whatsoever other than the right of possession and use as provided by this Agreement.

## 22. GUARANTY.

22.1 Guaranty. In order to induce the Lessor to execute and deliver this Agreement and to lease Group I Trucks to the Lessee, and in consideration thereof, the Guarantor hereby (i) unconditionally and irrevocably guarantees to the Lessor the obligations of the Lessee to make any payments required to be made by it under this Agreement, (ii) agrees to cause the Lessee to duly and punctually perform and observe all of the terms, conditions, covenants, agreements and indemnities of the Lessee under this Agreement and (iii) agrees that, if for any reason whatsoever, the Lessee fails to so perform and observe such terms, conditions, covenants, agreements and indemnities, the Guarantor will duly and punctually perform and observe the same (the obligations referred to in clauses (i) through (iii) above are collectively referred to as the "Guaranteed Obligations"). The liabilities and obligations of the Guarantor under the guaranty contained in this Section 22 (this "Guaranty") will be absolute and unconditional under all circumstances. This Guaranty shall be a guaranty of payment and performance and not merely of collection, and the Guarantor hereby agrees that it shall not be required that the Lessor or the Trustee assert or enforce any rights against the Lessee or any other person before or as a condition to the obligations of the Guarantor pursuant to this Guaranty.

22.2 Scope of Guarantor's Liability. The Guarantor's obligations hereunder are independent of the obligations of the Lessee, any other guarantor or any other Person, and the Lessor may enforce any of its rights hereunder independently of any other right or remedy that the Lessor may at any time hold with respect to this Agreement or any security or other guaranty therefor. Without limiting the generality of the foregoing, the Lessor may bring a separate action against the Guarantor without first proceeding against the Lessee, any other guarantor or any other Person, or any security held by the Lessor, and regardless of whether the Lessee or any other guarantor or any other Person is joined in any such action. The Guarantor's liability hereunder shall at all times remain effective with respect to the full amount due from the Lessee hereunder, notwithstanding any limitations on the liability of the Lessee to the Lessor contained in any of the Applicable Related Documents with respect to any Group I Series of Notes or elsewhere. The Lessor's rights hereunder shall not be exhausted by any action taken by the Lessor until all Guaranteed Obligations have been fully paid and performed. The liability of the Guarantor hereunder shall be reinstated and revived, and the rights of the Lessor shall continue, with respect to any amount at any time paid on account of the Guaranteed Obligations which shall thereafter be required to be restored or returned by the Lessor upon the bankruptcy, insolvency or reorganization of the Lessee, any other guarantor or any other Person, or otherwise, all as though such amount had not been paid.

22.3 Lessor's Right to Amend this Agreement, Etc. The Guarantor hereby authorizes the Lessor, at any time and from time to time without notice and without affecting the liability of the Guarantor hereunder, to: (a) alter the terms of all or any part of the Guaranteed Obligations and any security and guaranties therefor including without limitation modification of

times for payment and rates of interest; (b) accept new or additional instruments, documents, agreements, security or guaranties in connection with all or any part of the Guaranteed Obligations; (c) accept partial payments on the Guaranteed Obligations; (d) waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Guaranteed Obligations and any security or guaranties therefor, and apply any such security and direct the order or manner of sale thereof (and bid and purchase at any such sale), as the Lessor in its discretion may determine; (e) release the Lessee, any other guarantor or any other Person from any personal liability with respect to all or any part of the Guaranteed Obligations; and (f) assign its rights under this Guaranty in whole or in part.

22.4 Waiver of Certain Rights by Guarantor. The Guarantor hereby waives each of the following to the fullest extent allowed by law:

(a) all statutes of limitation as a defense to any action brought by the Lessor against the Guarantor;

(b) any defense based upon:

(i) the unenforceability or invalidity of all or any part of the Guaranteed Obligations or any security or other guaranty for the Guaranteed Obligations or the lack of perfection or failure of priority of any security for the Guaranteed Obligations;

(ii) any act or omission of the Lessor or any other Person that directly or indirectly results in the discharge or release of the Lessee or any other Person or any of the Guaranteed Obligations or any security therefor; or

(iii) any disability or any other defense of the Lessee or any other Person with respect to the Guaranteed Obligations, whether consensual or arising by operation of law or any bankruptcy, insolvency or debtor-relief proceeding, or from any other cause;

(c) any right (whether now or hereafter existing) to require the Lessor, as a condition to the enforcement of this Guaranty, to:

(i) accelerate the Guaranteed Obligations;

(ii) give notice to the Guarantor of the terms, time and place of any public or private sale of any security for the Guaranteed Obligations; or

(iii) proceed against the Lessee, any other guarantor or any other Person, or proceed against or exhaust any security for the Guaranteed Obligations;

(d) all rights of subrogation, all rights to enforce any remedy that the Lessor now or hereafter has against the Lessee or any other Person, and any benefit of, and right to participate in, any security now or hereafter held by the Lessor with respect to the Guaranteed Obligations;

- (e) presentment, demand, protest and notice of any kind, including without limitation notices of default and notice of acceptance of this Guaranty;
- (f) all suretyship defenses and rights of every nature otherwise available under New York law and the laws of any other jurisdiction; and
- (g) all other rights and defenses the assertion or exercise of which would in any way diminish the liability of the Guarantor hereunder.

22.5 Guarantor to Pay Lessor's Expenses. The Guarantor agrees to pay to the Lessor, on demand, all costs and expenses, including attorneys' and other professional and paraprofessional fees, incurred by the Lessor in exercising any right, power or remedy conferred by this Guaranty, or in the enforcement of this Guaranty, whether or not any action is filed in connection therewith. Until paid to the Lessor, such amounts shall bear interest, commencing with the Lessor's demand therefor, at the Carrying Cost Interest Rate plus 2.0%.

22.6 Reinstatement. This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time payment of any of the amounts payable by the Lessee under this Agreement is rescinded or must otherwise be restored or returned by the Lessor, upon an event of bankruptcy, dissolution, liquidation or reorganization of the Lessee or the Guarantor or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Lessee or the Guarantor or any substantial part of their respective property, or otherwise, all as though such payment had not been made.

22.7 Pari Passu Indebtedness. The Guarantor (i) represents and warrants that, as of the date hereof, the obligations of the Guarantor under this Guaranty will rank pari passu with any existing unsecured indebtedness of the Guarantor and (ii) covenants and agrees that from and after the date hereof the obligations of the Guarantor under this Guaranty will rank pari passu with any unsecured indebtedness of the Guarantor incurred after the date hereof.

23. RIGHTS OF LESSOR ASSIGNED. Notwithstanding anything to the contrary contained in this Agreement, each of the Lessee and the Guarantor acknowledges that the Lessor has assigned all of its rights under this Agreement to the Trustee pursuant to the Indenture. Accordingly, each of the Lessee and the Guarantor agrees that:

(i) Subject to the terms of the Indenture, the Trustee shall have all the rights, powers, privileges and remedies of the Lessor hereunder and the obligations of the Guarantor and of the Lessee hereunder (including with respect to the payment of Monthly Base Rent, Supplemental Rent and all other amounts payable hereunder) shall not be subject to any claim or defense which the Guarantor or the Lessee may have against the Lessor or, in the case of the Guarantor, the Lessee (other than the defense of payment actually made) and shall be absolute and unconditional and shall not be subject to any abatement, setoff, counterclaim, deduction or reduction for any reason whatsoever. Specifically, each of the Lessee and the Guarantor agrees that, upon the occurrence of a

Lease Event of Default, a Limited Liquidation Event of Default or a Liquidation Event of Default, the Trustee may exercise (for and on behalf of the Lessor) any right or remedy against the Lessee or the Guarantor provided for herein and neither the Lessee nor the Guarantor will interpose as a defense that such claim should have been asserted by the Lessor;

(ii) Upon the delivery by the Trustee of any notice to the Lessee or the Guarantor stating that a Lease Event of Default, a Limited Liquidation Event of Default or a Liquidation Event of Default has occurred, the Lessee or the Guarantor, as the case may be, will, if so requested by the Trustee, treat the Trustee or the Trustee's designee for all purposes as the Lessor hereunder and in all respects comply with all obligations under this Agreement that are asserted by the Trustee as the successor to the Lessor hereunder, irrespective of whether the Lessee or the Guarantor has received any such notice from the Lessor; provided, however, that the Trustee shall in no event be liable to the Lessee for any action taken by it in its capacity as successor to the Lessor other than actions that constitute negligence or willful misconduct;

(iii) Each of the Lessee and the Guarantor acknowledges that pursuant to the Indenture the Lessor has irrevocably authorized and directed the Lessee or the Guarantor to, and the Lessee and the Guarantor shall, make payments of Monthly Base Rent and Supplemental Rent hereunder (and any other payments hereunder) directly to the Trustee for deposit in the Collection Account established by the Trustee for receipt of such payments pursuant to the Indenture and such payments shall discharge the obligation of the Lessee and the Guarantor to the Lessor hereunder to the extent of such payments. Upon written notice to the Lessee or the Guarantor of a sale or assignment by the Trustee of its right, title and interest in moneys due under this Agreement to a successor Trustee, the Lessee or the Guarantor, as the case may be, shall thereafter make payments of all Monthly Base Rent and Supplemental Rent (and any other payments hereunder) to the party specified in such notice;

(iv) Upon request made by the Trustee at any time, each of the Lessee and the Guarantor shall take such actions as are requested by the Trustee to assist the Trustee in maintaining the Trustee's first priority perfected security interest in this Agreement, the Group I Trucks, the Certificates of Title with respect thereto and any other Group I Collateral; and

(v) In the event that the Indenture terminates and all obligations owing under the Indenture have been paid in full, the Lessor shall have all rights under this Agreement previously assigned to the Trustee.

24. **MODIFICATION AND SEVERABILITY.** The terms of this Agreement will not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever unless the same shall be in writing and signed and delivered by the Lessor, the Guarantor and the Lessee and consented to in writing by the Trustee and by the Required Noteholders of each Group I Series of Notes Outstanding; provided, however, that the Eligible Truck Appendix may be amended in accordance with the Indenture. If any part of this Agreement is not valid or enforceable according to law, all other parts will remain enforceable.

25. **CERTAIN REPRESENTATIONS AND WARRANTIES.** The Lessee represents and warrants to the Lessor and the Trustee as to itself, and the Guarantor represents and warrants to the Lessor and the Trustee as to itself and as to the Lessee, that as of the date hereof and as of each Series Closing Date with respect to a Group I Series of Notes:

25.1 **Organization; Ownership; Power; Qualification.** Each of the Guarantor and the Lessee is (i) a limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, (ii) has the limited liability company power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted, and (iii) is duly qualified, in good standing and authorized to do business in each jurisdiction in which the character of its properties or the nature of its businesses requires such qualification or authorization.

25.2 **Authorization; Enforceability.** Each of the Guarantor and the Lessee has the limited liability company power and has taken all necessary limited liability company action to authorize it to execute, deliver and perform this Agreement and each of the other Applicable Related Documents with respect to each Group I Series of Notes to which it is a party in accordance with their respective terms, and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Guarantor and the Lessee and is, and each of the other Applicable Related Documents with respect to each Group I Series of Notes to which the Guarantor or the Lessee is a party is, a legal, valid and binding obligation of the Guarantor and the Lessee, enforceable in accordance with its terms.

25.3 **Compliance.** The execution, delivery and performance, in accordance with their respective terms, by the Guarantor and the Lessee of this Agreement and each of the other Applicable Related Documents with respect to each Group I Series of Notes to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) require any consent, approval, authorization or registration not already obtained or effected, (ii) violate any applicable law with respect to the Guarantor or the Lessee which violation could result in a Material Adverse Effect, (iii) conflict with, result in a breach of, or constitute a default under the certificate of formation or limited liability company agreement, as amended, of the Guarantor or the Lessee, (iv) conflict with, result in a breach of, or constitute a default under any indenture, agreement, or other instrument to which the Guarantor or the Lessee is a party or by which its properties may be bound or (v) result in or require the creation or imposition of any Lien (except Permitted Liens) upon or with respect to any property now owned or hereafter acquired by the Lessee.

25.4 **Financial Information; Financial Condition.**<sup>1</sup> All balance sheets, all statements of operations, of shareholders' equity and of cash flow, and other financial data (other than projections) which have been or shall hereafter be furnished to the Lessor, the Trustee or any Group I Noteholder for the purposes of or in connection with this Agreement or the

<sup>1</sup> DB to confirm dates as of which financial information to be presented.

Applicable Related Documents with respect to any Group I Series of Notes have been and, except as noted therein, will be prepared in accordance with GAAP and do and will present fairly the financial condition of the entities involved as of the dates thereof and the results of their operations for the periods covered thereby. Such financial data include the following financial statements and reports which have been furnished to the Lessor, the Group I Noteholders and the Trustee on or prior to the date hereof or such Series Closing Date:

(i) the audited consolidated financial statements consisting of a statement of financial position of the Guarantor and its consolidated subsidiaries as of December 31, 2011, and the related statements of operations, stockholder's equity and cash flows of the Guarantor and its consolidated subsidiaries for the year ended December 31, 2011.

25.5 Litigation. Except as set forth in Schedule 25.5 hereto, as such Schedule may be amended in connection with each Series Closing Date with respect to the Group I Series of Notes, and except for claims as to which an insurer has admitted coverage in writing and which are fully covered by insurance provided by a Person who is not an Affiliate of BTR and for which adequate reserves have been set aside in accordance with GAAP, no claims, litigation (including, without limitation, derivative actions), arbitration, governmental investigation or proceeding or inquiry is pending or, to the best of the Guarantor's or the Lessee's knowledge, threatened against the Guarantor or the Lessee which would, if adversely determined, have a Material Adverse Effect.

25.6 Liens. The Group I Trucks and other Group I Collateral are free and clear of all Liens other than (i) Permitted Liens and (ii) Liens in favor of the Trustee. The Trustee has obtained, and shall continue to obtain, for the benefit of the Group I Secured Parties pursuant to the Indenture, a first priority perfected Lien on all Group I Trucks leased hereunder. All Vehicle Perfection and Documentation Requirements with respect to all Group I Trucks on or after the date hereof have and shall continue to be satisfied.

25.7 Employee Benefit Plans. (a) During the 12 consecutive month period prior to the date hereof and of such Series Closing Date: (i) no steps have been taken by the Guarantor, the Lessee or any member of the Controlled Group, or to the knowledge of the Guarantor, by any Person, to terminate any Pension Plan; and (ii) no contribution failure has occurred with respect to any Pension Plan maintained by the Guarantor, the Lessee or any member of the Controlled Group sufficient to give rise to a Lien under Section 302(f)(1) of ERISA in connection with such Pension Plan; and (b) no condition exists or event or transaction has occurred with respect to any Pension Plan which could reasonably be expected to result in the incurrence by the Guarantor or the Lessee or any member of the Controlled Group of liabilities, fines or penalties in an amount that could have a Material Adverse Effect, and (c) neither Guarantor nor the Lessee has any material contingent liability with respect to any post-retirement benefits under a Welfare Plan, other than liability for continuation coverage described in Subtitle B of Part 6 of Title 1 of ERISA and liability which would have a Material Adverse Effect.

25.8 Investment Company Act. Neither the Guarantor nor the Lessee is an "investment company" or a company "controlled," by an "investment company", within the

meaning of the Investment Company Act of 1940, as amended, and neither the Guarantor nor the Lessee is subject to any other statute which would impair or restrict its ability to perform its obligations under this Agreement or the other Applicable Related Documents with respect to any Group I Series of Notes, and neither the entering into or performance by the Guarantor or the Lessee of this Agreement violates any provision of such Act.

25.9 Regulations T, U and X. Neither the Guarantor nor the Lessee is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T, U and X of the Board of Governors of the Federal Reserve System). None of the Guarantor, the Lessee, any Affiliates of any of them or any Person acting on their behalf has taken or will take action to cause the execution, delivery or performance of this Agreement or any Group I Series of Notes, the making or existence of any Group I Series of Notes or the use of proceeds of any Group I Series of Notes to violate Regulation T, U, or X of the Board of Governors of the Federal Reserve System.

25.10 Jurisdiction of Organization; Principal Places of Business Locations. Each of the Lessee and the Guarantor is a “registered organization” within the meaning of Section 9-102(a)(70) of the applicable UCC, and Schedule 25.10 lists each of the locations where each of the Lessee and the Guarantor is organized and the Lessee’s and the Guarantor’s legal names. Except as set forth on Schedule 25.10 neither the Lessee nor the Guarantor has maintained a principal place of business or a chief executive office other than in, respectively, Parsippany, New Jersey and Denver, Colorado during the four years preceding the date of this Agreement or the immediately preceding Series Closing Date with respect to a Group I Series of Notes, as applicable.

25.11 Taxes. Each of the Guarantor and the Lessee has filed all tax returns which have been required to be filed by it (except where the requirement to file such return is subject to a valid extension or such failure relates to returns which, in the aggregate, show taxes due in an amount of not more than \$500,000), and has paid or provided adequate reserves for the payment of all taxes shown due on such returns or required to be paid as a condition to such extension, as well as all payroll taxes and federal and state withholding taxes, and all assessments payable by it that have become due, other than those that are payable without penalty or are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been established, and are being maintained, in accordance with GAAP. As of the date hereof and as of each Series Closing Date, to the best of the Guarantor’s or the Lessee’s knowledge, there is no unresolved claim by a taxing authority concerning the Guarantor’s or the Lessee’s tax liability for any period for which returns have been filed or were due other than those contested in good faith by appropriate proceedings and with respect to which adequate reserves have been established and are being maintained in accordance with GAAP.

25.12 Governmental Authorization. Each of the Guarantor and the Lessee has all licenses, franchises, permits and other governmental authorizations necessary for all businesses presently carried on by it (including owning and leasing the real and personal property owned and leased by it), except where failure to obtain such licenses, franchises, permits and other governmental authorizations would not have a Material Adverse Effect.

25.13 Compliance with Laws. Each of the Guarantor and the Lessee: (i) is not in violation of any Requirement of Law, which violation would have a Material Adverse Effect, and no such violation has been alleged, (ii) has filed in a timely manner all reports, documents and other materials required to be filed by it with any Governmental Authority (and the information contained in each of such filings is true, correct and complete in all material respects), except where failure to make such filings would not have a Material Adverse Effect, and (iii) has retained all records and documents required to be retained by it pursuant to any Requirement of Law, except where failure to retain such records would not have a Material Adverse Effect.

25.14 Eligible Trucks; Permitted Sublessee. Each Group I Truck is or will be, as the case may be, on the CPF Lease Commencement Date with respect to such Group I Truck, an Eligible Truck. Each sublessee subleasing a Group I Truck from the Lessee is, or will be as of the sublease commencement date for such Group I Truck, a Permitted Sublessee and each applicable sublease meets the requirements set forth in Section 7.

25.15 Supplemental Documents True and Correct. All information contained in any other Supplemental Document with respect to Group I Trucks which has been submitted, or which may hereafter be submitted by the Lessee to the Lessor is, or will be, true, correct and complete.

25.16 Absence of Default. Each of the Guarantor and the Lessee is in compliance with all of the provisions of its certificate of formation and limited liability company agreement and no event has occurred or failed to occur which has not been remedied or waived, the occurrence or non-occurrence of which constitutes, or with the passage of time or giving of notice or both would constitute, (i) a Lease Event of Default or a Potential Lease Event of Default or (ii) a default or event of default by the Guarantor or the Lessee under any indenture, agreement or other instrument, or any judgment, decree or final order to which the Guarantor or the Lessee is a party or by which the Guarantor or the Lessee or any of their properties may be bound or affected that could result in a Material Adverse Effect.

25.17 Title to Assets. Each of the Guarantor and the Lessee has good, legal and marketable title to, or a valid leasehold interest in, all of its assets, except to the extent no Material Adverse Effect could result. None of such properties or assets is subject to any Liens except Liens incurred pursuant to the Credit Agreement and except, in the case of the Lessee, for Permitted Encumbrances. Except for financing statements or other filings with respect to or evidencing Permitted Encumbrances, no financing statement under the UCC of any state, application for a Certificate of Title or certificate of ownership, or other filing which names the Lessee as debtor or which covers or purports to cover any of the assets of the Lessee is on file in any state or other jurisdiction, and the Lessee has not signed any such financing statement, application or instrument authorizing any secured party or creditor of such Person thereunder to file any such financing statement, application or filing other than with respect to Permitted Encumbrances and except to the extent no Material Adverse Effect could result.



25.18 Burdensome Provisions. Neither the Guarantor nor the Lessee is a party to or bound by any Contractual Obligation that could have a Material Adverse Effect.

25.19 No Adverse Change. Since December 31, 2011, (x) no material adverse change in the business, assets, liabilities, financial condition, results of operations or business prospects of the Guarantor or the Lessee has occurred, and (y) no event has occurred or failed to occur, which has had or may have, either alone or in conjunction with all other such events and failures, a Material Adverse Effect.

25.20 No Adverse Fact. No fact or circumstance is known to the Guarantor or the Lessee, as of the date hereof or as of such date, which, either alone or in conjunction with all other such facts and circumstances, has had or might in the future have (so far as the Guarantor or the Lessee can foresee) a Material Adverse Effect.

25.21 Accuracy of Information. All data, certificates, reports, statements, Opinions of Counsel, documents and other information furnished to the Lessor, any Group I Noteholder or the Trustee by or on behalf of the Guarantor or the Lessee pursuant to any provision of any Applicable Related Document with respect to any Group I Series of Notes, or in connection with or pursuant to any amendment or modification of, or waiver under, any Applicable Related Document with respect to any Group I Series of Notes, shall, at the time the same are so furnished, (i) be complete and correct in all material respects to the extent necessary to give the Lessor, such Group I Noteholder or the Trustee, as the case may be, true and accurate knowledge of the subject matter thereof, (ii) not contain any untrue statement of a material fact, and (iii) not omit to state a material fact necessary in order to make the statements contained therein (in light of the circumstances in which they were made) not misleading, and the furnishing of the same to the Lessor, such Group I Noteholder or the Trustee, as the case may be, shall constitute a representation and warranty by the Guarantor and the Lessee made on the date the same are furnished to the Lessor, such Group I Noteholder or the Trustee, as the case may be, to the effect specified in clauses (i), (ii) and (iii).

25.22 Solvency. Both before and after giving effect to the transactions contemplated by this Agreement and the other Applicable Related Documents with respect to each Group I Series of Notes, each of the Guarantor and the Lessee is solvent within the meaning of the Bankruptcy Code and each of the Guarantor and the Lessee is not the subject of any voluntary or involuntary case or proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy or insolvency law and no Event of Bankruptcy has occurred with respect to the Guarantor or the Lessee.

26. CERTAIN AFFIRMATIVE COVENANTS. Until the expiration or termination of this Agreement, and thereafter until the obligations of the Lessee and the Guarantor under this Agreement and the Applicable Related Documents with respect to each Group I Series of Notes are satisfied in full, the Lessee covenants and agrees as to itself, and the Guarantor covenants and agrees as to itself and as to the Lessee that, unless at any time the Lessor and the Trustee shall otherwise expressly consent in writing, it will (and, in the case of the Guarantor, will cause the Lessee to):

26.1 Corporate Existence; Foreign Qualification. Do and cause to be done at all times all things necessary to (i) maintain and preserve the corporate existence of the Guarantor and the Lessee (it being understood that, subject to Section 27.1, the Lessee shall remain a direct or indirect Wholly-Owned Subsidiary of the Guarantor); (ii) be, and ensure that the Lessee is, duly qualified to do business and in good standing as a foreign limited liability company in each jurisdiction where the nature of its business makes such qualification necessary and the failure to so qualify would have a Material Adverse Effect; and (iii) comply with all Contractual Obligations and Requirements of Law binding upon it and its Subsidiaries, except to the extent that the failure to comply therewith would not, in the aggregate, have a Material Adverse Effect.

26.2 Books, Records and Inspections. (i) Maintain, or cause to be maintained, complete and accurate books and records with respect to the Group I Trucks leased under this Agreement and (ii) permit any Person designated by the Lessor or the Trustee in writing to visit and/or inspect any of the properties, limited liability company books and financial records of the Guarantor and its Subsidiaries and to discuss its affairs, finances and accounts with officers of the Guarantor and its Subsidiaries, agents of the Guarantor and with the Guarantor's independent public accountants, all at such reasonable times and as often as the Lessor or the Trustee may reasonably request.

26.3 Insurance. Obtain and maintain with respect to all Group I Trucks that are subject to this Agreement (a) vehicle liability insurance to the full extent required by law and in any event not less than \$500,000 per Person and \$1,000,000 per occurrence, (b) property damage insurance with a limit of \$1,000,000 per occurrence, and (c) excess coverage public liability insurance with a limit of not less than \$50,000,000 or the limit maintained from time to time by the Lessee at any time hereafter, whichever is greater, with respect to all trucks and vans comprising the Lessee's truck rental fleet. The Lessor acknowledges and agrees that the Lessee may, to the extent permitted by applicable law, self-insure for the first \$1,000,000 per occurrence, or a greater amount up to a maximum of \$3,000,000, with the consent of the Requisite Investors, per occurrence, of vehicle liability and property damage which is otherwise required to be insured hereunder. All such policies shall be from financially sound and reputable insurers, shall name the Lessor and the Trustee as additional insured parties, in the case of catastrophic physical damage insurance on such Group I Trucks, shall name the Trustee as loss payee as its interest may appear and will provide that the Lessor and the Trustee shall receive at least ten days' prior written notice of cancellation of such policies. The Lessee will notify promptly the Lessor and the Trustee of any curtailment or cancellation of the Lessee's right to self-insure in any jurisdiction.

26.4 Reporting Requirements. Furnish, or cause to be furnished to the Lessor and the Trustee:

(i) Annual Report. As soon as available and in any event within 100 days after the end of each fiscal year thereafter, beginning with the fiscal year end of December 31, 2011, (A) the audited consolidated balance sheet of ABCR and its consolidated subsidiaries as at the end of, and the related consolidated statements of income, shareholders' equity and cash flows for such year, and the corresponding figures

as at the end of, and for, the preceding fiscal year, accompanied by an opinion of Deloitte & Touche LLP or such other independent certified public accountants of recognized standing as shall be retained by ABCR, which report and opinion shall be prepared in accordance with generally accepted auditing standards relating to reporting (the "ABCR Financial Statements"), and (B) unaudited combined financial statements consisting of a statement of financial position of BTR and its subsidiaries as of the end of such fiscal year and a statement of operations, members' equity and cash flows of BTR and its subsidiaries for such fiscal year, certified by a senior financial officer of BTR as having been prepared in accordance with GAAP (except as otherwise noted therein).

(ii) Quarterly Statements. As soon as available and in any event within 55 days after the end of each of the first three quarters of each fiscal year, beginning with the end of the first quarter March 31, 2012, of the Guarantor, unaudited financial statements consisting of a combined statement of financial position of the Guarantor and its Subsidiaries as of the end of such quarter and a statement of operations, members' equity and cash flows of the Guarantor and its Subsidiaries for each such quarter, setting forth in comparative form the corresponding figures for the corresponding periods of the preceding fiscal year beginning with the quarterly statements for the first quarter ending March 31, 2012, all in reasonable detail and certified (subject to year-end adjustments) by a senior financial officer of the Guarantor as having been prepared in accordance with GAAP (except as otherwise noted therein);

(iii) Amortization Events and Lease Events of Default. As soon as possible but in any event within two Business Days after the occurrence of any Amortization Event in respect of a Group I Series of Notes, Potential Amortization Event in respect of a Group I Series of Notes, Lease Event of Default or Potential Lease Event of Default, a written statement of an Authorized Officer describing such event and the action that the Guarantor or the Lessee, as the case may be, proposes to take with respect thereto;

(iv) Reports. Promptly, from time to time, such information with respect to the Lessee, the Guarantor, CPF or the Group I Trucks leased hereunder as the Lessor may require to satisfy its reporting obligations pursuant to Section 4.1 of the Base Indenture; and

(v) Other. Promptly, from time to time, such other information, documents, or reports respecting the Group I Trucks leased hereunder or the condition or operations, financial or otherwise, of the Guarantor, the Lessee or the Administrator as the Lessor or the Trustee may from time to time reasonably request in order to protect the interests of the Lessor or the Trustee under or as contemplated by this Agreement or any other Applicable Related Document with respect to any Group I Series of Notes.

26.5 Payment of Taxes; Removal of Liens. Pay when due all taxes, assessments, fees and governmental charges of any kind whatsoever that may be at any time lawfully assessed or levied against or with respect to the Lessee, the Guarantor or their respective property and assets or any interest thereon. Notwithstanding the previous sentence, but subject in any case to the other requirements hereof and of the Applicable Related Documents with

respect to each Group I Series of Notes, neither the Lessee nor the Guarantor shall be required to pay any tax, charge, assessment or imposition nor to comply with any law, ordinance, rule, order, regulation or requirement so long as the Lessee or the Guarantor shall contest, in good faith, the amount or validity thereof, in an appropriate manner or by appropriate proceedings. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of the Guarantor or the Lessee to settle any such contest).

26.6 Business. The Lessee will engage only in businesses in substantially the same or related fields as the businesses conducted on the date hereof and such other lines of business, which, in the aggregate, do not constitute a material part of the operations of the Lessee.

26.7 Maintenance of Separate Existence. Each of the Guarantor and the Lessee acknowledges its receipt of a copy of that certain opinion letter issued by White & Case LLP dated the date hereof and addressing the issue of substantive consolidation as it may relate to the Guarantor, the Lessee and the Lessor. The Guarantor and the Lessee hereby agree to maintain in place all policies and procedures, and take and continue to take all action, described in the factual assumptions set forth in such opinion letter and relating to such Person.

26.8 Maintenance of the Group I Trucks. Maintain and cause to be maintained in good repair, working order and condition all of the Group I Trucks leased in accordance with its ordinary business practices with respect to all other vehicles owned or leased by it, except to the extent that any such failure to comply with such requirements does not, in the aggregate, materially adversely affect the interests of the Lessor under this Agreement or the interests of the Group I Secured Parties under the Base Indenture and each related Group I Series Supplement. From time to time the Guarantor and the Lessee will make or cause to be made all appropriate repairs, renewals and replacements with respect to the Group I Trucks. The Lessee shall maintain good, legal and marketable title to, or a valid leasehold interest in, all of its assets, free and clear of all Liens except Liens incurred pursuant to the Credit Agreement and except for Permitted Liens, and except to the extent sold or otherwise disposed of in accordance with this Agreement or any of the other Applicable Related Documents with respect to any Group I Series of Notes, and except to the extent no Material Adverse Effect could result.

26.9 Accounting Methods, Financial Records. Maintain, and cause each of its material Subsidiaries to maintain, a system of accounting and keep, and cause each of its material Subsidiaries to keep, such records and books of account (which shall be true and complete) as may be required or necessary to permit the preparation of financial statements in accordance with GAAP.

26.10 Disclosure to Auditors. Disclose, and cause each of its material Subsidiaries to disclose, to its independent certified public accountants in a timely manner all loss contingencies of a type requiring disclosure to auditors under accounting standards promulgated by the Financial Accounting Standards Board.

26.11 Disposal of Group I Trucks. Dispose of the Group I Trucks leased by the Lessee in accordance with Section 2.6(a) (unless the Lessee purchases such Group I Truck in accordance with the terms of Section 2.5).

26.12 Applicable Nominee Agreement. In the case of the Lessee only, if applicable, the Lessee shall acknowledge and consent to the terms of any Applicable Nominee Agreement.

27. CERTAIN NEGATIVE COVENANTS. Until the expiration or termination of this Agreement and thereafter until the obligations of the Lessee and the Guarantor under this Agreement and the Applicable Related Documents with respect to each Group I Series of Notes are satisfied in full, the Lessee covenants and agrees as to itself, and the Guarantor covenants and agrees as to itself and as to the Lessee that, unless at any time the Lessor and the Trustee shall otherwise expressly consent in writing, it will not (and, in the case of the Guarantor, will not permit the Lessee to):

27.1 Mergers, Consolidations. Merge or consolidate with any Person, except that, if after giving effect thereto, no Potential Lease Event of Default or Lease Event of Default would exist, this Section 27.1 shall not apply to (i) any merger or consolidation, provided that the Guarantor or the Lessee, as applicable, is the surviving corporation and if the Lessee is the surviving corporation, it is a direct or indirect Wholly-Owned Subsidiary of the Guarantor after such merger or consolidation and (ii) any merger or consolidation of the Lessee with or into another Subsidiary of the Guarantor, provided that the surviving entity executes an agreement of assumption to perform every obligation of the Lessee under this Agreement and such surviving entity is a direct or indirect Wholly-Owned Subsidiary of the Guarantor.

27.2 Other Agreements. Enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

27.3 Liens. Create or permit to exist any Lien with respect to any Group I Truck, except for Permitted Liens.

27.4 Use of Group I Trucks. Use or allow the Group I Trucks to be used (i) for any illegal purposes or (ii) in any manner that would subject the Group I Trucks to confiscation.

28. ADMINISTRATOR ACTING AS AGENT OF THE LESSOR. The parties to this Agreement acknowledge and agree that BTR shall act as Administrator and, in such capacity, as the agent for the Lessor, for purposes of performing certain duties of the Lessor under this Agreement and the Applicable Related Documents with respect to each Group I Series of Notes. As compensation for the Administrator's performance of such duties, the Lessor shall pay to the Administrator on each Distribution Date (i) the Monthly Administration Fee payable pursuant to the Applicable Administration Agreement and (ii) the reasonable costs and expenses of the Administrator incurred by it as a result of arranging for the sale of Group I Trucks returned to the Lessor in accordance with Section 2.6(b) and sold to third parties, provided, however, that such costs and expenses shall only be payable to the Administrator to the extent of any excess of the sale price received by the Lessor for any such Group I Truck over the Termination Value thereof.

29. **NO PETITION.** Each of the Guarantor, the Lessee and the Administrator hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all of the Notes, it will not institute against, or join any other Person in instituting against the Lessor or CPF any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. In the event that the Guarantor, the Lessee or the Administrator takes action in violation of this Section 29, the Lessor agrees, for the benefit of the Group I Secured Parties, that it shall file an answer with the bankruptcy court or otherwise properly contest the filing of such a petition by the Guarantor, the Lessee or the Administrator against the Lessor or CPF or the commencement of such action and raise the defense that the Guarantor, the Lessee or the Administrator has agreed in writing not to take such action and should be estopped and precluded therefrom and such other defenses, if any, as its counsel advises that it may assert. The provisions of this Section 29 shall survive the termination of this Agreement.

30. **SUBMISSION TO JURISDICTION.** The Lessor and the Trustee may enforce any claim arising out of this Agreement in any state or federal court having subject matter jurisdiction, including, without limitation, any state or federal court located in the State of New York. For the purpose of any action or proceeding instituted with respect to any such claim, the Guarantor and the Lessee hereby irrevocably submits to the jurisdiction of such courts. The Guarantor and the Lessee further irrevocably consents to the service of process out of said courts by mailing a copy thereof, by registered mail, postage prepaid, to the Guarantor or the Lessee, as the case may be, and agrees that such service, to the fullest extent permitted by law, (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall be taken and held to be valid personal service upon and personal delivery to it. Nothing herein contained shall affect the right of the Trustee and the Lessor to serve process in any other manner permitted by law or preclude the Lessor or the Trustee from bringing an action or proceeding in respect hereof in any other country, state or place having jurisdiction over such action. The Guarantor and the Lessee hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may have or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court located in the State of New York and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum.

31. **GOVERNING LAW.** THIS AGREEMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES (EXCEPT FOR SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW). Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All obligations of the Guarantor and the Lessee and all rights of the Lessor or the Trustee expressed herein shall be in addition to and not in limitation of those provided by applicable law or in any other written instrument or agreement.

32. JURY TRIAL. EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT OR ANY OTHER APPLICABLE RELATED DOCUMENT WITH RESPECT TO ANY GROUP I SERIES OF NOTES TO WHICH IT IS A PARTY, OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION THEREWITH OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED TRANSACTION, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

33. NOTICES. All notices, requests and other communications to any party hereunder shall be in writing including facsimile transmission or similar writing and shall be given to such party, addressed to it, at its address or telephone number set forth on the signature pages below, or at such other address or telephone number as such party may hereafter specify for the purpose by notice to the other party. In each case, a copy of all notices, requests and other communications that are sent by any party hereunder shall be sent to the Trustee and a copy of all notices, requests and other communications that are sent by the Lessee or the Guarantor to each other that pertain to this Agreement shall be sent to the Lessor and the Trustee. Copies of notices, requests and other communications delivered to the Trustee and/or the Lessor pursuant to the foregoing sentence shall be sent to the following addresses:

TRUSTEE: The Bank of New York Mellon  
Trust Company, N.A.  
2 N. LaSalle Street, Suite 1020  
Chicago, IL 60602  
Attention: Corporate Trust/Structured Finance  
Telephone: (312) 827-8570  
Fax: (312) 827-8562

LESSOR: Centre Point Funding, LLC  
6 Sylvan Way  
Parsippany, NJ 07054  
Attention: Treasurer  
Telephone: (973) 496-7312  
Fax: (973) 496-5852

with a copy to the Administrator: Budget Truck Rental LLC  
6 Sylvan Way  
Parsippany, NJ 07054  
Attention: Treasurer  
Telephone: (973) 496-5285  
Fax: (973) 496-5852

Any notice (i) given in person shall be deemed delivered on the date of delivery of such notice, (ii) given by first class mail shall be deemed given three (3) days after the date that such notice is

mailed, (iii) delivered by telex or telecopier shall be deemed given on the date of delivery of such notice, and (iv) delivered by overnight air courier shall be deemed delivered one Business Day after the date that such notice is delivered to such overnight courier. Copies of all notices must be sent by first class mail promptly after transmission by facsimile.

34. LIABILITY. The Lessee shall be held jointly and severally liable for all of the obligations of the Guarantor hereunder. The Guarantor shall be held jointly and severally liable for all the obligations of the Lessee hereunder.

35. HEADINGS. Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

36. EXECUTION IN COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Agreement.

37. EFFECTIVE DATE. This Agreement shall become effective on the date hereof.

38. NO RECOURSE. The obligations of the Lessor under this Agreement are solely the corporate obligations of the Lessor. No recourse shall be had for the payment of any obligation or claim arising out of or based upon this Agreement against any shareholder, partner, employee, officer, director or incorporator of the Lessor.

39. THIRD PARTY BENEFICIARY. The parties hereto agree that the Trustee, in addition to the rights assigned to it pursuant to Section 23 hereof, shall be deemed an intended third party beneficiary to this Agreement and the transactions contemplated hereby and shall have the right to enforce, among the other provisions hereof, the provisions of Section 16 hereof. The parties hereto further agree that the Noteholders of each Group I Series of Notes shall be deemed intended third party beneficiaries to this Agreement and the transactions contemplated hereby.



IN WITNESS WHEREOF, the parties have executed this Agreement or caused it to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

LESSOR:

CENTRE POINT FUNDING, LLC

By: /s/ David B. Wyshner

Name: David B. Wyshner  
Title: Senior Executive Vice President,  
Chief Financial Officer and Treasurer

Address:

6 Sylvan Way  
Parsippany, NJ 07054  
Attention: Treasurer  
Telephone: (973) 496-7312  
Fax: (973) 496-5852

LESSEE:

BUDGET TRUCK RENTAL LLC

By: /s/ David B. Wyshner

Name: David B. Wyshner  
Title: Senior Executive Vice President,  
Chief Financial Officer and Treasurer

Address:

6 Sylvan Way  
Parsippany, NJ 07054  
Attention: Treasurer  
Telephone: (973) 496-5285  
Fax: (973) 496-5852

ADMINISTRATOR:

BUDGET TRUCK RENTAL LLC

By: /s/ David B. Wyshner

Name: David B. Wyshner

Title: Senior Executive Vice President, Chief Financial  
Officer and Treasurer

Address:

6 Sylvan Way

Parsippany, NJ 07054

Attention: Treasurer

Telephone: (973) 496-5285

Fax: (973) 496-5852

GUARANTOR:

AVIS BUDGET CAR RENTAL, LLC

By: /s/ David B. Wyshner

Name: David B. Wyshner

Title: Senior Executive Vice President, Chief Financial  
Officer and Treasurer

Address:

6 Sylvan Way

Parsippany, NJ 07054

Attention: Treasurer

Telephone: (973) 496-7312

Fax: (973) 496-5852

COUNTERPART NO. OF FOUR (4) SERIALY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT IF ANY THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

## Definitions List

“ABCR” has the meaning set forth in the preamble.

“ABCR Financial Statements” has the meaning set forth in Section 26.4(i).

“Administrator” has the meaning set forth in the preamble.

“Agreement” has the meaning set forth in the preamble.

“Base Indenture” has the meaning set forth in Section 1.

“BTR” has the meaning set forth in the preamble.

“Carrying Cost Interest Rate” means the Carrying Cost Interest Rate (as defined in the Base Indenture) with respect to the Group I Series of Notes.

“CPF” has the meaning set forth in the preamble.

“CPF Lease Commencement Date” has the meaning set forth in Section 3.2.

“CPF Lease Expiration Date” has the meaning set forth in Section 3.2.

“Credit Agreement” means the Amended and Restated Credit Agreement, dated as of May 3, 2011, among Avis Budget Holdings, LLC, ABCR, as Borrower, the subsidiary borrowers referred to therein, the several lenders referred to therein, JPMorgan Chase Bank, N.A., as Administrative Agent, Deutsche Bank Securities Inc., as Syndication Agent, each of Bank of America, N.A., Credit Agricole Corporate & Investment Bank, Citicorp USA, Inc., Barclays Bank plc and The Royal Bank of Scotland plc, as Co-Documentation Agents, as amended, restated, modified, supplemented or waived from time to time in accordance with its terms.

“Group I Collateral” means the Group Specific Collateral (as defined in the Base Indenture) with respect to the Group I Series of Notes.

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

“Group I Secured Parties” means the Group Secured Parties (as defined in the Base Indenture) with respect to the Group I Series of Notes.

“Group I Series of Notes” means each Series of Notes designated by the applicable Series Supplement (as defined in the Base Indenture) as a “Group I Series of Notes” sharing in the Group I Collateral.

“Group I Series Supplement” means a Series Supplement (as defined in the Base Indenture) with respect to a Group I Series of Notes.

“Group I Trucks” has the meaning set forth in the recitals.

“Guaranteed Obligations” has the meaning set forth in Section 22.1.

“Guarantor” has the meaning set forth in the preamble.

“Guaranty” has the meaning set forth in Section 22.1.

“Indemnified Persons” has the meaning set forth in Section 16.1.

“Indenture” has the meaning set forth in Section 1.

“Initial Acquisition Cost” has the meaning set forth in Section 2.3.

“Initial Group I Closing Date” means May 11, 2006.

“Lease Event of Default” has the meaning set forth in Section 18.1.

“Lessee” has the meaning set forth in the preamble.

“Lessee Agreements” has the meaning set forth in Section 2(b)(i).

“Lessor” has the meaning set forth in the preamble.

“License Agent” has the meaning set forth in Section 18.7.

“Liquidation Event of Default” means a Liquidation Event of Default (as defined in the Base Indenture) with respect to the Group I Series of Notes.

“Limited Liquidation Event of Default” means a Limited Liquidation Event of Default (as defined in the Base Indenture) with respect to any Group I Series of Notes.

“Monthly Base Rent” means Monthly Base Rent (as defined in the Base Indenture) with respect to the Group I Series of Notes.

“OTC” has the meaning set forth in Section 18.7.

“Permitted Sublessee” means a Permitted Sublessee (as defined in the Base Indenture) under this Agreement.

“Potential Lease Event of Default” means any occurrence or event which, with the giving of notice, the passage of time or both, would constitute a Lease Event of Default.

“Power of Attorney” has the meaning set forth in Section 10.

“Sublease” means a Sublease (as defined in the Base Indenture) with respect to this Agreement.

“Supplemental Documents” has the meaning set forth in Section 2.1.

“Supplemental Rent” means Supplemental Rent (as defined in the Base Indenture) with respect to this Agreement and the Group I Series of Notes.

“Term” has the meaning set forth in Section 3.2.

“Truck Funding Date” has the meaning set forth in Section 3.1.

“Truck Special Damage Payments” has the meaning set forth in Section 13.2.

“Truck Turn-In Condition Standard” has the meaning set forth in Section 13.1.

“Vehicle Acquisition Schedule” has the meaning set forth in Section 2.1.

“Vehicle Lease Commencement Date” has the meaning set forth in Section 3.1.

“Vehicle Lease Expiration Date” has the meaning set forth in Section 3.1.

“Vehicle Purchase Price” has the meaning set forth in Section 2.5.

“Vehicle Term” has the meaning set forth in Section 3.1.

Litigation

[ATTACHED]

Jurisdiction of Organization and Prior Business Locations

[ATTACHED]

Information Relating to Group I Trucks

[ATTACHED]



Information Related to Additional Group I Trucks

<u>VIN</u>	<u>MODEL</u>	<u>MODEL YEAR</u>	<u>MANUFACTURER</u>	<u>ORIGINAL CAPITALIZED COST</u>	<u>INITIAL PURCHASE NBV</u>	<u>CLASS</u>
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FORM OF POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that CENTRE POINT FUNDING, LLC ("CPF") does hereby make, constitute and appoint Budget Truck Rental LLC ("BTR") its true and lawful Attorney-in-Fact for it and in its name, place and stead, (i) to execute any and all documents pertaining to the titling of motor vehicles in the name of Centre Point Funding, LLC, (ii) the noting of the lien of The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee") or a nominee lienholder on behalf of the Trustee for the benefit of the Secured Parties (the "Nominee Lienholder"), as applicable, as the first lienholder on certificates of title, (iii) the licensing and registration of motor vehicles, (iv) designating the address of BTR as the mailing address of the Trustee for all documentation relating to the title and registration of such motor vehicles, (v) applying for duplicate certificates of title indicating the lien of the Trustee or Nominee Lienholder where original certificates of title have been lost or destroyed and (vi) upon the sale of any such motor vehicle pursuant to the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement (Group I), dated as of March [14], 2012, among CPF, BTR, and Avis Budget Car Rental, LLC, in accordance with the terms and conditions thereof, releasing the lien of the Trustee or the Nominee Lienholder on such motor vehicle by executing any documents required in connection therewith. This power is limited to the foregoing and specifically does not authorize the creation of any liens or encumbrances on any of said motor vehicles.

The powers and authority granted hereunder shall be effective as of the [14th] day of March, 2012, and unless sooner terminated, revoked or extended, cease five years from such date.

IN WITNESS WHEREOF, CENTRE POINT FUNDING, LLC has caused this instrument to be executed on its behalf by its duly authorized officer this [14th] day of March, 2012.

CENTRE POINT FUNDING, LLC

By: \_\_\_\_\_  
Name:  
Title:

State of \_\_\_\_\_)

County of \_\_\_\_\_)

Subscribed and sworn before me, a notary public, in and for said county and state, this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ .

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

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FORM OF MASTER MOTOR VEHICLE OPERATING SUBLEASE AGREEMENT (GROUP I)

dated as of [—], 20[—]

between

[—],  
the Sublessee,

and

BUDGET TRUCK RENTAL LLC,  
the Sublessor

AS SET FORTH IN SECTION 18 HEREOF, SUBLESSOR HAS ASSIGNED TO CPF (AS DEFINED HEREIN) AND CPF HAS ASSIGNED TO THE TRUSTEE (AS DEFINED HEREIN) CERTAIN OF ITS RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE. TO THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION) NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL EXECUTED COUNTERPART, WHICH SHALL BE IDENTIFIED AS THE COUNTERPART CONTAINING THE RECEIPT THEREFOR EXECUTED BY THE TRUSTEE ON THE SIGNATURE PAGE THEREOF.

[THIS IS NOT COUNTERPART NO. 1]

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**FORM OF MASTER MOTOR VEHICLE OPERATING SUBLEASE AGREEMENT (GROUP I)**

This Sublease Agreement (this "Agreement"), dated as of [—], 20[—], is made between [—] (the "Sublessee") and BUDGET TRUCK RENTAL LLC ("BTR" or the "Sublessor").

**W I T N E S S E T H :**

WHEREAS, Centre Point Funding, LLC ("CPF"), the Sublessor and Avis Budget Car Rental, LLC (the "Guarantor") are parties to a Second Amended and Restated Master Motor Vehicle Operating Lease Agreement (Group I), dated as of March [14], 2012 (as amended, modified or supplemented from time to time in accordance with its terms, the "Group I CPF Lease"), pursuant to which CPF leases certain Group I CPF Trucks specified in the Group I CPF Lease to the Sublessor; and

WHEREAS, the Sublessor wishes to sublease from time to time certain Group I CPF Trucks leased by the Sublessor pursuant to the Group I CPF Lease to the Sublessee, and the Sublessee desires to sublease from time to time from the Sublessor such Group I CPF Trucks for use in its daily rental business;

NOW, THEREFORE, in consideration of the foregoing premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree that:

1. **DEFINITIONS.** Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Definitions List attached as Appendix 1 to the Group I CPF Lease. If a capitalized term is not defined in Appendix 1, such capitalized terms shall have the meaning ascribed to such term in the Definitions List attached as Annex I to the Amended and Restated Base Indenture, dated as of March 9, 2010 (as amended, modified or supplemented from time to time in accordance with its terms, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"), between CPF, as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee, as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture. The Base Indenture and each related Group I Series Supplement are referred to herein as the "Indenture".

2. **SUBLEASE OF VEHICLES.** From time to time during the Term of the Group I CPF Lease, the Sublessor shall designate Group I CPF Trucks leased by it from CPF under the Group I CPF Lease to be subleased to the Sublessee in accordance with the terms of this Agreement for a period of one or more days during the Vehicle Term for such Group I CPF Trucks as specified by the Sublessor, and the Sublessee agrees to sublease from the Sublessor the Group I CPF Trucks so designated by the Sublessor from time to time for the periods so specified by the Sublessor.

3. **RENT.** The Sublessee agrees to pay to the Sublessor, on or prior to each Distribution Date, as sublease rent an amount equal to the aggregate amount for all Group I CPF Trucks subleased by it hereunder during the Related Month of the product of (x) the sum of (i)

all Monthly Base Rent that has accrued during such Related Month with respect to each such Group I CPF Truck under the Group I CPF Lease and (ii) the portion of all Supplemental Rent due and payable by the Sublessor on such Distribution Date that the Sublessor determines to be allocated to each such Group I CPF Truck and (y) the percentage equivalent of a fraction, the numerator of which is the total number of days during such Related Month that each such Group I CPF Truck was subleased to the Sublessee pursuant to this Sublease and the denominator of which is the total number of days during such Related Month. The Sublessor and the Sublessee may from time to time agree to any other method of calculating the sublease rent hereunder that is mutually acceptable to them; provided, however, that in all events the Sublessor shall remain liable for the full amount of Monthly Base Rent and Supplemental Rent due under the Group I CPF Lease with respect to the Group I CPF Trucks subleased by the Sublessee hereunder.

4. **GRANT OF SECURITY INTEREST.** If, notwithstanding the intent of the parties to this Agreement and the intent of the parties to the Group I CPF Lease, this Agreement and the Group I CPF Lease are characterized by any third party as financing arrangements or as otherwise not constituting “true leases,” then it is the intention of the parties that this Agreement shall constitute a security agreement under applicable law, and, to secure all of its obligations under this Agreement, the Sublessee hereby grants to the Sublessor a security interest in all of the Sublessee’s right, title and interest, if any, in and to all of the following assets, property and interests in property, whether now owned or hereafter acquired or created:

(i) the rights of the Sublessee under this Agreement, as this Agreement may be amended, modified or supplemented from time to time in accordance with its terms, and any other agreements related to or in connection with this Agreement to which the Sublessee is a party (the “Sublessee Agreements”), including, without limitation, (a) all rights, remedies, powers, privileges and claims of the Sublessee against any other party under or with respect to the Sublessee Agreements (whether arising pursuant to the terms of such Sublessee Agreements or otherwise available to the Sublessee at law or in equity), including the right to enforce any of the Sublessee Agreements and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect to the Sublessee Agreements or the obligations and liabilities of any party thereunder, (b) all liens and property from time to time purporting to secure payment of the obligations and liabilities of the Sublessee arising under or in connection with the Sublessee Agreements, and any documents or agreements describing any collateral securing such obligations or liabilities and (c) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such obligations and liabilities of the Sublessee pursuant to the Sublessee Agreements;

(ii) all Group I CPF Trucks subleased by the Sublessee from the Sublessor under this Agreement which, notwithstanding that this Agreement and the Group I CPF Lease are intended to convey only leasehold interests, are determined to be owned by the Sublessee, and all Certificates of Title with respect to such Group I CPF Trucks;

(iii) all right, title and interest of the Sublessee in and to any proceeds from the sale of Group I CPF Trucks subleased by the Sublessee hereunder which, notwithstanding that this Agreement and the Group I CPF Lease are intended to convey

only leasehold interests, are determined to be owned by the Sublessee, including all monies due in respect of such Group I CPF Trucks, whether payable as the purchase price of such Group I CPF Trucks, as auction sales proceeds, or as fees, expenses, costs, indemnities, insurance recoveries, or otherwise;

(iv) all payments under insurance policies (whether or not the Sublessor, CPF or the Trustee is named as the loss payee thereof) or any warranty payable by reason of loss or damage to, or otherwise with respect to, any of the Group I CPF Trucks subleased by the Sublessee hereunder;

(v) all additional property that may from time to time hereafter be subjected to the grant and pledge under this Agreement, as the same may be modified or supplemented from time to time, by the Sublessee or by anyone on its behalf; and

(vi) all Proceeds of any and all of the foregoing including, without limitation, payments under insurance (whether or not the Sublessor or CPF is named as the loss payee thereof) and cash (subsections (i) through (vi) collectively referred to as, the "Collateral").

5. CERTAIN REPRESENTATIONS AND WARRANTIES. The Sublessee represents and warrants to the Sublessor that, as of the date hereof:

(a) the Sublessee is (i) a [corporation/limited liability company] duly [organized/formed], validly existing and in good standing under the laws of the jurisdiction of its formation, (ii) has the [corporate/limited liability company] power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted, and (iii) is duly qualified, in good standing and authorized to do business in each jurisdiction in which the character of its properties or the nature of its businesses requires such qualification or authorization;

(b) the Sublessee has the [corporate/limited liability company] power, and has taken all necessary [corporate/limited liability company] action to authorize it, to execute, deliver and perform this Agreement in accordance with its terms, and to consummate the transactions contemplated hereby; and this Agreement has been duly executed and delivered by the Sublessee and is a legal, valid and binding obligation of the Sublessee enforceable in accordance with its terms;

(c) all of the issued equity interests of the Sublessee are owned directly or indirectly by the Guarantor, free and clear of all liens, encumbrances, equities or claims;

(d) no consent, action by or in respect of, approval or other authorization of, or registration, declaration or filing with, any Governmental Authority or other Person is required for the valid execution and delivery by the Sublessee of this Agreement or for the performance of any of the Sublessee's obligations hereunder other than such consents, approvals, authorizations, registrations, declarations or filings as would not have in the aggregate a Material Adverse Effect;

(e) the Sublessee is not (i) in violation of its certificate of [incorporation/ formation] or [by-laws/limited liability company agreement]; (ii) in violation of any Requirement of Law with respect to it or (iii) in violation of any Contractual Obligation with respect to it, except in the case of this clause (iii) as would not have in the aggregate a Material Adverse Effect; and

(f) the regular course of the Sublessee's business is renting vehicles in its daily domestic vehicle rental business.

#### 6. CERTAIN AFFIRMATIVE COVENANTS.

(a) Until the expiration or termination of this Agreement, and thereafter until the obligations of the Sublessee under this Agreement are satisfied in full, the Sublessee covenants and agrees that:

(i) it will use the Group I CPF Trucks which are subject to this Agreement in its daily domestic vehicle rental business;

(ii) it will take all actions within its power, and use its best efforts, to permit the Sublessor to perform all of the Sublessor's obligations under, and comply with all of the terms and conditions of, the Group I CPF Lease and, if applicable, it shall comply with the terms and conditions of the Group I CPF Lease;

(iii) it will permit any Person designated in writing by CPF, the Trustee or the Sublessor to visit and inspect any of the properties, corporate books or financial records of the Sublessee and discuss its affairs, finances and accounts with officers and employees of the Sublessee, all at such reasonable times and as often as CPF, the Trustee or the Sublessor may reasonably request; and

(iv) it will do and cause to be done at all times all things necessary, including without limitation filing UCC financing statements and continuation statements, to maintain and preserve the Sublessor's first-priority perfected security interest in the Collateral.

(b) Until the expiration or termination of this Agreement, and thereafter until all obligations of the Sublessor under this Agreement and under the Group I CPF Lease are satisfied in full, the Sublessor covenants and agrees that it will perform all obligations required to be performed by it under the Group I CPF Lease with respect to each Group I CPF Truck subleased to the Sublessee pursuant to this Agreement.

7. NO BREACH OF GROUP I CPF LEASE. The Sublessee agrees and covenants that it will not take any action, or fail to take any action, in each case that would cause the Sublessor to be in violation or breach of any term of the Group I CPF Lease, including, but not limited to, creating or permitting to exist any Lien with respect to any Group I CPF Truck subleased hereunder, except for Permitted Liens.

8. NON-LIABILITY OF SUBLESSOR. The Sublessor shall not be liable to the Sublessee for any failure or delay in obtaining Group I CPF Trucks or making delivery thereof.



AS BETWEEN THE SUBLESSOR AND THE SUBLESSEE, ACCEPTANCE FOR SUBLEASE OF THE GROUP I CPF TRUCKS SUBLEASED BY THE SUBLESSEE SHALL CONSTITUTE THE SUBLESSEE'S ACKNOWLEDGMENT AND AGREEMENT THAT THE SUBLESSEE HAS FULLY INSPECTED SUCH GROUP I CPF TRUCKS, THAT SUCH GROUP I CPF TRUCKS ARE IN GOOD ORDER AND CONDITION AND ARE OF THE MANUFACTURE, DESIGN, SPECIFICATIONS AND CAPACITY SELECTED BY THE SUBLESSEE, THAT THE SUBLESSEE IS SATISFIED THAT THE SAME ARE SUITABLE FOR THIS USE AND THAT THE SUBLESSOR IS A MANUFACTURER OR ENGAGED IN THE SALE OR DISTRIBUTION OF 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 GROUP I CPF TRUCK IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSES OR USES OF THE SUBLESSEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO. THE SUBLESSOR SHALL NOT BE LIABLE TO THE SUBLESSEE FOR ANY FAILURE OR DELAY IN DELIVERING ANY GROUP I CPF TRUCK DESIGNATED FOR SUBLEASE PURSUANT TO THIS AGREEMENT, OR FOR ANY FAILURE TO PERFORM ANY PROVISION HEREOF, RESULTING FROM FIRE OR OTHER CASUALTY, NATURAL DISASTER, RIOT, STRIKE OR OTHER LABOR DIFFICULTY, GOVERNMENTAL REGULATION OR RESTRICTION, OR ANY CAUSE BEYOND THEIR DIRECT CONTROL. IN NO EVENT SHALL THE SUBLESSOR BE LIABLE TO THE SUBLESSEE 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 GROUP I CPF TRUCK, AND THERE SHALL BE NO ABATEMENT OF SUBLEASE RENT, MONTHLY BASE RENT, SUPPLEMENTAL RENT OR OTHER AMOUNTS PAYABLE HEREUNDER BECAUSE OF THE SAME.

9. NO SUBLESSOR WARRANTIES. THE SUBLESSEE ACKNOWLEDGES THAT THE SUBLESSOR, CPF, THE TRUSTEE AND THE NOTEHOLDERS ARE NOT THE MANUFACTURER, THE AGENT OF THE MANUFACTURER, OR THE DISTRIBUTOR OF THE GROUP I CPF TRUCKS SUBLEASED BY SUCH SUBLESSEE HEREUNDER. THE SUBLESSOR, CPF, THE TRUSTEE AND THE NOTEHOLDERS MAKE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE FITNESS, SAFENESS, DESIGN, MERCHANTABILITY, CONDITION, QUALITY, CAPACITY OR WORKMANSHIP OF THE GROUP I CPF TRUCKS NOR ANY WARRANTY THAT THE GROUP I CPF TRUCKS WILL SATISFY THE REQUIREMENTS OF ANY LAW OR ANY CONTRACT SPECIFICATION, AND AS BETWEEN THE SUBLESSOR, CPF, THE TRUSTEE AND THE NOTEHOLDERS ON THE ONE HAND AND THE SUBLESSEE ON THE OTHER, THE SUBLESSEE AGREES TO BEAR ALL SUCH RISKS AT ITS SOLE COST AND EXPENSE. THE SUBLESSEE SPECIFICALLY WAIVES ALL RIGHTS TO MAKE CLAIMS AGAINST THE SUBLESSOR, CPF, THE TRUSTEE AND THE NOTEHOLDERS AND ANY GROUP I CPF TRUCK FOR BREACH OF ANY WARRANTY OF ANY KIND WHATSOEVER AND, AS TO THE SUBLESSOR, CPF, THE TRUSTEE AND THE NOTEHOLDERS, THE SUBLESSEE SUBLEASES THE GROUP I CPF TRUCKS "AS IS." IN NO EVENT SHALL THE SUBLESSOR, CPF, THE TRUSTEE OR ANY NOTEHOLDER BE LIABLE FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHATSOEVER OR HOWSOEVER CAUSED.

10. NO PETITION. The Sublessee hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all of the Notes, it will not institute against, or join any other Person in instituting against, CPF any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. In the event that the Sublessee takes action in violation of this Section 10, the Sublessor agrees, for the benefit of the Secured Parties, that it shall file an answer with the bankruptcy court or otherwise properly contest the filing of such a petition by the Sublessee against CPF or the commencement of such action and raise the defense that the Sublessee has agreed in writing not to take such action and should be estopped and precluded therefrom and such other defenses, if any, as its counsel advises that it may assert. The provisions of this Section 10 shall survive the termination of this Agreement.

11. SUBMISSION TO JURISDICTION. Each of CPF, the Trustee and the Sublessor may enforce any claim arising out of this Agreement in any state or federal court having subject matter jurisdiction, including, without limitation, any state or federal court located in the State of New York. For the purpose of any action or proceeding instituted with respect to any such claim, the Sublessee hereby irrevocably submits to the jurisdiction of such courts. The Sublessee further irrevocably consents to the service of process out of said courts by mailing a copy thereof, by registered mail, postage prepaid, to the Sublessee and agrees that such service, to the fullest extent permitted by law, (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall be taken and held to be valid personal service upon and personal delivery to it. Nothing herein contained shall affect the right of each of CPF, the Trustee and the Sublessor to serve process in any other manner permitted by law or preclude each of CPF, the Trustee and the Sublessor from bringing an action or proceeding in respect hereof in any other country, state or place having jurisdiction over such action. The Sublessee hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may have or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court located in the State of New York and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum.

12. GOVERNING LAW. THIS AGREEMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All obligations of the Sublessee and all rights of the Sublessor expressed herein shall be in addition to and not in limitation of those provided by applicable law or in any other written instrument or agreement.

13. JURY TRIAL. EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT OR ANY OTHER RELATED

DOCUMENT TO WHICH IT IS A PARTY, OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION THEREWITH OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED TRANSACTION, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

14. NOTICES. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission or similar writing) and shall be given to such party, addressed to it, at its address or telephone number set forth below, or at such other address or telephone number as such party may hereafter specify for the purpose by notice to the other party. Copies of notices, requests and other communications delivered pursuant to the foregoing sentence shall be sent to the following addresses:

SUBLESSEE:            [            ]  
                              [            ]  
                              [            ]  
                              Attention: [            ]  
                              Telephone: [            ]  
                              Fax:            [            ]

SUBLESSOR:            Budget Truck Rental LLC  
                              6 Sylvan Way  
                              Parsippany, New Jersey 07054  
                              Attention:    Treasurer  
                              Telephone:    (973) 496-5285  
                              Fax:            (973) 496-5852

Each such notice, request or communication shall be effective when received at the address specified below. Copies of all notices must be sent by first class mail promptly after transmission by facsimile.

15. AMENDMENTS. The terms of this Agreement will not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever unless the same shall be in writing and signed and delivered by the Sublessor and the Sublessee and consented to in writing by the Trustee and the Required Noteholders of each Group I Series of Notes Outstanding; provided, however, that if CPF delivers an Officer's Certificate to the Trustee that the Noteholders will not be materially adversely affected by any amendment, modification or waiver to this Agreement, no consent of any Noteholder or any Group of Noteholders shall be required, so long as CPF has satisfied the Rating Agency Condition with respect to such amendment, modification or waiver.

16. TERMINATION. This Agreement shall (i) terminate with respect to any Group I CPF Truck subleased hereunder on the Vehicle Lease Expiration Date with respect to such Group I CPF Truck under the Group I CPF Lease and (ii) terminate in its entirety upon the earlier of (a) the Group I CPF Lease Expiration Date and (b) the date on which the Group I CPF Lease is terminated pursuant to Section 18.2 thereof. This Agreement shall also terminate at the

option of the Lessor or the Trustee upon a Lease Event of Default, Limited Liquidation Event of Default or a Liquidation Event of Default. Upon the termination of this Agreement in its entirety, any accrued and unpaid Monthly Base Rent and Supplemental Rent, and all other payments accrued but unpaid under this Agreement shall, automatically and without further action by the Sublessor, become immediately due and payable. Upon the termination of this Agreement as it applies to any particular Group I CPF Truck subleased hereunder, the Sublessee shall, at the request of the Sublessor, return or cause to be returned such Group I CPF Truck to the Sublessor or to such other Person as the Sublessor directs.

17. TITLE TO VEHICLES. The Sublessee, by its execution hereof, acknowledges and agrees that (i) this is an agreement to sublease only and title to Group I CPF Trucks will at all times remain in CPF's name or in the name of CPF's Nominee Lienholder, and (ii) the Sublessee will not have any rights or interest in Group I CPF Trucks whatsoever other than the right of possession and use as provided by this Agreement.

18. RIGHTS OF SUBLESSOR PLEDGED TO LESSEE AND TRUSTEE. The Sublessee acknowledges that (i) pursuant to the Group I CPF Lease, the Sublessor has granted to CPF all of the rights, remedies, powers, privileges and claims of the Sublessor under this Agreement and that CPF may act in lieu of the Sublessor in the exercise of such rights, remedies, powers, privileges and claims and (ii) pursuant to the Base Indenture, CPF has granted to the Trustee all of CPF's rights, remedies, powers, privileges and claims under the Group I CPF Lease and this Agreement and that, under certain circumstances set forth in the Base Indenture, the Trustee may act in lieu of CPF in the exercise of such rights, remedies, powers, privileges and claims.

19. SUBORDINATION; ENFORCEMENT.

(a) This Agreement and the rights of the Sublessee hereunder shall be expressly subject to, and subordinate in all respects to, the terms of, and the rights of CPF under, the Group I CPF Lease. In the event of any conflict between the terms of the Group I CPF Lease and the terms hereof, the terms of the Group I CPF Lease shall govern.

(b) The Sublessee expressly acknowledges the provisions of Section 18 of the Group I CPF Lease and agrees that the Lessor, or its assignee, may enforce any of the provisions of such Section 18 against such Sublessee hereunder.

20. HEADINGS. Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

21. EXECUTION IN COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Agreement.

22. EFFECTIVE DATE. This Agreement shall become effective on the date hereof when each of the parties to this Agreement have executed the signature pages attached hereto.

23. ASSIGNMENT. The Sublessee shall not (i) assign any of its interests under this Agreement to any other party or (ii) sublease any of the Group I CPF Trucks it subleases hereunder to any other party; provided that it may rent such Group I CPF Trucks to customers as a part of its daily rental business.

24. THIRD-PARTY BENEFICIARY. The parties hereto agree that each of CPF and the Trustee is an express third-party beneficiary to this Agreement with respect to each and every right granted to CPF or the Trustee, as applicable, hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement or caused it to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

SUBLESSOR:

BUDGET TRUCK RENTAL LLC

By: \_\_\_\_\_  
Name: [            ]

SUBLESSEE:

[            ]

By: \_\_\_\_\_  
Name: [            ]

Termination Value Curve Schedule

[ATTACHED]

**AVIS BUDGET CAR RENTAL, LLC**  
(a Delaware limited liability company)  
**AVIS BUDGET FINANCE, INC.**  
(a Delaware corporation)  
**AVIS BUDGET GROUP, INC.**  
(a Delaware corporation)

\$125,000,000 8.25% Senior Notes due 2019

Purchase Agreement

As of March 26, 2012

Barclays Capital Inc.

As Representative of the  
several Initial Purchasers listed  
in Schedule 1 hereto

c/o Barclays Capital Inc.  
745 Seventh Avenue  
New York, New York 10019

Ladies and Gentlemen:

Avis Budget Car Rental, LLC, a Delaware limited liability company (“ABCR”), and Avis Budget Finance, Inc., a Delaware corporation (“Avis Finance” and collectively with ABCR, the “Company”), propose to issue and sell to the several initial purchasers listed in Schedule 1 hereto (the “Initial Purchasers”), for whom you are acting as representative (the “Representative”), \$125,000,000 principal amount of its 8.25% Senior Notes due 2019 (the “Securities”). The Securities will be issued pursuant to the Indenture dated as of October 15, 2010 (the “Indenture”) among the Company, Avis Budget Group, Inc. a Delaware corporation (the “Indirect Parent”), Avis Budget Holdings, LLC, a Delaware limited liability company (the “Direct Parent” and together with the Indirect Parent, the “Parents”) and each of the entities listed in Schedule 2 hereto (collectively with the Parents, the “Guarantors”) and The Bank of Nova Scotia Trust Company of New York, as trustee (the “Trustee”), and will be fully and unconditionally guaranteed on an unsecured senior basis by each of the Guarantors (the “Guarantees”).

The Securities and the Exchange Securities (referred to and defined in the Registration Rights Agreement (defined below)) will be part of the same series as the \$600 million principal amount of 8.25% Senior Notes due 2019 issued under the Indenture.

The Securities will be sold to the Initial Purchasers without being registered under the Securities Act of 1933, as amended (the “Securities Act”), in reliance upon an exemption



therefrom. The Company and the Guarantors have prepared a preliminary offering memorandum dated March 26, 2012 (the "Preliminary Offering Memorandum") and will prepare an offering memorandum dated the date hereof (the "Offering Memorandum") setting forth information concerning the Company, the Guarantors and the Securities. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Company to the Initial Purchasers pursuant to the terms of this Agreement. The Company hereby confirms that it has authorized the use of the Preliminary Offering Memorandum, the other Time of Sale Information (as defined below) and the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchasers in the manner contemplated by this Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Preliminary Offering Memorandum. References herein to the "Preliminary Offering Memorandum," the "Time of Sale Information" and the "Offering Memorandum" (each as defined below) shall be deemed to refer to and include any document incorporated by reference therein.

At or prior to the time when sales of the Securities were first made (the "Time of Sale"), the following information shall have been prepared (collectively, the "Time of Sale Information"): the Preliminary Offering Memorandum as supplemented and amended by the written communications listed on Annex A hereto.

Holders of the Securities (including the Initial Purchasers and their direct and indirect transferees) will be entitled to the benefits of a Registration Rights Agreement, to be dated the Closing Date (as defined below) and substantially in the form attached hereto as Exhibit A (the "Registration Rights Agreement"), pursuant to which the Company and the Guarantors will agree to file one or more registration statements with the Securities and Exchange Commission (the "Commission") providing for the registration under the Securities Act of the Securities or the Exchange Securities referred to (and as defined) in the Registration Rights Agreement.

The Company and the Guarantors hereby confirm their agreement with the several Initial Purchasers concerning the purchase and resale of the Securities, as follows:

1. Purchase and Resale of the Securities. (a) The Company agrees to issue and sell the Securities to the several Initial Purchasers as provided in this Agreement, and each Initial Purchaser, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase from the Company the respective principal amount of Securities set forth opposite such Initial Purchaser's name in Schedule 1 hereto at a price equal to 103.5% of the aggregate principal amount of the Securities, plus accrued interest from January 15, 2012, minus 2.25% of the aggregate principal amount of the Securities. The Company will not be obligated to deliver any of the Securities except upon payment for all the Securities to be purchased as provided herein.

(b) The Company understands that the Initial Purchasers intend to offer the Securities for resale on the terms set forth in the Time of Sale Information. Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act (a "QIB") and an accredited investor within the meaning of Rule 501(a) under the Securities Act;

(ii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act (“Regulation D”) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and

(iii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities as part of its initial offering except:

(A) within the United States to persons whom it reasonably believes to be QIBs in transactions pursuant to Rule 144A under the Securities Act (“Rule 144A”) and in connection with each such sale, it has taken or will take reasonable steps to ensure that the purchaser of the Securities is aware that such sale is being made in reliance on Rule 144A; or

(B) in accordance with the restrictions set forth in Annex C hereto.

(c) Each Initial Purchaser acknowledges and agrees that the Company and, for purposes of the opinions to be delivered to the Initial Purchasers pursuant to Sections 6(f)(i) and 6(h), counsel for the Company and counsel for the Initial Purchasers, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchasers, and compliance by the Initial Purchasers with their agreements, contained in paragraph (b) above (including Annex C hereto), and each Initial Purchaser hereby consents to such reliance.

(d) The Company and the Guarantors acknowledge and agree that the Initial Purchasers may offer and sell Securities to or through any affiliate of an Initial Purchaser and that any such affiliate may offer and sell Securities purchased by it to or through any Initial Purchaser.

(e) The Company and the Guarantors acknowledge and agree that the Initial Purchasers are acting solely in the capacity of an arm’s length contractual counterparty to the Company and the Guarantors with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as financial advisors or fiduciaries to, or agents of, the Company, the Guarantors or any other person. Additionally, neither the Representative nor any other Initial Purchaser is advising the Company, the Guarantors or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company and the Guarantors shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representative nor any other Initial Purchaser shall have any responsibility or liability to the Company or the Guarantors with respect thereto. Any review by the Representative or any Initial Purchaser of the Company, the Guarantors, and the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Representative or such Initial Purchaser, as the case may be, and shall not be on behalf of the Company, the Guarantors or any other person.

2. Payment and Delivery. (a) Payment for and delivery of the Securities will be made at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017 at 10:00 A.M., New York City time, on March 29, 2012, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representative and the Company may agree upon in writing. The time and date of such payment and delivery is referred to herein as the "Closing Date".

(b) Payment for the Securities shall be made by wire transfer in immediately available funds to the account(s) specified by the Company to the Representative against delivery to the nominee of The Depository Trust Company, for the respective accounts of the several Initial Purchasers, of one or more global notes representing the Securities (collectively, the "Global Note"), with any transfer taxes payable in connection with the sale of the Securities duly paid by the Company. The Global Note will be made available for inspection by the Representative not later than 1:00 P.M., New York City time, on the business day prior to the Closing Date.

3. Representations and Warranties of the Company and the Guarantors. The Company and the Guarantors jointly and severally represent and warrant to each Initial Purchaser that:

(a) *Preliminary Offering Memorandum, Time of Sale Information and Offering Memorandum.* The Preliminary Offering Memorandum, as of its date, did not, the Time of Sale Information, at the Time of Sale, did not, and at the Closing Date, will not, and the Offering Memorandum, in the form first used by the Initial Purchasers to confirm sales of the Securities and as of the Closing Date, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company and the Guarantors make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, the Time of Sale Information or the Offering Memorandum, it being understood and agreed that the only such information furnished by any Initial Purchaser consists of the information described as such in Section 7(b) hereof.

(b) *Additional Written Communications.* Other than the Preliminary Offering Memorandum and the Offering Memorandum, the Company and the Guarantors (including their respective agents and representatives, other than the Initial Purchasers in their capacity as such) have not made, used, prepared, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any "written communication" (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by the Company and the Guarantors or their respective agents and representatives (other than a communication referred to in clauses (i), (ii), (iii) and (iv) below), an "Issuer Written Communication") other than (i) the Preliminary Offering Memorandum, (ii) the Offering Memorandum, (iii) the documents listed on Annex A hereto, including a pricing

supplement substantially in the form of Annex B hereto, which constitute part of the Time of Sale Information, (iv) each electronic road show and (v) any other written communication approved in writing in advance by the Representative. Each such Issuer Written Communication, when taken together with all other Issuer Written Communications used on or prior to the date of first use of such Issuer Written Communication and the Time of Sale Information, did not, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company and the Guarantors make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representative expressly for use in any Issuer Written Communication.

(c) *Incorporated Documents.* The documents incorporated by reference in the Offering Memorandum or the Time of Sale Information, to the extent filed with the Commission conformed or will conform, as the case may be, in all material respects to the requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the “Exchange Act”) and such documents did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) *Financial Statements.* The financial statements and the related notes thereto of the Indirect Parent, the Company and their respective subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum present fairly in all material respects the consolidated financial position of the Indirect Parent, the Company and their respective subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; such financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”), applied on a consistent basis throughout the periods covered thereby; and the other financial information relating to Indirect Parent, the Company and their respective subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum has been derived from the accounting records of the Indirect Parent, the Company and their respective subsidiaries and presents fairly in all material respects the information shown thereby; the assumptions underlying the pro forma financial information included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum are reasonable, have been properly applied to the historical amounts in the compilation of those statements and are set forth in each of the Time of Sale Information and the Offering Memorandum; and the pro forma financial information and the related notes thereto filed with the Commission on October 25, 2011 was prepared in accordance with the Commission’s rules and guidance with respect to pro forma financial information at the time such information was filed with the Commission, and the assumptions underlying such pro forma financial information are reasonable and are set forth in each of the Time of Sale Information and the Offering Memorandum.

(e) *No Material Adverse Change.* Since the date of the most recent financial statements of the Indirect Parent included or incorporated by reference in each of the Time of

Sale Information and the Offering Memorandum, (i) there has not been any material change in the capital stock or long-term debt of the Indirect Parent, the Company or any of their respective subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Indirect Parent or the Company on any class of capital stock, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, properties, management, financial position, results of operations or business prospects of the Indirect Parent, the Company and their subsidiaries taken as a whole; (ii) none of the Indirect Parent, the Company or any of their subsidiaries has entered into any transaction or agreement that is material to the Indirect Parent, the Company and their respective subsidiaries taken as a whole, or incurred any liability or obligation, direct or contingent, that is material to the Indirect Parent, the Company and their respective subsidiaries taken as a whole; and (iii) none of the Indirect Parent, the Company or any of their subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum.

(f) *Organization and Good Standing.* The Company, the Guarantors and each of their respective subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization (to the extent such terms have meaning in such jurisdictions), are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified, be in good standing or have such power or authority could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, properties, management, financial position, results of operations or business prospects of the Indirect Parent, the Company and their subsidiaries taken as a whole or on the performance by the Company and the Guarantors of their respective obligations under the Transaction Documents (as defined below) (a “Material Adverse Effect”). The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Schedule 3 to this Agreement.

(g) *Capitalization.* Indirect Parent had the capitalization as of December 31, 2011, as set forth in each of the Time of Sale Information and the Offering Memorandum under the heading “Capitalization” in the “Actual” column; and all the outstanding shares of capital stock or other equity interests of each subsidiary of Indirect Parent have been duly authorized and validly issued, and are fully paid and non-assessable (except as otherwise described in each of the Time of Sale Information and the Offering Memorandum) and are owned directly or indirectly by Indirect Parent, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer (other than transfer restrictions under applicable securities laws) or any other claim of any third party, except as described in the Time of Sale Information and the Offering Memorandum.

(h) *Due Authorization.* The Company and each of the Guarantors have full right, power and authority to execute and deliver this Agreement, the Securities (in the case of the

Company), the Indenture (including, with respect to the Guarantors, each Guarantee and Exchange Securities Guarantee (as defined below) set forth therein), the Exchange Securities (in the case of the Company) and the Registration Rights Agreement (collectively, the “Transaction Documents”) to which they are a party and to perform their respective obligations hereunder and thereunder; and all action required to be taken for the due and proper authorization, execution and delivery of each of the Transaction Documents and the consummation of the transactions contemplated thereby or by the Time of Sale Information and the Offering Memorandum has been duly and validly taken.

(i) *The Indenture.* The Indenture has been duly authorized by the Company and each of the Guarantors and constitutes a valid and legally binding agreement of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the enforcement of creditors’ rights generally or by general equitable principles (whether considered in a proceeding in equity or law) relating to enforceability (collectively, the “Enforceability Exceptions”); and the Indenture conforms in all material respects to the requirements of the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), and the rules and regulations of the Commission applicable to an indenture that is qualified thereunder.

(j) *The Securities and the Guarantees.* The Securities have been duly authorized by the Company and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture; and the Guarantees have been duly authorized by each of the Guarantors and, when the Securities have been duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be valid and legally binding obligations of, and enforceable against, each of the Guarantors in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(k) *The Exchange Securities.* On the Closing Date, the Exchange Securities (including the related guarantees (the “Exchange Securities Guarantees”)) will have been duly authorized for issuance by the Company and each of the Guarantors and, when duly executed, authenticated, issued and delivered as contemplated by the Indenture and the Registration Rights Agreement, the Exchange Securities will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company, as issuer, and each of the Guarantors, as guarantor, enforceable against the Company in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture; and the Exchange Securities Guarantees will have been duly authorized by each of the Guarantors and, when the Exchange Securities have been duly executed, authenticated, issued and delivered as provided in the Indenture, will be valid and legally binding obligations of each of the Guarantors, enforceable against each of the Guarantors in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(l) *Purchase Agreement.* This Agreement has been duly authorized, executed and delivered by the Company and each of the Guarantors. When the Purchase Agreement has been duly executed and delivered in accordance with its terms by each of the other parties thereto, this Agreement will constitute a valid and legally binding agreement of the Company and each of the Guarantors enforceable against the Company and each of the Guarantors in accordance with its terms, subject to the Enforceability Exceptions, and except that rights to indemnity and contribution thereunder may be limited by applicable law and public policy.

(m) *Registration Rights Agreement.* The Registration Rights Agreement has been duly authorized by the Company and each of the Guarantors and, on the Closing Date, will be duly executed and delivered by the Company and each of the Guarantors and, when duly executed and delivered in accordance with its terms by each of the other parties thereto, the Registration Rights Agreement will constitute a valid and legally binding agreement of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms, subject to the Enforceability Exceptions, and except that rights to indemnity and contribution thereunder may be limited by applicable law and public policy.

(n) *Descriptions of the Transaction Documents.* Each Transaction Document conforms or will conform as of the Closing Date in all material respects to the description thereof contained in each of the Time of Sale Information and the Offering Memorandum.

(o) *No Violation or Default.* None of the Company and the Guarantors nor any of their respective subsidiaries is (i) in violation of its charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Indirect Parent, the Company or any of their respective subsidiaries is a party or by which the Indirect Parent, the Company or any of their respective subsidiaries is bound or to which any of the property or assets of the Indirect Parent, the Company or any of their respective subsidiaries is subject; or (iii) in violation of any applicable law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (ii) and (iii) above, for any such default or violation that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) *No Conflicts.* The execution, delivery and performance by the Company and the Guarantors of each of the Transaction Documents, as applicable, to which each is a party, the issuance and sale of the Securities (including the Guarantees) and the compliance by the Company and the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents or the Time of Sale Information and the Offering Memorandum will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Indirect Parent, the Company or any of their subsidiaries (other than any lien, charge or encumbrance created, imposed or intended to be created or imposed by the Transaction Documents) pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Indirect Parent, the

Company or any of their respective subsidiaries is a party or by which the Indirect Parent, the Company or any of their respective subsidiaries is bound or to which any of the property or assets of the Indirect Parent, the Company or any of their subsidiaries is subject; (ii) result in any violation of the provisions of the charter or by-laws or similar organizational documents of the Indirect Parent, the Company or any of their respective subsidiaries or any of the Guarantors; or (iii) assuming the accuracy of, and the Initial Purchasers' compliance with, the representations, warranties and agreements of the Initial Purchasers herein, and the compliance by the holders of the Securities with the offering and transfer restrictions set forth in the Offering Memorandum, result in the violation of any applicable law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, lien, charge, encumbrance or default that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) *No Consents Required.* Assuming the accuracy of, and the Initial Purchasers' compliance with, the representations, warranties and agreements of the Initial Purchasers herein, and the compliance by the holders of the Securities with the offering and transfer restrictions set forth in the Offering Memorandum, no consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Company and the Guarantors of each of the Transaction Documents, as applicable, to which each is a party, the issuance and sale of the Securities (including the Guarantees) and compliance by the Company and the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for such consents, approvals, authorizations, orders and registrations or qualifications as have been obtained or as may be required (i) under applicable state securities laws in connection with the purchase and resale of the Securities by the Initial Purchasers, (ii) with respect to the Exchange Securities (including the Exchange Securities Guarantees) under the Securities Act, the Trust Indenture Act and applicable state securities laws as contemplated by the Registration Rights Agreement or (iii) that if not obtained or made could not reasonably be expected to have a Material Adverse Effect.

(r) *Legal Proceedings.* Except as described in each of the Time of Sale Information and the Offering Memorandum, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Indirect Parent, the Company or any of their respective subsidiaries is or may be a party or to which any property of the Indirect Parent, the Company or any of their subsidiaries is or may be the subject that, individually or in the aggregate, if determined adversely to the Indirect Parent, the Company or any of their respective subsidiaries, could reasonably be expected to have a Material Adverse Effect; and no such investigations, actions, suits or proceedings are, to the best knowledge of the Company and each of the Guarantors, threatened or, to the best knowledge of the Company and each of the Guarantors (without having undertaken any independent inquiry outside of the Company and each of the Guarantors), contemplated by any governmental or regulatory authority or by others.

(s) *Independent Accountants.* Deloitte & Touche LLP, who have certified certain financial statements of the Indirect Parent, the Company and their subsidiaries, is an independent registered public accounting firm with respect to the Indirect Parent, the Company and their subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.



(t) *Title to Real and Personal Property.* The Indirect Parent, the Company and their respective subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Indirect Parent, the Company and their respective subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) are permitted under the Company's senior credit agreement with JPMorgan Chase Bank, N.A. and the other parties thereto, dated as of April 19, 2006, as amended; (ii) do not materially interfere with the use made and proposed to be made of such property by the Indirect Parent, the Company and their respective subsidiaries; or (iii) could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(u) *Title to Intellectual Property.* The Indirect Parent, the Company and their respective subsidiaries own or possess adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) reasonably necessary for the conduct of their respective businesses except where the failure to own or possess such rights could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and the conduct of their respective businesses does not, and will not, conflict in any respect with any such rights of others except which conflict could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and the Indirect Parent, the Company and their respective subsidiaries have not received any notice of any claim of infringement of or conflict with any such rights of others which infringement or conflict, if the subject of an unfavorable decision, ruling or finding, could reasonably be expected to have a Material Adverse Effect.

(v) *No Undisclosed Relationships.* No relationship, direct or indirect, exists between or among the Indirect Parent, the Company or any of their respective subsidiaries, on the one hand, and the directors, officers, stockholders or other affiliates of the Indirect Parent, the Company or any of their subsidiaries, on the other, that would be required by the Securities Act to be described in a registration statement to be filed with the Commission and that is not so described in each of the Time of Sale Information and the Offering Memorandum.

(w) *Investment Company Act.* None of the Company and the Guarantors nor any of their subsidiaries is, and solely after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in each of the Time of Sale Information and the Offering Memorandum none of them will be, an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Investment Company Act").

(x) *Taxes.* Except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) the Indirect Parent, the Company and their respective subsidiaries have paid all federal, state, local and foreign taxes, other than those being

contested in good faith and by appropriate proceedings so long as there are adequate reserves for such taxes, and have filed all tax returns required to be paid or filed through the date hereof; and (ii) except as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum, there is no tax deficiency that has been, or could reasonably be expected to be, asserted against the Indirect Parent, the Company or any of their respective subsidiaries or any of their respective properties or assets.

(y) *Licenses and Permits.* The Indirect Parent, the Company and their respective subsidiaries possess such licenses, certificates, permits and other authorizations issued by, and have made such declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Time of Sale Information and the Offering Memorandum, except where the failure to possess or make the same could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and except as described in each of the Time of Sale Information and the Offering Memorandum, none of the Indirect Parent, the Company or any of their respective subsidiaries has received notice of any revocation or modification of any such license, certificate, permit or authorization or has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, which, if the subject of an unfavorable decision, ruling or finding, could reasonably be expected to have a Material Adverse Effect.

(z) *No Labor Disputes.* No labor disturbance by or dispute with employees of the Indirect Parent, the Company or any of their subsidiaries exists or, to the best knowledge (without having undertaken any independent inquiry outside of the Company and Indirect Parent) of the Company and each of the Guarantors, is contemplated or threatened and neither the Company nor any Guarantor is aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of the Indirect Parent's, the Company's or any of their respective subsidiaries' principal suppliers, contractors or customers, except as would not reasonably be expected to have a Material Adverse Effect.

(aa) *Compliance With Environmental Laws.* (i) The Indirect Parent, the Company and their respective subsidiaries (x) are, and at all prior times were, in compliance with any and all applicable federal, state, local and foreign laws, rules, regulations, requirements, decisions and orders relating to the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"), (y) have received and are in compliance with all permits, licenses, certificates or other authorizations or approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (z) have not received notice of any actual or potential liability under or relating to any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Indirect Parent, the Company or their respective subsidiaries, except in the case of each of (i) and (ii) above, for any such failure to comply, or failure to receive required permits, licenses or approvals, or cost or liability, as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (iii) except as described in each of the Time of Sale Information and the Offering Memorandum,

(x) there are no proceedings that are pending, or that are known to be contemplated, against the Indirect Parent, the Company or any of their respective subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceedings regarding which it is reasonably believed no monetary sanctions of \$100,000 or more will be imposed, (y) the Indirect Parent, the Company and their respective subsidiaries are not aware of any issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that could reasonably be expected to have a Material Adverse Effect, and (z) none of the Indirect Parent, the Company or any of their respective subsidiaries anticipates material capital expenditures relating to any Environmental Laws.

(bb) *Compliance With ERISA.* Except as described in each of the Time of Sale Information and the Offering Memorandum, (i) each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) that is subject to ERISA, for which the Indirect Parent, the Company or any member of their “Controlled Groups” (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the “Code”)) would have any liability (each, a “Plan”) has been maintained in compliance in all material respects with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan excluding transactions effected pursuant to a statutory or administrative exemption; (iii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no “accumulated funding deficiency” as defined in Section 412 of the Code, whether or not waived, has occurred or is reasonably expected to occur; and (iv) for each Plan that is subject to the funding rules of ERISA or the Code, the fair market value of the assets of each such Plan is not less than the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan).

(cc) *Disclosure Controls.* The Indirect Parent and its subsidiaries maintain an effective system of “disclosure controls and procedures” (as defined in Rule 13a-15(e) of the Exchange Act) that is designed to ensure that information required to be disclosed by the Indirect Parent in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Indirect Parent’s management as appropriate to allow timely decisions regarding required disclosure. The Indirect Parent and its subsidiaries have carried out evaluations of the effectiveness of their disclosure controls and procedures as and when required by Rule 13a-15 of the Exchange Act.

(dd) *Accounting Controls.* The Indirect Parent and its subsidiaries maintain systems of “internal control over financial reporting” (as defined in Rule 13a-15(f) of the Exchange Act) that comply with the requirements of the Exchange Act and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including but not limited to internal accounting controls sufficient to

provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed the Time of Sale Information and the Offering Memorandum, there are no material weaknesses or significant deficiencies in the Indirect Parent's and its respective subsidiaries' internal controls.

(ee) *No Unlawful Payments.* None of the Indirect Parent, the Company any of their respective subsidiaries or, to the knowledge of the Company and each of the Guarantors, any director, officer, agent, employee or other person associated with or acting on behalf of the Indirect Parent, the Company or any of their respective subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, the OECD convention on Combating Bribery of Foreign Public Officials in International Business Transactions or any similar law of any other relevant jurisdictions; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(ff) *Insurance.* The Indirect Parent, the Company and their respective subsidiaries have insurance covering their respective properties, operations, personnel and businesses, including business interruption insurance, which insurance is in amounts and insures against such losses and risks as the Indirect Parent's management reasonably believes are adequate to protect the Indirect Parent, the Company and their respective subsidiaries and their respective businesses; and none of the Indirect Parent, Company or any of their respective subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business at a cost that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(gg) *Compliance with Money Laundering Laws.* The operations of the Indirect Parent, the Company and their respective subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Indirect Parent, the Company or any of their respective subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company and the Indirect Parent, threatened.

(hh) *Compliance with OFAC and Sanctions.* None of the Indirect Parent, the Company, any of their respective subsidiaries or, to the knowledge of the Company and each of the Guarantors, any director, officer, agent, employee, affiliate or other person associated with or acting on behalf of the Indirect Parent, the Company or any of their respective subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”); and the Company will not directly or indirectly use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(ii) *Solvency.* On and immediately after the Closing Date, the Company and the Guarantors (on a consolidated basis after giving effect to the issuance of the Securities and the other transactions related thereto as described in each of the Time of Sale Information and the Offering Memorandum) will be Solvent. As used in this paragraph, the term “Solvent” means, with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of such person is not less than the total amount required to pay the liabilities of such person on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; (ii) such person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of the issuance of the Securities as contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum, such person is not incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature; (iv) such person is not engaged in any business or transaction, and does not propose to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such person is engaged; and (v) such person is not a defendant in any civil action that would result in a judgment that such person is or would become unable to satisfy.

(jj) *No Restrictions on Subsidiaries.* No subsidiary of the Indirect Parent or the Company is currently subject to any material prohibition, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Indirect Parent or the Company, as applicable, from making any other distribution on such subsidiary’s capital stock or membership interests, as applicable, from repaying to the Indirect Parent or the Company any loans or advances to such subsidiary from the Indirect Parent or the Company as applicable, or from transferring any of such subsidiary’s properties or assets to the Indirect Parent, the Company or any of their subsidiaries, as applicable, other than as disclosed in the Time of Sale Information and the Offering Memorandum.

(kk) *No Broker’s Fees.* None of the Indirect Parent, the Company or any of their respective subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against the Indirect Parent, the Company or any of their subsidiaries or any Initial Purchaser for a brokerage commission, finder’s fee or like payment in connection with the offering and sale of the Securities.

(ll) *Rule 144A Eligibility.* On the Closing Date, the Securities will not be of the same class as securities listed on a national securities exchange registered under Section 6 of the

Exchange Act or quoted in an automated inter-dealer quotation system; and each of the Time of Sale Information and the Offering Memorandum, as of its respective date, contains or will contain all the information that, if requested by a prospective purchaser of the Securities, would be required to be provided to such prospective purchaser pursuant to Rule 144A(d)(4) under the Securities Act.

(mm) *No Integration.* Neither the Company nor any of its affiliates (as defined in Rule 501(b) of Regulation D) has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(nn) *No General Solicitation or Directed Selling Efforts.* None of the Company or any of its affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no representation is made) has (i) directly or indirectly, solicited offers for, or offered or sold, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) with respect to those Securities offered or sold in reliance upon Regulation S under the Securities Act (“Regulation S”), engaged in any directed selling efforts within the meaning of Regulation S, and assuming the accuracy of the representations and warranties of the Initial Purchasers herein, all such persons have complied with the offering restrictions requirement of Regulation S.

(oo) *Securities Law Exemptions.* Assuming the accuracy of the representations and warranties of the Initial Purchasers contained herein (including Annex C hereto) and their compliance with their agreements set forth therein, and the compliance by the holders of the Securities with the offering and transfer restrictions set forth in the Offering Memorandum, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchasers and the offer, resale and delivery of the Securities by the Initial Purchasers in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum, to register the Securities under the Securities Act or, until such time as the Exchange Securities are issued pursuant to an effective registration statement, to qualify the Indenture under the Trust Indenture Act.

(pp) *No Stabilization.* Neither the Company nor any of the Guarantors has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(qq) *Margin Rules.* Neither the issuance, sale and delivery of the Securities nor the application of the proceeds thereof by the Company as described in the Time of Sale Information and the Offering Memorandum will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(rr) *Forward-Looking Statements.* No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained or incorporated by reference in any of the Time of Sale Information or the Offering Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ss) *Statistical and Market Data*. Nothing has come to the attention of the Company or any Guarantor that has caused the Company or any Guarantor to believe that the statistical and market-related data included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum is not based on or derived from sources that are reliable and accurate in all material respects.

4. Further Agreements of the Company and the Guarantors. The Company and each of the Guarantors jointly and severally covenant and agree with each Initial Purchaser that:

(a) *Delivery of Copies*. The Company will deliver, without charge, to the Initial Purchasers as many copies of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including all amendments and supplements thereto) as the Representative may reasonably request.

(b) *Offering Memorandum, Amendments or Supplements*. Before finalizing the Offering Memorandum or making or distributing any amendment or supplement to any of the Time of Sale Information or the Offering Memorandum or the filing with the Commission any document that will be incorporated by reference therein, the Company will furnish to the Representative and counsel for the Initial Purchasers a copy of the proposed Offering Memorandum or such amendment or supplement or document to be incorporated by reference therein for review, and will not distribute any such proposed Offering Memorandum, amendment or supplement or allow to be filed any such document with the Commission to which the Representative reasonably objects; provided that, if in the opinion of the outside counsel of Indirect Parent and the Company, such proposed amendment or supplement is required by law, the Company can make such amendment or supplement, notwithstanding any such reasonable objection.

(c) *Additional Written Communications*. Before using, authorizing, approving or referring to any Issuer Written Communication, the Company will furnish to the Representative and counsel for the Initial Purchasers a copy of such written communication for review and will not use, authorize, approve or refer to any such written communication to which the Representative reasonably objects.

(d) *Notice to the Representative*. The Indirect Parent and the Company will advise the Representative promptly, and confirm such advice in writing, (i) of the issuance by any governmental or regulatory authority of any order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or the initiation or threatening of any proceeding for that purpose; (ii) of the occurrence of any event at any time prior to the completion of the initial offering of the Securities as a result of which any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when such Time of Sale Information, such Issuer Written Communication or the Offering Memorandum is delivered to a purchaser, not misleading; and

(iii) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Indirect Parent and the Company will use its reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or suspending any such qualification of the Securities and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

(e) *Ongoing Compliance of the Time of Sale Information and the Offering Memorandum.* (1) If at any time prior to the completion of the initial offering of the Securities by the Initial Purchasers (i) any event shall occur or condition shall exist as a result of which the Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Offering Memorandum is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Offering Memorandum to comply with law, the Indirect Parent and the Company will promptly notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to the Offering Memorandum as may be necessary so that the statements in the Offering Memorandum as so amended or supplemented will not, in the light of the circumstances existing when the Offering Memorandum is delivered to a purchaser, be misleading or so that the Offering Memorandum will comply with law; and (2) if at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which any of the Time of Sale Information as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (ii) it is necessary to amend or supplement any of the Time of Sale Information so that any of the Time of Sale Information will not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Indirect Parent and the Company will promptly notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to any of the Time of Sale Information as may be necessary so that the statements in any of the Time of Sale Information as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading.

(f) *Blue Sky Compliance.* The Company will cooperate with the Initial Purchasers and counsel for the Initial Purchasers to qualify or register (or to obtain exemption from qualifying or registering) the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representative shall reasonably request and will continue such qualifications, registrations and exemptions in effect so long as required for the offering and resale of the Securities; provided that neither the Company nor any of the Guarantors shall be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify; (ii) file any general consent to service of process in any such jurisdiction; or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.



(g) *Clear Market*. During the period from the date hereof through and including the date that is 90 days after the date hereof, none of the Company and the Guarantors will, without the prior written consent of Barclays Capital Inc., offer, sell, contract to sell or otherwise dispose of any debt securities (other than loans pursuant to credit facilities described in the Time of Sale Information and the Offering Memorandum or loans paid off by the Company or any of its subsidiaries in the ordinary course of business) issued or guaranteed by the Company or any of the Guarantors and having a tenor of more than one year.

(h) *Use of Proceeds*. The Company will apply the net proceeds from the sale of the Securities as described in each of the Time of Sale Information and the Offering Memorandum under the heading “Use of proceeds”.

(i) *Supplying Information*. While the Securities remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Company and each of the Guarantors will, during any period in which the Company is not subject to and in compliance with Section 13 or 15(d) of the Exchange Act, furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon the request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(j) *DTC*. The Company will assist the Initial Purchasers in arranging for the Securities to be eligible for clearance and settlement through The Depository Trust Company (“DTC”).

(k) *No Resales by the Company*. The Company will not, and will not permit any of its affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Securities that have been acquired by any of them, except for Securities purchased by the Company or any of its affiliates and resold in a transaction registered under the Securities Act.

(l) *No Integration*. Neither the Company nor any of its affiliates (as defined in Rule 501(b) of Regulation D) will, directly or through any agent, sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(m) *No General Solicitation or Directed Selling Efforts*. None of the Company or any of its affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no covenant is given) will (i) solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) with respect to those Securities offered or sold in reliance upon Regulation S, engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirement of Regulation S.

(n) *No Stabilization.* Neither the Company nor any of its affiliates will take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(o) *Legended Securities.* Each certificate for a Security will bear the applicable legend(s) contained in “Notice to investors” in the Preliminary Offering Memorandum for the time period and upon the other terms stated in the Preliminary Offering Memorandum.

5. Certain Agreements of the Initial Purchasers. Each Initial Purchaser hereby represents and agrees that it has not and will not use, authorize use of, refer to, or participate in the planning for use of, any written communication that constitutes an offer to sell or the solicitation of an offer to buy the Securities other than (i) the Preliminary Offering Memorandum and the Offering Memorandum; (ii) a written communication that contains no “issuer information” (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Offering Memorandum or the Offering Memorandum; (iii) any written communication listed on Annex A or prepared pursuant to Section 4(c) above (including any electronic road show); (iv) any written communication prepared by such Initial Purchaser and approved by the Company in advance in writing; or (v) any written communication relating to or that contains the terms of the Securities and/or other information that was included (including through incorporation by reference) in the Preliminary Offering Memorandum or the Offering Memorandum.

6. Conditions of Initial Purchasers’ Obligations. The obligation of each Initial Purchaser to purchase Securities on the Closing Date as provided herein is subject to the performance by the Company and each of the Guarantors of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Representations and Warranties.* The representations and warranties of the Company and the Guarantors contained herein shall be true and correct on the date hereof and on and as of the Closing Date; and the statements of the Company and the Guarantors and their respective officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date.

(b) *No Downgrade.* From and after the Time of Sale and prior to the Closing Date no downgrading shall have occurred in the rating accorded the Securities or any other debt securities or preferred stock issued or guaranteed by the Indirect Parent, the Company or any of their subsidiaries by any nationally recognized statistical rating organization.

(c) *No Material Adverse Change.* For the period from and after the signing of this Agreement and prior to the Closing Date, no event or condition of a type described in Section 3(f) hereof shall have occurred or shall exist, which event or condition is not described in each of the Time of Sale Information (excluding any amendment or supplement thereto) and the Offering Memorandum (excluding any amendment or supplement thereto), the effect of which in the judgment of the Representative makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum.

(d) *Officer's Certificate.* The Representative shall have received on and as of the Closing Date a certificate of an executive officer of each of the Company and the Guarantors who has specific knowledge of such party's financial matters and is satisfactory to the Representative (i) confirming that such officer has carefully reviewed the Time of Sale Information and the Offering Memorandum and, to the best knowledge of such officer, the representations set forth in Sections 3(a) and 3(b) hereof are true and correct; (ii) confirming that the other representations and warranties of the Company and the Guarantors in this Agreement are true and correct and that the Company and the Guarantors have complied with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to the Closing Date; (iii) to the effect set forth in paragraphs (b) and (c) above; and (iv) confirming which Guarantors, organized or incorporated outside the state of Delaware, are "significant subsidiaries," if any, of the Company as such term is defined under Rule 1-02(w) of Regulation S-X promulgated under the Securities Act.

(e) *Comfort Letters.* On the date of this Agreement and on the Closing Date, Deloitte & Touche LLP shall have furnished to the Representative, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporate by reference in each of the Time of Sale Information and the Offering Memorandum; provided that the letter delivered on the Closing Date shall use a "cut-off" date no more than three business days prior to the Closing Date.

(f) *Opinion and 10b-5 Statement of Counsel for the Company and the Guarantors.* (i) Kirkland & Ellis LLP, counsel for the Company and the Guarantors, shall have furnished to the Representative, at the request of the Company, their written opinion and 10b-5 statement, dated the Closing Date and addressed to the Initial Purchasers, in the form attached hereto as Exhibit B (the "Kirkland Opinions"), and (ii) Bryon L. Koepke, Senior Vice President and Chief Securities Counsel of the Company, shall have furnished to the Representative, at the request of the Company, her written opinion, dated the Closing Date and addressed to the Initial Purchasers, in the form attached hereto as Exhibit C (the "Company Opinion").

(g) *Additional Opinions with respect to the Guarantors.* The Initial Purchasers shall receive opinions covering the laws of organization or incorporation of those Guarantors organized or incorporated outside the State of Delaware if any such Guarantor is a "significant subsidiary" as such term is defined under Rule 1-02(w) of Regulation S-X promulgated under the Securities Act, either individually or taken together with other such Guarantors, in form and substance reasonably satisfactory to the Representative.

(h) *Opinion and 10b-5 Statement of Counsel for the Initial Purchasers.* The Representative shall have received on and as of the Closing Date an opinion and 10b-5 statement of Simpson Thacher & Bartlett LLP, counsel for the Initial Purchasers, with respect to such matters as the Representative may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(i) *No Legal Impediment.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Securities or the issuance of the Guarantees; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Securities or the issuance of the Guarantees.

(j) *Good Standing.* The Representative shall have received on and as of the Closing Date satisfactory evidence of the good standing of the Company and each of the Guarantors in their respective jurisdictions of organization and their good standing in such other jurisdictions as the Representative may reasonably request, in each case in writing or any standard form of telecommunication, from the appropriate governmental authorities of such jurisdictions.

(k) *Registration Rights Agreement.* The Initial Purchasers shall have received a counterpart of the Registration Rights Agreement that shall have been executed and delivered by a duly authorized officer of the Company and each of the Guarantors.

(l) *DTC.* The Securities shall be eligible for clearance and settlement through DTC.

(m) *Additional Documents.* On or prior to the Closing Date, the Company and the Guarantors shall have furnished to the Representative such further certificates and documents as the Representative may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

#### 7. Indemnification and Contribution.

(a) *Indemnification of the Initial Purchasers.* The Company and each of the Guarantors jointly and severally agree to indemnify and hold harmless each Initial Purchaser, its affiliates, directors and officers and each person, if any, who controls such Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses reasonably incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representative expressly for use therein

(b) *Indemnification of the Company and the Guarantors.* Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless the Company, each of the Guarantors, each of their respective directors and officers and each person, if any, who controls the Company or any of the Guarantors within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto), it being understood and agreed that the only such information furnished by any Initial Purchaser consists of the following: the information contained in (i) the first sentence in the third paragraph, (ii) the fourth and fifth sentences under the eighth paragraph, (iii) the tenth paragraph (which shall be deemed to include the three bullet point sentences immediately thereunder), and (iv) the third and fourth sentences of the eleventh paragraph under the heading “Plan of Distribution” in the Preliminary Offering Memorandum and the Offering Memorandum.

(c) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the “Indemnified Person”) shall promptly notify the person against whom such indemnification may be sought (the “Indemnifying Person”) in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under paragraph (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under paragraph (a) or (b) above. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 7 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such proceeding and shall pay the reasonable fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the reasonable fees and expenses of more than

one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such reasonable fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Initial Purchaser, its affiliates, directors and officers and any control persons of such Initial Purchaser shall be designated in writing by the Representative and any such separate firm for the Company, the Guarantors, their respective directors and officers and any control persons of the Company and the Guarantors shall be designated in writing by ABCR. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for reasonable fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request, (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement unless such fees and expenses are being disputed in good faith, and (iii) the Indemnified Person shall have given at least 30 days written notice of its intention to settle. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification is or could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution.* If the indemnification provided for in paragraphs (a) and (b) above is unavailable to or insufficient to hold harmless an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the aggregate amount paid or payable by such Indemnified Person, as incurred, as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company and the Guarantors on the one hand and the Initial Purchasers on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Company from the sale of the Securities pursuant to this Agreement and the total discounts and commissions received by the Initial Purchasers in connection therewith, as provided in this Agreement, bear to the aggregate initial offering price of the Securities. The relative fault of the Company and the Guarantors on the one hand and the Initial Purchasers on the other shall be determined by reference to, among other things, whether

the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or any Guarantor or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability.* The Company, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating, defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Initial Purchaser be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Initial Purchaser with respect to the offering of the Securities exceeds the amount of any damages that such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute pursuant to this Section 7 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies.* The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

8. Effectiveness of Agreement. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

9. Termination. This Agreement may be terminated in the absolute discretion of the Representative, by notice to the Company, if after the execution and delivery of this Agreement and on or prior to the Closing Date (i) trading generally shall have been suspended or materially limited on the New York Stock Exchange or Nasdaq Stock Market; (ii) trading of any securities issued or guaranteed by the Company or any of the Guarantors shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representative, is material and adverse to, and makes it impracticable or inadvisable to proceed with, the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum; or (v) the representation in Section 3(a) is incorrect in any respect.

10. Defaulting Initial Purchaser. (a) If, on the Closing Date, any Initial Purchaser defaults on its obligation to purchase the Securities that it has agreed to purchase hereunder, the

non-defaulting Initial Purchasers may in their discretion arrange for the purchase of such Securities by other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Initial Purchaser, the non-defaulting Initial Purchasers do not arrange for the purchase of such Securities, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Initial Purchasers to purchase such Securities on such terms. If other persons become obligated or agree to purchase the Securities of a defaulting Initial Purchaser, either the non-defaulting Initial Purchasers or the Company may postpone the Closing Date for up to five full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Initial Purchasers may be necessary in the Time of Sale Information, the Offering Memorandum or in any other document or arrangement, and the Indirect Parent and the Company agrees to promptly prepare any amendment or supplement to the Time of Sale Information or the Offering Memorandum that effects any such changes. As used in this Agreement, the term "Initial Purchaser" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 10, purchases Securities that a defaulting Initial Purchaser agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Company as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Securities, then the Company shall have the right to require each non-defaulting Initial Purchaser to purchase the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder plus such Initial Purchaser's pro rata share (based on the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder) of the Securities of such defaulting Initial Purchaser or Initial Purchasers for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Company as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Securities, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Initial Purchasers. Any termination of this Agreement pursuant to this Section 10 shall be without liability on the part of the Company or the Guarantors, except that the Company and each of the Guarantors will continue to be liable for the payment of expenses as set forth in Section 11 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Company, the Guarantors or any non-defaulting Initial Purchaser for damages caused by its default.

11. Payment of Expenses. (a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company and each of the



Guarantors jointly and severally agree to pay or cause to be paid all costs and expenses incident to the performance of their respective obligations hereunder, including, without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities and any taxes payable in that connection; (ii) the costs incident to the preparation and printing of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including any amendments or supplements thereto) and the distribution thereof; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Company's and the Guarantors' counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Representative may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related fees and expenses of counsel for the Initial Purchasers); (vi) any fees charged by rating agencies for rating the Securities; (vii) the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties); (viii) all expenses and application fees incurred in connection with the approval of the Securities for book-entry transfer by DTC; and (ix) 50% of all expenses incurred by the Company in connection with any "road show" presentation to potential investors.

(b) If (i) this Agreement is terminated pursuant to Section 9 (other than pursuant to clause (v) of Section 9 if the Company and the Initial Purchasers subsequently enter into another agreement for the Initial Purchasers to purchase the same or substantially similar securities of the Company), (ii) the Company for any reason fails to tender the Securities for delivery to the Initial Purchasers or (iii) the Initial Purchasers decline to purchase the Securities for any reason permitted under this Agreement, the Company and each of the Guarantors jointly and severally agree to reimburse the Initial Purchasers for all out-of-pocket costs and expenses (including the fees and expenses of their counsel) reasonably incurred by the Initial Purchasers in connection with this Agreement and the offering contemplated hereby.

12. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and any controlling persons referred to herein, and the affiliates, officers and directors of each Initial Purchaser referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Securities from any Initial Purchaser shall be deemed to be a successor merely by reason of such purchase.

13. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Company, the Guarantors and the Initial Purchasers contained in this Agreement or made by or on behalf of the Company, the Guarantors or the Initial Purchasers pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Company, the Guarantors or the Initial Purchasers.

14. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the

Securities Act; (b) the term “business day” means any day other than a day on which banks are permitted or required to be closed in New York City; and (c) the term “subsidiary” has the meaning set forth in Rule 405 under the Securities Act.

15. Governing Law Provisions. (a) *Governing Law.* THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) *Consent to Jurisdiction.* Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby (“Related Proceedings”) may be instituted in the federal courts of the United States of America located in the City and County of New York or the courts of the State of New York in each case located in the City and County of New York (collectively, the “Specified Courts”), and each party irrevocably submits to the exclusive jurisdiction (except for suits, actions, or proceedings instituted in regard to the enforcement of a judgment of any Specified Court in a Related Proceeding, as to which such jurisdiction is non-exclusive) of the Specified Courts in any Related Proceeding. Service of any process, summons, notice or document by mail to such party’s address set forth above shall be effective service of process for any Related Proceeding brought in any Specified Court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any Specified Proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any Specified Court that any Related Proceeding brought in any Specified Court has been brought in an inconvenient forum.

16. Miscellaneous. (a) *Authority of the Representative.* Any action by the Initial Purchasers hereunder may be taken by the Representative on behalf of the Initial Purchasers, and any such action taken by the Representative shall be binding upon the Initial Purchasers.

(b) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Initial Purchasers shall be given to the Representative c/o Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration. Notices to the Company and the Guarantors shall be given to them at One Campus Drive, Parsippany, NJ 07054 (fax: 973-496-5080); Attention: Treasurer.

(c) *Entire Agreement.* This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof.

(d) *Counterparts.* This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by telecopier, facsimile or other electronic transmission (i.e., a “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart thereof.

(e) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(f) *Headings.* The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

(g) *Partial Unenforceability.* The invalidity or unenforceability of any section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph or provision hereof. If any section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

AVIS BUDGET CAR RENTAL, LLC

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

AVIS BUDGET FINANCE, INC.

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

AVIS BUDGET GROUP, INC.

By /s/ David B. Wyshner  
Name: David B. Wyshner  
Title: Senior Executive Vice President and  
Chief Financial Officer

AVIS BUDGET HOLDINGS, LLC

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

AB CAR RENTAL SERVICE, INC.  
ARACS LLC  
AVIS ASIA AND PACIFIC, LLC  
AVIS CAR RENTAL GROUP, LLC  
AVIS CARIBBEAN, LIMITED  
AVIS ENTERPRISES, INC.  
AVIS GROUP HOLDINGS, LLC  
AVIS INTERNATIONAL, LTD.  
AVIS OPERATIONS, LLC  
AVIS RENT A CAR SYSTEM, LLC  
PF CLAIMS MANAGEMENT, LTD.  
PR HOLDCO, INC.  
WIZARD CO., INC.

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

BGI LEASING, INC.  
BUDGET RENT A CAR SYSTEM, INC.  
BUDGET RENT A CAR LICENSOR, LLC  
BUDGET TRUCK RENTAL LLC  
RUNABOUT, LLC  
WIZARD SERVICES, INC.

By /s/ David B. Wyshner  
Name: David B. Wyshner  
Title: Senior Executive Vice President and  
Chief Financial Officer

The foregoing Agreement is hereby confirmed and accepted by the Initial Purchasers as of the date first written above.

BARCLAYS CAPITAL INC.

For itself and on behalf of the  
several Initial Purchasers listed  
in Schedule 1 hereto.

By /s/ Mark C. Liggitt

Authorized Signatory

**REGISTRATION RIGHTS AGREEMENT**

This REGISTRATION RIGHTS AGREEMENT dated March 29, 2012 (the "Agreement") is entered into by and among Avis Budget Car Rental, LLC, a Delaware limited liability company and Avis Budget Finance, Inc., a Delaware corporation (together, the "Company"), the guarantors listed in Schedule 1 hereto (the "Guarantors"), Barclays Capital Inc. (the "Representative"), and the other initial purchasers listed on Schedule 2 hereto (collectively, with the Representative, the "Initial Purchasers").

The Company, the Guarantors and the Initial Purchasers are parties to the Purchase Agreement dated 26, 2012 (the "Purchase Agreement"), which provides for the sale by the Company to the Initial Purchasers of \$125,000,000 aggregate principal amount of the Company's 8.25% Senior Notes due 2019 (the "Securities") which will be guaranteed on an unsecured senior basis by each of the Guarantors. As an inducement to the Initial Purchasers to enter into the Purchase Agreement, the Company and the Guarantors have agreed to provide to the Initial Purchasers and their direct and indirect transferees the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Additional Guarantor" shall mean any subsidiary of the Company that executes a Guarantee under the Indenture after the date of this Agreement.

"Business Day" shall mean any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"Closing Date" shall mean March 29, 2012.

"Company" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"Exchange Dates" shall have the meaning set forth in Section 2(a)(ii) hereof.

"Exchange Offer" shall mean the exchange offer by the Company and the Guarantors of Exchange Securities for Registrable Securities pursuant to Section 2(a) hereof.

"Exchange Offer Registration" shall mean a registration under the Securities Act effected pursuant to Section 2(a) hereof.

“Exchange Offer Registration Statement” shall mean an exchange offer registration statement on Form S-4 (or, if applicable, on another appropriate form) and all amendments and supplements to such registration statement, in each case including the Prospectus contained therein or deemed a part thereof, all exhibits thereto and any document incorporated by reference therein.

“Exchange Securities” shall mean senior notes issued by the Company and guaranteed by the Guarantors under the Indenture containing terms identical to the Securities (except that the Exchange Securities will not be subject to restrictions on transfer or to any increase in annual interest rate for failure to comply with this Agreement) and to be offered to Holders of Securities in exchange for Securities pursuant to the Exchange Offer.

“Free Writing Prospectus” means each free writing prospectus (as defined in Rule 405 under the Securities Act) prepared by or on behalf of the Company or used or referred to by the Company in connection with the sale of the Securities.

“Guarantees” shall mean the guarantees of the Securities and Exchange Securities by the Guarantors under the Indenture.

“Guarantors” shall have the meaning set forth in the preamble and shall also include any Guarantor’s successors and any Additional Guarantors.

“Holders” shall mean the Initial Purchasers, for so long as they own any Registrable Securities, and each of their successors, assigns and direct and indirect transferees who become owners of Registrable Securities under the Indenture; provided that for purposes of Sections 4 and 5 of this Agreement, the term “Holders” shall include Participating Broker-Dealers.

“Indemnified Person” shall have the meaning set forth in Section 5(c) hereof.

“Indemnifying Person” shall have the meaning set forth in Section 5(c) hereof.

“Indenture” shall mean the Indenture relating to the Securities dated as of October 15, 2010 among the Company, the Guarantors from time to time parties thereto and The Bank of Nova Scotia Trust Company of New York, as Trustee, and as the same may be amended or supplemented from time to time in accordance with the terms thereof.

“Initial Purchasers” shall have the meaning set forth in the preamble.

“Inspector” shall have the meaning set forth in Section 3(a)(xiii) hereof.

“Issuer Information” shall have the meaning set forth in Section 5(a) hereof.

“Majority Holders” shall mean the Holders of a majority of the aggregate principal amount of the outstanding Registrable Securities; provided that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, any Registrable Securities owned directly or indirectly by the Company or any of its affiliates shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage or amount; and provided, further, that if the Company shall issue any



additional Securities under the Indenture prior to consummation of the Exchange Offer or, if applicable, the effectiveness of any Shelf Registration Statement, such additional Securities and the Registrable Securities to which this Agreement relates shall be treated together as one class for purposes of determining whether the consent or approval of Holders of a specified percentage of Registrable Securities has been obtained.

“Participating Broker-Dealers” shall have the meaning set forth in Section 4(a) hereof.

“Person” shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

“Prospectus” shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to such prospectus, and in each case including any document incorporated by reference therein.

“Purchase Agreement” shall have the meaning set forth in the preamble.

“Registrable Securities” shall mean the Securities; provided that the Securities shall cease to be Registrable Securities when (i) a Registration Statement with respect to such Securities has become effective under the Securities Act and such Securities have been exchanged or disposed of pursuant to such Registration Statement, (ii) such Securities become eligible to be sold pursuant to Rule 144 under the Securities Act by a Person that is not an “affiliate” (within the meaning of Rule 405 under the Securities Act) of the Company or any Guarantor, (iii) such Securities are sold under circumstances in which any legend borne by such Securities relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed by the Company or (iv) such Securities cease to be outstanding.

“Registration Expenses” shall mean any and all expenses incident to performance of or compliance by the Company and the Guarantors with this Agreement, including without limitation: (i) all SEC, stock exchange or Financial Industry Regulatory Authority, Inc. registration and filing fees, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws (including reasonable fees and disbursements of not more than one counsel for any Underwriters or Holders (whose counsel shall be selected by the Holders of a majority in aggregate principal amount of Registrable Securities to be registered in the applicable Registration Statement) in connection with blue sky qualification of any Exchange Securities or Registrable Securities), (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus and any amendments or supplements thereto, any underwriting agreements, securities sales agreements or other similar agreements and any other documents relating to the performance of and compliance with this Agreement, (iv) all rating agency fees, (v) all fees and disbursements relating to the qualification of the Indenture under applicable securities laws, (vi) the fees and disbursements of the Trustee and its counsel, (vii) the fees and disbursements of counsel for the Company and the Guarantors and, in the case of a Shelf Registration Statement, the fees and disbursements of one counsel for the Holders (which counsel shall be selected by the Majority

Holder and which counsel may also be counsel for the Initial Purchasers), and (viii) the fees and disbursements of the independent public accountants of the Company and the Guarantors, including the expenses of any special audits or “comfort” letters required by or incident to the performance of and compliance with this Agreement, but excluding any and all fees and expenses of advisors or counsel to the Underwriters (other than fees and expenses set forth in clause (ii) above) or the Holders and underwriting discounts and commissions, brokerage commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder pursuant to any Registration Statement.

“Registration Statement” shall mean any registration statement of the Company and the Guarantors that covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement and all amendments and supplements to any such registration statement, including post-effective amendments, in each case including the Prospectus contained therein or deemed a part thereof, all exhibits thereto and any document incorporated by reference therein.

“Representative” shall have the meaning set forth in the preamble.

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities” shall have the meaning set forth in the preamble.

“Securities Act” shall mean the Securities Act of 1933, as amended from time to time.

“Shelf Additional Interest Date” shall have the meaning set forth in Section 2(d) hereof.

“Shelf Effectiveness Period” shall have the meaning set forth in Section 2(b) hereof.

“Shelf Registration” shall mean a registration effected pursuant to Section 2(b) hereof.

“Shelf Registration Statement” shall mean a “shelf” registration statement of the Company and the Guarantors that covers all or a portion of the Registrable Securities (but no other securities unless approved by a majority of the Holders whose Registrable Securities are to be covered by such Shelf Registration Statement) on an appropriate form under Rule 415 under the Securities Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein or deemed a part thereof, all exhibits thereto and any document incorporated by reference therein.

“Shelf Request” shall have the meaning set forth in Section 2(b) hereof.

“Staff” shall mean the staff of the SEC.

“Target Registration Date” shall have the meaning set forth in Section 2(b) hereof.

“Trust Indenture Act” shall mean the Trust Indenture Act of 1939, as amended from time to time.

“Trustee” shall mean the trustee with respect to the Securities under the Indenture.

“Underwriter” shall have the meaning set forth in Section 3(e) hereof.

“Underwritten Offering” shall mean an offering in which Registrable Securities are sold to an Underwriter for reoffering to the public.

2. Registration Under the Securities Act. (a) To the extent not prohibited by any applicable law or applicable interpretations of the Staff, the Company and the Guarantors shall use their reasonable best efforts to (i) cause to be filed with the SEC an Exchange Offer Registration Statement covering an offer to the Holders to exchange all the Registrable Securities for Exchange Securities and (ii) have such Registration Statement remain effective until 180 days after the last Exchange Date for use by one or more Participating Broker-Dealers. The Company and the Guarantors shall commence the Exchange Offer promptly after the Exchange Offer Registration Statement is declared effective by the SEC and use their reasonable best efforts to complete the Exchange Offer not later than 45 days after such effective date.

The Company and the Guarantors shall commence the Exchange Offer by mailing the related Prospectus, appropriate letters of transmittal and other accompanying documents to each Holder stating, in addition to such other disclosures as are required by applicable law, substantially the following:

(i) that the Exchange Offer is being made pursuant to this Agreement and that all Registrable Securities validly tendered and not properly withdrawn will be accepted for exchange;

(ii) the dates of acceptance for exchange (which shall be a period of at least 20 Business Days from the date such notice is mailed) (the “Exchange Dates”);

(iii) that any Registrable Security not tendered will remain outstanding and continue to accrue interest but will not retain any rights under this Agreement, except as otherwise specified herein;

(iv) that any Holder electing to have a Registrable Security exchanged pursuant to the Exchange Offer will be required to (A) surrender such Registrable Security, together with the appropriate letters of transmittal, to the institution and at the address (located in the Borough of Manhattan, The City of New York) and in the manner specified in the notice, or (B) effect such exchange otherwise in compliance with the applicable procedures of the depository for such Registrable Security, in each case prior to the close of business on the last Exchange Date; and

(v) that any Holder will be entitled to withdraw its election, not later than the close of business on the last Exchange Date, by (A) sending to the institution and at the address (located in the Borough of Manhattan, The City of New York) specified in the notice, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange and a statement that such Holder is withdrawing its election to have such Securities exchanged or (B) effecting such withdrawal in compliance with the applicable procedures of the depository for the Registrable Securities.

As a condition to participating in the Exchange Offer, each Holder will be required to represent to the Company and the Guarantors prior to the consummation of the Exchange Offer (which representation may be contained in the letter of transmittal contemplated by the Exchange Offer Registration Statement) that (i) any Exchange Securities to be received by it will be acquired in the ordinary course of its business, (ii) at the time of the commencement of the Exchange Offer it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any Person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Securities in violation of the provisions of the Securities Act, (iii) it is not an “affiliate” (within the meaning of Rule 405 under the Securities Act) of the Company or any Guarantor and (iv) if such Holder is a broker-dealer that will receive Exchange Securities for its own account in exchange for Registrable Securities that were acquired as a result of market-making or other trading activities, then such Holder will deliver a Prospectus (or, to the extent permitted by law, make available a Prospectus to purchasers) in connection with any resale of such Exchange Securities.

As soon as practicable after the last Exchange Date, the Company and the Guarantors shall:

- (i) accept for exchange Registrable Securities or portions thereof validly tendered and not properly withdrawn pursuant to the Exchange Offer; and
- (ii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities or portions thereof so accepted for exchange by the Company and issue, and cause the Trustee to promptly authenticate and deliver to each Holder, Exchange Securities equal in principal amount to the principal amount of the Registrable Securities validly tendered by such Holder and accepted for exchange pursuant to the Exchange Offer.

The Company and the Guarantors shall use their reasonable best efforts to complete the Exchange Offer as provided above and shall comply with the applicable requirements of the Securities Act, the Exchange Act and other applicable laws and regulations in connection with the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that the Exchange Offer does not violate any applicable law or applicable interpretations of the Staff.

(b) In the event that (i) the Company and the Guarantors determine that the Exchange Offer Registration provided for in Section 2(a) above is not available or may not be completed as soon as practicable after the last Exchange Date because it would violate any applicable law or applicable interpretations of the Staff, (ii) the Exchange Offer is not for any other reason completed by the 450th day after the issuance of the Securities (the “Target Registration Date”) or (iii) upon receipt of a written request (a “Shelf Request”) from any Initial Purchaser representing that it holds Registrable Securities that are or were ineligible to be exchanged in the Exchange Offer, the Company and the Guarantors shall use their reasonable best efforts to cause to be filed as soon as practicable after such determination, date or Shelf

Request, as the case may be, a Shelf Registration Statement providing for the sale of all the Registrable Securities by the Holders thereof and to have such Shelf Registration Statement become effective.

In the event that the Company and the Guarantors are required to file a Shelf Registration Statement pursuant to clause (iii) of the preceding sentence, the Company and the Guarantors shall use their reasonable best efforts to file and have become effective both an Exchange Offer Registration Statement pursuant to Section 2(a) with respect to all Registrable Securities and a Shelf Registration Statement (which may be a combined Registration Statement with the Exchange Offer Registration Statement) with respect to offers and sales of Registrable Securities held by the Initial Purchasers after completion of the Exchange Offer.

The Company and the Guarantors agree to use their reasonable best efforts to keep the Shelf Registration Statement continuously effective (i) until the expiration of the time period referred to in Rule 144(b)(i) under the Securities Act or (ii) for such shorter period that will terminate when all the Registrable Securities covered by the Shelf Registration Statement (x) have been sold pursuant to the Shelf Registration Statement or (y) cease to be outstanding (the “Shelf Effectiveness Period”). The Company and the Guarantors further agree to supplement or amend the Shelf Registration Statement and the related Prospectus if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement or by the Securities Act or by any other rules and regulations thereunder or if reasonably requested by a Holder of Registrable Securities with respect to information relating to such Holder, and to use their reasonable best efforts to cause any such amendment to become effective, if required, and such Shelf Registration Statement and Prospectus to become usable as soon as thereafter practicable. The Company and the Guarantors agree to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(c) The Company and the Guarantors shall pay all Registration Expenses in connection with any registration pursuant to Section 2(a) or Section 2(b) hereof. Each Holder shall pay all underwriting discounts and commissions, brokerage commissions and transfer taxes, if any, relating to the sale or disposition of such Holder’s Registrable Securities pursuant to the Shelf Registration Statement.

(d) An Exchange Offer Registration Statement pursuant to Section 2(a) hereof will not be deemed to have become effective unless it has been declared effective by the SEC. A Shelf Registration Statement pursuant to Section 2(b) hereof will not be deemed to have become effective unless it has been declared effective by the SEC or is automatically effective upon filing with the SEC as provided by Rule 462 under the Securities Act.

In the event that either the Exchange Offer is not completed or the Shelf Registration Statement, if required pursuant to Section 2(b)(i) or 2(b)(ii) hereof, has not become effective on or prior to the Target Registration Date, the interest rate on the Registrable Securities will be increased by (i) 0.25% per annum for the first 90-day period immediately following the Target Registration Date and (ii) an additional 0.25% per annum with respect to each subsequent 90-day period, in each case until the Exchange Offer is completed or the Shelf Registration Statement, if required hereby, becomes effective or the Securities become freely tradable under the Securities

Act, up to a maximum total increase of 0.50% per annum. In the event that the Company receives a Shelf Request pursuant to Section 2(b)(iii), and the Shelf Registration Statement required to be filed thereby has not become effective by the later of (x) the Target Registration Date or (y) 90 days after delivery of such Shelf Request (such later date, the “Shelf Additional Interest Date”), then the interest rate on the Registrable Securities will be increased by (i) 0.25% per annum for the first 90-day period payable commencing from one day after the Shelf Additional Interest Date and (ii) an additional 0.25% per annum with respect to each subsequent 90-day period, in each case until the Shelf Registration Statement becomes effective or the Securities become freely tradable under the Securities Act, up to a maximum total increase of 0.50% per annum.

If the Shelf Registration Statement, if required hereby, has become effective and thereafter either ceases to be effective or the Prospectus contained therein ceases to be usable, in each case whether or not permitted by this Agreement, at any time during the Shelf Effectiveness Period, and such failure to remain effective or usable exists for more than 75 days (whether or not consecutive) in any 12-month period, then the interest rate on the Registrable Securities will be increased commencing on the 75<sup>th</sup> day in such 12-month period by (i) 0.25% per annum for the first 90-day period immediately following such 75<sup>th</sup> day, and (ii) an additional 0.25% per annum with respect to each subsequent 90-day period, up to a maximum total increase of 0.50% per annum, and ending on such date that the Shelf Registration Statement has again become effective or the Prospectus again becomes usable.

(e) Notwithstanding anything to the contrary contained herein, the increased interest rate described in Section 2(d) above is the sole and exclusive remedy available to Holders due to a registration default, so long as the Company and the Guarantors are acting in good faith hereunder, including, without limitation, with respect to satisfying their obligations.

(f) The Company represents, warrants and covenants that, unless it obtains the prior consent of counsel for the Majority Holders or the consent of the managing underwriter(s) in connection with any Underwritten Offering of Registrable Securities, it (including its agents and representatives) will not prepare, make, use, authorize, approve or refer to any “free writing prospectus” (as defined in Rule 405 under the Securities Act) in connection with the Securities or the Exchange Securities, other than any communication pursuant to Rule 134 under the Securities Act or any document constituting an offer to sell or solicitation of an offer to buy the Securities or the Exchange Securities that falls within the exception from the definition of prospectus in Section 2(a)(10)(a) of the Securities Act.

3. Registration Procedures. (a) In connection with their obligations pursuant to Section 2(a) and Section 2(b) hereof, the Company and the Guarantors shall as soon as practicable (unless otherwise stated below):

(i) prepare and file with the SEC a Registration Statement on the appropriate form under the Securities Act, which form (x) shall be selected by the Company and the Guarantors, (y) shall, in the case of a Shelf Registration, be available for the sale of the Registrable Securities by the Holders thereof and (z) shall comply as to form in all

material respects with the requirements of the applicable form and include all financial statements required by the SEC to be filed therewith; and use their reasonable best efforts to cause such Registration Statement to become effective and remain effective for the applicable period in accordance with Section 2 hereof;

(ii) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period in accordance with Section 2 hereof and cause each Prospectus to be supplemented by any required prospectus supplement and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act; and keep each Prospectus current during the period described in Section 4(3) of and Rule 174 under the Securities Act that is applicable to transactions by brokers or dealers with respect to the Registrable Securities or Exchange Securities;

(iii) in the case of a Shelf Registration, upon written request, furnish to each Holder of Registrable Securities, to counsel for the Initial Purchasers, to counsel for all such Holders and to each Underwriter of an Underwritten Offering of Registrable Securities, if any, without charge, as many copies of each Prospectus or preliminary prospectus, and any amendment or supplement thereto, as such Holder, counsel or Underwriter may reasonably request in writing in order to facilitate the sale or other disposition of the Registrable Securities thereunder; and the Company and the Guarantors consent to the use of such Prospectus, preliminary prospectus and any amendment or supplement thereto in accordance with applicable law by each of the Holders of Registrable Securities and any such Underwriters in connection with the offering and sale of the Registrable Securities covered by and in the manner described in such Prospectus, preliminary prospectus or any amendment or supplement thereto in accordance with applicable law;

(iv) use their reasonable best efforts to register or qualify the Registrable Securities under all applicable state securities or blue sky laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement shall reasonably request in writing by the time the applicable Registration Statement becomes effective; cooperate with such Holders in connection with any filings required to be made with the Financial Industry Regulatory Authority, Inc.; and use their reasonable best efforts to do any and all other acts and things that may be reasonably necessary or advisable to enable each Holder to complete the disposition in each such jurisdiction of the Registrable Securities owned by such Holder; provided that neither the Company nor any Guarantor shall be required to (1) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (2) file any general consent to service of process in any such jurisdiction, (3) subject itself to taxation in any such jurisdiction if it is not so subject, or (4) make any changes to its incorporating or organizational documents or limited liability agreement, if applicable, or any other agreement between it and its stockholders or members, if any;

(v) notify counsel for the Initial Purchasers and, in the case of a Shelf Registration, notify each Holder of Registrable Securities and counsel for such Holders promptly and, if requested by any such Holder or counsel, confirm such advice in writing

(1) when a Registration Statement has become effective, when any post-effective amendment thereto has been filed and becomes effective and when any amendment or supplement to the Prospectus has been filed, (2) of any request by the SEC or any state securities authority for amendments and supplements to a Registration Statement or Prospectus or for additional information after the Registration Statement has become effective, (3) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, including the receipt by the Company of any notice of objection of the SEC to the use of a Shelf Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act, (4) if, between the applicable effective date of a Shelf Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Company or any Guarantor contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to an offering of such Registrable Securities cease to be true and correct in all material respects or if the Company or any Guarantor receives any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose, (5) of the happening of any event during the period a Shelf Registration Statement is effective that makes any statement made in such Shelf Registration Statement or the related Prospectus untrue in any material respect or that requires the making of any changes in such Shelf Registration Statement or Prospectus in order to make the statements therein, with respect to a Prospectus, in the light of the circumstances under which such statements were made, not misleading, and (6) of any determination by the Company or any Guarantor that a post-effective amendment to a Registration Statement or any amendment or supplement to the Prospectus would be appropriate;

(vi) use their reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement or, in the case of a Shelf Registration, the resolution of any objection of the SEC pursuant to Rule 401(g)(2), including by promptly filing an amendment to such Shelf Registration Statement on the proper form, and provide notice promptly to each Holder of the withdrawal of any such order or such resolution;

(vii) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment thereto (without any documents incorporated therein by reference or exhibits thereto, unless requested);

(viii) in the case of a Shelf Registration, cooperate with the Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends and enable such Registrable Securities to be issued in such denominations and registered in such names (consistent with the provisions of the Indenture) as such Holders may reasonably request at least three Business Days prior to the closing of any sale of Registrable Securities made by such Holders;



(ix) in the case of a Shelf Registration, upon the occurrence of any event contemplated by Section 3(a)(v)(5) hereof, use their reasonable best efforts to prepare and file with the SEC a supplement or post-effective amendment to such Shelf Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered (or, to the extent permitted by law, made available) to purchasers of the Registrable Securities, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Company shall notify the Holders of Registrable Securities to suspend use of the Prospectus as promptly as practicable after the occurrence of such an event, and such Holders hereby agree to suspend use of the Prospectus until the Company and the Guarantors have amended or supplemented the Prospectus to correct such misstatement or omission;

(x) a reasonable time prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus (other than any document that is to be incorporated by reference into a Registration Statement or a Prospectus after initial filing of a Registration Statement and doesn't name the Holders of Registrable Securities in their capacity as such), provide copies of such document to the Initial Purchasers and their counsel (if the Initial Purchasers holds any Registrable Securities) (and, in the case of a Shelf Registration Statement, to the Holders of Registrable Securities and their counsel) and make such of the representatives of the Company and the Guarantors as shall be reasonably requested by the Initial Purchasers or their counsel (if the Initial Purchasers holds any Registrable Securities) (and, in the case of a Shelf Registration Statement, the Holders of Registrable Securities or their counsel) available for discussion of such document; and the Company and the Guarantors shall not, at any time after initial filing of a Registration Statement, use or file any Prospectus, any amendment of or supplement to a Registration Statement or a Prospectus (other than any document that is to be incorporated by reference into a Registration Statement or a Prospectus and doesn't name the Holders of Registrable Securities in their capacity as such), of which the Initial Purchasers and their counsel (if the Initial Purchasers holds any Registrable Securities) (and, in the case of a Shelf Registration Statement, the Holders of Registrable Securities and their counsel) shall not have previously been advised and furnished a copy or to which the Initial Purchasers or their counsel (if the Initial Purchasers hold any Registrable Securities) (and, in the case of a Shelf Registration Statement, the Holders of Registrable Securities or their counsel) shall reasonably object within five Business Days after receipt thereof, unless the Company believes such Prospectus, amendment or supplement to a Prospectus is required by applicable law;

(xi) obtain a CUSIP number for all Exchange Securities or Registrable Securities, as the case may be, not later than the initial effective date of a Registration Statement covering such Exchange Securities or Registrable Securities;

(xii) cause the Indenture to be qualified under the Trust Indenture Act in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be; cooperate with the Trustee and the Holders to effect such changes to the

Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the Trust Indenture Act; and execute, and use their reasonable best efforts to cause the Trustee to execute, all documents as may be required to effect such changes and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(xiii) in the case of a Shelf Registration, make available for inspection by a representative of the Holders of a majority of the outstanding aggregate principal amount of the Registrable Securities to be included in such Shelf Registration (an “Inspector”), any Underwriter participating in any disposition pursuant to such Shelf Registration Statement, any attorneys and one firm of accountants designated by such Holders and any attorneys (but not more than one counsel acting for all such Holders) and accountants designated by such Underwriter, at reasonable times and in a reasonable manner, all pertinent financial and other records, documents and properties of the Company, the Guarantors and their subsidiaries, and cause the respective officers, directors and employees of the Company and the Guarantors to supply all information reasonably requested by any such Inspector, Underwriter, attorney or accountant to conduct reasonable investigation within the meaning of Section 11 of the Securities Act in connection with a Shelf Registration Statement; provided that the foregoing investigation and information gathering shall be coordinated on behalf of such parties by one counsel designated by and on behalf of such parties; and provided further that if any such information is identified by the Company or any Guarantor as being confidential or proprietary, each Person receiving such information shall take such actions as are reasonably necessary to protect the confidentiality of such information to the extent such action is otherwise not inconsistent with, an impairment of or in derogation of the rights and interests of any Inspector, Holder or Underwriter);

(xiv) in the case of a Shelf Registration, use their reasonable best efforts to cause all Registrable Securities to be listed on any securities exchange or any automated quotation system on which similar securities issued or guaranteed by the Company or any Guarantor are then listed if requested by the Majority Holders, to the extent such Registrable Securities satisfy applicable listing requirements;

(xv) if reasonably requested by any Holder of Registrable Securities covered by a Shelf Registration Statement, promptly include in a Prospectus supplement or post-effective amendment such information with respect to such Holder as such Holder reasonably requests to be included therein and make all required filings of such Prospectus supplement or such post-effective amendment promptly after the Company has received notification of the matters to be so included in such filing;

(xvi) in the case of a Shelf Registration, enter into such customary agreements, including, but not limited to, an underwriting agreement which contains indemnities substantially similar to those contained in the Purchase Agreement, and use its reasonable best efforts to take all such other actions in connection therewith (including those requested by the Holders of a majority in principal amount of the Registrable Securities covered by the Shelf Registration Statement) in order to expedite or facilitate the disposition of such Registrable Securities including, but not limited to, an Underwritten

Offering and in such connection, (1) to the extent possible, make such representations and warranties to the Holders and any Underwriters of such Registrable Securities with respect to the business of the Company, the Guarantors and their subsidiaries and the Registration Statement, Prospectus and documents incorporated by reference or deemed incorporated by reference, if any, in each case, in form, substance and scope as are customarily made by issuers and guarantors to underwriters in Underwritten Offerings and confirm the same if and when required by the applicable underwriting agreement, (2) obtain opinions of counsel to the Company and the Guarantors (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to such Underwriters and their counsel) addressed to each Underwriter of Registrable Securities, in customary form subject to customary limitations, assumptions and exclusions and covering the matters customarily covered in opinions requested in Underwritten Offerings, (3) obtain "comfort" letters from the independent certified public accountants of the Company and the Guarantors (and, if necessary, any other certified public accountant of any subsidiary of the Company or any Guarantor, or of any business acquired by the Company or any Guarantor for which financial statements and financial data are or are required to be included in the Registration Statement) addressed to each selling Holder (to the extent permitted by applicable professional standards) and Underwriter of Registrable Securities, such letters to be in customary form and covering matters of the type customarily covered in "comfort" letters in connection with Underwritten Offerings, including but not limited to financial information contained in any preliminary prospectus or Prospectus and (4) deliver such documents and certificates as may be reasonably requested by the Holders of a majority in principal amount of the Registrable Securities being sold or the Underwriters, and which are customarily delivered in Underwritten Offerings, to evidence the continued validity of the representations and warranties of the Company and the Guarantors made pursuant to clause (1) above and to evidence compliance with any customary conditions contained in the applicable underwriting agreement; and

(xvii) so long as any Registrable Securities remain outstanding, cause each Additional Guarantor upon the creation or acquisition by the Company of such Additional Guarantor, to execute a counterpart to this Agreement in the form attached hereto as Annex A and to deliver such counterpart to the Initial Purchasers no later than five Business Days following the execution thereof.

(b) In the case of a Shelf Registration Statement, the Company may require each Holder of Registrable Securities to furnish to the Company such information regarding such Holder and the proposed disposition by such Holder of such Registrable Securities as the Company and the Guarantors may from time to time reasonably request in writing. The Company and the Guarantors shall be entitled to refuse to include for registration the Registrable Securities held by any Holder who fails to comply with such request and provide the requested information after being given 15 Business Days notice of such request to the extent such information is required by applicable law to be included in the Shelf Registration Statement, and such Holder shall not be entitled to additional interest pursuant to Section 2(d) above.

(c) In the case of a Shelf Registration Statement, each Holder of Registrable Securities covered in such Shelf Registration Statement agrees that, upon receipt of any notice from the Company and the Guarantors of the happening of any event of the kind described in Section 3(a)(v)(3), (5), or (6) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the Shelf Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(a)(ix) hereof, or until it is advised in writing by the Company that the use of the Prospectus may be resumed, and, if so directed by the Company and the Guarantors, such Holder will deliver to the Company and the Guarantors all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities that is current at the time of receipt of such notice.

(d) If the Company and the Guarantors shall give any notice pursuant to Section 3(c) hereof to suspend the disposition of Registrable Securities pursuant to a Shelf Registration Statement, the Company and the Guarantors shall extend the period during which such Shelf Registration Statement shall be maintained effective pursuant to this Agreement by the number of days equal to the number of days in the period from and including the date of the giving of such notice to and including the date when the Holders of such Registrable Securities shall have received copies of the supplemented or amended Prospectus necessary to resume such dispositions. The Company and the Guarantors may give any such notice pursuant to Section 3(c) only twice during any 365-day period and any such suspensions shall not exceed 75 days in any 365-day period and there shall not be more than two suspensions in effect during any 365-day period.

(e) In the case of an Underwritten Offering, the investment bank or investment banks and manager or managers (each an "Underwriter") that will administer the offering will be selected by the Holders of a majority of the outstanding aggregate principal amount of the Registrable Securities included in such offering, subject to the Company's consent, which consent shall not be unreasonably withheld. Such Holders shall be responsible for all underwriting commissions and discounts in connection therewith. No Holder of Registrable Securities may participate in any Underwritten Offering unless such Holder (i) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements, provided that the Holders are given 15 Business Days notice of such requests.

(f) Notwithstanding anything contained herein, the Holders may only sell their Registrable Securities in an Underwritten Offering with the Company's consent, which may be granted or withheld in the Company's sole discretion.

4. Participation of Broker-Dealers in Exchange Offer. (a) The Staff has taken the position that any broker-dealer that receives Exchange Securities for its own account in the Exchange Offer in exchange for Securities that were acquired by such broker-dealer as a result of market-making or other trading activities (a "Participating Broker-Dealer") may be deemed to be an "underwriter" within the meaning of the Securities Act and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Securities.

The Company and the Guarantors understand that it is the Staff's position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Securities, without naming the Participating Broker-Dealers or specifying the amount of Exchange Securities owned by them, such Prospectus may be delivered by Participating Broker-Dealers (or, to the extent permitted by law, made available to purchasers) to satisfy their prospectus delivery obligation under the Securities Act in connection with resales of Exchange Securities for their own accounts, so long as the Prospectus otherwise meets the requirements of the Securities Act.

(b) In light of the above, and notwithstanding the other provisions of this Agreement, the Company and the Guarantors agree to use their reasonable best efforts to amend or supplement the Prospectus contained in the Exchange Offer Registration Statement for a period of up to 180 days after the last Exchange Date (as such period may be extended pursuant to Section 3(d) of this Agreement (in the case of a Shelf Registration Statement that is combined with an Exchange Offer Registration Statement)), if requested by the Initial Purchasers or by one or more Participating Broker-Dealers, in order to expedite or facilitate the disposition of any Exchange Securities by Participating Broker-Dealers consistent with the positions of the Staff recited in Section 4(a) above. The Company and the Guarantors further agree that Participating Broker-Dealers shall be authorized to deliver such Prospectus (or, to the extent permitted by law, make available) during such period in connection with the resales contemplated by this Section 4. The Participating Broker-Dealers shall not be authorized by the Company to deliver and shall not deliver such Prospectus after such period in connection with the resales contemplated by this Section 4.

(c) The Initial Purchasers shall have no liability to the Company, any Guarantor or any Holder with respect to any request that they may make pursuant to Section 4(b) above.

5. Indemnification and Contribution. (a) The Company and each Guarantor, jointly and severally, agree to indemnify and hold harmless (i) each Initial Purchaser and each Holder, their respective affiliates, directors and officers and each Person, if any, who controls any Initial Purchaser or any Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (1) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or (2) any untrue statement or alleged untrue statement of a material fact contained in any Prospectus, any Free Writing Prospectus used in violation of this Agreement or any "issuer information" ("Issuer Information") filed or required to be filed pursuant to Rule 433(d) under the Securities Act, or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission

made in reliance upon and in conformity with any information relating to any Initial Purchaser or information relating to any Holder furnished to the Company in writing through the Representative or any selling Holder respectively expressly for use therein. In connection with any Underwritten Offering permitted by Section 3, the Company and the Guarantors, jointly and severally, will also indemnify the Underwriters, if any, selling brokers, dealers and similar securities industry professionals participating in the distribution, their respective affiliates and each Person who controls such Persons (within the meaning of the Securities Act and the Exchange Act) to the same extent as provided above with respect to the indemnification of the Holders, if requested in connection with any Registration Statement, any Prospectus, any Free Writing Prospectus or any Issuer Information.)

(b) Each Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, the Guarantors, the Initial Purchasers and the other selling Holders, the directors of the Company and the Guarantors, each officer of the Company and the Guarantors who signed the Registration Statement and each Person, if any, who controls the Company, the Guarantors, any Initial Purchaser and any other selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Holder furnished to the Company in writing by or on behalf of such Holder expressly for use in any Registration Statement and any Prospectus.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such Person (the "Indemnified Person") shall promptly notify the Person against whom such indemnification may be sought (the "Indemnifying Person") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under paragraph (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under paragraph (a) or (b) above. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 5 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any

impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm (x) for any Initial Purchaser, its affiliates, directors and officers and any control Persons of such Initial Purchaser shall be designated in writing by the Representative, (y) for any Holder, its directors and officers and any control Persons of such Holder shall be designated in writing by the Majority Holders and (z) in all other cases shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request; (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement and (iii) the Indemnified Person shall have given at least 30 days prior written notice of its intention to settle. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (A) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (B) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) If the indemnification provided for in paragraphs (a) and (b) above is unavailable to or insufficient to hold harmless an Indemnified Person in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors from the offering of the Securities and the Exchange Securities, on the one hand, and by the Holders from receiving Securities or Exchange Securities registered under the Securities Act, on the other hand, or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company and the Guarantors on the one hand and the Holders on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Guarantors on the one hand and the Holders on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Guarantors on the one hand or by the Holders on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company, the Guarantors and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 5 were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating, preparing to defend, or defending any such action or claim. Notwithstanding the provisions of this Section 5, in no event shall a Holder be required to contribute any amount in excess of the amount by which the total price at which the Securities or Exchange Securities sold by such Holder exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 5 are several in proportion to the respective principal amount of the Registrable Securities held by each Holder and not joint.

(f) The remedies provided for in this Section 5 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

(g) The indemnity and contribution provisions contained in this Section 5 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Initial Purchasers or any Holder or any Person controlling any Initial Purchaser or any Holder, or by or on behalf of the Company or the Guarantors or the officers or directors of or any Person controlling the Company or the Guarantors, (iii) acceptance of any of the Exchange Securities and (iv) any sale of Registrable Securities pursuant to a Shelf Registration Statement .

## 6. General.

(a) *No Inconsistent Agreements.* The Company and the Guarantors represent, warrant and agree that (i) the rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of any other outstanding securities issued or guaranteed by the Company or any Guarantor under any other agreement and (ii) neither the Company nor any Guarantor has entered into, or on or after the date of this Agreement will enter into, any agreement that is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof.

(b) *Amendments and Waivers.* The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company and the



Guarantors have obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or consent ; provided that no amendment, modification, supplement, waiver or consent to any departure from the provisions of Section 5 hereof shall be effective as against any Holder of Registrable Securities unless consented to in writing by such Holder. Any amendments, modifications, supplements, waivers or consents pursuant to this Section 6(b) shall be by a writing executed by each of the parties hereto.

(c) *Notices.* All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, telex, telecopier, or any courier guaranteeing overnight delivery (i) if to a Holder, at the most current address given by such Holder to the Company by means of a notice given in accordance with the provisions of this Section 6(c), which address initially is, with respect to the Initial Purchasers, the address set forth in the Purchase Agreement; (ii) if to the Company and the Guarantors, initially at the Company's address set forth in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c); and (iii) to such other persons at their respective addresses as provided in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c). All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next Business Day if timely delivered to an air courier guaranteeing overnight delivery. Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee, at the address specified in the Indenture.

(d) *Successors and Assigns.* This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Registrable Securities in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such Person shall be entitled to receive the benefits hereof. The Initial Purchasers (in their capacity as Initial Purchasers) shall have no liability or obligation to the Company or the Guarantors with respect to any failure by a Holder to comply with, or any breach by any Holder of, any of the obligations of such Holder under this Agreement.

(e) *Third Party Beneficiaries.* Each Holder shall be a third party beneficiary to the agreements made hereunder between the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights or the rights of other Holders hereunder.

(f) *Counterparts*. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(g) *Headings*. The headings in this Agreement are for convenience of reference only, are not a part of this Agreement and shall not limit or otherwise affect the meaning hereof.

(h) *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(i) *Entire Agreement; Severability*. This Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable or against public policy, the remainder of the terms, provisions, covenants and restrictions contained herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated. The Company, the Guarantors and the Initial Purchasers shall endeavor in good faith negotiations to replace the invalid, void or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, void or unenforceable provisions.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

AVIS BUDGET CAR RENTAL, LLC

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

AVIS BUDGET FINANCE, INC.

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

AVIS BUDGET GROUP, INC.

By /s/ David B. Wyshner  
Name: David B. Wyshner  
Title: Senior Executive Vice President and  
Chief Financial Officer

AVIS BUDGET HOLDINGS, LLC

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

AB CAR RENTAL SERVICES, INC.  
ARACS LLC  
AVIS ASIA AND PACIFIC, LLC  
AVIS CAR RENTAL GROUP, LLC  
AVIS CARIBBEAN, LIMITED  
AVIS ENTERPRISES, INC.  
AVIS GROUP HOLDINGS, LLC  
AVIS INTERNATIONAL, LTD.  
AVIS OPERATIONS, LLC  
AVIS RENT A CAR SYSTEM, LLC  
PF CLAIMS MANAGEMENT, LTD.  
PR HOLDCO, INC.  
WIZARD CO., INC.

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

BGI LEASING, INC.  
BUDGET RENT A CAR SYSTEM, INC.  
BUDGET RENT A CAR LICENSOR, LLC  
BUDGET TRUCK RENTAL LLC  
RUNABOUT, LLC  
WIZARD SERVICES, INC.

By /s/ David B. Wyshner  
Name: David B. Wyshner  
Title: Senior Executive Vice President, Chief  
Financial Officer and Treasurer

Confirmed and accepted as of the date first above written:

BARCLAYS CAPITAL INC.

For itself and on behalf of the  
several Initial Purchasers

By /s/ Mark C. Liggitt  
Name: Mark C. Liggitt  
Title: Managing Director

## Facility Agreement Amendment Letter

Avis Finance Company Limited  
Avis House, Park Road, Bracknell, Berkshire RG12 2EW  
02123807

8 February 2012

Dear Sirs

We refer to the Facility Agreement dated 20 October 2011 as amended and restated on 5 December 2011 between Avis Finance Company Limited (“**Finco**”) and Avis AutoNoLeggio S.p.A. (“**Italian Opco**”) as borrowers (the “**Borrowers**”) and Avis Budget Car Rental, LLC (the “**Parent**”), Avis Budget EMEA Limited (“**Avis Europe**”), Avis Alquile un Coche S.A. (“**Spanish Opco**”) and Avis Autovermietung GMBH & Co KG (“**German Opco**”) (Finco, Italian Opco, the Parent, Avis Europe, Spanish Opco and German Opco together, the “**Obligors**”), the Mandated Lead Arranger, the Lender named in it, the security trustee (the “**Security Trustee**”) and the facility agent (the “**Facility Agent**”) (the “**Facility Agreement**”).

### 1 Interpretation

Terms defined in the Facility Agreement have the same meaning in this Letter.

A reference to a “**paragraph**” is a reference to a paragraph of this Letter.

### 2 General Amendments to the Facility Agreement

The Co-ordinator, acting as agent for the Obligors pursuant to Clause 6 (*Co-ordinator*) of the Facility Agreement, hereby requests that the Mandated Lead Arranger, Original Lenders, Facility Agent and Security Agent agree to the following amendments to the Facility Agreement:

#### 2.1 Amendment to the definition of “Concentration Limits”

The Obligors, the Mandated Lead Arranger, the Lender, the Facility Agent and the Security Agent (together, the “**Parties**”) agree that the definition of “Concentration Limits” in Clause 1.1 (*Definitions*) of the Facility Agreement shall be amended by:

**2.1.1** the deletion of “and” at the end of paragraph (e);

**2.1.2** the insertion of a new paragraph (g) as follows:

“(g) the percentage of Eligible Vehicles in the Vehicle Fleet in respect of which the holder of the certificate of title and/or registration (as applicable) is incorporated in Spain shall not exceed 40 per cent. of the Vehicle Fleet;”

**2.1.3** the insertion of a new paragraph (h) as follows:

“(h) the percentage of Eligible Vehicles in the Vehicle Fleet in respect of which the holder of the certificate of title and/or registration (as applicable) is incorporated in Italy shall not exceed 45 per cent. of the Vehicle Fleet; and”

**2.1.4** the insertion of a new paragraph (i) as follows:

“(i) the aggregate percentage of Eligible Vehicles in the Vehicle Fleet which are (i) At Risk Assets or (ii) Programme Assets in respect of which the lower of

the ratings assigned to the relevant Vehicle Manufacturer Group is (x) Ba1 or below by Moody's or (y) BB+ or below by S&P shall not exceed 85 per cent. of the Vehicle Fleet,"

**2.2 Amendment to the definition of "Majority Lenders"**

The Parties agree that the definition of "Majority Lenders" in Clause 1.1 (*Definitions*) of the Facility Agreement shall be deleted in its entirety and replaced with the following:

"**Majority Lenders**" means at least two Lenders whose Commitments aggregate more than  $66\frac{2}{3}$  per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than  $66\frac{2}{3}$  per cent. of the Total Commitments immediately prior to the reduction);"

**2.3 Amendment to Clause 2.1 (*Grant of the Facility*)**

(a) The Parties agree that paragraph (b) of Clause 2.1 (*Grant of the Facility*) of the Facility Agreement shall be amended by replacing "€180,000,000" with "€157,500,000".

(b) The Parties agree that paragraph (b)(ii) of Clause 2.1 (*Grant of the Facility*) of the Facility Agreement shall be amended by replacing "€170,000,000" with "€192,500,000".

**2.4 Amendment to Clause 18.14 (*SPVs*)**

The Parties agree that Clause 18.14(e) of the Facility Agreement shall be deleted in its entirety and replaced with the following:

"(e) From each Transition Date relating to an SPV and its Related Opco, and, at the latest, by the Settlement Date falling in December 2012 each Related Opco shall cease to have the right to request Advances pursuant to the Facility other than Rollover Advances."

**2.5 Amendment to Clause 39.5 (*Special Majority Matters*)**

The Parties agree that the definition of "Special Majority Lenders" in Clause 39.5 (*Special Majority Matters*) of the Facility Agreement shall be deleted in its entirety and replaced with the following:

"**Special Majority Lenders**" means the Majority Lenders.

## 2.6 Amendments to Schedule 1 (*Lenders and their Commitments*)

The Parties agree that Schedule 1 (*Lenders and their Commitments*) to the Facility Agreement shall be amended by deleting the table in its entirety and replacing it with the following:

Lender	Euro Tranche (€)	Italian Tranche (€)	Treaty Passport Scheme Reference Number and jurisdiction of tax residence
Crédit Agricole Corporate and Investment Bank	350,000,000	None	5/C/0222082/DTTP- France
Crédit Agricole Corporate and Investment Bank, Milan Branch	None	157,500,000	
<b>Total Commitment</b> (subject to Clause 2.1 ( <i>Grant of the Facility</i> ))	350,000,000	157,500,000	

## 3 Amendments to the Facility Agreement relating to Acceding Borrowers

### 3.1 Amendment to the definition of “Guarantors”

The Parties agree that the definition of “Guarantors” in Clause 1.1 (*Definitions*) of the Facility Agreement shall be deleted in its entirety and replaced with the following:

““**Guarantors**” means the Original Obligors and each Acceding Borrower until such time as such entity ceases to be a Guarantor in accordance with the terms of the Senior Finance Documents, and “**Guarantor**” means any one of them, as the context requires;”

### 3.2 New Clause 19.3A (*Loans to SPV Borrowers*)

The Parties agree that a new Clause 19.3A (*Loans to SPV Borrowers*) shall be inserted after Clause 19.3 (*Loans and Financial Indebtedness*) as follows:

No Borrower SPV may be a debtor in respect of any Financial Indebtedness unless such Financial Indebtedness falls within paragraphs (a) or (b) of the definition of “Permitted Intragroup Financial Indebtedness” and:

- (a) the relevant creditor irrevocably guarantees to each Finance Party punctual performance by such Borrower SPV of all such Borrower SPV’s obligations under the Senior Finance Documents (such guarantee being subject to a cap in an amount equal to the Financial Indebtedness owed by the Borrower SPV to the relevant creditor);
- (b) the relevant creditor grants Security over all of its rights under the Financial Indebtedness in favour of the Security Agent on behalf of the Finance Parties in respect of all present and future moneys, debts and liabilities due, owing or incurred by such Borrower SPV to any Finance Party under or in connection with any Senior Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise) (such Security being subject to a cap in an amount equal to the Financial Indebtedness owed by the Borrower SPV to the relevant creditor),



in each case, in form and substance satisfactory to the Security Agent.

**3.3 Amendments to Clause 21 (*Acceding Borrowers*)**

The Parties agree that paragraph (b) of Clause 21 (*Acceding Borrowers*) shall be amended by the insertion of “and Guarantor” after “had such Eligible SPV been an original Party as a Borrower”.

**3.4 Amendment to Clause 23.12 (*Limitations of Liabilities of Italian Opco*)**

The Parties agree that Clause 23.12 (*Limitations of Liabilities of Italian Opco*) of the Facility Agreement shall be renamed “*Limitation of Liabilities of Italian Guarantors*” and shall be deleted in its entirety and replaced with the following:

“The liability of Italian Opco and any Borrower SPV incorporated in Italy (each an “**Italian Guarantor**”) under this Clause 23:

- (a) shall not include and shall not extend, directly or indirectly, to any indebtedness incurred by any Obligor under or in relation to any Advance the proceeds of which are applied in whole or in part towards the acquisition or subscription of shares in that Italian Guarantor or any direct or indirect Holding Company of that Italian Guarantor (or the refinancing of any indebtedness incurred for that purpose); and
- (b) in respect of the obligations of any Obligor which is not a direct or indirect Subsidiary of that Italian Guarantor shall at all times be limited to an amount of €157,500,000 for each Italian Guarantor.”

**3.5 New Clause 11.3A (*Release of SPVs following Permitted Take-Out Financing*)**

The Parties agree that a new Clause 11.3A (*Release of SPVs following Permitted Take-Out Financing*) shall be inserted after Clause 11.3 (*Mandatory Prepayment in Full*) as follows:

**“11.3A Release of SPVs following Permitted Take-Out Financing**

- (a) On or promptly after the Settlement Date immediately succeeding repayment of 100 per cent. of the Advances made to a Borrower SPV including any interest thereon and any Break Costs related thereto pursuant to paragraph (a) of Clause 11.3 (*Mandatory Redemption in Full*), the Security Agent and the Facility Agent shall (and each is irrevocably authorised without any further consent, sanction, authority or further confirmation from any Finance Party or Obligor to) unconditionally and irrevocably release:
  - (i) that Borrower SPV from all of its obligations under the Senior Finance Documents;
  - (ii) any Security granted by that Borrower SPV over any of its assets pursuant to the Senior Finance Documents;
  - (iii) any other claim of a Finance Party or another Obligor against that Borrower SPV or over that Borrower SPV’s assets; and

- (iv) any Security or guarantee granted in respect of Financial Indebtedness advanced to that Borrower SPV pursuant to Clause 19.3A (*Loans to SPV Borrowers*),
- on behalf of the relevant Finance Party and Obligor. The relevant Borrower SPV shall cease to have any obligations under the Senior Finance Documents and shall cease to be an Obligor, Borrower or Guarantor for the purposes of the Senior Finance Documents.
- (b) If, pursuant to or for the purpose of a Permitted Take-Out Financing, after the Settlement Date referred to in paragraph (a) above, the Security Agent requires any release of any guarantee or Security granted by any Borrower SPV, each Party shall promptly enter into any release and/or other document and take any action which the Security Agent may reasonably require.
- (c) The Co-ordinator (acting on behalf of each Obligor) agrees that any Financial Indebtedness owed by the relevant Borrower SPV to any Obligor shall be treated as being discharged on the Settlement Date referred to in paragraph (a) above.

## **4 General**

### **4.1 Facility Agreement**

- 4.1.1** These amendments have been made in accordance with Clause 39 (*Amendments*) of the Facility Agreement.
- 4.1.2** Save as expressly amended by this Letter, the Facility Agreement shall otherwise remain unamended and in full force and effect in accordance with the terms thereof.
- 4.1.3** By their acceptance of the terms of this Letter, the Parties confirm that their obligations under the Senior Finance Documents to which they are a party (including the guarantee and indemnity of each Guarantor) will remain in full force and effect.
- 4.1.4** The Facility Agent and the Co-ordinator designate this Letter as a Senior Finance Document for the purposes of the Facility Agreement.

### **4.2 Illegality**

If, at any time, any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

### **4.3 Rights and remedies**

No failure by the Finance Parties to exercise, or any delay by the Finance Parties in exercising, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies provided herein are cumulative and not exclusive of any rights or remedies provided by law or under any Senior Finance Document.

**4.4 Governing law and jurisdiction**

This Letter and all non-contractual obligations arising out of or in connection with it shall be governed by English law. Each of the parties hereto hereby submits to the jurisdiction of the courts of England and Wales.

**4.5 Third party rights**

No person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Letter.

Yours faithfully

**Avis Finance Company Limited**, as Co-ordinator on behalf of each of the Obligors

Signed to indicate its agreement:

/s/ Judith Nicholson

**Crédit Agricole Corporate and Investment Bank**

as Mandated Lead Arranger, Original Lender, Security Agent and Facility Agent

Signed to indicate its agreement:

/s/ Laurent Haik

/s/ Edith Lusson

**Crédit Agricole Corporate and Investment Bank, Milan Branch**

as Original Lender

/s/ Laurent Haik

/s/ Edith Lusson

**Avis Budget Group, Inc.**  
**COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES**  
(Dollars in millions)

	Three Months Ended March 31,	
	2012	2011
<b>Earnings before fixed charges:</b>		
Income (loss) before income taxes	\$ (26)	\$ 11
Plus: Fixed charges	194	134
Earnings available to cover fixed charges	<u>\$ 168</u>	<u>\$ 145</u>
<b>Fixed charges<sup>(a)</sup>:</b>		
Interest, including amortization of deferred financing costs	\$ 171	\$ 117
Interest portion of rental payments	23	17
Total fixed charges	<u>\$ 194</u>	<u>\$ 134</u>
<b>Ratio of earnings to fixed charges<sup>(b)</sup></b>	<u>—</u>	<u>1.1x</u>

<sup>(a)</sup> Consists of interest expense on all indebtedness (including amortization of deferred financing costs) and the portion of operating lease rental expense that is representative of the interest factor. Interest expense on all indebtedness is detailed as follows:

	Three Months Ended March 31,	
	2012	2011
Related to debt under vehicle programs	\$ 76	\$ 66
All other	95	51
	<u>\$ 171</u>	<u>\$ 117</u>

<sup>(b)</sup> Earnings were not sufficient to cover fixed charges for the three months ended March 31, 2012 by \$26 million.

\* \* \*

## CERTIFICATIONS

I, Ronald L. Nelson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avis Budget Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2012

/s/ RONALD L. NELSON  
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CHIEF EXECUTIVE OFFICER

I, David B. Wyshner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avis Budget Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2012

/s/ DAVID B. WYSHNER

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SENIOR EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL  
OFFICER

**CERTIFICATION OF CEO AND CFO PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Avis Budget Group, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Ronald L. Nelson, as Chief Executive Officer of the Company, and David B. Wyshner, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ RONALD L. NELSON

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RONALD L. NELSON  
CHIEF EXECUTIVE OFFICER  
May 9, 2012

/s/ DAVID B. WYSHNER

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DAVID B. WYSHNER  
SENIOR EXECUTIVE VICE PRESIDENT AND  
CHIEF FINANCIAL OFFICER  
May 9, 2012